

A TIME OF TRANSFORMATION.

ANNUAL REVIEW 2019/2020



KEY FACTS 2018

CARGO TONNAGE

**4,178,971
TONNES**



TURNOVER

£35.3 MILLION



VESSEL TONNAGE

26,133,070 GROSS TONNES



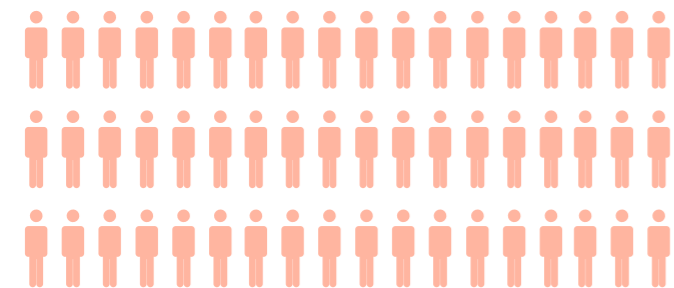
**VESSEL
ARRIVALS**

9,266



NUMBER OF PASSENGERS

155,247



PROFIT BEFORE TAX

£16.6 MILLION

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Transformation

/ˌtrʌnsfə'meɪʃ(ə)n (noun)

A marked change in form, nature or appearance

OUR PURPOSE
TO CREATE PROSPERITY
FOR GENERATIONS



Transformation
/ˌtrɑːnsfəˈmeɪʃ(ə)n (noun)
*A marked change in form,
nature or appearance*

Chairman's Statement

DESPITE, OR PERHAPS BECAUSE OF, THE CURRENT POLITICAL AND ECONOMIC CLIMATE, OUR STAKEHOLDERS HAVE STOPPED ENQUIRING AS TO WHY WE ARE TAKING SUCH A BOLD STEP, BUT ARE INSTEAD ASKING HOW SOON WE CAN DELIVER THESE GAME-CHANGING FACILITIES.

It was a previous, and particularly eloquent, American President who said "Change will not come if we wait for some other person, or some other time", and this quote always comes to my mind when I think of the Harbour Board's bold decision, back in 2016, to set the wheels in motion on our £350 million expansion.

As a Board, we were confident in the process of significant change we were triggering, but it is interesting that over time, despite increasing political uncertainty, our conviction and, I believe, the conviction of our stakeholders, has grown with each passing day.

Despite, or perhaps because of, the current political and economic climate, our stakeholders have stopped enquiring as to why we are taking such a bold step, but are instead asking how soon we can deliver these game-changing facilities. I believe that this reflects a growing market confidence in the oil and gas industry, but it also reflects a new self-confidence in the region — that we have the ability to generate positive change ourselves, through diversification and innovation.

2018 at Aberdeen Harbour in many ways reinforced these impressions. Our continued focus on North Harbour operations and further improving our customers' experience bore fruit, with increased activity across vessel and cargo tonnage, vessel arrivals and passengers. The port saw a 5% rise in vessel tonnage compared

with 2017, whilst cargo tonnage and, interestingly, offshore supply vessel tonnage, increased by 3% and 6% respectively.

The port also reported an increase in larger project vessel numbers, associated with offshore construction and decommissioning. This activity increased, in terms of vessel tonnage, by 26% in 2018 — which is a fantastic achievement for the port and our commercial team, which had embarked upon a 'bring it back home' initiative at the beginning of 2018, with the very specific goal of bringing the larger project vessels back into Aberdeen Harbour. Significant investment in the harbour in recent years, in terms of both time and money, has facilitated this process by ensuring we provide modern facilities and a 'can-do' approach to meeting our customers' needs, in particular with respect to project work.

We were also rewarded for our efforts in terms of decommissioning activity during the year. Ten-thousand tonnes of cargo associated with decommissioning passed over our quaysides in 2018 from projects such as Maersk's Leadon and Janice, Shell's Brent Alpha projects and Nexen's plug and abandonment programme.

Much work has continued throughout the last two years to create the right conditions for attracting increasing passenger numbers. These efforts have already been rewarded by a record number

of cruise passengers in 2018, with the port welcoming just under 3,400 passengers. During the year we also handled a number of 'turnaround calls' where passengers commence their cruise voyage from Aberdeen. This is a new development for the Region, and one that will, hopefully, become commonplace in future years.

Far from being content to rest upon our laurels, Aberdeen Harbour Board is keen to ensure that we too are in a state of readiness for 2020, and during 2018 the Executive Team and Board underwent an intensive process to re-visit and refresh the strategy for the business, much of which you will find summarised in this review. I would like to thank my colleagues for this work, as I believe that the resulting strategic framework forms a robust basis, which will underpin our ambitious plans going forward.

I would like to express my particular thanks to retiring Board Members Howard Woodcock, Tony Strachan and Mike Bower, whose knowledge and enthusiasm have been a vital element in all that we have achieved to date. I would also like to welcome new Board Members Roy Buchan, Eleanor Craig and Mike Keith, whose experience at senior levels in their relative fields very much complements the skill set of the existing Board.

As new influences come into play at the port, I take this opportunity to pay my respects to someone whose influence and contribution made a significant impact on the port in the past. It was with great sadness that I learned that David Paton, previous Chairman of Aberdeen Harbour passed away in February this year. David's intelligence and charm will long be remembered by current and former colleagues at Aberdeen Harbour.

It is important that I pass on my thanks to Dragados UK, our principal contractors heading up the expansion project. I will leave it to our Chief Executive, Michelle Handforth, to update you on the progress on site, but it would be remiss of me not to take the opportunity to thank those involved.

Finally, as ever, my greatest thanks go to our customers and stakeholders. Their loyalty and support for our ambitious plans have been crucial in our accomplishments to date.

2019 is going to be one of the most important years for the harbour, as we move one step closer to becoming one of the largest ports in Scotland. The facilities that will be delivered not only have the potential to transform business in the north-east of Scotland, but to create prosperity for many generations to come.

ALISTAIR MACKENZIE
Chairman
Aberdeen Harbour Board

Chief Executive's Report

THE COMBINED 'NEW ABERDEEN HARBOUR' THAT WILL EMERGE IN THE NEXT TWO YEARS WILL BE UNIQUE. IT WILL BE DISTINCT IN ITS COMBINATION OF SCALE, LOCATION AND CONNECTIVITY.

This year, selecting the title for our annual review proved to be an unusually easy task. 'A Time of Transformation' was an obvious choice, not only reflecting the immense structural transformation that Aberdeen Harbour is undergoing, but also reflecting the seismic economic, political and social shifts that are affecting all of our lives.

We are at the heart of an energy industry that is transforming, whilst nationally, our industry awaits a clear view of the new trading landscape with the rest of the world. Our city and region are also in a state of change, looking to regenerate through diversification and by broadening their appeal to those who might visit, live, or study in the area.

Such change creates opportunity, and we believe that the expansion of Aberdeen Harbour will unlock incredible potential for our customers — in particular the energy sector — and for our city and region.

The combined 'new Aberdeen Harbour' that will emerge in the next two years will be unique. It will be distinct in its combination of scale, location and connectivity. These crucial elements will also be enhanced by our customer-centric approach and our focus on adaptability in meeting our customers' needs.

This development — the largest port development underway in the UK — also allows us to extend our current international reach to

exploit new opportunities globally, putting us on the map in terms of world shipping routes and as a potential hub for trans-shipments and multi-modal activity.

Underpinning our expansion, and acting as the bedrock for the project in both operational and financial terms, the ongoing commercial success of the existing North Harbour is vital. The port underwent a very successful year in 2018, experiencing growth across vessel arrivals, vessel and cargo tonnage levels and in passenger numbers.

This growth is overwhelmingly due to the resourcefulness and support of our customers, but it can also be attributed to the port's ability to attract larger project vessels, associated with offshore construction and decommissioning, which are making Aberdeen their port of choice.

Our quest to become the most customer-friendly port in the UK has been at the very heart of our thinking, as my colleagues and I spent considerable time in 2018 refreshing the strategic framework for the organisation, which is described in detail within this review.

The core purpose of Aberdeen Harbour Board is to create prosperity for generations to come. We aim to achieve this by fulfilling our vision of becoming Scotland's premier port, offering world class facilities to national and international customers and stakeholders. This can only be

accomplished if we achieve our mission of consistently connecting our customers to what they need, where and when they need it.

Providing game-changing facilities at Nigg Bay is clearly an important step in delivering these goals, and 2018 saw major milestones achieved in the South Harbour construction process in Nigg Bay.

Over 1.4 million cubic metres of material were removed in the dredging process, bringing our water depth down to the levels required. The North Breakwater nears completion, whilst, unseen below the water-line, much work has been completed on the South Breakwater, and this element of the build will soon emerge into view.

Piling work also continued on the West Quay — which will become the 300 metre Balmoral Quay — whilst caissons have now been lowered into place on sections of what will be the 540 metre Castlegate (North) and 400 metre Dunnottar (East) quays.

The fundamental benefit created by the new combined North and South Harbour is far-reaching. We know from independent estimates that the new port, which will be the largest in Scotland in terms of berthage, will create an additional 7,000 jobs and inject an additional £0.9 billion into the regional economy by 2035.

We are also proactively engaging in discussions with a range of key stakeholders with the aim of

identifying the role that the new combined harbour will play in the strategic development of the city and shire and in supporting the place-making and regeneration initiatives that are underway, all aimed at creating even greater prosperity for the region.

The real impact of the transformation of Aberdeen Harbour, however, will not be found in statistics and data. Instead, it will be measured in the way our success reflects the pride and ambition of Aberdonians and the people of the north-east of Scotland. This is a bold step for us all, but one that will benefit our communities for many generations to come.

I would like to take this opportunity to thank my colleagues, the Board and, in particular, our customers, stakeholders and loyal employees for their continued support, and I look forward to an exciting year ahead.

MICHELLE HANDFORTH
Chief Executive
Aberdeen Harbour Board



OPERATING A TRUST PORT

A Trust Port is an independent statutory body, created by an Act of Parliament. As such, it is not controlled by a local authority, nor is it a private business. Instead, it is run by an independent board, for the benefit of its stakeholders, and governed by its own local legislation.

The duty of Trust Board members and staff is to “hand it [the port] on in the same or better condition to succeeding generations. This remains the ultimate responsibility of the Board, and future generations remain the ultimate stakeholder.”* In other words, it is the role of the Board members, and those working for the organisation, to safeguard and improve the port so that it continues to flourish.

A Trust Port differs from a privately owned port in that it has no shareholders who require a dividend. Instead all profit or surpluses made from Trust Port operations are reinvested into the operation, maintenance and administration of the port.

There are approximately 100 Trust Ports in the UK, and Trust Port status has proven to be

a highly successful model for Aberdeen, since becoming a trust in 1961. It allows the Harbour to operate in a commercial environment with no direct public funding, but also enables it to compete in the open market with private and local authority-owned facilities.

Continuous improvement

A long-term view is at the heart of everything we do at Aberdeen Harbour. We are committed to constantly improving and modernising harbour assets, services and infrastructure for the benefit of all our stakeholders. Major infrastructure projects can be undertaken with greater confidence and often with greater clarity than in other areas of the private sector. A Trust Port is

also free from shareholder pressure and, traditionally, Aberdeen Harbour has refrained from increasing harbour rates above inflation unless it has had a specific harbour-related improvement reason for doing so.

Stakeholders

There are many stakeholders of a Trust Port, playing an intrinsic role in operational matters and also shaping how the port is perceived in the local community. Stakeholders have a crucial role to play in driving Aberdeen Harbour forward. By working together, the Board and stakeholders can deliver a vibrant, prosperous port that will provide a bright and secure future for many generations to come.

*(Modern Trust Ports for Scotland – a guide to good governance).



STAKEHOLDER ENGAGEMENT

Fundamental to the role of a Trust Port is engagement with its stakeholders.

Aberdeen Harbour takes advantage of many forms of communication to ensure its relationship with stakeholders is a productive and proactive one.

These include –

- > Annual public meeting
- > Annual review report
- > Customer surveys
- > LinkedIn and Instagram pages
- > Marine stakeholders meeting
- > News articles in local, national, trade and online media
- > Port safety forum
- > Scheduled stakeholder e-updates
- > Website news and community pages



JEFF GASKIN
Harbour Master

MATT NORTH
Commercial Director

CHRIS BAIN
External Relations Director

JAMES BELL
Finance Director

MICHELLE HANDFORTH
Chief Executive

KEITH YOUNG
Engineering Director

The Executive Directors

THE EXECUTIVE DIRECTORS AT ABERDEEN HARBOUR BOARD ARE VERY AWARE OF THE SIGNIFICANT RESPONSIBILITIES THAT THEY CARRY. REPORTING TO THE BOARD, THE DIRECTORS MUST ENSURE THAT ALL PRIMARY FUNCTIONS OF THE PORT ARE CARRIED OUT TO THE HIGHEST LEVELS OF PROFICIENCY, PROFESSIONALISM AND SAFETY. IT IS FOR THIS REASON THAT ONLY INDIVIDUALS WITH THE RIGHT EXPERIENCE AND SKILLS BASE HAVE BEEN SELECTED TO CARRY OUT THIS IMPORTANT ROLE.

The Directors also carry the responsibility to ensure that the strategic aims of the Board are translated and applied to all harbour operations at every juncture. Michelle Handforth is Chief Executive and leads the team of Executive Directors. The responsibilities of this team are broad, but at the most basic level, they must ensure that –

- > Vessels have a safe and navigable place of shelter, and that we encourage safe working practices throughout the port
- > The integrity and design of the quays and waterways are kept to the highest engineering standards
- > The organisation applies a system of sound financial management and remains commercially successful
- > A high level of interaction is maintained with a wide range of harbour stakeholders, including staff members, customers, port users, members of the local community, interest groups, local and regional authorities, industry and civic groups.



01 ALISTAIR MACKENZIE
Chairman
Board member since 2010

Alistair has worked in Aberdeen's energy industry for more than 20 years holding senior positions in both oil operator and service organisations. He is an Owner/Director of Mentor Aviation Services Ltd. Alistair is a former Commissioner and Chairman of the Northern Lighthouse Board.

02 MORAG McNEILL
Vice-Chairwoman
Board member since 2013

Morag is a solicitor and was a Partner in McGrigors LLP before joining Forth Ports PLC as General Counsel. Morag has a portfolio of Non-executive Directorships, including Caledonian Maritime Assets Ltd and Scottish Event Campus, and is a Trustee of a number of charities. She is also a Member of Court at Heriot-Watt University.

03 MICHELLE HANDFORTH
Chief Executive
Board member since 2018

Michelle has held leadership roles in several business sectors including aviation, rail, maritime, financial services and the oil and gas industry. Until recently, she was the Managing Director of Babcock Offshore Helicopters based in Aberdeen. She has served on the board of various companies, and was at one point General Manager for Sydney Ferries based in Sydney, Australia.

04 JAYNE MACLENNAN
Non-executive member
Board member since 2017

Jayne is a Chartered Surveyor by profession and held the role as Group Director at FirstGroup PLC where she worked in the US, Europe and the UK. She now has a portfolio career as a consultant, executive coach and mediator. Jayne also holds number of Non-executive Directorships, including on the boards of the Royal Force and LocatED. She is also a Trustee of the National Trust for Scotland.

05 ROY BUCHAN
Non-executive member
Board member since 2019

Roy has worked in the oil and gas industry internationally for over 30 years and is a Chartered Engineer and Fellow of the Institute of Marine Engineers, Science and Technology and a Fellow of the Chartered Management Institute. He was COO of Ithaca Energy, currently is a Board member of Operational Excellence Group and works as an advisor with some technology businesses.

06 JOHN BREBNER
Non-executive member
Board member since 2018

John holds various Executive and Non-executive roles, including President of AGCC, as well as undertaking project based advisory work. This follows a 34-year career with Clydesdale Bank where he undertook various senior roles, latterly Head of Regional Business & Private Banking Centre – East Scotland and Regional Head of Specialist & Acquisition Finance – North of Scotland.

07 MIKE PORTER
Non-executive member
Board member since 2015

Mike has over 30 years' experience in the provision of logistics, marine and integrated supply base solutions to the offshore energy sector. He has held several leadership positions with prominent contractors, latterly as Chief Operating Officer of Peterson prior to joining the Harbour Board in January 2015.

08 MIKE KEITH
Non-executive member
Board member since 2019

Mike is an associate of the Chartered Institute of Management Accountants who has worked in the construction industry for more than 30 years, holding several senior finance positions. He is currently Finance Director with Morrison Construction.

09 ELEANOR CRAIG
Non-executive member
Board member since 2019

Eleanor has worked for over 20 years in the consumer goods business, mainly with Diageo in a number of international Managing Director roles. She is a Chartered Accountant and has a BA (hons) degree in Business Management. Eleanor is also a Non-executive Director of the Scottish Qualification Authority.

10 LUISA CAMPBELL
Non-executive member
Board member since 2017

Luisa is the Managing Director of William Wilson Limited, which is part of Wolseley UK. Until recently she also held the role of Regional Trading Director of Plumb Centre for Scotland and Northern Ireland. Luisa has been with William Wilson for 25 years and oversees the operation of 23 branches across Scotland. In addition, she is a Trustee of a charity in Clydebank.

11 JAMES BELL
Finance Director
Board member since 2011

James joined Aberdeen Harbour Board in 2009 from Caledonian Brewery, where he had been Head of Finance since 2002. He trained with Bird Simpson Chartered Accountants and has worked with Meston Reid and Diageo. James is also Chairman of the finance group of British Ports Association, which was initiated in 2010.

12 MATT NORTH
Commercial Director
Board member since 2019

Matt joined the Aberdeen Harbour Board in 2015 after 12 years with the Senior Management Team at Forth Ports Limited. Previous to that Matt has held directorships within the freight distribution sector posts in the Channel Islands, Northern France and Portsmouth. Matt is a Chartered Fellow of the Institute of Logistics and Transport.

OUR BOARD

EXPERT KNOWLEDGE IN:

AGRICULTURE, LAW, CONSTRUCTION, FINANCE, OIL AND GAS, PORTS, COMMERCIAL, MARINE AND PROPERTY

03 EXECUTIVE MEMBERS

09 NON-EXECUTIVE MEMBERS

12 BOARD MEMBERS

BOARD MEMBER ATTENDANCE 2018				
	Board Meetings	Remuneration Committee	Audit & Risk Committee	Property Committee
NON-EXECUTIVE MEMBERS				
Alistair Mackenzie (Chairman)	8 of 8	1 of 1	N/A	N/A
Howard Woodcock (Vice-Chairman)	3 of 4	1 of 1	N/A	2 of 2
Mike Bowyer	8 of 8	1 of 1	5 of 5	N/A
John Brebner	7 of 8	N/A	5 of 5	N/A
Luisa Campbell	8 of 8	1 of 1	4 of 5	N/A
Jayne MacLennan	8 of 8	N/A	N/A	4 of 5
Morag McNeill	7 of 8	N/A	5 of 5	4 of 5
Mike Porter	7 of 8	N/A	N/A	5 of 5
Tony Strachan	8 of 8	N/A	5 of 5	N/A
EXECUTIVE MEMBERS				
Michelle Handforth (Chief Executive)	8 of 8	1 of 1	5 of 5	4 of 5
Chris Bain (External Relations Director)	8 of 8	N/A	N/A	N/A
James Bell (Finance Director)	8 of 8	1 of 1	5 of 5	N/A

BOARD CONSTITUTION

Aberdeen Harbour Board is an independent statutory authority formed under the terms of the Aberdeen Harbour Order Confirmation Act 1960. It is responsible for the administration, maintenance and improvement of the port. The Board comprises nine Non-executive members and two senior officials, appointed by the Board, and the Chief Executive.

BOARD APPOINTMENT PROCESS

Appointments of Non-executive Board members are based on equal opportunities and on merit. Candidates are sought who have a complementary range of qualities, competencies and experience.

All vacancies are openly advertised and appointments are made by the Board after a process of interviewing and selection, carried out by an appointing panel, including independent persons.

TERMS OF OFFICE

All Non-executive members hold office for a term of three years. Consideration for reappointment is subject to performance; however, a vacating member, other than the Chairman and Vice-Chairman, will not be eligible for reappointment if they have previously served three consecutive terms (i.e. nine years).

The Chairman and Vice-Chairman will not be eligible for reappointment as a member if they have held office as a member for four consecutive terms (i.e. 12 years).

THE REMUNERATION COMMITTEE

The Remuneration Committee consists of four members: the Chairman, the Vice-Chairman and two Non-executive Board members. Its principal duties are to consider matters relating to staff wages and salaries. The Committee also considers in detail items or issues delegated or remitted by the Board, and reports back with recommendations or details of actions taken.

THE AUDIT & RISK COMMITTEE

The Audit & Risk Committee consists of five non-executive Board members. Its principal duties are to manage external audits of management controls; to review external and internal audit strategy and to appoint and manage external auditors; to review annual/management accounts and financial statements; to monitor the performance of the Board's long-term investments, and to benchmark the Board's corporate governance performance.

THE PROPERTY COMMITTEE

The Property Committee consists of four non-executive Board members and its principal duties are to prepare and keep under review the estate management strategies relating to the Board's land and property holdings; to consider appropriate opportunities for extending the Board's property portfolio, and to review the appointment, performance and fees of the Board's external property advisors.

THIS IS A UNIQUE TIME FOR ABERDEEN HARBOUR...

... WE ARE WRITING A NEW CHAPTER IN OUR 900 YEAR HISTORY

Aberdeen Harbour is undertaking one of the largest marine infrastructure developments in the UK for many decades.

We are making history – and our customers and stakeholders play a vital role in our continued success.



OUR PURPOSE

Like many of the world's greatest cities, Aberdeen has a harbour at its very heart. This has created opportunities and success for generations of Aberdonians for hundreds of years.

Our aim is to build on this success by creating even greater economic benefit for everyone who lives and works here.



OUR PURPOSE

Creating Prosperity for Generations.

OUR MISSION

As the world around us transforms, we know that you, our customers, need the highest levels of service. You want operational efficiencies, international-quality facilities and a customer experience second to none.

Aberdeen Harbour will be the best and easiest port in Scotland to do business with. We want to be your first choice every time.

OUR MISSION

To connect our customers to what they need, where and when they need it.



OUR VISION

In 2020 Aberdeen will become one of the largest ports in Scotland, but we also want to become one of the leading ports in the UK.

We will do this by delivering excellence in all that we do and by putting Aberdeen on the map for international shipping as a global hub.

OUR VISION

To become Scotland's premier port, offering world class facilities to national and international customers and stakeholders.



TO 2020 AND BEYOND...

- ▶ We aim to become one of the most environmentally-friendly ports in Scotland — continuing to act as guardians of the wildlife we share our home with.
- ▶ We will continue as one of the most prolific supporters of local charities in the region.
- ▶ We will use technology and innovation to further reduce our carbon footprint.
- ▶ We will continually strive to improve and grow our services.



North Harbour: Operations

A YEAR FOR... BUILDING

2018 saw the arrival of 18 wind turbine blades, 21 hub sets and 21 nacelles, all destined for the onshore Dorenell Wind Farm on the Glenfiddich Estate. Once completed, the wind farm will host 59 wind turbines and is one of the largest onshore wind farms to be built in Scotland, producing enough electricity for up to 138,000 homes.

Aberdeen Harbour is proud to handle vital materials and equipment for a broad range of construction projects in the north-east of Scotland. South Harbour will enhance the Harbour's ability to support onshore and offshore renewables projects.



A YEAR FOR... RESTORING

FEW WILL HAVE FORGOTTEN STORM FRANK, WHICH BATTERED ABERDEEN AND SHIRE AT THE END OF 2015. SO SIGNIFICANT WAS THE IMPACT ON THE HARBOUR THAT IT HAS TAKEN UNTIL THIS YEAR FOR ABERDEEN HARBOUR TO COMPLETE THE REMEDIAL WORK TO THE DAMAGE CAUSED. THESE REPAIR WORKS HAVE BEEN ESSENTIAL TO MAINTAIN THE INTEGRITY OF THE HARBOUR FOR ALL PORT USERS.

The work included the re-filling of a large hole in the harbour floor, which was scoured-out by the approximately 23,000 cubic metres of material that came flooding down the river during the storm. This material then deposited itself in other areas of the harbour. So not only did the Harbour Board require to back-fill 14,000 tonnes of suitable material into the hole created, it also had to employ emergency dredging in other areas to restore harbour depth back to its appropriate levels.

Parts of the riverbank also had to be replaced and remedial works have also recently taken place between North Esplanade East and the Queen Elizabeth Bridge, where the tidal pressures compounded storm damage by wearing down parts of the riverbank that had been washed away. Overall, the Harbour infrastructure positively withstood the impact of what was a significant weather event for the region.



A YEAR FOR... BREAKING DOWN

Aberdeen Harbour has been a hive of decommissioning activity, and in the last year, more than 10,000 tonnes of decommissioned material have crossed the quayside.

The impressive Maersk Inventor has become a frequent visitor to the port, making six port calls from the Leadon and Janice projects. The near-15,000 tonne, 137 metre long vessel has safely offloaded a range of structures including 48-tonne subsea Christmas Trees, 32-tonne manifolds and 136-tonne ballast blocks.

Aberdeen Harbour's extensive, established supply chain, with its oil and gas expertise and capabilities, makes the port the natural choice for increased decommissioning activity. Customers benefit from the suite of service providers, waste management services and shipping connections to scrap processors. The opening of South Harbour in 2020 will only add to this, supporting many more customers with their decommissioning requirements.

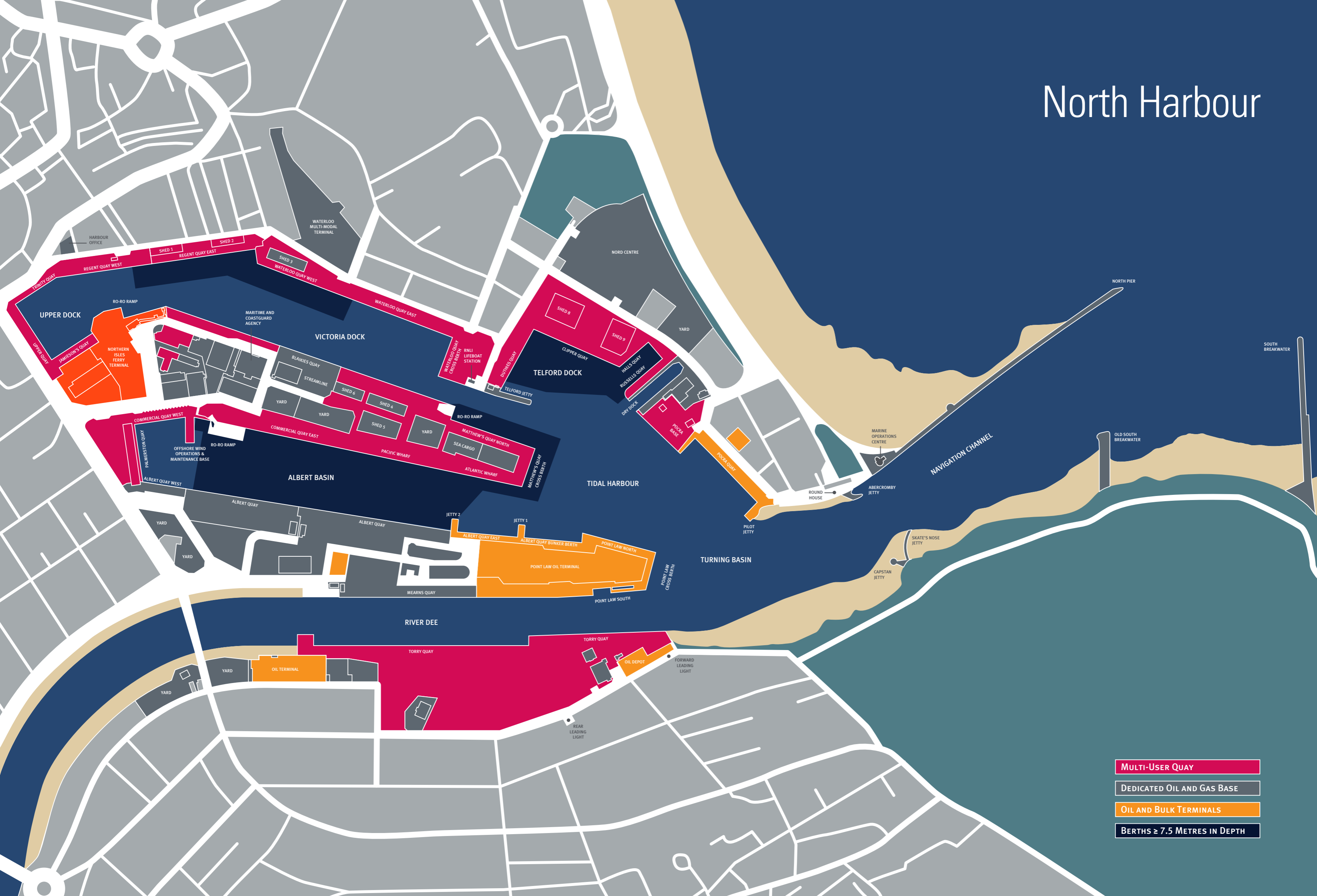
A Year for.. Visiting

The 2018 cruise season came to a close in Aberdeen Harbour with 3,387 passengers visiting the city – a 61 per cent increase since 2017 and a record number of cruise passengers for the port. A total of 26 cruise ships arrived in Aberdeen between May and September, carrying passengers on ships including the Silver Cloud II, Silver Wind and The Corinthian. Popular destinations around the north-east included Old Aberdeen, Balmoral Castle and Pitmedden Gardens.

Similar levels of activity are expected for the cruise season in 2019, and more than a dozen cruise vessels are already booked in to the South Harbour for 2020. It is becoming clear to all that the cruise activity projections for the future will be realised, if not exceeded.



North Harbour



- MULTI-USER QUAY
- DEDICATED OIL AND GAS BASE
- OIL AND BULK TERMINALS
- BERTHS ≥ 7.5 METRES IN DEPTH

2018: AT A GLANCE

ACTS OF PILOTAGE

5,123



FERRY PASSENGERS

151,472



DOLPHIN WATCH PROJECT



NUMBER OF CHARITIES SPONSORED

22



01

WIDEST VESSEL

31m



37 SHIPPING CONNECTIONS 2018



● NEW ROUTES

ANGOLA AUSTRALIA ARGENTINA BELGIUM BRAZIL CAMEROON CANADA CONGO (DEMOCRATIC REPUBLIC) CYPRUS DENMARK EQUATORIAL GUINEA FAROE ISLANDS FRANCE GABON GEORGIA GERMANY GHANA IRISH REPUBLIC ISRAEL ITALY IVORY COAST JAPAN MALTA MAURITANIA MEXICO MOROCCO NIGERIA NORWAY PORTUGAL RUSSIA SENEGAL SPAIN SWEDEN THE NETHERLANDS USA UNITED ARAB EMIRATES UNITED KINGDOM

PORT JURISDICTION

38.8km²



VESSEL ARRIVALS

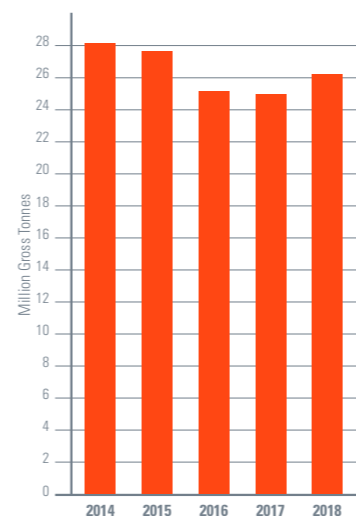
- 3,759** OFFSHORE VESSELS
- 3,271** LOCAL SAILINGS
- 706** STANDBY SAFETY VESSELS
- 660** PASSENGER & FREIGHT FERRIES
- 413** CARGO VESSELS
- 248** TANKERS
- 81** FISHING VESSELS
- 80** DIVE SUPPORT VESSELS
- 26** CRUISE VESSELS
- 18** OTHER MISCELLANEOUS VESSELS
- 4** YACHTS
- 9,266** TOTAL VISITS

LONGEST VESSEL

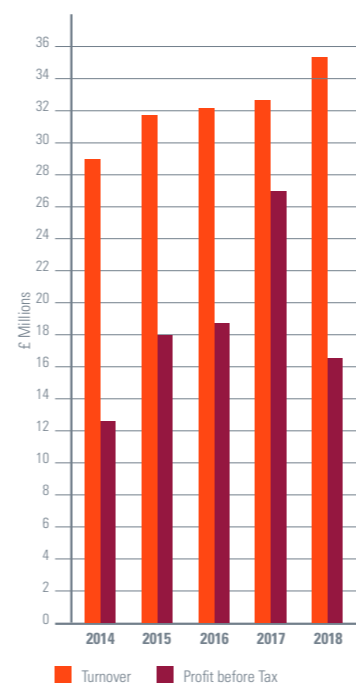
168m



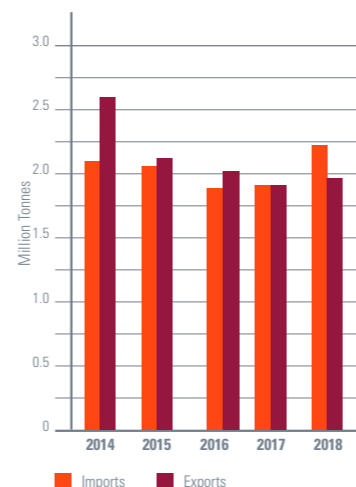
TONNAGE OF VESSELS



FINANCIAL RESULTS



CARGO TONNAGE



DECOMMISSIONING CARGO



10,000 TONNES

RAIL CONNECTIONS

01



GVA **1.5b**

£ £ £
£ £ £
£ £ £

94 EMPLOYEES



STAKEHOLDER BENEFIT

£6,900,000

BIGGEST SINGLE VESSEL GROSS TONNAGE

20,973 TONNES



INDIRECT EQUIVALENT JOBS SUPPORTED

12,000



TOTAL QUAY LENGTH

5,900m EXISTING HARBOUR

7,300m INC. SOUTH HARBOUR



CRUISE PASSENGERS **3,387**



South Harbour: Building Confidence

Construction of Aberdeen South Harbour is now well underway, with the project more than half-way through the building process. There has been considerable progress in the last 12 months, which has been made possible thanks to the strong working relationship between Aberdeen Harbour Board and principal contractor Dragados UK. Here are just some of the construction highlights from the last year...

CAISSONS ARRIVE IN ABERDEEN

In February 2019, the Harbour expansion reached a landmark stage with the arrival of the first 6,000 tonne concrete caisson unit. A total of 22 caissons will be used in the Harbour, forming the foundations of the closed Dunnottar and Castlegate quays. These quays will be used by some of the largest vessels associated with sectors such as decommissioning and cruise.

The caissons measure up to 50 metres long, 17 metres wide and an incredible 16 metres deep. GPS equipment will be used to position each caisson with an accuracy of +/- 22mm. Once in position, the caissons are filled with water to sink them to the sea bed. When in place, various fill material is used to displace the water. The process, from delivery to sinking, takes approximately 30 hours.

The caissons will have travelled more than 1,000 miles by sea from La Coruna in North-west Spain, and on arrival in the UK, were taken to the Cromarty Firth for quality checks and inspections. The caissons are then individually towed to Aberdeen, when required, as construction of South Harbour progresses.

"The arrival of the caissons is a logistical feat, and we are thrilled to reach this milestone. The design of these units allows for incredibly strong quayside which, in turn, allows us to create significant heavy-lift capacity over large areas."

KEITH YOUNG, ENGINEERING DIRECTOR,
ABERDEEN HARBOUR BOARD



Giant Numbers for Giant Accropodes

More than 4,000 accropodes for South Harbour have been manufactured at the purpose-built automated factory in Gregness.

Reaching 4,000 was a huge milestone for the teams at Aberdeen Harbour Board and Dragados UK. In total, 9,000 accropodes will be made for South Harbour and some of them are the largest accropodes in the world.

These accropodes will act as the outer armour for the North and South Breakwaters, protecting the harbour from a 1-in-200-year storm. Each accropode is specifically placed to ensure maximum protection.



REVOLUTIONARY BUBBLES

Two underwater curtains made entirely of bubbles are being used during the construction of South Harbour to limit disruption to marine animals.

The 'double-bubble' curtain is believed to be the first in the UK and reduces the underwater sound levels from construction. Each bubble reflects the sound back into the bay and away from the surrounding area.

Two 850-metre-long perforated hoses run along the seabed at the mouth of the new port. These hoses are connected to a bank of 10 compressors on land and are turned on when underwater construction is taking place that has the potential to disturb marine mammals.

This is just one environmental mitigation step taken during the construction of the new port. Other measures include underwater noise monitoring and marine mammal observers, who are onsite to ensure construction works remain a safe distance from the animals.



South Harbour Taking Shape

SOUTH HARBOUR: What Makes it Unique?

On its completion in 2020, South Harbour will be a unique facility due to its distinctive blend. Along with the North Harbour, it will provide an exceptional combination of future-proofed facilities and prime location, tailored to the taste of our customers — and distinct from all other ports in Scotland.



Adjacent to the largest oil and gas supply chain in Western Europe



Serving a city with an international airport and trunk road connectivity



Gateway to one of the UK's greatest untapped tourist destinations



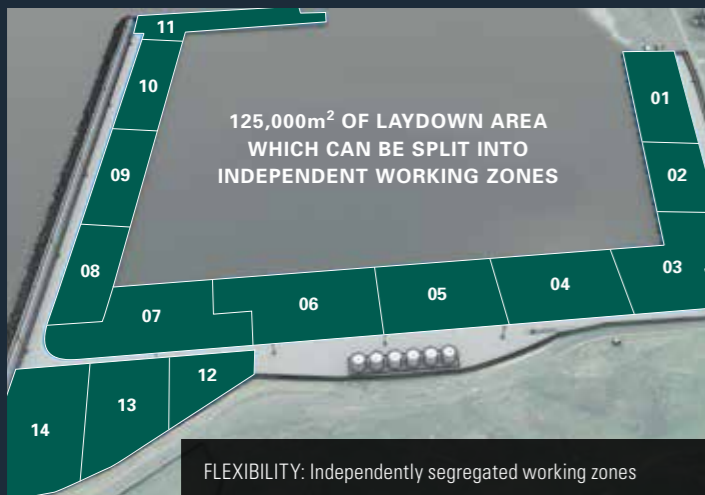
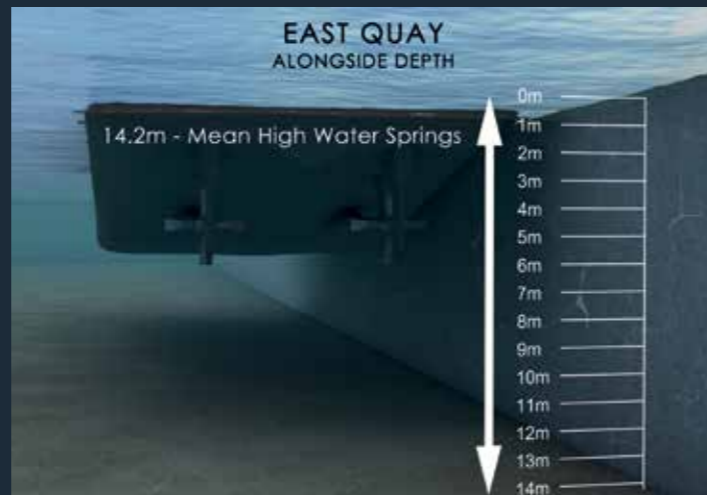
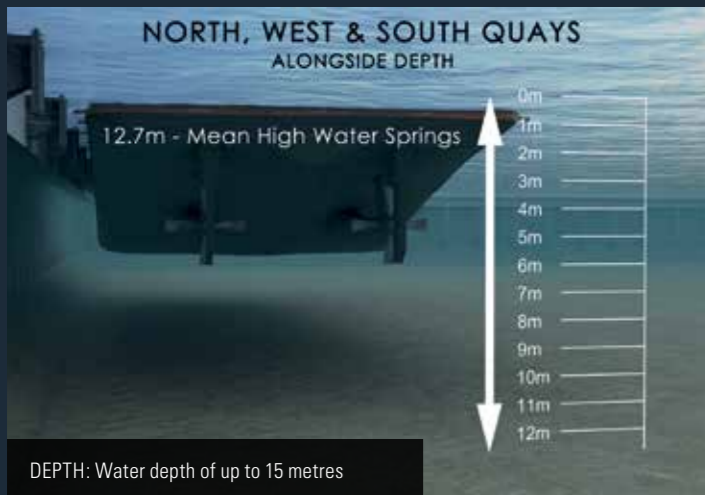
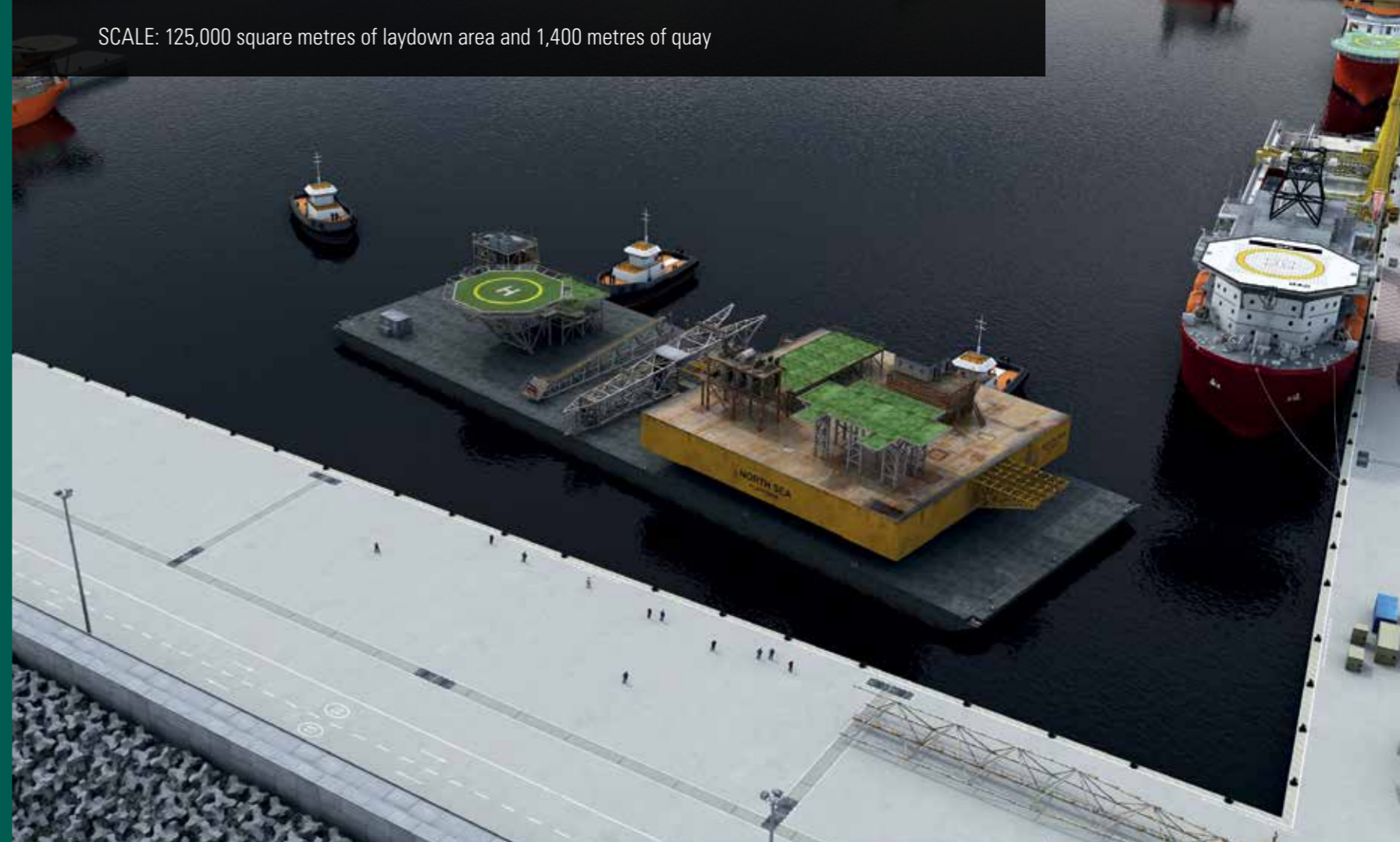
300 metre vessels can berth alongside



A harbour with water depth of up to 15 metres



A harbour with the largest amount of berthage in Scotland



LOCATION: Home to oil and gas in the UK and adjacent to the largest untapped cruise destination in Scotland

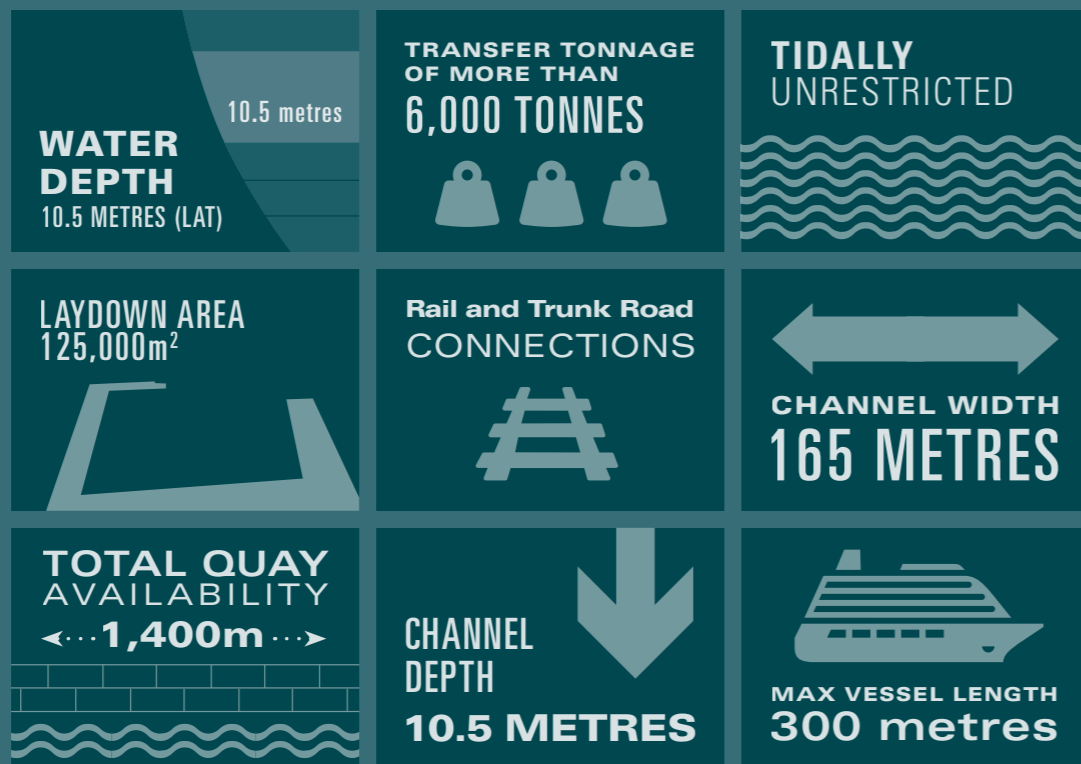


South Harbour: Renewables

The Scottish Government aims that, by 2030, half of Scotland's heat, transport and electrical energy needs will be met by renewable energy. Offshore wind energy will be a key aspect of this target and Aberdeen Harbour is in an ideal location to support these offshore wind projects.

Once open in 2020, South Harbour will provide the capacity to marshal components for the pre-installation phase for Scottish territorial and round-three projects.

SOUTH HARBOUR'S RENEWABLES-FRIENDLY ASSETS



VATTENFALL: CONTINUED SUPPORT

Vattenfall's 11 wind turbines off the coast of Aberdeen have attracted much attention since the offshore wind farm generated first power in summer 2018.

The £300 million European Offshore Wind Deployment Centre is Scotland's largest offshore wind test and demonstration facility. Its operator, Vattenfall, signed a 24-year lease with Aberdeen Harbour, becoming the first offshore wind operator to invest long-term in the port's facilities.

The specially-built jetty at Commercial Quay East frequently welcomes vessels that support the ongoing maintenance of the site.

"With the support, cooperation and advice from Aberdeen Harbour, we have been able to conclude our long-term operations and maintenance base set-up. Installing our unique, wind specific infrastructure on the quayside has been instrumental in facilitating the growth of offshore renewables in the region."

KEVIN JONES, HEAD OF ABERDEEN BAY AND HORNS REV 3

VATTENFALL



SOUTH HARBOUR: Cruise Activity



IT IS HARD TO BELIEVE THAT THE CRUISE INDUSTRY WAS ONE OF ABERDEEN HARBOUR'S LESS-SIGNIFICANT BUSINESS STREAMS. BUT IN RECENT YEARS, THE PORT HAS SEEN A CONSIDERABLE INCREASE IN CRUISE ACTIVITY, AS THE REGION HAS BECOME A POPULAR TOURIST DESTINATION.

Today the port welcomes just under 30 cruise calls per season — the cruise season runs from April to September — and this number is the result of a steady increase in cruise call frequency since 2013, when a mere dozen vessel calls took place. Passenger numbers have also increased over this period, and 2018 saw the highest ever number of cruise passengers to the port, with 3,387 visiting Aberdeen city and shire via the harbour.

STEP CHANGE FOR CRUISE

Albeit a positive development, the increase in activity to the existing North Harbour will be dwarfed by the increase in activity that the new South Harbour will afford us. The existing North Harbour is able to accommodate vessels of up to 165 metres in length. In cruise industry terms, this covers the smaller vessel end of the cruise market. These vessels accommodate between 100 and 200 passengers, and generally these vessels support 'specialist' cruises which focus on a particular activity such as bird-watching or wildlife appreciation.

The new South Harbour, however, will be able to accommodate vessels of up to 300 metres and more. Although representing a doubling in vessel length, the difference in passenger numbers per vessel is much greater than 50%. These larger cruise vessels that South Harbour will be able to accommodate can carry up to 3,500 passengers.

It is a startling fact that South Harbour has the ability to welcome a cruise vessel large enough to accommodate more passengers in a single visit than the total number of passengers to visit the North Harbour in a whole season. This is the quantum leap that South Harbour represents in terms of an opportunity for the City and Region.

GETTING READY FOR CRUISE — CRUISEABERDEENSHIRE

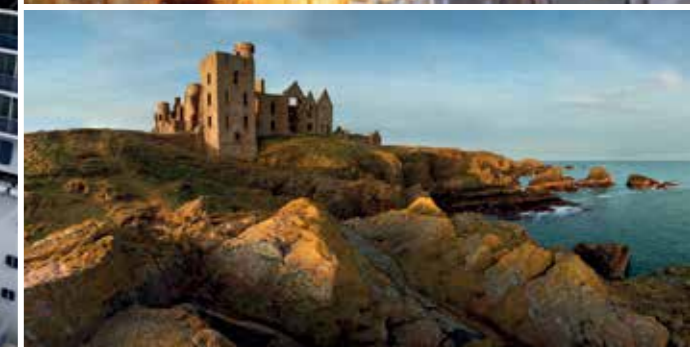
This opportunity, over the last two years, has become much more widely recognised. The work of CruiseAberdeenshire — a body which includes representatives from a wide range of organisations set to benefit the most from cruise activity, including Aberdeen Harbour Board, VisitAberdeenshire, Scottish Enterprise, the City & Shire Councils, and Aberdeen Inspired — has done much to highlight the opportunity that South Harbour will bring to this sector.

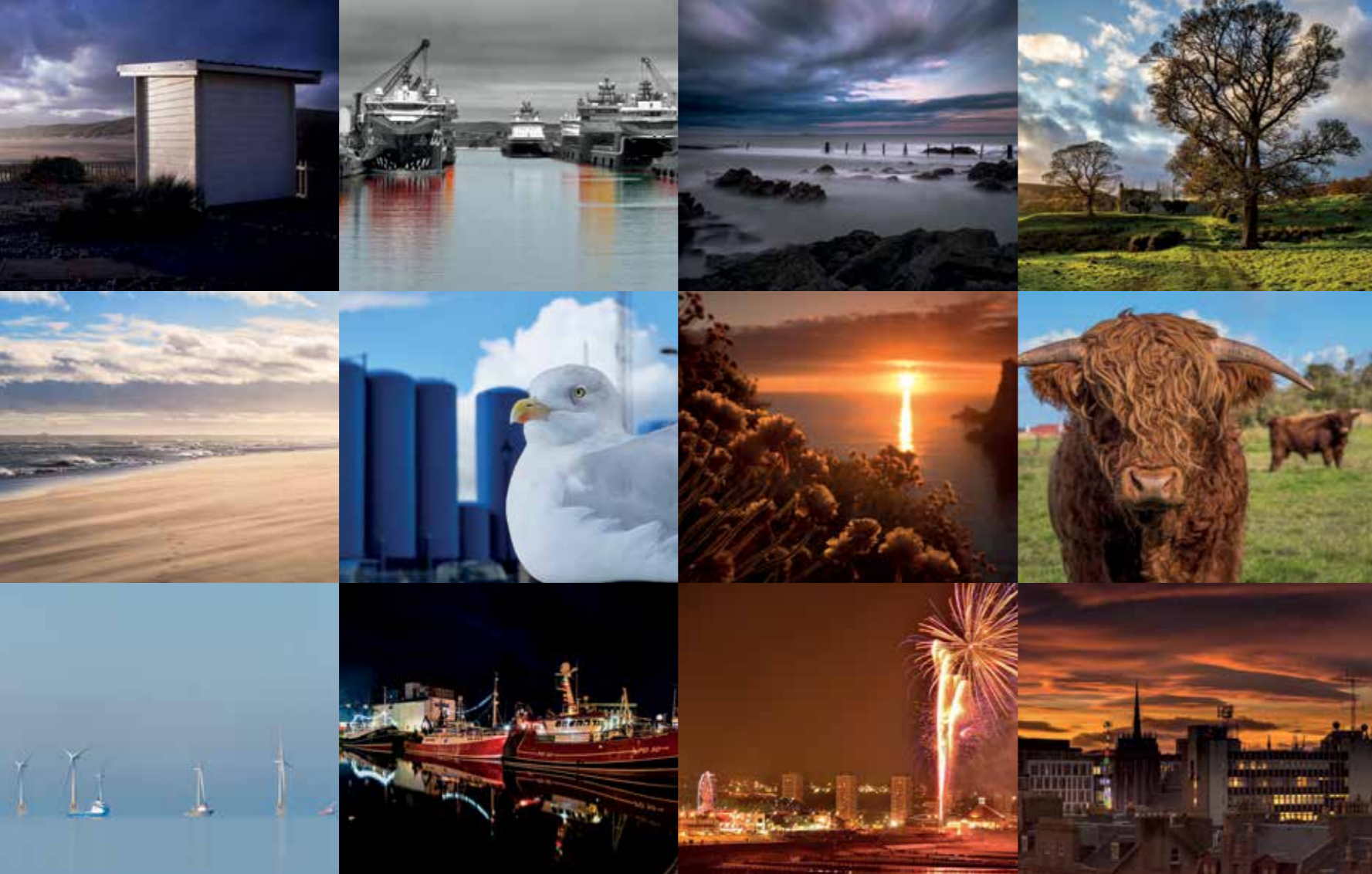
Its work has encompassed supporting business development and investment projects inspired by the increasing cruise activity, whilst providing information and insights on the industry through workshops and a Business Opportunity Guide.

Local businesses have set plans in place, with the aim of taking full advantage of the opportunity presented. This process will continue as 2020 approaches, and all involved are determined that the visitor experience for all visiting our home via Aberdeen Harbour will be second to none.



Business Opportunity Guide available at: www.aberdeen-harbour.co.uk/cruise





#BeautifulABDN

The annual photography competition run by Aberdeen Harbour for photography students at the North East Scotland College (NESCol) is now a firm fixture in the Harbour calendar.

This year, the students were thrilled to have their photographs judged by renowned photographer Colin Prior, and Derek McInnes, Manager of Aberdeen Football Club.

The competition — which has been running since 2016 — has resulted in a stunning collection of photographs that can be seen in the Harbour calendar, Annual Review and often in presentations online.

The original brief has now been extended to two categories, and competition is fierce to provide images of the Harbour and the City and Shire which are beautiful, inspiring, creative and thought-provoking.

The competition is open to all students studying photography at the college. Each student whose photograph is chosen to appear in the calendar, and/or the cover of the Aberdeen Harbour Board Annual Review, is given prize money of £200.

This year, the 450 photos that were submitted impressed the two guest judges, who were joined by NESCol lecturer Steve Smith, Graphic Designer Claire Cormack and Chris Bain, External Affairs Director at Aberdeen Harbour Board.



Colin Prior, Photographer



Derek McInnes, Manager, Aberdeen Football Club

"The competition has really captured the imagination of the students. The quality of work has remained incredibly high across the years, and we look forward to using the winning images online and in our marketing collateral."

Chris Bain

"This is a fantastic platform to showcase our students' work, and we are hugely grateful to the Harbour Board for its investment in this project."

Steve Smith

Stakeholder Investment

For Trust Ports, stakeholder investment is a big deal — and Aberdeen Harbour is no exception. Taking stakeholder investment beyond the traditional parameters of most companies, the port has provided stakeholder benefit in a wide range of areas, designed to support our employees, the local community, local business and the environment.

NORTH HARBOUR (2018)

Economic Contribution of North Harbour to Local Economy (GVA)	£124,000	Community Action Fund
£1.5 billion	£26,000	Sponsorship of Local Events
NUMBER OF INDIRECT JOBS SUPPORTED	£11,000	Discounts to Fisheries Protection Vessels
12,000	£31,000	Employee Lifestyle Programme
FISCAL CONTRIBUTION	£7,000	River Dee Salmon Tracking
£6.6 million	£26,000	Business Organisation Memberships
	TOTAL	£225,000 PER ANNUM

SOUTH HARBOUR

Additional Economic Contribution of South Harbour to Local Economy (GVA/2035)	£933,000	Coast Road Cycle Path
£0.9 billion	£147,000	Visitor Centre Facilities
NUMBER OF ADDITIONAL JOBS BY 2035	£75,000	Construction Community Fund
7,160	£168,000	Viewing Areas and Outdoor Classrooms
	£235,000	St Fitticks Park Play Equipment & Access
	£200,000	Coastal Path Landscaping & Wayfinding
	£159,000	Resurfacing Greyhope Bay Car Park
	TOTAL	£1.9 MILLION

THE HARBOUR CREW

It takes a range of specialist skills to run a harbour. From our pilots who board vessels entering and leaving the harbour, through to our expert safety advisors and engineers, the 'Harbour Crew' have hundreds of years of experience and expertise between them.

"A fantastic indicator that the Harbour Team enjoy their work can be found in the very low staff turnover that the organisation can boast. It seems that our employees enjoy working here — but we must ensure they are kept fully engaged with all that is going on at the Harbour. The last three years has been a very demanding time for our team, especially with the start of such a large construction project. It is vital we do not overlook the importance of keeping our staff informed and engaged. They are the lifeblood of the organisation, and we can only have success with their input."

Michelle Handforth, Chief Executive



MARINE DEPARTMENT

It is the Harbour Board's responsibility to ensure the safe passage of vessels. This includes Vessel Traffic Control services, co-ordinating vessel movements, pilots boarding vessels to advise captains on their arrivals and departures, and the provision of important navigation lights and aids.



ENGINEERING DEPARTMENT

It is the Harbour Board's role to maintain the quays, buildings and roadways within the harbour estate, and to maintain the harbour's depth through annual dredging operations. This removes the silt in the harbour and allows vessels to pass through safely.



QUAY OPERATIONS

The Operations Department covers everything on land, from allocating quayside and warehousing space, to developing traffic management plans and responding to any security issues around the harbour estate.



SAFETY & COMPLIANCE

The harbour is shared by many users, all responsible for their own operations. However, the Harbour Board must promote safe operations across the port and ensure we excel in our own Health, Safety and Environmental practices.



ADMINISTRATION

Like any business, the Harbour has administration staff and a management team, who carry out a huge range of tasks. As a Trust Port, the Harbour funds all maintenance, administration and improvements, through the harbour dues collected.



The Harbour Board has just 94 employees, despite indirectly supporting approximately 12,000 jobs. So what is it like to be an employee of the oldest business in Britain? We asked some of the Harbour Crew to give us their thoughts:

Aberdeen Harbour is a very dynamic environment, so every day is different. Working on the quaysides lets the DCOs interact and make positive encounters with our customers and stakeholders.

Rory Forbes, Dock Control Officer



After 30 years with the Harbour, I still learn new things every day about ships and the industry. We have a great team here, and I am looking forward to the future with them.

Denise Shiach, Vessel Traffic Assistant



This is a really exciting time to be part of Aberdeen Harbour. The expansion is a remarkable project and the knowledge and experience that I'm exposed to on a daily basis is a once-in-a-lifetime opportunity.

Sarah Crawford, Compliance Coordinator



Working on the Sea Herald and Pilot Cutter gives me a unique opportunity to work in one of Europe's busiest ports, often under challenging weather conditions, that have vastly refined my seamanship and boat handling skills.

Stefano Sacco, Marine Support Staff



I take considerable pride to be employed by the oldest existing business in Britain. Its dedicated staff have contributed to the Harbour's success, and I look forward to being part of the Harbour's continued progression.

Dave Gregor, Revenue Manager



Stash in the Attic

HIDDEN HARBOUR COLLECTION PROVES A RICH SEAM

It takes a lot to impress an Aberdeen City Archivist. The city archive service is home to the oldest and most complete set of records of any Scottish town (burgh of Aberdeen), with many of these records being recognised by UNESCO as having outstanding historical importance for the nation. Recently, the archivists uncovered records of the first ever Scottish ship to sail to North America in 1596, so they are in the premier league of historical sleuths.

The archivists' reaction to what they found when the Harbour Board invited them to assess the material hidden away in its many attics, map rooms and basements, was a surprise to everyone.

From the start of the subsequent 18-month project to uncover the full harbour collection, these experts could see what a hidden gem they had uncovered, and the material that has emerged has impressed everyone.

The archivists uncovered a wealth of records including minute books, financial records, operational records about harbour activity, such as registers of sailings, vessel arrivals, property leases, and harbour developments going back over 200 years.

The project also uncovered thousands of photographs and plans, including approximately 1,700 glass plate negatives and lantern slides, 4,000 printed photographs and 3,000 building plans.

"We are very lucky to have had the assistance of a host of volunteers with this project," explained Archivist, Katy Kavanagh. "We still have a huge amount of work to do. One of our focusses in 2019 will be to secure funding for a project archivist to catalogue the entire collection."

The ultimate aim of the project is to make the collection available for public scrutiny. As Philip Astley of the City Archives explained, "Not only will this work make the collection more accessible to the Harbour Board

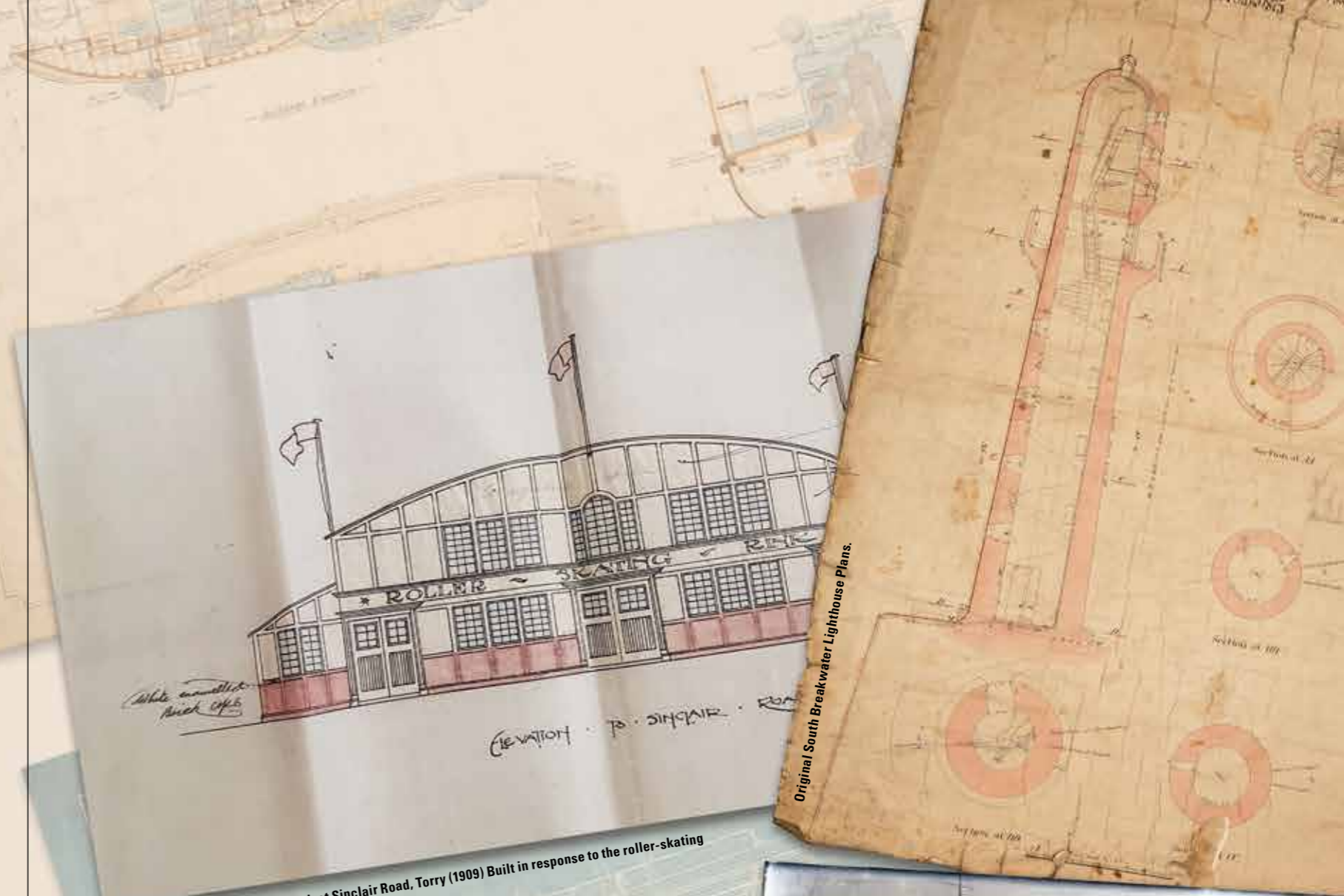
themselves, they are keen for the material to be available for academics and the public alike.

"We think that the collection will be of interest to families and local historians, given the central role of the Harbour in Aberdeen's history and the number of people who have worked around the Harbour. There is also the potential for the collection to be used in education sessions with local schools."

Work will continue throughout 2019 on the collection, and Aberdeen Harbour Board would like to thank the City Archive Team and all of the volunteers who have worked, and will work, on this important project. They are bringing the history of the oldest business in Britain to life.



Katie Kavanagh and Phil Astley of Aberdeen City Archives.



Original plan for Roller Skating Rink at Sinclair Road, Torry (1909) Built in response to the roller-skating craze at the time, later converted into a cinema.



Diving operation in the port – done the old way.



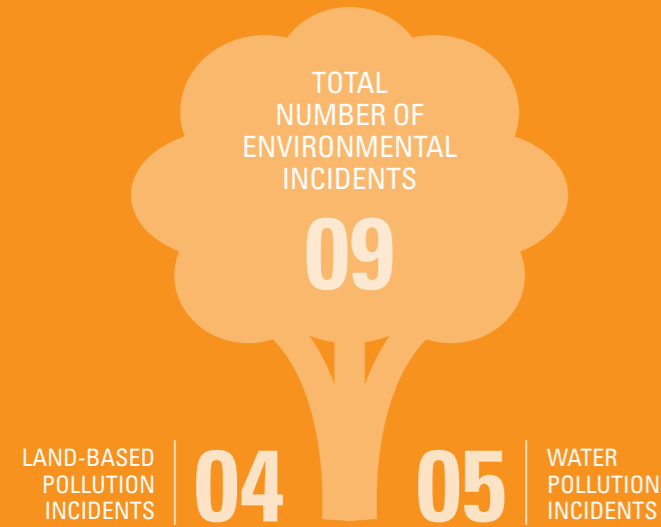
The SS Woodfield leaves Aberdeen Harbour. The vessel, built in 1905, was later shelled and torpedoed by SM-U38 of Northern Morocco in 1915. U Boat SM-U38 sank 138 vessels in WWI, the third most 'successful' u-boat of the war.



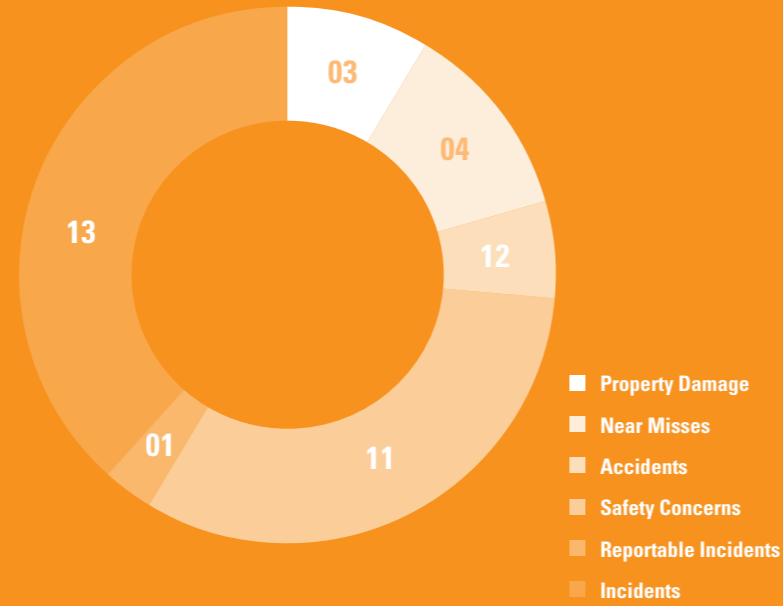
Chain coils attract attention.

KEY FACTS 2018

ENVIRONMENTAL INCIDENTS 2018



ABERDEEN HARBOUR BOARD ADVERSE EVENTS 2018



2018 > 50% reduction in reportable incidents
> Implementation of new online training system
> Implementation of Safety Observation Cards

HS&E INSPECTIONS

Carried out by DCO
11

EXTERNAL CERTIFICATION AUDITS

Carried out by LRQA
02

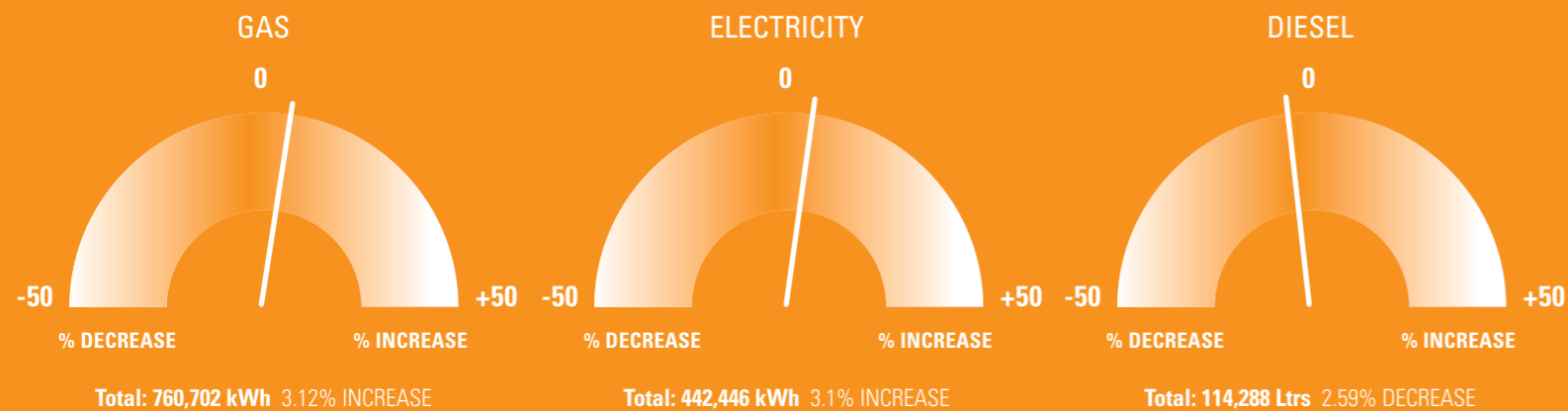
HS&E TOURS

Carried out by Senior Management Team
23

INTERNAL COMPLIANCE REVIEWS

Safety, Health and Environmental Department
134

ENERGY USAGE



Health, Safety and Environmental Focus



Campaigning for Safety

Following consultation at the Aberdeen Harbour Port Safety Group Forum it was agreed that the harbour 2018-2020 safety campaign would focus on:

- > Safe use of mobile phones whilst working in operational areas
- > Pedestrian/plant segregation
- > Mandatory use of designated safe green walkways

We introduced graphics and signage at strategic points within the harbour estate, and educated port users via safety forums, safety flashes and toolbox talks.

Safety Doesn't Happen by Magic

Aberdeen Harbour ran several "Time for Safety" events with a difference throughout the year.

Working with Fifth Dimension through the medium of magic, port users attended safety sessions with a magical twist. The bespoke seminars were specifically designed to promote the Aberdeen Harbour's 2018-2020 safety campaign while at the same time developing people within the workplace into safety champions.

The sessions were innovative, inspirational and engaging, and the interaction between the magicians and their audience was excellent, adding a whole new perspective to safety in the work place. The sessions were delivered in a unique way via "magically enhanced" memorable safety presentations and gave practical applications in the work place.





ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The Board presents the Strategic Report and the audited financial statements for the year ended 31 December 2018.

FAIR REVIEW OF THE BUSINESS

Review of the business for the year can be found in the Chairman's Statement.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board considers it operates in an area where there will be an ongoing demand for its services. The Board has a strong record of investing in modern facilities, plant and equipment and this together with increased training for our employees will enable us to meet the challenges of the future in offering our port customers a quality, cost effective service.

The Board is currently working to address certain business risks regarding capacity constraints by building a new deep-water harbour to the south of the current harbour. The contractor Dragados UK Ltd commenced building works on 1st January 2017 and the project is due for completion in the summer of 2020. As with any project of this magnitude, there are always risks associated with both the delivery time and costs. The Construction Project is around half way in terms of both timescale and cost, and the project is currently on time and on budget.

Market risk

The return of a quiet optimism to the oil and gas market during 2018 had a positive impact on the activity levels in the harbour. Whilst oil and gas remains the core element of the harbour's business, the harbour continues to diversify its customer base to protect its income stream.

Interest rate risk

The harbour expansion project involves the business taking debt from the European Investment Bank of up to £175 million. The Board has agreed fixed interest rates for the full 16 years of the debt on tranches totalling £120 million. The Board is also exploring options to fix further tranches of the debt. There is no currency exposure.

Credit risk

The Board's principal financial assets are bank balances, cash and trade, and other receivables. The credit risk in liquid funds is limited because the counterparties are banks with credit ratings assigned by international credit ratings agencies. The Board has no significant concentration of credit risk, with exposure spread over a large number of customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and projects, the Board monitors the timing of cash flows and aligns this with its strategic planning. Budgets and forecasts are produced to assist the Board in identifying requirements and maintaining adequate resources.

The Board operates a defined benefit pension scheme and also employs one marine pilot who is a member of the Pilots' National Pension Fund. These arrangements are more fully explained in note 22 to the financial statements.

In the harbour's business, the Board has statutory responsibility for operations in our areas of jurisdiction.

Any significant business risks identified are reviewed by the Executive Team and the Board to ensure that the designated measures to eliminate or at least mitigate the risk are suitable and sufficient.

The Board has compiled a risk register, which is reviewed in full by the Audit & Risk Committee with the highest risks reviewed by the Board on a six-monthly basis.

The Board continues to monitor the current situation regarding the UK Government's plans to leave the European Union; however, at this stage in the process, the impact this may have on future revenues remains unclear.

DEVELOPMENT AND PERFORMANCE

Financial results

The Board achieved turnover of £35.3 million in the year, an increase of 8.3% compared with 2017. Operating profit of £17.42 million was earned in 2018 compared with an operating profit of £15.82 million in 2017.

The profit for the year after taxation amounted to £13.32 million (2017: £22.68 million). As a Trust Port, the business retains all profits for reinvestment in harbour developments for the benefit of the harbour's stakeholders.

The Board continued to report a strong balance sheet as at 31 December 2018 with net assets of £233 million.

More details of the financial results are included in the Chairman's Statement.

Future developments

The business's plans for the future are focussed on delivering the Aberdeen South Harbour on time and on budget. This will provide capacity for larger vessels with 1,400 metres of deep-water berths supported by 125,000 square metres of laydown area.

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Key performance indicators

The annual budget agreed by the Board is the basis for measuring the performance of the business throughout the year. In addition, this drives financial and non-financial targets for the Senior Management Team. As part of the budgeting process, the Board considers the financial projections for a five-year time horizon with the strategic aim of the business to provide state-of-the-art facilities for its customers and to leave the business in a better condition than when they took office.

The KPIs which are used to measure these aspects include:

- 1 **Quayside utilisation** — There was an increase of 4.8% in quayside utilisation compared with last year. This was consistent with the increase in tonnage of vessels visiting the port.
- 2 **Vessel movements/Pilotage acts** — The number of full pilotage acts in 2018 were in line with those in 2017. The number of exempt pilotage acts has increased in recent years, highlighting the trend of Ships Masters to gain exemptions to reduce operating costs for the ship owners.
- 3 **Income per tonne — Vessels** — This increased from 53p to 56p in line with the increase in rates and charges applied by the business in the year.
- 4 **Income per tonne — Goods** — This increased from £2.15 to £2.28 partly due to the increase in rates and charges, but also a reflection of the mix of cargoes handled.
- 5 **Debtor days** — The number of debtor days has decreased from 40 days to 39 days. The Board believes there is adequate control over the collection of debt.
- 6 **EBITDA — Actual v budget** — EBITDA was 8.7% ahead of budget for 2018, driven by the increase in vessel and cargo tonnages.
- 7 **Rental property occupied** — The level of rental property occupied increased by 1.6% compared with 2017.

By including EBITDA as a KPI the business aims to monitor the profitability of the business in order that the business generates the necessary funds to re-invest in the port infrastructure to ensure the relevant facilities can be provided for our customers.

ON BEHALF OF THE BOARD:

M Handforth
Chief Executive
25 March 2019

REPORT OF THE BOARD

FOR THE YEAR ENDED 31 DECEMBER 2018

The Board presents its report with the Financial Statements for the year ended 31 December 2018.

Administration, maintenance and improvement of the harbour is entrusted to Aberdeen Harbour Board, an independent statutory body formed under the terms of the Aberdeen Harbour Order Confirmation Act 1960. Certain modifications to this constitution were embodied in the Aberdeen Harbour Order Confirmation Act 1987 and the Aberdeen Harbour Revision (Constitution) Order 2002.

PRINCIPAL ACTIVITIES

The principal activities of the Board are the operation and maintenance of the harbour facilities and the provision of services ancillary thereto.

REVIEW OF BUSINESS

Review of business for the year can be found in the Chairman's Statement.

BOARD MEMBERS

Other than as set out below, board members have held office during the whole of the period from 1 January 2018 to the date of this report.

Chairman

A Y Mackenzie

Vice-Chairwoman

M McNeill

Members

C Bain	(Demitted office 31 December 2018)	M Handforth	(Appointed 5 February 2018)
J Bell		M Keith	(Appointed 1 January 2019)
M L Bowyer	(Demitted office 31 December 2018)	J MacLennan	
J Brebner	(Appointed 1 January 2018)	M J North	(Appointed 1 January 2019)
R Buchan	(Appointed 1 January 2019)	C Parker	(Demitted office 31 January 2018)
L Campbell		M A Porter	
E Craig	(Appointed 1 January 2019)	A J Strachan	(Demitted office 31 December 2018)

REPORT OF THE BOARD

FOR THE YEAR ENDED 31 DECEMBER 2018

Principal Officers

M Handforth	Chief Executive	(Appointed 5 February 2018)
C Parker	Chief Executive	(Demitted office 31 January 2018)
J Bell	Finance Director	
Captain J Gaskin	Harbour Master	
K D Young	Engineering Director	
C Bain	External Relations Director	
M J North	Commercial Director	

BOARD SECRETARY

Mackinnons Solicitors

SUPPLIER PAYMENT POLICY

It is the policy of the Board to pay all verified accounts within agreed settlement terms.

AUDITOR

The auditors, Johnston Carmichael LLP, will be deemed re-appointed under S487 of the Companies Act 2006.

STATEMENT OF DISCLOSURE TO AUDITOR

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

ON BEHALF OF THE BOARD:

Mackinnons Solicitors
Board secretary
25 March 2019

STATEMENT OF RESPONSIBILITIES OF THE BOARD

FOR THE YEAR ENDED 31 DECEMBER 2018

The Board is responsible for preparing the Strategic Report, Report of the Board and the Financial Statements in accordance with applicable law and regulations.

Legislation requires the Board to prepare financial statements for each financial year. Under that law, the Board has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Board and of the profit or loss of the Board for that period. In preparing these financial statements, the Board is 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 Board will continue in business.

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

Financial statements comply with the Companies Act 2006 and Harbours Act 1964 as amended by the Transport Act 1981.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERDEEN HARBOUR BOARD

Opinion

We have audited the financial statements of Aberdeen Harbour Board for the year ended 31 December 2018 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 Board's affairs as at 31 December 2018 and of its profit for the year then ended;
- > have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- > have been prepared in accordance with the requirements of the Companies Act 2006 and Harbours Act 1964, as amended by the Transport Act 1981.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the board in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

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

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

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and Harbours Act 1964, as amended by the Transport Act 1981 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 Board members remuneration specified by law are not made; or
- > we have not received all the information and explanations we require for our audit

Responsibilities of Board members

As explained more fully in the Statement of Responsibilities of the Board set out on page 35, the Board is 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 Board 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 Board members are responsible for assessing the Board'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 Board members either intend to liquidate the Board or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- > Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- > Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- > Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board members.
- > Conclude on the appropriateness of the Board members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the board to cease to continue as a going concern.
- > Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the members of Aberdeen Harbour Board, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and Harbours Act 1964, as amended by the Transport Act 1981. Our audit work has been undertaken so that we might state to the Board'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 Board and the Board's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jean Main (Senior Statutory Auditor)
for and on behalf of **Johnston Carmichael LLP**
Chartered Accountants
Statutory Auditor
Bishop's Court, 29 Albyn Place, ABERDEEN AB10 1YL

25 March 2019

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £'000	2017 £'000
TURNOVER	3	35,341	32,640
Cost of sales	4	(11,663)	(10,860)
GROSS PROFIT		23,678	21,780
Administrative expenses		(6,255)	(5,963)
OPERATING PROFIT	5	17,423	15,817
Interest receivable and similar income	9	666	372
Interest payable and similar expenses	8	(1,468)	(250)
Gain on disposal of tangible fixed assets		-	10,889
Gain on disposal of equity investments		-	157
PROFIT BEFORE TAXATION		16,621	26,985
Taxation	10	(3,297)	(4,298)
PROFIT FOR THE FINANCIAL YEAR	23	13,324	22,687

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 2018

	Notes	2018 £'000	2017 £'000
PROFIT FOR THE YEAR		13,324	22,687
OTHER COMPREHENSIVE INCOME			
Actuarial gain on defined benefit pension schemes	22	1,915	7,011
Tax relating to other comprehensive income		(326)	(1,192)
OTHER COMPREHENSIVE INCOME FOR THE YEAR		1,589	5,819
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		14,913	28,506

BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £'000	2017 £'000
FIXED ASSETS			
Tangible assets	11	221,699	138,711
Investment properties	12	31,151	31,367
		252,850	170,078
CURRENT ASSETS			
Stocks	15	82	74
Debtors falling due after one year	16	2,079	2,177
Debtors falling due within one year	16	19,991	16,851
Cash at bank and in hand		59,404	49,538
		81,556	68,640
CREDITORS			
Amounts falling due within one year	17	(15,026)	(12,484)
NET CURRENT ASSETS		66,530	56,156
TOTAL ASSETS LESS CURRENT LIABILITIES		319,380	226,234
CREDITORS			
Amounts falling due after more than one year	17	(91,066)	(13,013)
PROVISIONS FOR LIABILITIES	20	(3,544)	(2,373)
NET ASSETS EXCLUDING PENSION SURPLUS		224,770	210,848
DEFINED BENEFIT PENSION SURPLUS	22	8,139	7,150
NET ASSETS		232,909	217,998
CAPITAL AND RESERVES			
Other reserves	23	7,371	7,404
Profit and loss reserves	23	225,538	210,594
TOTAL EQUITY		232,909	217,998

The financial statements were approved by the Board and authorised for issue on 25 March 2019 and signed on its behalf by:

A Y Mackenzie **Chairman**

M Handforth **Chief Executive**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Revaluation reserve	Other reserves	Profit and loss reserves	Total
	£'000	£'000	£'000	£'000
BALANCE AT 1 JANUARY 2017	5,165	8,079	176,249	189,493
Year ended 31 December 2017:				
Profit for the year	(45)	195	22,537	22,687
Other comprehensive income:				
Transfer to profit and loss reserves	(5,120)	(870)	5,990	-
Actuarial gains on defined benefit plans	-	-	7,011	7,011
Tax relating to other comprehensive income	-	-	(1,193)	(1,193)
Total comprehensive income for the year	(5,165)	(675)	34,345	28,505
BALANCE AT 31 DECEMBER 2017	-	7,404	210,594	217,998
Year ended 31 December 2018:				
Profit for the year	-	5	13,319	13,324
Other comprehensive income:				
Transfer to profit and loss reserves	-	(38)	38	-
Actuarial gains on defined benefit plans	-	-	1,915	1,915
Tax relating to other comprehensive income	-	-	(328)	(328)
BALANCE AT 31 DECEMBER 2018	-	7,371	225,538	232,909

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £'000	2017 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	28	28,059	19,704
Interest paid		(1,063)	(191)
Income taxes paid		(2,941)	(3,511)
NET CASH INFLOW FROM OPERATING ACTIVITIES		24,055	16,002
INVESTING ACTIVITIES			
Purchase of tangible fixed assets		(84,777)	(53,839)
Proceeds on disposal of tangible fixed assets		-	10,896
Proceeds on disposal of investment property		187	869
Proceeds on disposal of equity investments		-	37,811
Interest received		401	419
NET CASH USED IN INVESTING ACTIVITIES		(84,189)	(3,844)
FINANCING ACTIVITIES			
Proceeds from new bank loans		70,000	10,000
NET CASH GENERATED FROM FINANCING ACTIVITIES		70,000	10,000
NET INCREASE IN CASH AND CASH EQUIVALENTS		9,866	22,158
Cash and cash equivalents at beginning of year		49,538	27,380
CASH AND CASH EQUIVALENTS AT END OF YEAR		59,404	49,538

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 ACCOUNTING POLICIES

Board information

Aberdeen Harbour Board is a Trust Port having its principal place of business in Scotland. The main office is 16 Regent Quay, Aberdeen, AB11 5SS.

1.1 Accounting convention

The financial statements are prepared in Sterling, which is the functional currency of the Board. Monetary amounts in these financial statements are rounded to the nearest £000.

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

1.2 Going concern

The Board members at the time of approving the financial statements, have a reasonable expectation that the Board has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Revenue is measured at the fair value of the consideration received in respect of services provided in the normal course of business stated net of Value Added Tax. Rents receivable are recognised on a straight line basis over the lease term.

1.4 Tangible fixed assets

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

Depreciation is calculated on a straight line basis on the asset costs using asset lives consistent with past practice, subject to a maximum quay life of 40 years. Dredgings are depreciated over a 40 year period. Dock, structures, roads and permanent ways are depreciated over the periods of between 20 and 40 years. Plant and machinery are depreciated on the basis of an economic life of 3 to 20 years depending on the nature of the asset. Floating craft is depreciated over a period of 15 years. Buildings are depreciated over the periods of between 20 and 40 years. Land and capital works in progress are not depreciated.

Included in capital works in progress are costs of £151.1 million (2017 - £65.7 million) in relation to the Aberdeen Harbour Expansion Project. The Board signed a construction contract with Dragados UK Limited on 20 December 2016 which commenced in January 2017. Capital works in progress are valued at cost.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the Profit and Loss account.

1.6 Fixed asset investments

Investments held as fixed assets are stated at market value. The gains and losses on the fair value of the investments are reported through the Profit and Loss account. The gains or losses on disposal of investments are reported through the Profit and Loss account.

1.7 Impairment of fixed assets

At each reporting end date, the Board 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 Board 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 the Profit and Loss account, 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 and Loss account, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1 ACCOUNTING POLICIES (CONT)

1.8 Stocks

Stocks are valued at lower of invoice cost on an average cost basis and estimated net realisable value. Provision is made for obsolete stock.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of twelve months or less.

1.10 Financial assets

The Board 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 assets are recognised in the Board's balance sheet when the Board becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables 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. Other financial assets classified as fair value through Profit and Loss account are measured at fair value.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through Profit and Loss account, 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. The impairment loss is recognised in Profit and Loss account.

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 Board 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.

1.11 Financial liabilities

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

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

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

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Board's obligations are discharged, cancelled, or they expire.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 ACCOUNTING POLICIES (CONT)

1.12 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 Board'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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Profit and Loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Board has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 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 Board is demonstrably committed to terminating the employment of an employee or to providing termination benefits.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Rentals payable under operating leases, including any lease incentives received, are charged to expenditure 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 lease asset are consumed.

1.15 Capital investment grants

Capital investment grants are credited to the Profit and Loss account over the expected useful lives of the relevant fixed assets

1.16 Retirement benefits

The Board operates one defined benefit pension scheme and participates in another (Pilots' National Pension Fund).

> For the main scheme, in accordance with FRS 102, the service cost of pension provision relating to the year, together with the cost of any benefits relating to past service, is charged to operating profit. A charge equal to interest on the scheme liabilities and a credit equivalent to the long-term expected return on assets are included in the Profit and Loss account under 'Interest Receivable and Similar Income'. The difference between the market value of the scheme and the present value of the 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 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.

> The Pilots' National Pension Fund is accounted for as if it were a defined contribution as the Board's ultimate share of assets and liabilities cannot be identified.

The Board also operates a defined contribution pension scheme. Contributions payable to the Board's pension scheme are charged to the Profit and Loss account in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2 JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Board's accounting policies, the board 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Useful economic life of fixed assets

Land & Buildings, Dredging, Dock Structures, Plant & Machinery, and Floating Craft are depreciated over the useful lives of the assets. Useful lives are based on the Board'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. When carrying out impairment tests, these would be based upon future cash flow forecasts and these forecasts would be based upon management judgement. Future events could cause the assumptions to change.

The Board 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.

Income taxes

The Board is subject to income taxation in the UK, where judgement arises in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Board recognises tax liabilities based on estimates of whether additional taxes and interest will be due. The Board believes its accruals for tax liabilities and provisions for deferred tax are adequate for all financial years based on its assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact on the taxation charge made in the Profit and Loss account in the period in which such determination is made.

Defined benefit pension schemes

Accounting for pensions and other post retirement benefits involves judgements about uncertain events including estimated retirement dates, salary levels at retirement mortality rates, determination of discount rates for measuring plans obligations and net interest expense and assumptions for inflation rates.

Pension and other post retirement assumptions are reviewed by the Board at the end of each year. These assumptions are used to determine the projected benefit obligations at the year end and hence surpluses and deficits are recorded on the Board's Balance Sheet, and pension and other post retirement benefit expense for the following year.

The assumptions used are provided in note 22.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

3 TURNOVER

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

	2018	2017
	£'000	£'000
Turnover		
Dues: on vessels	15,773	14,478
Dues: on goods	9,921	9,052
Cranage and weighbridges	200	197
Storage	771	489
Rent	5,920	5,875
Pilotage	2,574	2,440
Other revenue	182	109
	35,341	32,640
Other significant revenue		
Interest income (net)	666	372

4 COST OF SALES

	2018	2017
	£'000	£'000
Operating and maintenance	8,819	8,056
Dredging	452	356
Depreciation (net of grants)	2,392	2,441
Loss on disposal of fixed assets	-	7
	11,663	10,860

5 OPERATING PROFIT

	2018	2017
	£'000	£'000
Operating profit for the year is stated after charging/(crediting):		
Direct costs of pilotage	2,521	2,172
Capital investment grants	-	(5)
Fees payable to the Board's auditors for the audit of the Board's annual accounts	28	27
Depreciation of owned tangible fixed assets	2,746	2,808
Profit on disposal of fixed assets	3	7
Operating lease charges	410	385

6 EMPLOYEES

The average monthly number of persons (including executive board members) employed by the Board during the year was:

	2018	2017
	Number	Number
Executive Board Members	3	3
Administrative and Managerial	30	28
Operating and Maintenance	62	63
	95	94

Their aggregate remuneration comprised:

	2018	2017
	£'000	£'000
Wages and salaries	5,616	5,394
Social security costs	651	624
Pension costs	2,703	1,992
	8,970	8,010

Included in pension costs in the current year is an allowance for GMP equalisation of £588,000 in relation to the Aberdeen Harbour Board Retirement Benefits Scheme.

7 BOARD MEMBERS' REMUNERATION

	2018	2017
	£'000	£'000
Remuneration for qualifying services	623	643
Board pension contributions to defined contribution schemes	38	30
Board pension contributions to defined benefit schemes	55	52
	716	725

The number of Board members for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2017 - 1).

The number of Board members for whom retirement benefits are accruing under defined benefit schemes amounted to 1 (2017 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid Board member:

	2018	2017
Remuneration for qualifying services	183	256
Board pension contributions to defined contribution schemes	7	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

8 INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£'000	£'000
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	1,468	250

9 INTEREST RECEIVABLE AND SIMILAR INCOME

	2018	2017
	£'000	£'000
Interest income		
Interest on bank deposits	360	219
Other interest income	114	123
Total interest revenue	474	342
Other finance income		
Return on pension scheme assets	1,752	1,827
Interest on pension scheme liabilities	(1,560)	(1,797)
	192	30
Total interest receivable and similar income	666	372

10 TAXATION

	2018	2017
	£'000	£'000
Current tax		
UK corporation tax on profits for the current period	3,646	4,678
Adjustments in respect of prior periods	(1,214)	(568)
Total current tax	2,432	4,110
Deferred tax		
Accelerated capital allowances	1,003	394
Change in value of investment properties	(5)	(195)
Realisation of equity investments	-	45
Unpaid pension contributions	24	24
Timing differences on pension costs	(157)	(80)
Total deferred tax	865	188
Total tax charge	3,297	4,298

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:

	2018	2017
	£'000	£'000
Profit before taxation	16,621	26,985
Expected tax charge based on a corporation tax rate of 19.00% (2017: 19.25%)	3,158	5,195
Expenses not deductible for tax purposes	20	6
Items not deductible for tax purposes	-	(2,126)
Adjustments in respect of prior years	(1,214)	(567)
Capital allowances in excess of depreciation	323	364
Corporation tax adjustments in respect of prior years	1,001	374
Adjust deferred tax to average rate	(22)	(159)
Chargeable (losses)/gains	(5)	1,053
Other adjustments	36	158
Tax expense for the year	3,297	4,298

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:

	2018	2017
	£'000	£'000
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	326	1,192

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

11 TANGIBLE FIXED ASSETS

	Land and Buildings Freehold	Dredging	Docks, Structures, Roads and Permanent Way	Plant and Machinery	Floating Craft	Capital Works in Progress	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
COST							
At 1 January 2018	26,306	9,767	90,897	9,178	2,406	65,658	204,212
Additions	-	-	4	146	-	85,587	85,737
Disposals	-	-	-	(105)	-	-	(105)
Transfer between classes	-	-	191	-	-	(191)	-
At 31 December 2018	26,306	9,767	91,092	9,219	2,406	151,054	289,844
DEPRECIATION AND IMPAIRMENT							
At 1 January 2018	8,924	2,705	44,664	7,618	1,590	-	65,501
Depreciation charged in the year	293	214	1,773	306	160	-	2,746
Eliminated in respect of disposals	-	-	-	(102)	-	-	(102)
At 31 December 2018	9,217	2,919	46,437	7,822	1,750	-	68,145
CARRYING AMOUNT							
At 31 December 2018	17,089	6,848	44,655	1,397	656	151,054	221,699
At 31 December 2017	17,382	7,062	46,233	1,560	816	65,658	138,711

Included in cost of land and buildings is freehold land of £11,782,959 (2017 - £11,782,959) which is not depreciated.

12 INVESTMENT PROPERTIES

	2018
	£'000
Fair Value	
At 1 January 2018	31,367
Disposals	(216)
At 31 December 2018	31,151

The fair value of the investment properties has been arrived at on the basis of a valuation carried out at 7 May 2015 by J & E Shepherd Chartered Surveyors, who are independent from the Board. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties as at 31 December 2014. The Board has assessed the current market conditions at 31 December 2018 to arrive at their year end valuation.

13 INVESTMENTS

Aberdeen Harbour Board owns 100% of the issued ordinary share capital of Aberdeen Harbour Limited, a company incorporated in Scotland. Aberdeen Harbour Limited is engaged in the business of renting out property.

The results of Aberdeen Harbour Limited are not material and therefore group financial statements have not been prepared. For the year ended 31 December 2018, the company reported results for the year of £nil and net assets of £1.

The Board charged Aberdeen Harbour Limited £64,760 (2017 - £148,301) for rent and £833 in respect to management charges (2017 - £2,000).

14 FINANCIAL INSTRUMENTS

	2018	2017
	£'000	£'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	63,822	52,703
Instruments measured at fair value through Profit and Loss account	747	815
	64,569	53,518
Carrying amount of financial liabilities		
Measured at fair value through Profit and Loss account	1,524	1,665
Measured at amortised cost	92,827	19,796
	94,351	21,461

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

15 STOCKS

	2018	2017
	£'000	£'000
Stocks	82	74

16 DEBTORS

	2018	2017
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	4,418	3,164
Other debtors	14,904	13,201
Prepayments and accrued income	669	486
	19,991	16,851
Amounts falling due after one year:		
Other debtors	668	747
Deferred tax asset (note 20)	1,411	1,430
	2,079	2,177
Total debtors	22,070	19,028

17 CREDITORS

	Notes	Due within one year		Due after one year	
		2018	2017	2018	2017
		£'000	£'000	£'000	£'000
Loans and overdrafts	18	-	-	80,000	10,000
Taxation and social security		2,041	2,539	-	-
Capital investment grants	21	-	-	9,700	1,500
Trade creditors		440	5,121	-	-
Rent payments received on account		1,151	1,100	-	-
Accruals		5,880	671	-	-
Other creditors		5,514	3,053	1,366	1,513
		15,026	12,484	91,066	13,013

18 LOANS AND OVERDRAFTS

	2018	2017
	£'000	£'000
Bank loans	80,000	10,000
Payable after one year	80,000	10,000

The long-term loans are secured by a negative pledge over the assets of the Board whereby they cannot pledge their assets as securities against any other loan.

19 PROVISIONS FOR LIABILITIES

		2018	2017
	Notes	£'000	£'000
Deferred tax liabilities	20	3,544	2,373
		3,544	2,373

20 DEFERRED TAXATION

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

	Liabilities	Liabilities	Assets	Assets
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Balances:				
Accelerated capital allowances	2,160	1,158	-	-
Pension contributions unpaid at the year end	-	-	259	283
Unrealised loss on investment properties	-	-	1,152	1,147
Deferred tax on defined pension scheme	1,384	1,215	-	-
	3,544	2,373	1,411	1,430

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

21 CAPITAL INVESTMENT GRANTS

	2018	2017
	£'000	£'000
Capital investment grants	9,700	1,500
	9,700	1,500

22 RETIREMENT BENEFIT SCHEMES

Defined contribution schemes

The Board operates a defined contribution pension plan for its employees. The amount recognised as an expense in the year was £390,543 (2017 - £356,980).

Defined benefit schemes

The Board operates a defined benefit pension plan for qualifying employees providing benefits based upon final pensionable pay. The pension plan is funded by payment of contributions and the assets of the plan are held in a separately administered fund. The fund was closed to new members on the 31 October 2013.

The most recent triennial valuation was carried out at 31 March 2017 and this showed that the market value of the Fund's assets were £69.5 million and that the actuarial value of those assets represented 100.1% of the benefits that had accrued to the members after allowing for the expected future increases in earnings. The contributions to the scheme are determined by a qualified actuary and in 2018 were £1,183,000 (2017 - £1,139,000).

The Board is also contributing for one current employee to a defined benefit pension plan called the Pilots' National Pension Fund. The PNPf is unusual in that the membership of the Fund includes both employed and self employed members. As at 31 December 2016, the valuation of the Fund's assets totalled £326.6 million, which represented 66% of the liabilities and resulting in a deficit of £164.8 million. A decision of the courts in June 2010 determined that the Trustees of the PNPf could amend the Trust Deed and Rules so that all Competent Harbour Authorities (pilot licensing authorities) whether direct employers or not would have a joint and several responsibilities to meet any funding deficit.

The Board's share of the funding deficit based on the Trustee's most recent valuation advice has been estimated at £2.53 million, which the Trustees have agreed will be payable by monthly instalments over a 16-year period commencing on 1 January 2013. The obligation is included within other creditors at the year end measured at its present value of future discounted cash flows.

In accordance with FRS 102, transactions with the PNPf are accounted for as if the Fund were a defined contribution scheme as there is insufficient information available to use defined benefit accounting for the multi-employer plan. During the year, employer contributions paid to the PNPf amounted to £19,145 (2017 - £22,229). These have been included in cost of sales in the Profit and Loss account.

22 RETIREMENT BENEFIT SCHEMES (CONTINUED)

The principal actuarial assumptions of the Board's defined benefit scheme were as follows:

	2018	2017
	%	%
Discount rate	2.90	2.50
Expected rate of salary increases	2.95	3.95
Expected rate of increase of pension increases	2.20	2.20
Inflation (RPI)	3.20	3.20
Inflation (CPI)	2.20	2.20

The mortality assumptions used for longevity (in years) on retirement at age 65 are:

	2018	2017
	Years	Years
Retired male member age 65 (current life expectancy)	22.0	22.0
Retired female member age 65 (current life expectancy)	24.6	24.5
Non-retired male member aged 45 (life expectancy at 65)	23.8	23.7
Non-retired female member aged 45 (life expectancy at 65)	26.4	25.7

Total amounts recognised in the year for the Board's defined benefit pension plan was as follows:

	2018	2017
	£'000	£'000
Current service cost	1,491	1,424
Past service cost	588	-
Net interest on defined benefit (asset)/liability	(192)	(30)
Administrative costs	222	219
Total costs	2,109	1,613

Amounts taken to other comprehensive income

	2018	2017
	£'000	£'000
Effect of changes in assumptions	1,461	1,211
Effect of experience adjustments	4,001	4,001
Return on plan assets	(3,547)	1,799
Actuarial gains	1,915	7,011

Amounts recognised in the balance sheet was as follows:

	2018	2017
	£'000	£'000
Present value of defined benefit obligations	(59,369)	(63,718)
Fair value of plan assets	67,508	70,868
Total surplus recognised	8,139	7,150

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

22 RETIREMENT BENEFIT SCHEMES (CONTINUED)

Changes in the present value of the defined benefits obligation are as follows:

	2018
	£'000
Liabilities at 1 January 2018	63,718
Current service cost	1,491
Past service cost	588
Interest cost	1,560
Actuarial losses	(5,462)
Contributions by scheme members	132
Benefits paid	(2,609)
Insurance premiums for risk benefits	(49)
At 31 December 2018	59,369

The Board expects to contribute £1,231,000 to the pension scheme in 2019.

Movements in the fair value of plan assets

	2018
	£'000
Fair value of assets at 1 January 2018	70,868
Interest income	1,752
Return on plan assets (excluding amounts included in net interest)	(3,547)
Administrative expenses	(222)
Insurance premiums for risk	(49)
Contributions by the employer	1,183
Contributions by scheme members	132
Benefits paid	(2,609)
At 31 December 2018	67,508

Fair value of plan assets at the reporting period end

	2018	2017
	£'000	£'000
Equity instruments	12,826	19,865
Debt instruments	13,307	8,814
Diversified growth fund	22,645	27,239
Liability driven investments	17,225	14,938
Cash and net current assets	164	12
Direct Lending	1,341	-
	67,508	70,868

23 RESERVES

Profit and Loss reserves

The Profit and Loss account represents cumulative realised profits and losses.

Equity investment revaluation reserve

The equity investment revaluation reserve represents the cumulative effect of revaluations net of deferred tax of listed investments where a policy of revaluation has been adopted.

Investment properties revaluation reserve

The investment properties revaluation reserve represents the cumulative effect of revaluations net of deferred tax of investment properties. The reserve has been made to separately identify non-distributable profits from distributable profits.

24 FINANCIAL COMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES

As is standard with an NEC 3 Engineering and Construction Contract, a number of compensation events have been noted in connection with the harbour expansion project. Further information will be required to validate and conclude on the impact of these events but management are comfortable that any claims will be negotiated in accordance with contract requirements and the forecasted financial plan for the construction project.

Full disclosure of the nature and potential financial effect of these events is not made in the Financial Statements at this stage as this is commercially sensitive information that the Board believe could prejudice the position of the entity in concluding the impact of these events.

25 OPERATING LEASE COMMITMENTS

Lessee

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

	2018	2017
	£'000	£'000
Within one year	630	572
Between two and five years	2,318	2,281
In over five years	57,270	58,082
	60,218	60,935

Lessor

The Board owns 22 (2017 - 23) investment properties for rental purposes. Rental income, including investment property income, earned during the year was £5,919,725 (2017 - £5,875,417). All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

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

	2018	2017
	£'000	£'000
Within one year	5,539	5,486
Between two and five years	12,370	14,809
In over five years	21,176	23,016
	39,085	43,311

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

26 CAPITAL COMMITMENTS

At 31 December 2018, the Board had capital commitments as follows:
Contracted for but not provided in the financial statements:

	2018	2017
	£'000	£'000
Acquisition of tangible fixed assets	159,909	241,808

27 RELATED PARTY TRANSACTIONS

Remuneration of key management personnel

The remuneration of key management personnel, some of who are also board members, is as follows:

	2018	2017
	£'000	£'000
Aggregate compensation	1,170	1,144

No guarantees have been given or received.

28 CASH GENERATED FROM OPERATIONS

	2018	2017
	£'000	£'000
Profit for the year	13,324	22,687
Adjustments for:		
Income tax expense	3,297	4,298
Finance costs	1,468	250
Investment income	(666)	(372)
Loss/(gain) on disposal of tangible fixed assets	3	(10,882)
Loss on disposal of investment property	29	-
Depreciation and impairment of tangible fixed assets	2,746	2,808
Gain on sale of investments	-	(157)
Pension scheme non-cash movement	1,118	504
Movements in working capital:		
(Increase) in stocks	(8)	(4)
(Increase)/decrease in debtors	(2,989)	23,480
Increase/(decrease) in creditors	1,537	(24,403)
Increase in capital investment grants	8,200	1,495
Cash generated from operations	28,059	19,704

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

	2018		2017	
	£'000	£'000	£'000	£'000
Turnover				
Dues on vessels		15,773		14,478
Dues on goods		9,921		9,052
Rent		5,920		5,875
Pilotage		2,574		2,440
Storage		771		489
Cranage and weighbridge		200		197
Other revenue		182		109
		35,341		32,640
Cost of sales				
Dredging costs	452		356	
Wages and salaries	3,794		3,654	
Social security costs	450		438	
Staff pension costs	2,113		1,592	
Operating and maintenance	2,462		2,372	
Depreciation	2,392		2,441	
Loss on sale of tangible assets	-		7	
		(11,663)		(10,860)
Gross profit		23,678		21,780
Administrative expenses		(6,255)		(5,963)
Operating profit		17,423		15,817
Investment revenues				
Bank interest received	360		219	
Other interest received on financial instruments	109		118	
Other interest received - not on financial instruments	-		5	
Interest received from HMRC on corporation tax	5		-	
Return on pension scheme assets	1,752		1,827	
Interest on pension scheme liabilities	(1,560)		(1,797)	
		666		372
Interest payable and similar expenses		(1,468)		(250)
Other gains and losses				
Fair value gains and losses on equity investments	-		-	
Gain on disposal of tangible fixed assets	-		10,889	
Gain on disposal of equity investments	-		157	
		-		11,046
Profit before taxation		16,621		26,985

SHIPPING AND TRAFFIC STATISTICS

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017	2016	2015	2014
Number of Vessels					
European Union	4,428	2,217	1,627	1,764	1,922
Foreign (excl. EU)	186	186	254	277	324
Offshore Oil	4,545	4,292	4,488	5,254	5,601
Fishing	81	55	47	121	83
Cruise	26	25	22	12	7
	9,266	6,775	6,438	7,428	7,937
Tonnage of Vessels (Thousand Gross Tonnes)					
European Union	8,238	7,736	7,923	7,822	7,629
Foreign (excl. EU)	1,024	1,027	1,293	1,537	1,758
Offshore Oil	16,731	16,031	16,149	18,084	18,675
Fishing	2	6	6	19	10
Cruise	138	81	89	45	34
	26,133	24,881	25,460	27,507	28,106
Traffic Statistics (Thousand Tonnes)					
Goods Inwards					
Commercial Traffic	1,406	1,397	1,361	1,496	1,588
Offshore Oil Traffic	545	501	515	541	548
	1,951	1,898	1,876	2,037	2,136
Goods Outwards					
Commercial Traffic	607	550	632	679	753
Offshore Oil Traffic	1,621	1,611	1,678	1,800	1,858
	2,228	2,161	2,310	2,479	2,611
Total Goods Inwards and Outwards	4,179	4,059	4,186	4,516	4,747
Number of Passengers	156,844	145,970	151,727	158,226	153,756

“In terms of investment, Aberdeen Harbour’s South Harbour expansion is the largest port infrastructure project underway in the UK, and the largest single investment project in the history of UK Trust Ports.”

MICHELLE HANDFORTH,
CHIEF EXECUTIVE, ABERDEEN HARBOUR BOARD



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