

Company Registration No. SC213920 (Scotland)

**SCOT MARINER SHIPPING LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**  
**PAGES FOR FILING WITH REGISTRAR**

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# SCOT MARINER SHIPPING LIMITED

## COMPANY INFORMATION

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|--------------------------|--------------------------------------------------------------------------------------------|
| <b>Directors</b>         | A G M Catto<br>P T Millatt<br>R J Brooks<br>M T F Osborne<br>G J Catto<br>S A Catto        |
| <b>Company number</b>    | SC213920                                                                                   |
| <b>Registered office</b> | 41 Culduthel Road<br>Inverness<br>IV2 4AT                                                  |
| <b>Auditor</b>           | Johnston Carmichael LLP<br>Clava House<br>Cradlehall Business Park<br>INVERNESS<br>IV2 5GH |

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# SCOT MARINER SHIPPING LIMITED

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# SCOT MARINER SHIPPING LIMITED

## BALANCE SHEET

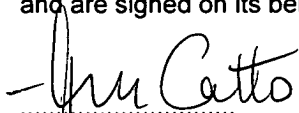
AS AT 31 MARCH 2017

|                                                       | Notes | 2017<br>£          | £                       | 2016<br>£          | £                       |
|-------------------------------------------------------|-------|--------------------|-------------------------|--------------------|-------------------------|
| <b>Fixed assets</b>                                   |       |                    |                         |                    |                         |
| Tangible assets                                       | 3     |                    | 746,922                 |                    | 924,791                 |
| <b>Current assets</b>                                 |       |                    |                         |                    |                         |
| Debtors                                               | 4     | 2,233,025          |                         | 2,121,984          |                         |
| Cash at bank and in hand                              |       | 92,848             |                         | 144,398            |                         |
|                                                       |       | <u>2,325,873</u>   |                         | <u>2,266,382</u>   |                         |
| <b>Creditors: amounts falling due within one year</b> | 5     | <u>(1,115,084)</u> |                         | <u>(1,219,647)</u> |                         |
| <b>Net current assets</b>                             |       |                    | <u>1,210,789</u>        |                    | <u>1,046,735</u>        |
| <b>Total assets less current liabilities</b>          |       |                    | <u>1,957,711</u>        |                    | <u>1,971,526</u>        |
| <b>Provisions for liabilities</b>                     | 6     |                    | <u>(357,907)</u>        |                    | <u>(350,424)</u>        |
| <b>Net assets</b>                                     |       |                    | <u><u>1,599,804</u></u> |                    | <u><u>1,621,102</u></u> |
| <b>Capital and reserves</b>                           |       |                    |                         |                    |                         |
| Called up share capital                               | 8     |                    | 300,000                 |                    | 300,000                 |
| Profit and loss reserves                              |       |                    | <u>1,299,804</u>        |                    | <u>1,321,102</u>        |
| <b>Total equity</b>                                   |       |                    | <u><u>1,599,804</u></u> |                    | <u><u>1,621,102</u></u> |

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 29 September 2017 and are signed on its behalf by:



A G M Catto  
Director

Company Registration No. SC213920

# SCOT MARINER SHIPPING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2017**

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### **1 Accounting policies**

#### **Company information**

Scot Mariner Shipping Limited is a private company limited by shares incorporated in Scotland. The registered office is 41 Culduthel Road, Inverness, IV2 4AT.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2017 are the first financial statements of Scot Mariner Shipping Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### **1.2 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover from the supply of services represents the value of services provided under contracts and is recognised as services are provided.

#### **1.3 Tangible fixed assets**

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

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

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

#### **1.4 Impairment of fixed assets**

At each reporting period end date, the company 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).

#### **1.5 Cash and cash equivalents**

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

# SCOT MARINER SHIPPING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2017

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#### 1 Accounting policies

(Continued)

##### 1.6 Financial instruments

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

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

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

##### **Basic financial assets**

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

##### **Classification of financial liabilities**

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

##### **Basic financial liabilities**

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

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

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

##### 1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

##### 1.8 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# SCOT MARINER SHIPPING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

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### 1 Accounting policies

(Continued)

#### **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 company 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.

#### 1.9 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

#### 1.10 Survey costs

The company has a maritime legal obligation to put its ship through an extensive survey and overhaul every five years, and an intermediate survey in between each of the extensive surveys. The costs of the survey are borne by the company and can be estimated with reasonable accuracy.

The company recognises the full anticipated liability at the beginning of each five year period. This and a provision, discounted to allow for the time value of money, is set up along with a corresponding current asset prepayment. The current asset is then released to the profit and loss account in equal annual installments along with a notional interest charge. At the end of each five year period the provision is offset against the actual cost of the survey and any difference is taken to the profit and loss account.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 6 (2016 - 6).

# SCOT MARINER SHIPPING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 3 Tangible fixed assets

|                                    | Plant and machinery etc<br>£ |
|------------------------------------|------------------------------|
| <b>Cost</b>                        |                              |
| At 1 April 2016 and 31 March 2017  | 3,557,381                    |
| <b>Depreciation and impairment</b> |                              |
| At 1 April 2016                    | 2,632,590                    |
| Depreciation charged in the year   | 177,869                      |
| At 31 March 2017                   | 2,810,459                    |
| <b>Carrying amount</b>             |                              |
| At 31 March 2017                   | 746,922                      |
| At 31 March 2016                   | 924,791                      |

### 4 Debtors

|                                                         | 2017<br>£        | 2016<br>£        |
|---------------------------------------------------------|------------------|------------------|
| <b>Amounts falling due within one year:</b>             |                  |                  |
| Amounts due from group undertakings and related parties | 2,005,500        | 1,916,400        |
| Other debtors                                           | 227,525          | 205,584          |
|                                                         | <u>2,233,025</u> | <u>2,121,984</u> |

### 5 Creditors: amounts falling due within one year

|                                   | 2017<br>£        | 2016<br>£        |
|-----------------------------------|------------------|------------------|
| Trade creditors                   | 38,893           | 75,028           |
| Amounts due to group undertakings | 1,042,522        | 1,080,782        |
| Corporation tax                   | 23,020           | 52,610           |
| Other creditors                   | 10,649           | 11,227           |
|                                   | <u>1,115,084</u> | <u>1,219,647</u> |

### 6 Provisions for liabilities

|                          | 2017<br>£      | 2016<br>£      |
|--------------------------|----------------|----------------|
| Other Provisions         | 255,603        | 215,820        |
| Deferred tax liabilities | 102,304        | 134,604        |
|                          | <u>357,907</u> | <u>350,424</u> |

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# SCOT MARINER SHIPPING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 6 Provisions for liabilities

(Continued)

Movements on provisions apart from retirement benefits and deferred tax liabilities:

|                                                          | Other<br>Provisions<br>£ |
|----------------------------------------------------------|--------------------------|
| At 1 April 2016                                          | 215,819                  |
| Additional provisions in the year                        | 184,738                  |
| Provision reversed against full survey costs in the year | (144,954)                |
|                                                          | <u>255,603</u>           |
| At 31 March 2017                                         | <u>255,603</u>           |

Other provisions include provisions for survey costs.

### 7 Deferred taxation

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

|                                | Liabilities<br>2017<br>£ | Liabilities<br>2016<br>£ |
|--------------------------------|--------------------------|--------------------------|
| <b>Balances:</b>               |                          |                          |
| Accelerated capital allowances | 102,304                  | 134,604                  |
|                                | <u>102,304</u>           | <u>134,604</u>           |
| <b>Movements in the year:</b>  |                          | 2017<br>£                |
| Liability at 1 April 2016      |                          | 134,604                  |
| Credit to profit or loss       |                          | (32,300)                 |
|                                |                          | <u>102,304</u>           |
| Liability at 31 March 2017     |                          | <u>102,304</u>           |

### 8 Called up share capital

|                                    | 2017<br>£      | 2016<br>£      |
|------------------------------------|----------------|----------------|
| <b>Issued and fully paid</b>       |                |                |
| 300,000 Ordinary shares of £1 each | 300,000        | 300,000        |
|                                    | <u>300,000</u> | <u>300,000</u> |

### 9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was qualified and the auditor reported as follows:

# SCOT MARINER SHIPPING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 9 Audit report information

(Continued)

#### Basis for qualified opinion on the financial statements- disagreement

Included in the debtors shown on the balance sheet are two amounts of £12,938 totalling £25,876 (2016: £25,876) in respect of historic consortium tax relief charged by the company. This has been accounted for as being due from the recipient of the consortium tax relief, however no corresponding amount payable has been accounted for by these related parties. The company has no security for this debt. Consequently, in our opinion the company is unlikely to receive any payment and full provision of £25,876 should have been made. Accordingly, debtors and retained earnings should be reduced by £25,876, and the loss for the year increased by £25,876.

#### Qualified opinion on the financial statements

In our opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph, the financial statements:

give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss 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

The senior statutory auditor was Jamie Waugh.

The auditor was Johnston Carmichael LLP.

### 10 Financial commitments, guarantees and contingent liabilities

The company's bank facilities are secured by a cross guarantee with all other group companies, being; Scot Carrier Shipping Limited, Scot Explorer Shipping Limited, Hohebank Shipping Limited, Scot Leader Shipping Limited, Scot Navigator Shipping Limited, Scot Pioneer Shipping Limited, Scot Ranger Shipping Limited, Scot Trader Shipping Limited and Scotline Marine Holdings Limited as well as a floating charge over the assets and undertakings of Scot Mariner Shipping Limited.

### 11 Related party transactions

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

|                                                                                | Sale of goods |           | Purchase of goods |         |
|--------------------------------------------------------------------------------|---------------|-----------|-------------------|---------|
|                                                                                | 2017          | 2016      | 2017              | 2016    |
|                                                                                | £             | £         | £                 | £       |
| Entities with control, joint control or significant influence over the company | 885,134       | 1,005,817 | 510,844           | 435,154 |

# SCOT MARINER SHIPPING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 11 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

|                                                                                | 2017<br>£ | 2016<br>£ |
|--------------------------------------------------------------------------------|-----------|-----------|
| <b>Amounts owed to related parties</b>                                         |           |           |
| Entities with control, joint control or significant influence over the company | 166,740   | 25,800    |

The following amounts were outstanding at the reporting end date:

|                                                                                |                               |
|--------------------------------------------------------------------------------|-------------------------------|
| <b>Amounts owed by related parties</b>                                         | <b>2017<br/>Balance<br/>£</b> |
| Entities with control, joint control or significant influence over the company | 30,500                        |

|                                                                                |                               |
|--------------------------------------------------------------------------------|-------------------------------|
| <b>Amounts owed in previous period</b>                                         | <b>2016<br/>Balance<br/>£</b> |
| Entities with control, joint control or significant influence over the company | 91,400                        |

Included in amounts owed by related parties is £25,876 (2016: £25,876) in respect of consortium relief charged for by the company, for which no corresponding amount has been accounted for by these related parties.

### 12 Parent company

The company's immediate parent undertaking is Scotline Marine Holdings Limited, a company registered in Scotland which is controlled by its consortium members who are Intrada Chartering Limited, Scotline Limited and Scotlog Sales Limited. Copies of the group accounts can be obtained from the Registrar of Companies, Companies House 4th floor Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.