Scrabster Harbour

YOUR GATEWAY TO THE NORTH



ANNUAL REPORT

2025-26

For the year ended 31 March 2026

Chair's Report

It is a privilege to present my first annual report as Chair of Scrabster Harbour Trust, having taken on the role in September 2025. Scrabster plays an important part in the working life of Caithness, connecting our communities, supporting local businesses and providing opportunities for the wider economy.

I would first like to thank my predecessor, Thomas Pottinger, for his considerable contribution to the Trust, including twelve years as Chair. Under his leadership, the Trust made significant investment in the harbour, particularly through the development of Ola Quay, leaving Scrabster with greater capability and a strong financial foundation. On behalf of the Board, I offer Thomas our sincere thanks and best wishes.

The year delivered another sound financial performance, with record turnover and a further reduction in borrowing. From the Board's perspective, these results give us confidence in the harbour's resilience and provide a firm basis for its continued care and development. As a Trust Port, our surpluses are retained for reinvestment.

The changing mix of activity during the year reinforced the importance of a diverse harbour. The investment in Ola Quay has broadened the range of business Scrabster can accommodate and strengthened our ability to respond to new opportunities. Alongside that progress, the Stromness lifeline ferry service and fishing remain central to our purpose.

Opportunities in offshore wind, wider energy and marine services, cargo and cruise have significance beyond the harbour itself. They offer the potential to support skilled employment, create work for local suppliers and bring more visitors to Caithness. Our aim is to help turn these opportunities into sustained local benefit.

Scrabster is part of the community it serves, supporting local jobs, businesses and services across the north. We are pleased to support local initiatives and value the work of our community partners and volunteers. Working together helps ensure that the harbour's success brings wider benefits to Caithness.

Safe and responsible operations remain fundamental to everything we do. I would like to thank our Trust Manager, Ryan Maclean, together with the Harbour Master and the whole harbour team, for their professionalism, flexibility and commitment throughout the year. My thanks also go to my fellow trustees, our customers, tenants, volunteers and community partners for their continued support.

I look forward to working with the Board and harbour team to build on Scrabster's strengths, support our harbour users and create lasting opportunities for Caithness.

Douglas Mackay
Chair, Scrabster Harbour Trust

Trust Manager's Foreword

The year to 31 March 2026 completes my first full financial year as Trust Manager. It was a year of solid underlying performance, continued debt reduction and a broader mix of activity across the Harbour.

Statutory turnover increased to £5.30 million and profit before tax was £2.33 million. The reduction from the £3.12 million reported in the previous year is largely explained by the £738,000 investment property revaluation gain recognised in 2024/25. Excluding that one-off gain, underlying profitability remained broadly consistent. Cash at bank increased to £6.11 million, while total bank debt reduced by a further £400,000 to £2.50 million. This leaves the Trust in a strong position to maintain its existing assets and invest where there is a clear long-term benefit.

Operationally, vessel arrivals increased by 9.1% to 2,088, although total gross tonnage reduced slightly. Fishing arrivals recovered, while survey, oil and gas, renewable energy and cargo calls all increased. Ferry activity remained the Harbour's largest source of traffic, although both vessel calls and passenger numbers were lower than in the previous year. General cargo tonnage remained close to last year's level, tanker volumes increased and fish cargo did not operate during the year.

The results demonstrate the resilience created by Scrabster's diverse customer base, but also show how quickly activity can change within individual sectors. Our priorities remain to protect the lifeline ferry service and fishing industry, convert opportunities in offshore wind and wider marine services into lasting activity, improve the use of our estate and infrastructure, and maintain strong standards of safety, governance and environmental responsibility. During 2026/27, the Trust also intends to advance a new Harbour Revision Order to consolidate and modernise its legislation.

The year included a change in Board leadership, with Thomas Pottinger retiring as Chair and Douglas Mackay taking on the role in September 2025. I am grateful to Thomas for his long service to the Harbour and for his support during my first year in post. I look forward to continuing to work with Douglas and the Board as we take forward the Trust's priorities.

Finally, I would like to thank the Harbour Master and wider team for their continued professionalism and commitment, our customers, tenants, port users and community partners for their support. The Trust enters the year ahead with a strong balance sheet, capable infrastructure and a clear responsibility to turn that position into lasting benefit for the Harbour and the wider area.

Ryan Maclean
Trust Manager
September 2026



Business and Performance Review

Financial Review

Summary

STATUTORY TURNOVER (+0.6%) **£5,300,729**	PROFIT BEFORE TAX **£2,330,991**	PROFIT AFTER TAX **£1,719,674**
CASH AT BANK **£6,112,349**	TOTAL BANK DEBT (-£400,000) **£2,500,000**	NET ASSETS **£19,739,454**

Statutory turnover increased by £29,733 to £5.30 million. Stronger ferry, fishing and offshore energy revenues were partly offset by reduced fish cargo, cruise and general cargo revenues. Property income continued to make an important contribution, with rental income of £487,735 reported separately from statutory turnover within other operating income.

Reported profit before tax reduced from £3.12 million to £2.33 million. The comparison is affected by the £738,061 investment property revaluation gain recognised in 2024/25. Excluding that gain, the previous year's profit before tax was approximately £2.38 million, meaning that the underlying result remained broadly stable.

Operating profit was £2.37 million, compared with £2.52 million in the previous year. Staff costs, insurance, rates, water, energy, machinery, repairs and maintenance all contributed to the higher cost base. The Trust nevertheless generated £3.04 million of cash from its operations and recorded a net operating cash inflow of £2.21 million.

Cash increased by £1.72 million during the year to £6.11 million. Bank debt reduced by a further £400,000 to £2.50 million, with all remaining borrowing protected through the Trust's interest rate swap arrangement. The Trust therefore ended the year with net funds of £3.61 million and net assets of £19.74 million. This financial strength provides capacity for future investment, but capital decisions will continue to be assessed carefully against operational need, financial return and long-term strategic value.

Port Activity

Measure	2025/26	2024/25	Change
Vessel arrivals	2,088	1,913	+9.1%
Gross tonnage	8,427,703	8,575,787	-1.7%
Ferry arrivals	815	839	-2.9%
Ferry passengers	198,857	211,931	-6.2%
Fishing arrivals	867	786	+10.3%
Fish boxes landed	217,523	232,197	-6.3%
Other vessel arrivals	406	288	+41.0%
General cargo	67,764 tonnes	69,892 tonnes	-3.0%
Tanker cargo	34,163 tonnes	31,410 tonnes	+8.8%
Cruise calls	13	13	No change

The increase in vessel arrivals alongside a modest reduction in gross tonnage reflects a change in traffic mix rather than a simple increase in overall vessel size or throughput. Fishing and wider marine activity increased, while ferry traffic reduced. The ferry remained dominant by tonnage, accounting for approximately 85% of the Harbour total.

Other vessel arrivals increased by 41%, supported particularly by survey, oil and gas, renewable energy, cargo and tug activity. This wider spread of activity helped offset reductions elsewhere and demonstrates the benefit of maintaining a harbour capable of serving several sectors.

Ferry

The Scrabster-Stromness lifeline ferry service remained the Harbour's largest activity, with 815 arrivals and gross tonnage of 7.16 million. Vessel calls reduced by 2.9% and passenger numbers decreased by 6.2% to 198,857.

Although passenger numbers were lower than the previous year, they remained close to 200,000 and continued to demonstrate the importance of the route to Orkney, Caithness and the wider regional economy. The Trust will continue to maintain the infrastructure required to support the service and ensure Scrabster's interests are represented in future service and contractual arrangements.



Fishing

Fishing vessel arrivals increased by 10.3% to 867, comprising 720 domestic and 147 foreign fishing arrivals. Foreign fishing calls increased by 14.8%.

The increased number of vessel calls did not translate into higher landing volumes. Total boxes reduced by 6.3% to 217,523, continuing the more challenging trading conditions experienced by the sector. This divergence between vessel activity and landing volume highlights that call numbers alone do not provide a complete measure of fishing performance.

The Trust's priority remains to sustain the fleet's preference for Scrabster, support both consigned and market landings and ensure that harbour facilities, charging arrangements and berth allocation remain practical, fair and commercially sustainable.

Energy and Marine Services

Activity across oil and gas, renewable energy and marine survey work increased materially during the year:

- oil and gas calls increased from 36 to 62;
- renewable energy calls increased from 4 to 33;
- survey vessel calls increased from 32 to 88; and
- tug calls increased from 4 to 17.

The percentage changes are amplified by the relatively low starting point in some categories, but the absolute increase is nevertheless encouraging. The results demonstrate Scrabster's ability to accommodate project vessels, survey work, offshore support activity and associated marine services.

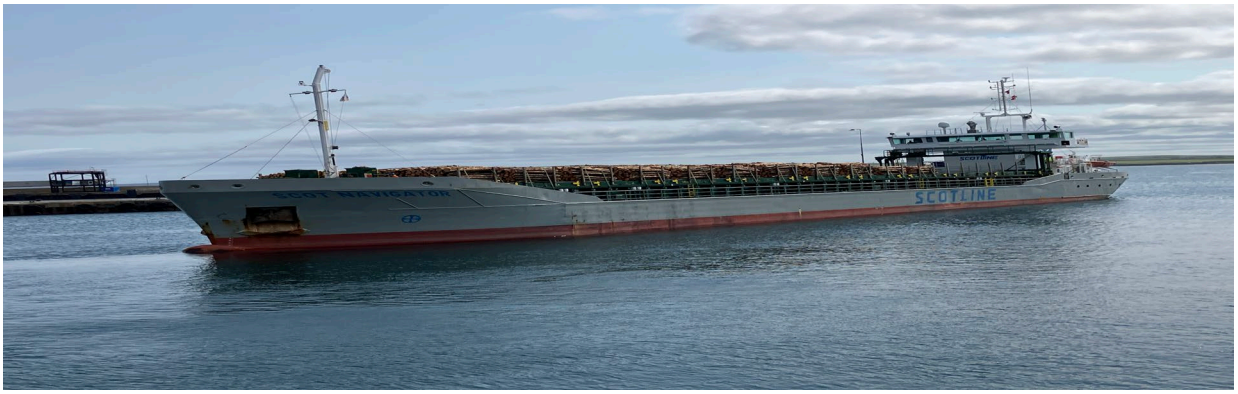
This work remains project-led and can vary considerably from year to year. The longer-term objective is therefore to convert increased engagement in offshore wind and wider energy projects into a more regular and sustainable activity base, particularly through future operations and maintenance work.

General Cargo, Tankers and Fish Cargo

General cargo vessel calls increased from 38 to 67, while tonnage reduced by 3.0% to 67,764 tonnes. The combination of more calls and slightly lower tonnage reflects a different mix of consignments and a greater number of smaller cargo movements.

Tanker cargo increased by 8.8% to 34,163 tonnes, despite tanker calls reducing from 26 to 22. General cargo and tanker activity continued to demonstrate the importance of flexible quay access, storage and laydown capacity.

No fish cargo was handled during the year, compared with 5,654 tonnes and 27 vessel calls in 2024/25. The absence of this traffic was a material reduction within the cargo mix and reinforces the need to continue seeking a wider range of cargo opportunities.





Cruise

The Harbour received 13 cruise calls during the 2025 season, unchanged from the previous year. These vessels brought 10,684 passengers to Scrabster and the wider Caithness area.

The investment made in the Ola Quay continues to allow Scrabster to accommodate larger vessels alongside and provides a strong platform for future cruise activity. The Trust will continue to work with cruise operators, local businesses, volunteers and tourism partners to maximise the wider economic benefit of each visit.



Property and Estate

Rental income amounted to £487,735, compared with £515,485 in the previous year. Although reported separately from statutory turnover, property income remains an important and relatively stable component of the Trust's overall financial performance.

Effective use of the estate will remain a priority. Quayside land and laydown space are limited and must be managed carefully to support operational activity while also securing an appropriate commercial return. Future estate and infrastructure planning will focus on maintaining existing assets, improving utilisation and identifying opportunities to create additional capacity.

People and Community

The Harbour's performance depends on the experience, flexibility and commitment of its employees. The Trust employed an average of 30 people during the year and continued to invest in its workforce, machinery, repairs and maintenance.

Health, safety, security and environmental performance remain fundamental to the operation of the Harbour. Continued investment in staff competence, systems and asset condition will remain central to the Trust's approach.

The Trust donated £8,475 to local charities and community initiatives during the year. As a Trust Port, the Harbour's wider purpose is not limited to financial performance. Surpluses are retained and reinvested for the long-term benefit of the Harbour, its stakeholders and the wider community.

Governance

At the previous Annual General Meeting, the Trust was asked to undertake a competitive tender exercise for its external audit service. That exercise has now been completed. Three tenders were received and evaluated against the published quality, experience, team, delivery and price criteria.

The Board has considered the resulting evaluation and recommendation. In accordance with the Trust's governance process, the formal appointment for the audit of the 2026/27 accounts onwards will be concluded at the October Board meeting. All tenderers will then be notified directly and provided with the relevant outcome and feedback.



Energy and Carbon Reporting

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 introduced Streamlined Energy and Carbon Reporting (SECR) requirements for large unquoted companies. Scrabster Harbour Trust is not within the scope of those Regulations but has produced an SECR-aligned disclosure voluntarily to demonstrate transparency, provide stakeholders with verified environmental performance data and establish a baseline for long-term energy and cost-efficiency improvements.

Measure	2025/26	2024/25
Energy consumption used to calculate emissions (kWh)	571,940.48	n/a
Emissions from combustion of gas (Scope 1, tCO2e)	0.00	n/a
Emissions from transport fuels (Scope 1, tCO2e)	25.67	n/a
Business travel in rental or employee-owned vehicles (Scope 3, tCO2e)	2.07	n/a
Emissions from purchased electricity (Scope 2, location-based, tCO2e)	81.09	n/a
Total gross emissions (tCO2e)	**108.83**	n/a
Turnover basis used for intensity calculation (£m)	5.789098	n/a
Intensity ratio (tCO2e per £m turnover)	18.799155	n/a

No comparable prior-year data was provided for 2024/25.

Methodology

The data was gathered following the guiding principles of the Greenhouse Gas Protocol Corporate Standard. Emission factors used are the UK Government's published figures for 2024. Fugitive emissions from refrigerants are not required to be reported under SECR for unquoted companies and have not been included. Emissions from buildings where tenants have full control of energy use have also been omitted as they are outside the Trust's control.

Energy efficiency actions and observations

During 2025/26, Scrabster Harbour Trust progressed its energy and carbon management work by collating more detailed fuel, electricity, water, waste, travel and fleet data to support a more robust carbon footprint. The Trust also commissioned a comprehensive harbour energy audit, with a site survey undertaken in March 2026 and the final report issued in April 2026. The audit reviewed the Trust's distributed electricity supplies, major energy users and operational energy patterns, including heating, lighting, refrigeration, shore power and high-load harbour infrastructure.

The audit identified a number of energy efficiency and decarbonisation opportunities, including modernisation of electric heating, air-to-air heat pumps, heat recovery from refrigeration plant, passive infrared lighting controls and solar photovoltaic panels across suitable harbour buildings. The Trust will look to incorporate these into future capital expenditure plans as the site develops, subject to detailed feasibility work where appropriate.

The Trust also improved its understanding of tenant and landlord electricity arrangements across the estate and began formalising the data required to monitor electricity consumption, fuel use, business travel and wider Scope 3 sources. Smart meter replacements are ongoing across the estate, subject to energy supplier and meter operator programmes.

A programme of replacement of Trust vehicles has also begun, replacing assets with more fuel-efficient and electric alternatives where operationally appropriate. Two electric vehicle charging points have been installed at the harbour office.





Strategic Priorities

The Trust's priorities for the coming year are:

1. **Protect core services**
   Maintain the infrastructure and commercial relationships required to support the lifeline ferry service and sustain Scrabster's position as a leading fishing harbour.

2. **Secure sustainable growth**
   Convert increased activity and engagement in offshore energy, marine survey, cargo and cruise into longer-term and recurring business.

3. **Develop the estate and infrastructure**
   Maintain existing assets, protect scarce operational land and laydown space, and progress options that could provide additional capacity or improve the use of the estate.

4. **Strengthen governance and long-term resilience**
   Progress the proposed Harbour Revision Order, maintain compliance with the Port Marine Safety Code, develop workforce capability and continue the Trust's work towards a practical and proportionate net-zero pathway.

These priorities build on the strategic direction set out in the previous annual report, while responding to the changing balance of activity experienced during 2025/26.

Overall Assessment

The year produced a strong financial result and further strengthened the Trust's balance sheet. Underlying profitability remained broadly stable, cash generation was strong and debt continued to reduce.

Operational performance was more mixed. Vessel arrivals increased and the Harbour secured substantially more survey, energy and cargo calls, but ferry passenger numbers and fishing landing volumes reduced, while fish cargo ceased. Diversification is therefore providing resilience, but it does not remove the need to protect and develop the Harbour's established core sectors.

The Trust enters 2026/27 from a position of financial strength. The focus must now remain on disciplined investment: protecting essential operations, securing recurring sources of income and addressing the physical constraints that could limit future growth.

