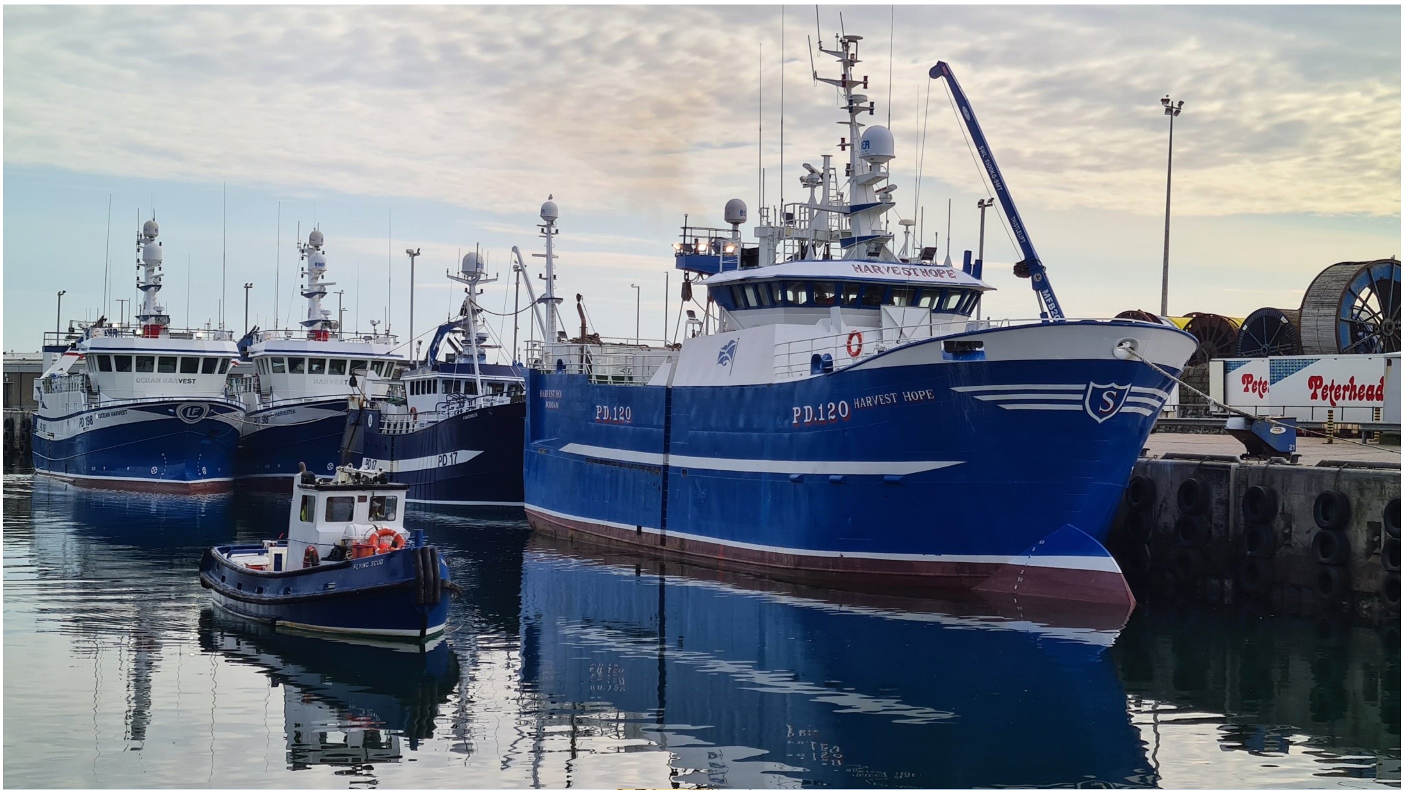
PETERHEAD
PORT AUTHORITY

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

ANCHORING SUCCESS

GATEWAY TO A SEA OF OPPORTUNITIES



Peterhead Port Authority, Harbour Office, West Pier, Peterhead, AB42 1DW

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PETERHEAD PORT AUTHORITY

AUTHORITY INFORMATION

Members	Mr J I Buchan	Convenor from 19 November 2025 (Deputy Convenor to 18 November 2025)
	Mr G B Thain	Deputy Convenor from 19 November 2025 (Convenor to 18 November 2025)
	Mrs D Beagrie	Appointed 1 January 2025
	Mr G Bruce	
	Mr E Lamza	Appointed 1 January 2025
	Dr E Leith-Hedley	
	Mr R Milne	
	Mr S J Murphy	
	Mr G Reid	
	Mr J Stephen	
	Mr J E Walllace	Retired 31 December 2025
	Ms G M Wright	Appointed 1 January 2026
Principal officers	Mr G Reid	Chief Executive Officer
	Mr S G Paterson	Chief Financial Officer
	Capt E Rattray	Harbour Master and Director of Port Operations
	Mr I Downie	Senior Port Engineer
Principal office	Harbour Office West Pier PETERHEAD AB42 1DW	
Auditor	Johnston Carmichael LLP Bishop's Court 29 Albyn Place ABERDEEN AB10 1YL	
Bankers	Santander Business Banking Bridle Road Bootle LIVERPOOL L30 4GB	
Solicitors	Mackinnons Solicitors LLP 14 Carden Place ABERDEEN AB10 1UR	

PETERHEAD PORT AUTHORITY

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PETERHEAD PORT AUTHORITY

CONVENOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

The Members present the Convenor's Report for the year ended 31 December 2025. This report fulfils the requirements of a Strategic Report under the Companies Act.

Trading Review
Last year delivered positive overall outcomes with a record turnover and value of fish handled. Total revenue was £16,707,022, which was 10.7% better than in 2024 (£15,089,971).

There was an unexpected 29% increase in the overall value of fish handled through Peterhead from £265 million in 2024 to £341 million in 2025. This was by some margin the highest ever annual total, but the underlying reasons for much of this increase gives cause for concern.

The price per tonne of mackerel spiked during 2025 on the expectation of deep quota cuts in 2026. The tonnage of pelagic fish handled through the port decreased from 159,000 tonnes in 2024 to 121,000 tonnes, whilst the value increased from £143 million to £207 million. The quota for mackerel was reduced by 48% for 2026 but this was against a recommended cut of 78% based on the latest scientific advice. The Scottish Government reacted to this by increasing the proportion of Scottish quota of both herring and mackerel that must be landed in Scotland from 55% to 70%. The stepped increase in this requirement has encouraged landings from several vessels which had not traditionally used Peterhead. It remains to be seen whether the current high pelagic prices can be sustained for landings later in 2026 and beyond.

The annual gross tonnage of shipping using the Port was 6.1 million tonnes which compares to 6.4 million tonnes in 2024. Despite the stable oil price, future prospects for the sector are heavily influenced by the impact of the Energy Profits Levy and the long-term focus on net zero obligations. This is causing investment to be focussed in other oil basins rather than the North Sea.

Most harbour property which is intended for lease has remained occupied. During the year contracts were signed to convert a unit purchased last year into 6 modern fish processing units for which potential tenants have been identified. This forms part of longer-term plans to redevelop a site adjacent to the fish market.

Financial Review
The results for the year and financial position of the Authority are shown on the attached Financial Statements.

Turnover was a record £16,707,022 (2024 - £15,089,971) which was 6.8% ahead of budget. Along with Operating Profit of £3,645,391 (2024 - £2,236,240) and Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) of £6,190,551 (2024 - £4,665,544), this is one of the key indicators used to assess business performance during the year.

In total, maintenance and repair expenditure reduced from £2.3m in 2024 to £1.7m. The main projects carried out were a further phase of refurbishing shiplift cradles (£180k) and resurfacing Greenhill Quay (£88k).

There are three material non-trading adjustments included this year. The carrying value of the interest rate swaps declined by £494k as the arrangement approaches maturity in September 2026 at which point the remaining £319k value will reduce to nil. There was also a fair value gain of £668k in the carrying value of the Investment Property portfolio, following an independent third-party valuation exercise. Finally, whilst the actuarial surplus relating to the Authority's share in a defined benefit pension scheme increased from £1,848k to £2,323k, the application of an asset ceiling adjustment reduced this to £1,631k, as described in Note 22 of the Financial Statements. This has resulted in an actuarial loss of £344k being recognised in Other Comprehensive Income.

Overall, the Authority is in a strong and improving financial position with net assets at the year end of £80.6m (2024 - £78.3m). Further significant maintenance and refurbishment projects are scheduled to take place over the next few years which will inevitably lead to a reduction in EBITDA, but this is projected to remain at or above £3.3m per annum. There are significant cash reserves (£11.1 million) to help fund further new infrastructure developments being considered, particularly the Smith Quay extension described below. There is generally a wide window of opportunity in which to schedule maintenance requirements, which can therefore be managed to react to any business downturn.

As our existing loans and interest rate swaps approach maturity we are in active discussions with our bankers about refinancing these and securing additional borrowing to fund the Smith Quay extension. The existing arrangements were secured on particularly favourable terms when rates were at an historic low, and so an increase in debt servicing costs is inevitable.

Both key IT upgrade projects that started in 2025 – the new Port Management Information System and integrated Vessel Traffic Management System are now live. This represents a total investment of over £330k, of which £177k was in 2025. There has also been good progress developing an e-auction system at the fish market. This is scheduled to go live at the end of March 2026 and represents a significant change and step forward from centuries of traditional shout auction.

During 2025 a further £1.2m was invested in preparatory work for the potential to extend Smith Quay by 80 metres. This included costs associated with detailed design, site investigation and obtaining consents for the work, and was assisted by a grant from Scottish Enterprise. Other capital expenditure during 2025 included £1.25m relating to the start of refurbishing a property purchased in 2024 into 6 modern fish processing units. This is part of a total spend expected to be £2.85m towards which we were delighted to receive a £1.25m grant award from Marine Fund Scotland. Work was also completed to enhance the entrance and security arrangements at Smith Quay for a cost of £331k.

North East Scotland has been awarded Investment Zone status. This includes designating specific tax sites which will benefit from a number of valuable tax allowances as a stimulus to enable and accelerate business growth, particularly focussed on the Green Energy and Digital sectors. We are delighted that the area of the port incorporating Smith Quay, Smith Embankment and Merchants Quay has been included as a tax site. This will incentivise investment and trade through the port.

Ports have an enabling role to play in the changes necessary to reduce CO_2 emissions to assist our diverse range of tenants and customers to manage and reduce their environmental footprint. We have commenced a 25 month Knowledge Transfer Partnership project beginning February 2026 which is a collaboration between Peterhead Port Authority and Robert Gordon University, jointly funded by Innovate UK and Peterhead Port Authority. The focus of the project will broadly be around energy, sustainability, and innovation with respect to the review and road mapping of potential new decarbonisation technology in the Port. We have already progressed some of our own projects, technologies and policies in this regard, including a commitment to contract only for green electricity supplies.

Whilst there are several exciting new business opportunities presenting themselves, the pace of energy transition has been frustratingly slow. New trade is not yet able to make up for the ongoing decline in traditional energy sectors. Peterhead is ideally located to support many of the Scotwind offshore wind projects, as well as carbon capture and hydrogen. We are actively engaging with developers to understand their requirements and see how port infrastructure and services may need to be reconfigured or expanded to capitalize on these opportunities, but at this stage it is unlikely any of these sectors will contribute a significant revenue until the next decade. With funding support from Scottish Enterprise, and in a joint project with ASCO, we investigated various options for how these opportunities could be accommodated in the port and prepared useful information to present to interested parties. These will be pulled together into a new Masterplan in 2026 to present the vision of how the future could look if the ambitions are realised.

Peterhead Port Authority took the lead in establishing The Peterhead Energy Transition Forum in June 2023. This Forum comprises a group of 19 energy-focused Peterhead stakeholder companies, collectively working to enable mutually beneficial domestic and inward investment energy activity, resource and plans. In 2025, the PETF commissioned BiGGAR Economics to develop an energy 'Vision' for Peterhead for the next 15 years entitled 'Peterhead Shaping the Energy Transition'. The Vision was launched in Peterhead in June 2025. Subsequent follow-on activity planned for 2026 includes establishing two working groups focusing on developing tangible activity around 'Skills' and 'Community Wealth Building' in the Peterhead area.

Risks
There is an ongoing process for identifying, evaluating and managing significant risks affecting the business. These risks are managed and reviewed by the Senior Management Team and Board, and appropriate mitigating measures put in place. Inherent in our operations are hazards that require continuous monitoring, oversight and control. There are risks of technical integrity failure and potentially hazardous operations. Failure to manage these risks could result in business interruption as well as regulatory action, legal liability and damage to our reputation.

The range of sectors supported and activities carried out around the port estate provides wide ranging risks of safety, environmental or asset incident. We invested significant resources during 2025 to build an integrated business management system enhancing the business health and safety, environmental and quality systems and culture, and this is showing clear signs of success. PPA regained certification for ISO 45001 (Occupational Health & Safety), and added ISO 9001 (Quality Management) and ISO 14001 (Environmental Management) to our portfolio. Other health and safety initiatives during recent months included installing improved safety signage around the port estate, rolling out Life Saving Rules, investing in safety related training for our employees and IOSH Managing Safely training for line supervisors.

Main risks arise principally from the trading and political positions. Whilst there is uncertainty on the level of fish quotas being awarded each year, with sometimes significant changes in individual species from one year to the next, the current outlook is generally neutral except for pelagic species where there is increased concern about over fishing. There were further significant quota cuts (48%) to the key mackerel stock, but this was less than scientific advice called for (78%). The full financial impact of these cuts is being partially mitigated by much higher prices and an increased obligation on vessels holding Scottish quota to land a share of that into Scotland.

There remain heightened global and economic risks that may impact future port profitability, related to the level of future taxes, inflation, interest rates and on energy costs due to conflicts abroad. However, there are also significant opportunities arising from energy transition.

Whilst the share of revenue secured from oil and gas activities is expected to continue a downward trajectory, there are short and medium term opportunities associated with maintaining energy security in an ever more uncertain global position. The diverse nature of the businesses serviced through the port and the resultant cash flows builds resilience against changes in any specific sector.

Performance against budget, cash flows and banking covenant compliance are reviewed and updated on a regular basis to help monitor and limit financial risk and to ensure access to appropriate level of resources to meet future plans.

Community Engagement
One of the key principles of a Trust Port is to maximise the value that the local area receives from hosting the port. Biggar Economics were commissioned to prepare an assessment of the economic impact of the port. This concluded that the port supports a total of 7,975 jobs and contributes £830 million GVA annually to the Scottish economy. The local impact in Peterhead is significant, with 3,225 jobs and £406 million GVA per annum, and as such, the port is a foundational component of the economic infrastructure in North East Scotland.

Sponsorship and support continued for several other key local events and organisations, including Scottish Week, Peterhead Seafest festival which champions the local seafood sector, Peterhead Football Club, the Deckhands courses run by Scottish Maritime College which encourages school leavers to seek a maritime career and East Grampian Coastal Partnership to support their 'Turning the Plastic Tide' initiative for beach clean-ups. Amongst other good causes, funds were also committed to the Peterhead and District Fishermen's Benevolent Fund, which provides financial support to retired fishermen and fishermen's widows, the Fishermen's Mission to provide a Christmas meal, and to various community initiatives supporting local residents through food banks, warm spaces, distributing Christmas gifts and sponsoring the local network of public defibrillators positioned around the town.

Sixteen employees completed the 18-mile Aberdeen Kiltwalk charity event, raising £11,000 for local mental health charity Shirleys Space. This total was matched by a contribution from PPA.

Looking Forward
The coming 12 months will be another pivotal period for the business. Ongoing projects associated with e-auction of fish sales and creation of new fish processing units will be completed.

A decision will be taken on whether to go ahead with the £33m project to extend Smith Quay. This would facilitate handling of larger vessels and opens up the prospect of the site being used for deployment of mooring systems and cabling for offshore wind projects due to be constructed around our coast.

Several prerequisites must be in place, including receipt of a Harbour Revision Order and Marine Licences to consent the work. It is hoped that a funding packing can be finalised which will include a combination of existing cash resources, new bank loans and grant contributions. Our consulting engineers have been working with a potential contractor throughout the detailed design stage. We hope that a contract award can be made in Q3 of 2026 with the project being completed in 2028.

Having completed the repairs to the foundations of the South Breakwater, attention will now be focussed on the breakwater deck. A trial section of investigation and repair will be scheduled for 2026 and the result of this will inform design for a longer-term programme of deck replacement in future years.

In closing, I thank all the employees of the Authority and my colleagues on the Board for their hard work and commitment during what has been a successful year. We have continued to pave the way for exciting future developments whilst upgrading our internal processes and procedures. We continue to work closely with the wider port community of stakeholders to capitalise on new opportunities whilst maintaining a safe, efficient and dynamic port.

On behalf of the Members

....

Mr J T Buchan
Convenor

Date: 25TH MARCH '26

PETERHEAD PORT AUTHORITY

MEMBERS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

The Members present their report with the financial statements of Peterhead Port Authority ('the Authority') for the year ended 31 December 2025.

Principal activities
Peterhead Port Authority was established by The Peterhead Port Authority Harbour (Constitution) Revision Order, 2005.

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 busiest Fish Market, ship repair facilities and a portfolio of fish processing and workshop properties. The Port is also an important centre for servicing the offshore energy industry and is particularly well placed to act as a base for renewables, logistics, decommissioning and subsea support operations. A range of commodities are handled and Peterhead is also an occasional port of call for cruise ships and hosts a marina for leisure vessels, which is owned and operated by the Authority.

Results
The results for the year are set out on page 12.

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

Mrs D Beagrie	(Appointed 1 January 2025)
Mr G Bruce	
Mr J I Buchan	
Mr E Lamza	(Appointed 1 January 2025)
Dr E Leith-Hedley	
Mr R Milne	
Mr S J Murphy	
Mr J Stephen	
Mr G B Thain	
Mr J E Wallace	(Retired 31 December 2025)
Mr G Reid	
Ms G M Wright	(Appointed 1 January 2026)

Auditor
A resolution proposing that the auditor, Johnston Carmichael LLP, be re-appointed will be put at a Members' Meeting.

Statement of disclosure to auditor
So far as each person who was a Member at the date of approving this report is aware, there is no relevant audit information of which the Authority's auditor is unaware. Additionally, the Members individually have taken all the necessary steps that they ought to have taken as Members in order to make themselves aware of all relevant audit information and to establish that the Authority's auditor is aware of that information.

PETERHEAD PORT AUTHORITY

MEMBERS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

Financial Risk Management
The Authority's financial instruments, other than derivatives, comprise borrowings, cash and liquid resources and various items such as trade debtors, trade creditors etc, that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Authority's operations.

The Authority has also entered into derivative transactions in the form of interest rate swaps, the purpose of which is to manage the interest rate risk arising from the Authority's operations and its source of finance.

The main risk arising out of the Authority's financial instruments is interest rate risk which is reviewed by the Board and policies are agreed for managing this risk in order to generate the desired interest rate profile and to manage the Authority's exposure to interest rate fluctuations.

Review of Business and Future Developments
Review of business and future developments for the year can be found in the Convenor's Report and form part of this report by cross reference.

On behalf of the Members

....
Mr G Reid
Board Member

Date: 25TH MARCH 2026

PETERHEAD PORT AUTHORITY

MEMBERS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025

The Members are responsible for preparing the Convenor's Report, Members' Report and the financial statements in accordance with applicable law and regulations.

Applicable law requires the Members to prepare financial statements for each financial year. Under that law the Members elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under applicable law the Members must not approve the financial statements unless Members are satisfied that they give a true and fair view of the state of affairs of the Authority and 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 accounting 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 adequate accounting records that are sufficient to show and explain the Authority's transactions and disclose with reasonable accuracy at any time the financial position of the Authority and enable them to ensure that the financial statements comply with the Harbours Act 1964, as amended by the Transport Act 1981, and the Companies Act 2006. Members 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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PETERHEAD PORT AUTHORITY

Opinion

We have audited the financial statements of Peterhead Port Authority (the 'Authority') for the year ended 31 December 2025 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Authority's affairs as at 31 December 2025 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 Harbours Act 1964, as amended by the Transport Act 1981, and the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor responsibilities for the audit of the financial statements* section of our report. We are independent of the Authority 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

In auditing the financial statements, we have concluded that the Members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Members with respect to going concern are described in the relevant sections of this report.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PETERHEAD PORT AUTHORITY

Opinions on other matters prescribed by the Harbours Act 1964, as amended by the Transport Act 1981, and the Companies Act 2006.

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

- the information given in the Convenor's Report and the Members' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Convenor's Report and the Members' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Authority and its environment obtained in the course of the audit, we have not identified material misstatements in the Convenor's Report and the Members' Report.

We have nothing to report in respect of the following matters in relation to which the Harbours Act 1964, as amended by the Transport Act 1981, and 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 Members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the Members' Responsibilities Statement on page 7, the Members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Authority and the sector in which it operates, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements.

The most relevant frameworks we identified include:

- Companies Act 2006;
- UK Corporation Tax legislation;
- VAT legislation;
- Health and safety legislation;
- Harbours Act 1964, as amended by the Transport Act 1981;
- Pilotage Act 1987;
- The Utilities Contracts (Scotland) Regulations 2016; and
- UK Generally Accepted Accounting Practice.

We gained an understanding of how the Authority is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of submitted returns, relevant correspondence with regulatory bodies and board meeting minutes.

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk. We identified a heightened fraud risk in relation to:

- Management override of controls
- Revenue Recognition

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of those charged with governance for reference to: breaches of laws and regulation or for any indication of any potential litigation and claims; and events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud;
- Reviewing the level of and reasoning behind the Authority's procurement of legal and professional services;
- Performing audit procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, assessing the business rationale of significant transactions outside the normal course of business and reviewing and assessing judgements made by management in their calculation of accounting estimates for potential management bias;
- Performing audit procedures over the risk of revenue recognition, including testing of the completeness and accuracy of revenue recognised in the year;
- Completion of appropriate checklists and use of our experience to assess the Authority's compliance with the Companies Act 2006; and the Harbours Act 1964, as amended by the Transport Act 1981, and
- Agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

Use of our report

This report is made solely to the Authority's Members, as a body, in accordance with the Harbours Act 1964 and Chapter 3 of Part 16 of the Companies Act 2006. 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 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 Authority and the Authority's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Fiona Kenneth (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP

Date: 2 April 2026

Statutory Auditor

Bishop's Court
29 Albyn Place
Aberdeen
AB10 1YL

PETERHEAD PORT AUTHORITY

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 £	2024 £
Turnover	3	16,707,022	15,089,971
Cost of sales		(7,212,868)	(7,635,674)
Release of government grant	3	600,503	583,586
Gross profit		10,094,657	8,037,883
Administrative expenses		(6,449,266)	(5,801,643)
Operating profit	4	3,645,391	2,236,240
Interest receivable and similar income	7	588,966	665,465
Interest payable and similar expenses	8	(595,859)	(765,686)
Fair value gains/(losses)	9	285,022	(59,741)
Profit before taxation		3,923,520	2,076,278
Tax on profit	10	(1,408,868)	(953,519)
Profit for the financial year		2,514,652	1,122,759

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 £	2024 £
Profit for the year		2,514,652	1,122,759
Other comprehensive income			
Actuarial (loss)/gain on defined benefit pension schemes	22	(344,000)	636,000
Tax relating to other comprehensive income		86,000	(159,000)
Other comprehensive income for the year		(258,000)	477,000
Total comprehensive income for the year		2,256,652	1,599,759

PETERHEAD PORT AUTHORITY

BALANCE SHEET

AS AT 31 DECEMBER 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	11		80,579,660		81,603,523
Investment properties	12		17,000,000		14,913,470
Investments	13		1,592,051		1,480,727
			99,171,711		97,997,720
Current assets					
Stocks	15	22,030		9,006	
Debtors falling due after more than one year	16	-		812,980	
Debtors falling due within one year	16	3,911,304		2,693,422	
Investments - bank deposit accounts		5,825,770		8,511,727	
Cash at bank and in hand		5,265,869		4,449,399	
		15,024,973		16,476,534	
Creditors: amounts falling due within one year	17	(4,884,391)		(7,648,398)	
Net current assets			10,140,582		8,828,136
Total assets less current liabilities			109,312,293		106,825,856
Creditors: amounts falling due after more than one year	18		(13,531,250)		(14,906,250)
Provisions for liabilities					
Deferred tax liability	20	5,349,888		4,724,051	
			(5,349,888)		(4,724,051)
Deferred grants	21		(11,444,387)		(10,682,439)
Net assets excluding pension surplus			78,986,768		76,513,116
Defined benefit pension surplus	22		1,631,000		1,848,000
Net assets			80,617,768		78,361,116
Capital and reserves					
Profit and loss reserves	23		80,617,768		78,361,116

The financial statements were approved by the Board of Members and authorised for issue on 25TH MARCH '26 and are signed on its behalf by:

Mr J I Buchan
Convenor

Mr G Reid
Board Member

PETERHEAD PORT AUTHORITY

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Profit and loss reserves £
Balance at 1 January 2024	76,761,357
Year ended 31 December 2024:	
Profit for the year	1,122,759
Other comprehensive income:	
Actuarial gains on defined benefit plans	636,000
Tax relating to other comprehensive income	(159,000)
Total comprehensive income for the year	1,599,759
Balance at 31 December 2024	78,361,116
Year ended 31 December 2025:	
Profit for the year	2,514,652
Other comprehensive income:	
Actuarial losses on defined benefit plans	(344,000)
Tax relating to other comprehensive income	86,000
Total comprehensive income for the year	2,256,652
Balance at 31 December 2025	80,617,768

PETERHEAD PORT AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Cash flows from operating activities					
Cash generated from operations	**28**		5,450,812		2,962,385
Interest paid			(595,859)		(765,686)
Income taxes refunded/(paid)			268,171		(222,003)
Net cash inflow from operating activities			5,123,124		1,974,696
Investing activities					
Purchase of tangible fixed assets		(2,007,224)		(1,780,051)	
Proceeds on disposal of tangible fixed assets		5,700		3,800	
Additions to investment property		(1,418,429)		(841,117)	
Receipt of capital grants		1,247,876		473,246	
Interest received		459,021		581,149	
Other income received from investments		27,945		26,316	
Decrease/(increase) in cash held on deposit		2,685,957		(378,875)	
Net cash generated from/(used in) investing activities			1,000,846		(1,915,532)
Financing activities					
Repayment of Scottish Government loan		(250,000)		(250,000)	
Repayment of bank loans		(5,057,500)		(1,482,500)	
Net cash used in financing activities			(5,307,500)		(1,732,500)
Net increase/(decrease) in cash and cash equivalents			816,470		(1,673,336)
Cash and cash equivalents at beginning of year			4,449,399		6,122,735
Cash and cash equivalents at end of year			5,265,869		4,449,399

1 Accounting policies

Company information

Peterhead Port Authority is a statutory harbour undertaker having its principal place of business at Harbour Office, West Pier, PETERHEAD, AB42 1DW.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Harbours Act 1964, as amended by the Transport Act 1981 and the requirements of the Companies Act 2006.

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

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

1.2 Going concern

At the time of approving the financial statements, the Members have a reasonable expectation that the Authority has adequate resources to continue in operational existence for the foreseeable future. Thus, the Members continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services as provided in the normal course of business, and is shown net of VAT. Dues on ships are recognised at the point of entry into the Port. Dues on goods are recognised when the items are loaded or discharged. Rental income is recognised on a straight line basis over the lease term. Pilotage and other services are recognised in the period that the services are provided.

1.4 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Harbour structures and dredging	straight line over 25 - 71 years
Plant and equipment	straight line over 4 - 15 years
Land	not depreciated
Motor vehicles	straight line over 4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to profit or loss.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.6 Fixed asset investments

Listed investments held as fixed assets are stated at market value. The gains or losses on the fair value of the investments are reported through the profit and loss account. The gains or losses on disposal of listed investments are reported through the profit and loss account.

1 Accounting policies **(Continued)**

1.7 Impairment of fixed assets

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

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

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

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

1.8 Stocks

Stocks consist of fuel, salt and other materials. These are stated at the lower of cost and estimated selling price.

At each reporting date, an assessment is made for impairment. Based on the nature of stocks held, potential impairment would be recognised where there was indicators of obsolescence. Where applicable, impairment losses, and any reversals of impairment losses are recognised in profit or loss.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

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

Financial instruments are recognised in the Authority's balance sheet when the Authority becomes party to the contractual provisions of the instrument.

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

1 Accounting policies **(Continued)**

Basic financial assets
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Authority transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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

Basic financial liabilities
Basic financial liabilities, including creditors and bank and other loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities
Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

1 Accounting policies **(Continued)**

Derecognition of financial liabilities

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

1.11 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Authority's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.12 Employee benefits

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

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

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

1.13 Retirement benefits

The Authority operates a defined contribution scheme. Contributions are charged to the profit and loss account for the year in which they are payable in the scheme. The contributions are invested separately from the Authority's assets and the Authority has no liabilities to the scheme other than the annual contributions payable to the scheme.

The Authority participates in the North East Scotland Pension Fund, a multi-employer defined benefit pension scheme and the Authority's share of the assets and liabilities of the scheme are incorporated in the financial statements based on information provided by the actuary to the scheme.

In accordance with FRS 102, the service cost of the pension provision relating to the year, together with the cost of any benefits relating to past service, and the net interest on the defined benefit liability/asset are recognised in the profit and loss. The net interest element is determined by multiplying the net defined benefit liability/asset by the discount rate, taking into account any changes in the net defined benefit liability/asset during the period as a result of contribution and benefit payments. The difference between the market value of the Authority's share of the scheme's assets and the present value of the share of accrued pension liabilities is shown as an asset or liability on the balance sheet. Deferred tax is recognised in relation to the timing differences arising on pension costs. Any difference between the net interest on the Authority's share of assets and the return actually achieved is recognised in the statement of other comprehensive income along with differences which arise from other experience or assumption changes.

1 Accounting policies **(Continued)**

The Authority participates in the Pilots' National Pension Fund, another multi-employer defined benefit pension scheme. This scheme is accounted for as if it was a defined contribution scheme as the Authority's ultimate share of the assets and liabilities of the scheme cannot be identified. The Authority provides for deficit funding contributions at the discounted value of future contributions payable under the deficit funding plan.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit and loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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

1.15 Government grants

Grants towards capital expenditure are credited to deferred revenue and released to the profit and loss account over the expected useful lives of the relevant fixed assets. Grants towards revenue expenditure are charged to the profit and loss account as the related expenditure is incurred.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the Authority's accounting policies, the Members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying value of assets and liabilities are outlined below:

Useful economic life of tangible fixed assets
Tangible fixed assets are depreciated over the useful lives of the assets. Useful lives are based on the Authority's estimates of the period that the assets will generate revenue, which are reviewed annually for continued appropriateness. The carrying values are tested for impairment when there is an indication that the value of the assets might be impaired. Please see note 11 for the carrying value of the tangible fixed assets.

The Members have considered whether or not there were indicators of impairment and concluded that at the Balance Sheet date none were identified. The assessment included both external sources such as the market conditions and internal sources such as physical damage and obsolescence.

Carrying value of investment property
The fair value of investment property is based on an independent valuation as at 31 December 2025, as set out in Note 12. As with any valuation, the valuation process involves a number of assumptions by the valuers which management have reviewed and consider to be reasonable.

Defined benefit pension schemes
Accounting for pensions and other post retirement benefits includes judgements about uncertain events including retirement dates, salary levels at retirement, mortality rates, determination of discount rates for measuring plan obligations and net interest expense and assumptions for inflation rates.

The Authority's share of the net surplus in the North East Scotland Pension Fund (NESPF) has been recognised in the financial statements. NESPF has confirmed that where a surplus exists, this will be discounted from the future service rate by using an appropriate spread period, reducing future contributions. The latest scheme funding strategy has determined that surplus offsets will be subject to a 115% funding buffer and the recoverable amount of the net surplus has been estimated accordingly.

The assumptions used, which are determined based on advice from the scheme actuary, are detailed in note 22.

3 Turnover and other revenue

	2025	2024
	£	£
Turnover analysed by class of business		
Dues on ships	2,235,762	2,045,550
Dues on goods	8,113,536	7,129,776
Rental income	2,073,282	2,361,950
General revenue and services	2,976,441	2,268,315
Pilotage services	705,218	677,690
Pilotage Exemption Certificates ('PECs')	209,250	238,030
Vessel Traffic Services (VTS)	393,533	368,660
	16,707,022	15,089,971

	2025	2024
	£	£
Turnover analysed by geographical market		
United Kingdom	16,707,022	15,089,971

The Statutory Harbour Undertakings (Pilotage Accounts) Regulations 1988 require the separate disclosure of revenue and expenditure applicable to pilotage activities. Expenditure has been disclosed in note 4.

	2025	2024
	£	£
Government grants		
Release of capital grants	485,927	437,482
Revenue grants receivable	114,576	146,104

4 Operating profit

	2025	2024
Operating profit for the year is stated after charging/(crediting):	£	£
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(5)	1,857
Fees payable to the Authority's auditor for the audit of the Authority's financial statements	46,000	41,000
Depreciation of owned tangible fixed assets	3,031,087	2,866,786
(Profit)/loss on disposal of tangible fixed assets	(5,700)	2,286
Providing services of a Pilot	617,646	532,825
Providing, maintaining and operating the Pilot Boat	493,427	595,813
Pilotage administration and other costs	64,919	92,089
Operating lease charges	221,864	259,430

5 Employees

The average monthly number of persons (excluding Members) employed by the Authority during the year was:

	2025 Number	2024 Number
Administrative employees	24	22
Direct employees	54	57
Total	78	79

Their aggregate remuneration comprised:

	2025 £	2024 £
Wages and salaries	4,262,849	4,018,580
Social security costs	467,691	384,104
Pension costs	398,639	365,871
	5,129,179	4,768,555

6 Members' remuneration

	2025 £	2024 £
Remuneration for qualifying services	371,132	365,610
Authority pension contributions	40,047	34,597
	411,179	400,207

Remuneration disclosed above includes the following amounts paid to the highest paid Member:

	2025 £	2024 £
Remuneration for qualifying services	189,989	134,136
Authority pension contributions	40,047	24,881

The number of members for whom retirement benefits are accruing under defined benefit schemes amounted to 1 (2024 - 2).

The average number of non-executive members for the year amounted to 10 (2024 - 10).

7 Interest receivable and similar income

	2025	2024
	£	£
Interest income		
Interest on bank deposits	459,021	581,149
Interest on the net defined benefit asset	102,000	58,000
Total interest revenue	561,021	639,149
Income from fixed asset investments		
Income from other fixed asset investments	27,945	26,316
Total income	588,966	665,465

Investment income includes the following:

	2025	2024
Interest on financial assets not measured at fair value through profit or loss	459,021	581,149

8 Interest payable and similar expenses

	2025	2024
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts, bank and other loans	595,859	765,686

9 Fair value (losses) / gains

	2025	2024
	£	£
Fair value (losses) on financial instruments		
Change in value of financial assets held at fair value through profit or loss	(494,403)	(289,738)
Other gains/(losses)		
Changes in the fair value of investment properties	668,101	55,820
Changes in fair value of listed investments	111,324	174,177
	285,022	(59,741)

10 Taxation

	2025 £	2024 £
Current tax		
UK corporation tax on profits for the current period	697,031	-
Adjustments in respect of prior periods	-	(256,795)
Total current tax	697,031	(256,795)
Deferred tax		
Origination and reversal of timing differences	711,837	952,943
Adjustment in respect of prior periods	-	257,371
Total deferred tax	711,837	1,210,314
Total tax charge	1,408,868	953,519

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

	2025 £	2024 £
Profit before taxation	3,923,520	2,076,278
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2024: 25.00%)	980,880	519,070
Tax effect of expenses that are not deductible in determining taxable profit	57,541	17,958
Tax effect of income not taxable in determining taxable profit	(341,007)	(166,870)
Deferred tax adjustments in respect of prior years	-	257,371
Potential capital gains	351,010	232,450
Fixed asset differences	367,431	356,914
Adjustments to tax charge in respect of previous periods	-	(256,795)
Exempt ABGH distributions	(6,987)	(6,579)
Taxation charge for the year	1,408,868	953,519

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2025 £	2024 £
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	(86,000)	159,000

11 Tangible fixed assets

	Harbour structures and dredging	Plant and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2025	110,249,303	19,035,362	381,444	129,666,109
Additions	1,193,862	780,839	32,523	2,007,224
Disposals	-	-	(16,347)	(16,347)
At 31 December 2025	111,443,165	19,816,201	397,620	131,656,986
Depreciation and impairment				
At 1 January 2025	38,957,717	8,939,053	165,816	48,062,586
Depreciation charged in the year	1,914,580	1,048,519	67,988	3,031,087
Eliminated in respect of disposals	-	-	(16,347)	(16,347)
At 31 December 2025	40,872,297	9,987,572	217,457	51,077,326
Carrying amount				
At 31 December 2025	70,570,868	9,828,629	180,163	80,579,660
At 31 December 2024	71,291,586	10,096,309	215,628	81,603,523

12 Investment property

	2025
	£
Fair value	
At 1 January 2025	14,913,470
Additions and improvements	1,418,429
Net gains and losses through fair value adjustments	668,101
At 31 December 2025	17,000,000

An independent valuation of the investment properties was undertaken by CBRE limited as at 31 December 2025. This valuation was undertaken in accordance with the latest edition of the RICS valuation - Global Standards and the RICS valuation- Professional Standards UK published by the Royal Institute of Chartered Surveyors. The fair value of the investment properties as at 31 December 2025 has been determined based on this valuation.

13 Fixed asset investments

	2025	2024
	£	£
Listed investments	1,592,051	1,480,727

Movements in fixed asset investments

	Investments
	£
Valuation	
At 1 January 2025	1,480,727
Valuation changes	111,324
At 31 December 2025	1,592,051
Carrying amount	
At 31 December 2025	1,592,051
At 31 December 2024	1,480,727

14 Financial instruments

	2025	2024
	£	£
Carrying amount of financial assets		
Measured at fair value through profit or loss		
- Other financial assets - interest rate swap	318,578	812,980

15 Stocks

	2025	2024
	£	£
Consumables stock	22,030	9,006

16 Debtors

	2025	2024
Amounts falling due within one year:	£	£
Trade debtors	1,844,485	1,318,449
Corporation tax recoverable	-	268,171
Derivative financial instruments	318,578	-
Other debtors	1,006,574	440,191
Prepayments and accrued income	741,667	666,611
	3,911,304	2,693,422

16 Debtors **(Continued)**

Amounts falling due after more than one year:	**2025 £**	**2024 £**
Derivative financial instruments	-	812,980
Total debtors	3,911,304	3,506,402

17 Creditors: amounts falling due within one year

	Notes	**2025 £**	**2024 £**
Bank loans	19	1,125,000	5,057,500
Scottish Government loan	19	250,000	250,000
Trade creditors		948,844	534,673
Corporation tax		697,031	-
Other taxation and social security		119,098	102,577
Other creditors		1,127,991	1,108,647
Accruals and deferred income		616,427	595,001
		4,884,391	7,648,398

18 Creditors: amounts falling due after more than one year

	Notes	**2025 £**	**2024 £**
Bank loans	19	13,218,750	14,343,750
Scottish Government loan	19	312,500	562,500
		13,531,250	14,906,250

19 Loans and overdrafts

	2025 £	**2024 £**
Bank loans	14,343,750	19,401,250
Scottish Government loan	562,500	812,500
	14,906,250	20,213,750
Payable within one year	1,375,000	5,307,500
Payable after one year	13,531,250	14,906,250

Bank loans are secured by fixed charges over property and quays owned by Peterhead Port Authority.

19 Loans and overdrafts **(Continued)**

Included within bank loans is a £22.5m loan repayable over 20 years to 2028. This bank loan attracts interest at a margin over the Sterling Overnight Index Average (SONIA).

The Authority has entered into a interest rate swap agreement under the bank loan in order to fix the base interest rate (SONIA) on the facilities to their maturity date. Interest rates have been fixed at a rate of 0.8625%.

The Scottish Government loan is repayable over 10 years to 2028 and attracts interest at a margin over SONIA.

20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the Authority and movements thereon:

	Liabilities 2025	Liabilities 2024
Balances:	**£**	**£**
Fixed asset timing differences	2,915,613	2,645,034
Losses and other deductions	-	(60,998)
Other short term timing differences	32,197	2,946
Retirement benefit obligations	365,250	451,250
Capital gains	2,036,828	1,685,819
	5,349,888	4,724,051

	2025
Movements in the year:	**£**
Liability at 1 January 2025	4,724,051
Charge to profit or loss	711,837
Credit to other comprehensive income	(86,000)
Liability at 31 December 2025	5,349,888

As the Authority has not disposed of property in the past and has no plans to do so in the future, deferred tax of £2,036,828 in respect of capital gains is unlikely to arise.

21 Deferred grants

	2025	2024
	£	£
Deferred Grants	11,444,387	10,682,439

Movements within grants:

Opening balance at 1 January 2025	10,682,439
Grants received	1,247,875
Amortisation of deferred grants	(485,927)
Closing balance at 31 December 2025	11,444,387

Grants received in the year includes government grants of £481,283. Deferred grants at 31 December 2025 includes government grants of £11,357,139 (2024 - £10,592,439).

22 Retirement benefit schemes

	2025	2024
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	277,831	378,871

The Authority operates a group personal pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Authority in an independently administered fund.

Defined benefit schemes

Peterhead Port Authority participates in the North East Scotland Pension Fund ('NESPF') which is a part of the Local Government Pension Scheme (Scotland) ('LGPS'), a multi-employer scheme. The LGPS is a defined benefit pension scheme.

A full actuarial valuation is carried out every three years by a professionally qualified independent actuary using the projected unit method. In the intervening years, an interim valuation is obtained for the purpose of reporting under FRS 102. The last full actuarial valuation was carried out as at 31 March 2023. Contribution rates are based on the advice of the actuary. Contributions for the year were £135,000 (2024: £109,000).

	2025	2024
Key assumptions	%	%
Discount rate	5.6	5.5
Expected rate of increase of pensions in payment	2.75	2.8
Expected rate of salary increases	4.25	4.2
CPI inflation	2.75	2.7

22 Retirement benefit schemes **(Continued)**

Mortality assumptions	**2025**	**2024**
Assumed life expectations on retirement at age 65:	**Years**	**Years**
Retiring today		
- Males	21.3	20.6
- Females	23.5	23
Retiring in 20 years		
- Males	22.6	21.9
- Females	25.1	24.7

	2025	**2024**
Amounts recognised in the profit and loss account	**£**	**£**
Current service cost	112,000	94,000
Net interest on net defined benefit liability/(asset)	(102,000)	(58,000)
Other costs and income	(2,000)	2,000
Total costs	8,000	38,000

	2025	**2024**
Amounts taken to other comprehensive income	**£**	**£**
Actual return on scheme assets	(640,000)	(580,000)
Less: calculated interest element	345,000	275,000
Return on scheme assets excluding interest income	(295,000)	(305,000)
Actuarial changes related to obligations	(53,000)	(331,000)
Asset ceiling adjustment	692,000	-
Total costs/(income)	344,000	(636,000)

The amounts included in the balance sheet arising from the Authority's obligations in respect of defined benefit plans are as follows:

	2025	**2024**
	£	**£**
Present value of defined benefit obligations	4,626,000	4,411,000
Fair value of plan assets	(6,949,000)	(6,259,000)
Surplus in scheme	(2,323,000)	(1,848,000)
Asset ceiling adjustment	692,000	-
Total asset recognised	(1,631,000)	(1,848,000)

22 Retirement benefit schemes **(Continued)**

Movements in the present value of defined benefit obligations	**2025** **£**
Liabilities at 1 January 2025	4,411,000
Current service cost	112,000
Benefits paid	(163,000)
Contributions from scheme members	78,000
Actuarial gains and losses	639,000
Interest cost	243,000
Other	(2,000)
At 31 December 2025	5,318,000

The defined benefit obligations arise from plans funded as follows:	**2025** **£**
Wholly unfunded obligations	15,000
Wholly or partly funded obligations	4,611,000
	5,318,000

Movements in the fair value of plan assets	**2025** **£**
Fair value of assets at 1 January 2025	6,259,000
Interest income	345,000
Return on plan assets (excluding amounts included in net interest)	295,000
Benefits paid	(163,000)
Contributions by the employer	135,000
Contributions by scheme members	78,000
At 31 December 2025	6,949,000

The actual return on plan assets was £640,000 (2024: £581,000).

Fair value of plan assets at the reporting period end	**2025** **£**	**2024** **£**
Equity instruments	4,100,000	3,561,000
Government and other bonds	1,320,000	419,000
Property	973,000	401,000
Cash	556,000	213,000
Other	-	1,665,000
	6,949,000	6,259,000

22 Retirement benefit schemes (Continued)

Other defined benefit pension schemes
Peterhead Port Authority is also a member of two multi-employer defined benefit pension schemes one of which is in deficit.

The Pilots' National Pension Find ('PNPF') had its last actuarial valuation at 31 December 2022 which reported a deficit of £123.9m (representing a 67% funding level). The existing 16 year recovery plan that was put in place by the Fund Trustees in 2013 was revised and in accordance with FRS 102, a liability of £227,737 (2024: £285,941) has been provided for in the financial statements, which represents the total present value of outstanding contributions due by Peterhead Port Authority under the recovery plan.

23 Profit and loss reserves

The profit and loss account represents cumulative realisable profits and losses, except for an amount of £9,054,842 (2024 - £8,386,741) that relates to fair value gains and losses on investment property.

24 Operating lease commitments

Lessee
At the reporting end date, the Authority had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025 £	2024 £
Within one year	141,782	40,224
Between two and five years	19,170	28,903
	160,952	69,127

Lessor
At the reporting end date, the Authority had contracted with tenants for the following minimum lease payments:

	2025 £	2024 £
Within one year	1,035,254	1,005,270
Between two and five years	1,923,202	1,793,949
In over five years	12,487,926	12,684,081
	15,446,382	15,483,300

25 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2025 £	2024 £
Capital expenditure in relation to tangible fixed assets and investment properties	1,458,735	465,321

26 Events after the reporting date

There were no events to report after the reporting date of 31 December 2025.

27 Related party transactions

Remuneration of key management personnel
The remuneration of key management personnel, one of whom is also a Member, is as follows:

	2025	2024
	£	£
Aggregate compensation	753,340	676,665

28 Cash generated from operations

	2025	2024
	£	£
Profit for the year after tax	2,514,652	1,122,759
Adjustments for:		
Taxation charged	1,408,868	953,519
Finance costs	595,859	765,686
Investment income	(588,966)	(665,465)
Gain on disposal of tangible fixed assets	(5,700)	2,286
Depreciation and impairment of tangible fixed assets	3,031,087	2,866,786
Fair value gains and losses	(285,022)	59,741
Pension scheme non-cash movement	(25,000)	(13,000)
Amortisation of deferred grants	(485,927)	(437,482)
Movements in working capital:		
Increase in stocks	(13,024)	(147)
Increase in debtors	(1,167,475)	(116,895)
Increase/(decrease) in creditors	471,460	(1,575,403)
Cash generated from operations	5,450,812	2,962,385

29 Analysis of changes in net debt

	1 January 2025	Cash flows	Other non-cash changes	31 December 2025
	£	£	£	£
Cash and cash equivalents	4,449,399	816,470	-	5,265,869
Borrowings excluding overdrafts	(20,213,750)	5,307,500	-	(14,906,250)
Derivatives relating to debt	812,980	-	(494,404)	318,576
	(14,951,371)	6,123,970	(494,404)	(9,321,805)

The comparative figures in the cash flow statement have been restated to exclude current asset investments from cash and cash equivalents.