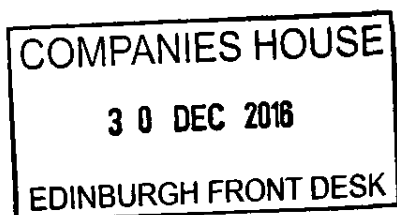


REGISTERED NUMBER: SC202649 (Scotland)

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016
FOR
SEAROUTE GROUP LIMITED**



William Duncan (UK) Limited
Chartered Accountants
Statutory Auditor
4d Auchingramont Road
Hamilton
ML3 6JT

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FOR THE YEAR ENDED 31 MARCH 2016**

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SEAROUTE GROUP LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2016**

DIRECTORS:

Allan Porter
Mark Breingan
John Sloss

SECRETARY:

John Sloss

REGISTERED OFFICE:

Suite 15
Dunnswood House
Dunnswood Road
Cumbernauld
G67 3EN

REGISTERED NUMBER:

SC202649 (Scotland)

AUDITORS:

William Duncan (UK) Limited
Chartered Accountants
Statutory Auditor
4d Auchingramont Road
Hamilton
ML3 6JT

BANKERS:

The Royal Bank of Scotland plc
1 Roadside
The Village
Cumbernauld
G67 2SS

SOLICITORS:

Shepherd and Wedderburn LLP
1 Exchange Crescent
Conference Square
Edinburgh
EH3 8UL

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

The directors present their strategic report of the company and the group for the year ended 31 March 2016. The company is a holding company and the principal activities of its subsidiary undertakings continue to be those of specialist international transport and port services providers.

REVIEW OF BUSINESS

Results and performance

The results for the year and the financial position of the group are as shown in the annexed financial statements.

Business environment

Searoute International Limited - Results for the year were extremely disappointing. Although much of the client base was retained, volumes within the Oil and Gas industry showed a sharp decline in line with the national trend as the price of oil fell. This also resulted in the Safmarine West African service being greatly reduced and ultimately withdrawn as they sought a buyer. Other regular business was maintained at acceptable levels. Volumes within the Oil and Gas industry are expected to remain low in the coming year and, as a result, the group has recently undertaken some restructuring of staff levels in order to reduce costs and return the group to profit. Future prospects are encouraging as there are signs that Project related work has increased with some longer term contracts being put in place.

Searoute Port Services (Aberdeen) Limited - Again the level of turnover was disappointing due to the aforementioned drop in Oil and Gas sector related work and the gradual decline in the number of Safmarine vessels calling at Aberdeen. As a result of the change in demographic for sales we achieved a significant improvement in the rate of return for the year, albeit with a significant drop in turnover. A return to more frequent salt deliveries ahead of an expected bad winter may improve the trading results in the coming year while we wait for an upturn in the Oil and Gas sector.

Searoute Support Services Limited - Turnover showed a marginal decline for the year, however this was countered by a better rate of return and, combined with a reduction in support and administration costs, allowed the company to return to profit. We expect that there may still be some further shrinkage until the Oil and Gas sector picks up with the company being a likely early beneficiary of any such upturn.

Key performance indicators

We consider that the key financial performance indicators are those that communicate the financial performance and strength of the group as a whole, these being turnover, gross margin and return on capital employed. The turnover for the group, by subsidiary, including inter company trading, was as follows.

| | 2016 | 2015 |
|---|------------------|-------------------|
| | £ | £ |
| Searoute International Limited | 3,662,541 | 8,312,772 |
| Searoute Port Services (Aberdeen) Limited | 1,151,264 | 1,879,991 |
| Searoute Support Services Limited | 1,100,810 | 1,173,212 |
| | <u>5,914,615</u> | <u>11,365,975</u> |

The results for the year show a decrease in consolidated turnover of 47.3%. The overall decrease in turnover for the individual group companies, including inter company trading, was 48.0%. Turnover for Searoute International Limited decreased by 55.9%, turnover for Searoute Port Services (Aberdeen) Limited decreased by 38.8% and turnover for Searoute Support Services Limited decreased by 6.2%.

Gross margin for Searoute International Limited increased to 15.0% from 14.3% in the previous year, gross margin for Searoute Port Services (Aberdeen) Limited increased to 49.1% from 40.2% in the previous year and gross margin for Searoute Support Services Limited increased to 24.8% from 16.0% in the previous year.

Loss before taxation for Searoute International Limited was £395,111 (10.8%), compared to a profit of £228,946 (2.7%) in the previous year. Loss before taxation for Searoute Port Services (Aberdeen) Limited was £133,398 (11.6%), compared to a profit of £141,938 (7.5%) in the previous year. Profit before tax for Searoute Support Services Limited was £75,697 (6.9%), compared to a loss of £35,503 (3.0%) in the previous year.

Return on capital employed was (139.7%) for Searoute International Limited, (9.2%) for Searoute Port Services (Aberdeen) Limited and 55.5% for Searoute Support Services Limited.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

PRINCIPAL RISKS AND UNCERTAINTIES

Outlined below are the principal risks and uncertainties that could impact the group's performance and our mitigating activities.

Trading environment

Impact on sales, margins, costs, profit and cash of:

Economic conditions
Competitor activity
Political unrest

Mitigating activities include close involvement of management and technical staff in the job costing process together with strict monitoring of costs compared to budgets.

Other activities to minimise risk include credit searches for all new customers and the use of pro forma invoices where there is any uncertainty over a customer's ability to pay.

Business strategy

Inappropriate direction

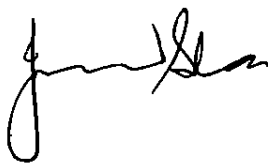
Mitigating activities include monthly reviews of performance of individual group companies against each other and against strategic and financial targets.

Management and staff

Reliance on key personnel
Availability of adequately qualified staff
Retention of adequately qualified staff

Mitigating activities include succession planning, commitment to open communication with staff and monitoring employee satisfaction. Internal and external training is also available for all staff.

ON BEHALF OF THE BOARD:



John Sloss - Secretary

30 December 2016

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2016**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2016.

DIVIDENDS

An interim dividend of £78.057 per share was paid on 31 March 2016. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 March 2016 will be £78,057.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2015 to the date of this report.

Allan Porter
Mark Breingan
John Sloss

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, William Duncan (UK) Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

John Sloss - Secretary



30 December 2016

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SEAROUTE GROUP LIMITED

We have audited the financial statements of Searoute Group Limited for the year ended 31 March 2016 on pages seven to twenty nine. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2016 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SEAROUTE GROUP LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Andrew Steel (Senior Statutory Auditor)
for and on behalf of William Duncan (UK) Limited
Chartered Accountants
Statutory Auditor
4d Auchingramont Road
Hamilton
ML3 6JT

30 December 2016

Andrew Steel, FCA

William Duncan (UK) Ltd.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016**

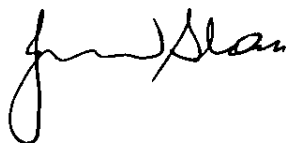
| | Notes | 31.3.16 £ | 31.3.15 £ |
|---|-------|--------------|--------------|
| TURNOVER | | 5,790,701 | 10,985,209 |
| Cost of sales | | 4,469,469 | 8,855,457 |
| GROSS PROFIT | | 1,321,232 | 2,129,752 |
| Administrative expenses | | 1,779,219 | 1,795,096 |
| OPERATING (LOSS)/PROFIT | 5 | (457,987) | 334,656 |
| Interest receivable and similar income | | 184 | 1,279 |
| | | (457,803) | 335,935 |
| Interest payable and similar expenses | 6 | 88,217 | 68,358 |
| (LOSS)/PROFIT BEFORE TAXATION | | (546,020) | 267,577 |
| Tax on (loss)/profit | 7 | (64,088) | 62,819 |
| (LOSS)/PROFIT FOR THE FINANCIAL YEAR | | (481,932) | 204,758 |
| OTHER COMPREHENSIVE INCOME | | - | - |
| TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR | | (481,932) | 204,758 |
| (Loss)/profit attributable to: | | | |
| Owners of the parent | | (475,629) | 186,204 |
| Non-controlling interests | | (6,303) | 18,554 |
| | | (481,932) | 204,758 |
| Total comprehensive income attributable to: | | | |
| Owners of the parent | | (475,629) | 186,204 |
| Non-controlling interests | | (6,303) | 18,554 |
| | | (481,932) | 204,758 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 MARCH 2016

| | Notes | 31.3.16 £ | 31.3.15 £ |
|--|-------|-------------------------|-------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 10 | 150,618 | 180,390 |
| Investments | 11 | - | - |
| | | <u>150,618</u> | <u>180,390</u> |
| CURRENT ASSETS | | | |
| Debtors | 12 | 2,944,905 | 3,147,543 |
| Cash at bank and in hand | | 502,581 | 849,824 |
| | | <u>3,447,486</u> | <u>3,997,367</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 13 | 1,905,780 | 2,057,234 |
| NET CURRENT ASSETS | | <u>1,541,706</u> | <u>1,940,133</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>1,692,324</u> | <u>2,120,523</u> |
| CREDITORS | | | |
| Amounts falling due after more than one year | 14 | (171,746) | (28,305) |
| PROVISIONS FOR LIABILITIES | 18 | (18,071) | (29,722) |
| NET ASSETS | | <u><u>1,502,507</u></u> | <u><u>2,062,496</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 19 | 1,000 | 1,000 |
| Retained earnings | 20 | 1,183,444 | 1,737,130 |
| SHAREHOLDERS' FUNDS | | <u>1,184,444</u> | <u>1,738,130</u> |
| NON-CONTROLLING INTERESTS | 21 | <u>318,063</u> | <u>324,366</u> |
| TOTAL EQUITY | | <u><u>1,502,507</u></u> | <u><u>2,062,496</u></u> |

The financial statements were approved by the Board of Directors on 30 December 2016 and were signed on its behalf by:

John Sloss - Director

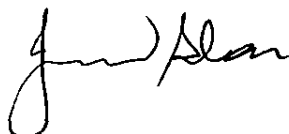


COMPANY STATEMENT OF FINANCIAL POSITION
31 MARCH 2016

| | Notes | 31.3.16 £ | 31.3.15 £ |
|--|-------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 10 | 27,977 | 7,526 |
| Investments | 11 | 1,840 | 1,840 |
| | | <u>29,817</u> | <u>9,366</u> |
| CURRENT ASSETS | | | |
| Debtors | 12 | 2,317,885 | 2,012,199 |
| Cash at bank | | 127,918 | 366,640 |
| | | <u>2,445,803</u> | <u>2,378,839</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 13 | 2,482,715 | 2,241,807 |
| NET CURRENT (LIABILITIES)/ASSETS | | <u>(36,912)</u> | <u>137,032</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>(7,095)</u> | <u>146,398</u> |
| CREDITORS | | | |
| Amounts falling due after more than one year | 14 | 17,773 | - |
| NET (LIABILITIES)/ASSETS | | <u>(24,868)</u> | <u>146,398</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 19 | 1,000 | 1,000 |
| Retained earnings | 20 | (25,868) | 145,398 |
| SHAREHOLDERS' FUNDS | | <u>(24,868)</u> | <u>146,398</u> |
| Company's loss for the financial year | | <u>(93,209)</u> | <u>(67,805)</u> |

The financial statements were approved by the Board of Directors on 30 December 2016 and were signed on its behalf by:

John Sloss - Director



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

| | Called up share capital £ | Retained earnings £ | Total £ | Non-controlling interests £ | Total equity £ |
|---------------------------------|------------------------------------|---------------------------|------------------|-----------------------------------|----------------------|
| Balance at 1 April 2014 | 1,000 | 1,556,926 | 1,557,926 | 305,812 | 1,863,738 |
| Changes in equity | | | | | |
| Dividends | - | (6,000) | (6,000) | - | (6,000) |
| Total comprehensive income | - | 186,204 | 186,204 | 18,554 | 204,758 |
| Balance at 31 March 2015 | <u>1,000</u> | <u>1,737,130</u> | <u>1,738,130</u> | <u>324,366</u> | <u>2,062,496</u> |
| Changes in equity | | | | | |
| Dividends | - | (78,057) | (78,057) | - | (78,057) |
| Total comprehensive loss | - | (475,629) | (475,629) | (6,303) | (481,932) |
| Balance at 31 March 2016 | <u>1,000</u> | <u>1,183,444</u> | <u>1,184,444</u> | <u>318,063</u> | <u>1,502,507</u> |

The notes form part of these financial statements

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

| | Called up share capital £ | Retained earnings £ | Total equity £ |
|---------------------------------|------------------------------------|---------------------------|----------------------|
| Balance at 1 April 2014 | 1,000 | 219,203 | 220,203 |
| Changes in equity | | | |
| Dividends | - | (6,000) | (6,000) |
| Total comprehensive income | - | (67,805) | (67,805) |
| Balance at 31 March 2015 | <u>1,000</u> | <u>145,398</u> | <u>146,398</u> |
| Changes in equity | | | |
| Dividends | - | (78,057) | (78,057) |
| Total comprehensive income | - | (93,209) | (93,209) |
| Balance at 31 March 2016 | <u>1,000</u> | <u>(25,868)</u> | <u>(24,868)</u> |

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016**

| | Notes | 31.3.16 £ | 31.3.15 £ |
|---|-------|------------------|------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | (647,430) | 280,899 |
| Interest paid | | (54,591) | (35,353) |
| Interest element of hire purchase payments paid | | (33,626) | (33,005) |
| Tax paid | | (59,014) | (93,475) |
| Net cash from operating activities | | <u>(794,661)</u> | <u>119,066</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (36,861) | (33,118) |
| Sale of tangible fixed assets | | 9,615 | 16,750 |
| Interest received | | 184 | 1,279 |
| Net cash from investing activities | | <u>(27,062)</u> | <u>(15,089)</u> |
| Cash flows from financing activities | | | |
| Capital repayments in year | | (31,106) | (37,971) |
| Amount introduced by directors | | 66,562 | - |
| Amount withdrawn by directors | | - | (71,562) |
| Equity dividends paid | | (78,057) | (6,000) |
| Net cash from financing activities | | <u>(42,601)</u> | <u>(115,533)</u> |
| Decrease in cash and cash equivalents | | <u>(864,324)</u> | <u>(11,556)</u> |
| Cash and cash equivalents at beginning of year | 2 | 849,824 | 861,380 |
| Cash and cash equivalents at end of year | 2 | <u>(14,500)</u> | <u>849,824</u> |

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016**
1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

| | 31.3.16 | 31.3.15 |
|---------------------------------------|-------------------------|-----------------------|
| | £ | £ |
| (Loss)/profit before taxation | (546,020) | 267,577 |
| Depreciation charges | 53,015 | 69,688 |
| Loss on disposal of fixed assets | 4,003 | 16,219 |
| Finance costs | 88,217 | 68,358 |
| Finance income | (184) | (1,279) |
| | <u>(400,969)</u> | <u>420,563</u> |
| Decrease in trade and other debtors | 155,965 | 418,708 |
| Decrease in trade and other creditors | (402,426) | (558,372) |
| Cash generated from operations | <u><u>(647,430)</u></u> | <u><u>280,899</u></u> |

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2016

| | 31.3.16 | 1.4.15 |
|---------------------------|------------------------|-----------------------|
| | £ | £ |
| Cash and cash equivalents | 502,581 | 849,824 |
| Bank overdrafts | (517,081) | - |
| | <u><u>(14,500)</u></u> | <u><u>849,824</u></u> |

Year ended 31 March 2015

| | 31.3.15 | 1.4.14 |
|---------------------------|-----------------------|-----------------------|
| | £ | £ |
| Cash and cash equivalents | <u><u>849,824</u></u> | <u><u>861,380</u></u> |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1. STATUTORY INFORMATION

Searoute Group Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. This is the first year in which the financial statements have been prepared under FRS 102.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

Going concern

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

Basis of consolidation

The group financial statements consolidate the financial statements of Searoute Group Limited and all of its subsidiary undertakings drawn up to 31 March each year, except for Searoute International (Sea-Air) Services Limited. Searoute International (Sea-Air) Services Limited was incorporated on 25 November 2015 and has been excluded from the consolidation on the grounds that its inclusion is not material for the purpose of giving a true and fair view.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added tax. Turnover includes revenue earned from the rendering of services, namely the provision of specialist international transport and port services.

Rendering of services

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

| | |
|-----------------------|---|
| Plant and machinery | - 25% on reducing balance and 20% on cost |
| Fixtures and fittings | - 25% on reducing balance |
| Motor vehicles | - 25% on cost and 25% on reducing balance |

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss. If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised immediately in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

3. ACCOUNTING POLICIES - continued

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only 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.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense/(income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense/(income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

the company has a legally enforceable right to set off current tax assets against current tax liabilities, and,

the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand.

In the cash-flow statement, cash and cash equivalents are shown net of bank overdrafts, which are included as current borrowings in liabilities on the balance sheet.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

3. ACCOUNTING POLICIES - continued

Leases

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

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Provisions for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the 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 end of the reporting period, 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 using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

4. EMPLOYEES AND DIRECTORS

| | 31.3.16 | 31.3.15 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,543,038 | 1,925,115 |
| Social security costs | 151,542 | 193,408 |
| Other pension costs | 23,910 | 11,553 |
| | <u>1,718,490</u> | <u>2,130,076</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

4. EMPLOYEES AND DIRECTORS - continued

The average monthly number of employees during the year was as follows:

| | 31.3.16 | 31.3.15 |
|----------------|-----------|-----------|
| Management | 4 | 4 |
| Administration | 26 | 25 |
| Stevedores | 36 | 32 |
| | <u>66</u> | <u>61</u> |

The average number of employees by undertakings that are proportionately consolidated during the year was 46.

| | 31.3.16 £ | 31.3.15 £ |
|--|--------------|--------------|
| Directors' remuneration | 237,912 | 236,229 |
| Directors' pension contributions to money purchase schemes | <u>3,438</u> | <u>1,200</u> |

Information regarding the highest paid director is as follows:

| | 31.3.16 £ | 31.3.15 £ |
|---|--------------|--------------|
| Emoluments etc | 116,563 | 111,680 |
| Pension contributions to money purchase schemes | <u>1,051</u> | <u>-</u> |

5. OPERATING (LOSS)/PROFIT

The operating loss (2015 - operating profit) is stated after charging/(crediting):

| | 31.3.16 £ | 31.3.15 £ |
|--|-----------------|-----------------|
| Hire of plant and machinery | 38,058 | 49,059 |
| Depreciation - owned assets | 17,732 | 27,219 |
| Depreciation - assets on hire purchase contracts | 35,283 | 42,469 |
| Loss on disposal of fixed assets | 4,003 | 16,219 |
| Auditors' remuneration | 17,100 | 18,680 |
| Foreign exchange differences | <u>(23,696)</u> | <u>(18,134)</u> |

6. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 31.3.16 £ | 31.3.15 £ |
|---------------------------|---------------|---------------|
| Bank interest and charges | 45,003 | 31,426 |
| Other interest | 479 | 3,927 |
| Loan interest and charges | 9,109 | - |
| Hire purchase interest | 8,861 | 10,876 |
| Leasing | <u>24,765</u> | <u>22,129</u> |
| | <u>88,217</u> | <u>68,358</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

7. TAXATION**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss for the year was as follows:

| | 31.3.16 £ | 31.3.15 £ |
|----------------------|-----------------|---------------|
| Current tax: | | |
| UK corporation tax | (52,437) | 68,368 |
| Deferred tax | (11,651) | (5,549) |
| Tax on (loss)/profit | <u>(64,088)</u> | <u>62,819</u> |

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

| | 31.3.16 £ | 31.3.15 £ |
|--|------------------|----------------|
| (Loss)/profit before tax | <u>(546,020)</u> | <u>267,577</u> |
| (Loss)/profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 21%) | (109,204) | 56,191 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 4,464 | 3,555 |
| Depreciation in excess of capital allowances | 3,818 | 8,674 |
| Utilisation of tax losses | 48,485 | - |
| Marginal relief | - | (52) |
| Deferred tax movement | (11,651) | (5,549) |
| Total tax (credit)/charge | <u>(64,088)</u> | <u>62,819</u> |

8. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

9. DIVIDENDS

| | 31.3.16 £ | 31.3.15 £ |
|----------------------------|---------------|--------------|
| Ordinary shares of £1 each | | |
| Interim | <u>78,057</u> | <u>6,000</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

10. TANGIBLE FIXED ASSETS

Group

| | Plant and machinery £ | Fixtures and fittings £ | Motor vehicles £ | Totals £ |
|------------------------|-----------------------------|----------------------------------|------------------------|-------------|
| COST | | | | |
| At 1 April 2015 | 343,992 | 95,628 | 33,910 | 473,530 |
| Additions | 950 | 35,911 | - | 36,861 |
| Disposals | - | (33,194) | (13,995) | (47,189) |
| At 31 March 2016 | 344,942 | 98,345 | 19,915 | 463,202 |
| DEPRECIATION | | | | |
| At 1 April 2015 | 218,256 | 67,167 | 7,717 | 293,140 |
| Charge for year | 30,612 | 15,854 | 6,549 | 53,015 |
| Eliminated on disposal | - | (28,760) | (4,811) | (33,571) |
| At 31 March 2016 | 248,868 | 54,261 | 9,455 | 312,584 |
| NET BOOK VALUE | | | | |
| At 31 March 2016 | 96,074 | 44,084 | 10,460 | 150,618 |
| At 31 March 2015 | 125,736 | 28,461 | 26,193 | 180,390 |

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

| | Plant and machinery £ | Fixtures and fittings £ | Motor vehicles £ | Totals £ |
|------------------------|-----------------------------|----------------------------------|------------------------|-------------|
| COST | | | | |
| At 1 April 2015 | 220,575 | - | 22,915 | 243,490 |
| Additions | - | 34,353 | - | 34,353 |
| Disposals | - | - | (13,995) | (13,995) |
| Transfer to ownership | (184,000) | - | - | (184,000) |
| At 31 March 2016 | 36,575 | 34,353 | 8,920 | 79,848 |
| DEPRECIATION | | | | |
| At 1 April 2015 | 133,292 | - | 3,422 | 136,714 |
| Charge for year | 21,821 | 8,588 | 4,874 | 35,283 |
| Eliminated on disposal | - | - | (4,811) | (4,811) |
| Transfer to ownership | (136,539) | - | - | (136,539) |
| At 31 March 2016 | 18,574 | 8,588 | 3,485 | 30,647 |
| NET BOOK VALUE | | | | |
| At 31 March 2016 | 18,001 | 25,765 | 5,435 | 49,201 |
| At 31 March 2015 | 87,283 | - | 19,493 | 106,776 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

10. TANGIBLE FIXED ASSETS - continued

Company

| | Fixtures and fittings £ |
|------------------------|----------------------------------|
| COST | |
| At 1 April 2015 | 47,354 |
| Additions | 34,353 |
| Disposals | (32,079) |
| At 31 March 2016 | 49,628 |
| DEPRECIATION | |
| At 1 April 2015 | 39,828 |
| Charge for year | 10,471 |
| Eliminated on disposal | (28,648) |
| At 31 March 2016 | 21,651 |
| NET BOOK VALUE | |
| At 31 March 2016 | 27,977 |
| At 31 March 2015 | 7,526 |

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

| | Fixtures and fittings £ |
|-----------------------|----------------------------------|
| COST | |
| Additions | 34,353 |
| At 31 March 2016 | 34,353 |
| DEPRECIATION | |
| Charge for year | 8,588 |
| At 31 March 2016 | 8,588 |
| NET BOOK VALUE | |
| At 31 March 2016 | 25,765 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

11. FIXED ASSET INVESTMENTS

Company

Unlisted
investments
£

COST

At 1 April 2015
and 31 March 2016

1,840

NET BOOK VALUE

At 31 March 2016

1,840

At 31 March 2015

1,840

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

Searoute Port Services (Aberdeen) Limited

Registered office: Suite 15, Dunnswood House, Dunnswood Road, Cumbernauld, G67 3EN

Nature of business: Provision of port services.

| | % holding | 31.3.16 £ | 31.3.15 £ |
|--------------------------------|--------------|--------------|--------------|
| Class of shares: | | | |
| Ordinary | 75.00 | | |
| Aggregate capital and reserves | | 1,084,309 | 1,187,548 |
| (Loss)/profit for the year | | (103,239) | 112,362 |

Searoute International Limited

Registered office: Suite 15, Dunnswood House, Dunnswood Road, Cumbernauld, G67 3EN

Nature of business: International freight forwarding agents.

| | % holding | 31.3.16 £ | 31.3.15 £ |
|--------------------------------|--------------|--------------|--------------|
| Class of shares: | | | |
| Ordinary | 100.00 | | |
| Aggregate capital and reserves | | 256,959 | 620,472 |
| (Loss)/profit for the year | | (363,513) | 198,346 |

Searoute International (Sea-Air) Services Limited

Registered office: Suite 15, Dunnswood House, Dunnswood Road, Cumbernauld, G67 3EN

Nature of business: International freight forwarding agents.

| | % holding |
|------------------|--------------|
| Class of shares: | |
| Ordinary | 100.00 |

This company was incorporated on 25 November 2015. Financial statements for the period to 30 November 2016 are not yet available.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

11. FIXED ASSET INVESTMENTS - continued

Searoute Support Services Limited

Registered office: Suite 15, Dunnswood House, Dunnswood Road, Cumbernauld, G67 3EN

Nature of business: Provision of stevedore services.

| Class of shares: | % holding | | |
|--------------------------------|--------------|---------|----------|
| Ordinary | 75.00 | 31.3.16 | 31.3.15 |
| | | £ | £ |
| Aggregate capital and reserves | | 187,943 | 109,915 |
| Profit/(loss) for the year | | 78,028 | (38,146) |

Searoute Support Services Limited was previously known as Aberdeen Cargo Handling Services Limited.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|--------------------------------------|------------------|------------------|------------------|------------------|
| | 31.3.16 | 31.3.15 | 31.3.16 | 31.3.15 |
| | £ | £ | £ | £ |
| Trade debtors | 765,418 | 971,234 | 387,489 | 89,410 |
| Amounts owed by group undertakings | - | - | 62,987 | 91,089 |
| Amounts owed by related undertakings | 1,497,280 | 1,497,653 | 1,287,321 | 1,287,321 |
| Other debtors | 618,241 | 454,245 | 555,953 | 423,660 |
| Directors' loans | 15,500 | 82,062 | 15,500 | 82,062 |
| Tax recoverable | 2,500 | 2,500 | 2,500 | 2,500 |
| VAT | - | 48,540 | - | - |
| Prepayments and accrued income | 45,966 | 91,309 | 6,135 | 36,157 |
| | <u>2,944,905</u> | <u>3,147,543</u> | <u>2,317,885</u> | <u>2,012,199</u> |

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 31.3.16 | 31.3.15 | 31.3.16 | 31.3.15 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts (see note 15) | 517,081 | - | 375,130 | 485,685 |
| Hire purchase contracts (see note 16) | 20,764 | 43,396 | 11,225 | - |
| Trade creditors | 895,494 | 1,200,701 | 14,299 | 12,951 |
| Amounts owed to group undertakings | - | - | 1,818,343 | 1,534,683 |
| Amounts owed to related undertakings | 116,354 | 116,354 | 113,121 | 113,121 |
| Corporation tax | 15,931 | 127,382 | - | - |
| PAYE and NIC | 77,153 | 44,499 | 77,153 | 44,499 |
| VAT | 19,888 | - | 43,363 | 12,388 |
| Other creditors | 105,850 | 83,361 | 20,317 | 24,667 |
| Accruals and deferred income | 137,265 | 441,541 | 9,764 | 13,813 |
| | <u>1,905,780</u> | <u>2,057,234</u> | <u>2,482,715</u> | <u>2,241,807</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group | | Company | |
|---------------------------------------|----------------|---------------|---------------|----------|
| | 31.3.16 | 31.3.15 | 31.3.16 | 31.3.15 |
| | £ | £ | £ | £ |
| Hire purchase contracts (see note 16) | 19,831 | 28,305 | 17,773 | - |
| Other creditors | 151,915 | - | - | - |
| | <u>171,746</u> | <u>28,305</u> | <u>17,773</u> | <u>-</u> |

15. LOANS

An analysis of the maturity of loans is given below:

| | Group | | Company | |
|---|----------------|----------|----------------|----------------|
| | 31.3.16 | 31.3.15 | 31.3.16 | 31.3.15 |
| | £ | £ | £ | £ |
| Amounts falling due within one year or on demand: | | | | |
| Bank overdrafts | <u>517,081</u> | <u>-</u> | <u>375,130</u> | <u>485,685</u> |

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

| | Hire purchase contracts | |
|----------------------------|-------------------------|---------------|
| | 31.3.16 | 31.3.15 |
| | £ | £ |
| Net obligations repayable: | | |
| Within one year | 20,764 | 43,396 |
| Between one and five years | <u>19,831</u> | <u>28,305</u> |
| | <u>40,595</u> | <u>71,701</u> |

Company

| | Hire purchase contracts | |
|----------------------------|-------------------------|----------|
| | 31.3.16 | 31.3.15 |
| | £ | £ |
| Net obligations repayable: | | |
| Within one year | 11,225 | - |
| Between one and five years | <u>17,773</u> | <u>-</u> |
| | <u>28,998</u> | <u>-</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

17. SECURED DEBTS

The following secured debts are included within creditors:

| | Group | | Company | |
|-------------------------|---------------|---------------|----------------|----------------|
| | 31.3.16 | 31.3.15 | 31.3.16 | 31.3.15 |
| | £ | £ | £ | £ |
| Bank overdraft | - | - | 375,130 | 485,685 |
| Hire purchase contracts | 40,595 | 71,701 | 28,998 | - |
| | <u>40,595</u> | <u>71,701</u> | <u>404,128</u> | <u>485,685</u> |

The Royal Bank of Scotland plc holds an Unlimited Inter Company Guarantee granted by all companies within the Searoute Group and a bond and floating charge over all the assets and undertakings of the group.

18. PROVISIONS FOR LIABILITIES

| | Group | |
|-----------------------------|---------------|---------------|
| | 31.3.16 | 31.3.15 |
| | £ | £ |
| Deferred tax | <u>18,071</u> | <u>29,722</u> |
| Group | | |
| | | Deferred tax |
| | | £ |
| Balance at 1 April 2015 | | 29,722 |
| Transfer to profit and loss | | (11,651) |
| Balance at 31 March 2016 | | <u>18,071</u> |

19. CALLED UP SHARE CAPITAL

| | | | | |
|----------------------------------|----------|----------------|--------------|--------------|
| Allotted, issued and fully paid: | | | | |
| Number: | Class: | Nominal value: | 31.3.16 | 31.3.15 |
| | | | £ | £ |
| 1,000 | Ordinary | £1 | <u>1,000</u> | <u>1,000</u> |

20. RESERVES

| | | |
|----------------------|--|-------------------|
| Group | | Retained earnings |
| | | £ |
| At 1 April 2015 | | 1,737,130 |
| Deficit for the year | | (475,629) |
| Dividends | | (78,057) |
| At 31 March 2016 | | <u>1,183,444</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

20. RESERVES - continued

Company

| | Retained earnings £ |
|----------------------|---------------------------|
| At 1 April 2015 | 145,398 |
| Deficit for the year | (93,209) |
| Dividends | (78,057) |
| At 31 March 2016 | <u>(25,868)</u> |

21. NON-CONTROLLING INTERESTS

The minority interests represents holdings of 25% of the ordinary shares in both Searoute Port Services (Aberdeen) Limited and Searoute Support Services Limited.

22. CONTINGENT LIABILITIES

The company is party to an Unlimited Inter-Company Guarantee held by The Royal Bank of Scotland plc which allows for the offset of individual group company borrowings.

23. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 March 2016 and 31 March 2015:

| | 31.3.16 £ | 31.3.15 £ |
|--------------------------------------|---------------|---------------|
| Mark Breingan | | |
| Balance outstanding at start of year | 19,500 | 10,000 |
| Amounts advanced | 15,500 | 9,500 |
| Amounts repaid | (19,500) | - |
| Amounts written off | - | - |
| Amounts waived | - | - |
| Balance outstanding at end of year | <u>15,500</u> | <u>19,500</u> |
| John Sloss | | |
| Balance outstanding at start of year | 2,675 | 500 |
| Amounts advanced | 9,200 | 2,175 |
| Amounts repaid | (9,200) | - |
| Amounts written off | (2,675) | - |
| Amounts waived | - | - |
| Balance outstanding at end of year | <u>-</u> | <u>2,675</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

23. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued**Allan Porter**

| | | |
|--------------------------------------|----------|--------|
| Balance outstanding at start of year | 59,887 | - |
| Amounts advanced | - | 59,887 |
| Amounts repaid | (59,887) | - |
| Amounts written off | - | - |
| Amounts waived | - | - |
| Balance outstanding at end of year | - | 59,887 |

The above balances are interest free, unsecured and have no fixed repayment terms.

24. RELATED PARTY DISCLOSURES

During the year, total dividends of £78,057 (2015 - £6,000) were paid to the directors.

Entities over which the entity has control, joint control or significant influence

| | 31.3.16 | 31.3.15 |
|---------------------------------|-----------|-----------|
| | £ | £ |
| Transfers | 373 | - |
| Amount due from related parties | 1,497,280 | 1,497,653 |
| Amount due to related parties | 116,354 | 116,354 |

During the year, a total of key management personnel compensation of £72,720 was paid.

Rod Palmer is a director of Searoute Port Services (Aberdeen) Limited and Searoute Support Services Limited and as such is considered key management personnel.

25. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Allan Porter.

RECONCILIATION OF EQUITY

1 APRIL 2014

(DATE OF TRANSITION TO FRS 102)

| | Notes | UK GAAP £ | Effect of transition to FRS 102 £ | FRS 102 £ |
|--|-------|-----------------|--|--------------|
| FIXED ASSETS | | | | |
| Tangible assets | | 249,929 | - | 249,929 |
| CURRENT ASSETS | | | | |
| Debtors | | 3,494,689 | - | 3,494,689 |
| Cash at bank and in hand | | 861,380 | - | 861,380 |
| | | 4,356,069 | - | 4,356,069 |
| CREDITORS | | | | |
| Amounts falling due within one year | | (2,652,537) | - | (2,652,537) |
| NET CURRENT ASSETS | | 1,703,532 | - | 1,703,532 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 1,953,461 | - | 1,953,461 |
| CREDITORS | | | | |
| Amounts falling due after more than one year | | (54,452) | - | (54,452) |
| PROVISIONS FOR LIABILITIES | | (35,271) | - | (35,271) |
| NET ASSETS | | 1,863,738 | - | 1,863,738 |
| CAPITAL AND RESERVES | | | | |
| Called up share capital | | 1,000 | - | 1,000 |
| Retained earnings | | 1,556,926 | - | 1,556,926 |
| SHAREHOLDERS' FUNDS | | 1,557,926 | - | 1,557,926 |
| MINORITY INTERESTS | | 305,812 | - | 305,812 |
| | | 1,863,738 | - | 1,863,738 |

The notes form part of these financial statements

RECONCILIATION OF EQUITY - continued
31 MARCH 2015

| | Notes | UK GAAP £ | Effect of transition to FRS 102 £ | FRS 102 £ |
|--|-------|-----------------|--|--------------|
| FIXED ASSETS | | | | |
| Tangible assets | | 180,390 | - | 180,390 |
| CURRENT ASSETS | | | | |
| Debtors | | 3,147,543 | - | 3,147,543 |
| Cash at bank and in hand | | 849,824 | - | 849,824 |
| | | 3,997,367 | - | 3,997,367 |
| CREDITORS | | | | |
| Amounts falling due within one year | | (2,057,234) | - | (2,057,234) |
| NET CURRENT ASSETS | | 1,940,133 | - | 1,940,133 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 2,120,523 | - | 2,120,523 |
| CREDITORS | | | | |
| Amounts falling due after more than one year | | (28,305) | - | (28,305) |
| PROVISIONS FOR LIABILITIES | | (29,722) | - | (29,722) |
| NET ASSETS | | 2,062,496 | - | 2,062,496 |
| CAPITAL AND RESERVES | | | | |
| Called up share capital | | 1,000 | - | 1,000 |
| Retained earnings | | 1,737,130 | - | 1,737,130 |
| SHAREHOLDERS' FUNDS | | 1,738,130 | - | 1,738,130 |
| MINORITY INTERESTS | | 324,366 | - | 324,366 |
| | | 2,062,496 | - | 2,062,496 |

Notes to the reconciliation of equity

There were no significant adjustments required on transition to FRS 102.

**RECONCILIATION OF PROFIT
FOR THE YEAR ENDED 31 MARCH 2015**

| | UK GAAP £ | Effect of transition to FRS 102 £ | FRS 102 £ |
|--|-----------------|--|--------------|
| TURNOVER | 10,985,209 | - | 10,985,209 |
| Cost of sales | (8,855,457) | - | (8,855,457) |
| GROSS PROFIT | 2,129,752 | - | 2,129,752 |
| Administrative expenses | (1,795,096) | - | (1,795,096) |
| OPERATING PROFIT | 334,656 | - | 334,656 |
| Interest receivable and similar income | 1,279 | - | 1,279 |
| Interest payable and similar expenses | (68,358) | - | (68,358) |
| PROFIT BEFORE TAXATION | 267,577 | - | 267,577 |
| Tax on profit | (62,819) | - | (62,819) |
| PROFIT AFTER TAXATION | 204,758 | - | 204,758 |
| Minority interest - equity | (18,554) | | |
| PROFIT FOR THE FINANCIAL YEAR | 186,204 | - | 204,758 |
| Profit attributable to: | | | |
| Owners of the parent | | | 186,204 |
| Non-controlling interests | | | 18,554 |
| | | | 204,758 |

Notes to the reconciliation of profit or loss

There were no significant adjustments required on transition to FRS 102.