

THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED

COMPANY INFORMATION

Company number SC045381

Charity number SCO06185

Registered office St Ayles, Harbourhead,
Anstruther
Fife

Auditors Henderson Black & Co
Edenbank House
22 Crossgate
Cupar

Bankers Clydesdale Bank Plc
Harbourhead
Anstruther

Solicitors Drummond Cook & Mackintosh
1 St. Andrews Road
Anstruther

Henderson, Black & Co.



THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED

CONTENTS

	Page
Report of the board of trustees	1 - 2
Detailed income and expenditure account	3
Income and expenditure account	4
Balance sheet	5
Statement of financial activities	6
Notes to the financial statements	7 - 11
Statement of the board of trustees responsibilities	12
Independent auditors' report to the members	13

**THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED
REPORT BY THE BOARD OF TRUSTEES
TO THE THIRTY-SIXTH ANNUAL GENERAL MEETING
OF THE COMPANY**

The Board of Trustees presents their Report and Accounts of the Company for the year ended 31st October 2003.

BOARD OF TRUSTEES

CHAIRMAN	BJL Minto OBE CA FRSA
VICE CHAIRMAN	DBB Smith OBE MA LLB
	R Cramond CBE MA FIMgt FSA (Scot) (Resigned 23 rd March 2004) A Dodds T Gardner Mrs J Henderson J Noble RGW Prescott MA PhD FSA I Pringle I Reekie MA FEIS Mrs E Riches BA D Smith MBE J Tarvit ISO DN Tod
SECRETARY	WD Batchelor MA CA
TREASURER	MJ Robertson BA CA

ADVISORY COUNCIL

CHAIRMAN	BJL Minto
PRESIDENT	TA Murray
EX OFFICIO	Dr B Lang, Principal, University of St Andrews D McAllister, Chairman, National Trust for Scotland Cllr T Dair, Convener of Fife Council Lord Wilson of Tillyorn, Chairman, National Museums of Scotland
NOMINATED	A Dodds, National Museum of Scotland A Lindsay, National Trust for Scotland Cllr JA Liston, Fife Council Cllr J Smith, Fife Council
ELECTED	Mrs W Anderson, J Main, D Stoddart
CO-OPTED	AC Scott Ms D Mechan
PATRONS	Sir James Cayzer Bt Lord Ewing of Kirkford David Miller CBE Sir Bob Reid

SCOTTISH FISHERIES MUSEUM TRUST LIMITED REPORT BY THE BOARD OF TRUSTEES

ELECTION OF BOARD MEMBERS

1. The following were elected members of the Board at the 2003 AGM.
Mr I Pringle and Mr D Smith.
2. Mr H London resigned from the Board during the year.
3. Four members of the Board are required to retire this year. Mr R Cramond resigned on 23rd March 2004.
Mr T Gardner, Mrs J Henderson and Mr DBB Smith retire by rotation.

ELECTION OF ADVISORS

We are due to elect 3 members of the Advisory Council this year.

RESULTS

The Accounts show a surplus for the year of £10,922 after receipt of a Running Grant of £60,000 from the Scottish Executive and a subvention of £46,550 from Fife Council. Opening Members Funds of £1,604,457 therefore increased to £1,615,379 at 31st October 2003. The movement within the individual Funds is detailed in the Statement of Financial Activities.

REVIEW OF THE BUSINESS

The Trust operates the Scottish Fisheries Museum at St Ayles, Harbourhead, Anstruther and is registered as a National Museum. The Trust has been the recipient of a three year revenue support grant from the Scottish Executive for the years 2001-2003 and this has been extended to include 2004. The Trust also receives significant financial support from Fife Council. Entry is free to accompanied children and there are a number of "Days Open" throughout the year.

RESERVES

The reserves of the Trust are mainly contained in the land, buildings and exhibits. It has no liquid reserves and operates with an overdraft facility, when required, which continues to reduce. The single major capital expenditure currently planned is for a maintenance refit to the REAPER, which will only be undertaken in the near future if fully funded in advance.

AIMS AND MAJOR RISKS

The Trust's aim is to collect, preserve, interpret and display the fishing heritage of Scotland for the public benefit. It has an agreed Collections Policy defining and limiting the range of artefacts to be accessioned. The main asset of the Trust is the collection, much of which is by its very nature and age is irreplaceable. The policy of the Trust is therefore to utilise full-time professional curatorial staff to regularly review the state of the collection. There are also established rolling maintenance and refurbishment programmes which ensure that the museum buildings housing the collection, are adequately maintained and that the artefacts themselves are stored, preserved, displayed and interpreted to the public's benefit. In addition the Trust has installed modern fire protection and burglar alarm systems and carries reasonable insurance cover.

AUDITORS

The Accounts for the year to 31st October 2003 have been audited and the Auditor's Report is on page 13. A Resolution proposing the re-appointment of Henderson Black & Co will be made at the Annual General Meeting.



Signed on Behalf of the Board of Trustees
W D Batchelor, Secretary



BJL Minto, Chairman

20/4/04

THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED

DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2003

Henderson, Black & Co.

	£	2003 £	£	2002 £
Income				
Admissions	26,484		29,011	
Subscriptions and donations	4,385		3,786	
Boat club contributions	9,445		14,450	
Running expense grants	106,550		106,550	
Shop sales	41,488		42,874	
Tea room sales	62,094		60,430	
Other income	6,267		6,000	
Sponsorship	2,000		7,000	
Model boats	17		77	
	<u>258,730</u>		<u>270,178</u>	
		258,730		270,178
Cost of sales				
Shop purchases	22,511		27,545	
Tea room purchases	25,975		27,934	
	<u>48,486</u>		<u>55,479</u>	
		(48,486)		(55,479)
Gross surplus		210,244		214,699
Expenditure				
Rates and insurance	13,391		10,280	
Light and heat	5,851		5,833	
Repairs and maintenance	4,324		13,070	
Boat expenses	9,716		14,290	
Wages and salaries	108,037		113,501	
Printing, postage and stationery	1,680		3,521	
Advertising	12,317		10,289	
Telephone	1,939		2,074	
Travel expenses	757		1,277	
Curatorial expenses	7,268		10,320	
Leasing - plant	1,392		516	
Audit fees	1,925		1,925	
Legal and professional fees	639		4,971	
Subscriptions	1,765		1,584	
General expenses	2,334		1,836	
Bank interest	1,407		1,724	
Depreciation	24,580		25,532	
	<u>(199,322)</u>		<u>(222,543)</u>	
Total overhead expenses		(199,322)		(222,543)
Surplus/(Deficit)		<u>10,922</u>		<u>(7,844)</u>

THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2003

	Notes	2003 £	2002 £
Turnover		258,730	270,178
Cost of sales		(48,486)	(55,479)
Gross profit		<u>210,244</u>	<u>214,699</u>
Administrative expenses		(197,915)	(220,819)
Operating profit/(loss)	4	<u>12,329</u>	<u>(6,120)</u>
Interest payable and similar charges	5	(1,407)	(1,724)
Profit/(loss) on ordinary activities before taxation		<u>10,922</u>	<u>(7,844)</u>
Tax on profit/(loss) on ordinary activities	6	-	-
Profit/(loss) on ordinary activities after taxation		<u><u>10,922</u></u>	<u><u>(7,844)</u></u>

Henderson, Black & Co.

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


There are no recognised gains and losses other than those passing through the profit and loss account.

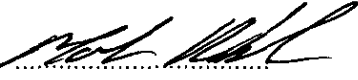
THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED

BALANCE SHEET AS AT 31 OCTOBER 2003

	Notes	2003		2002	
		£	£	£	£
Fixed assets					
Tangible assets	7		1,654,291		1,678,575
Current assets					
Stocks	8	9,694		6,391	
Debtors	9	4,894		1,438	
Cash at bank and in hand		12,714		430	
		<u>27,302</u>		<u>8,259</u>	
Creditors: amounts falling due within one year	10	(14,139)		(28,302)	
Net current assets/(liabilities)			13,163		(20,043)
Total assets less current liabilities			1,667,454		1,658,532
Creditors: amounts falling due after more than one year	11		(1,800)		(1,800)
Accruals and deferred income	12		(50,275)		(52,275)
Net assets			<u>1,615,379</u>		<u>1,604,457</u>
Financed by:					
Capital and reserves					
General fund - unrestricted			425,280		397,371
Life membership fund - unrestricted			1,892		1,802
Grants fund - restricted			1,116,466		1,132,818
Development fund - endowment			71,741		72,466
Members funds			<u>1,615,379</u>		<u>1,604,457</u>

Signed on behalf of the Board of Trustees


B J L Minto C.A. Chairman


M Robertson C.A. Treasurer

The financial statements were approved by the Board on 23 March 2004.

THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 OCTOBER 2003

	2003	2003	2003	2003	2003	2002
	General fund	Life membership fund	Grants fund	Development fund	Total	Total
	£	£	£	£	£	£
Incoming resources:						
Admissions	26,484				26,484	29,011
Subscriptions & donations	4,085	300			4,385	3,786
Boat club contributions	9,445				9,445	14,450
Grants received			-		-	1,069
Running expense grant	106,550				106,550	106,550
Shop sales	41,488				41,488	42,874
Tea room sales	62,094				62,094	60,430
Other income	6,267				6,267	6,000
Sponsorship	2,000				2,000	7,000
Model boats	17				17	77
Total incoming resources	258,430	300	-	-	258,730	271,247
Resources expended:						
On charity's objects	245,883				245,883	276,097
Administration	1,925				1,925	1,925
Total resources expended	247,808	-	-	-	247,808	278,022
Net incoming/(outgoing)						
Resources before transfers	10,622	300	-	-	10,922	(6,775)
Transfers between funds	17,287	(210)	(16,352)	(725)	-	-
Net movement in funds	27,909	90	(16,352)	(725)	10,922	(6,775)
Total funds brought forward at 1 November 2002	397,371	1,802	1,132,818	72,466	1,604,457	1,611,232
Total funds carried forward at 31 October 2003	425,280	1,892	1,116,466	71,741	1,615,379	1,604,457
Represented by:						
Fixed Assets	466,084		1,116,466	71,741	1,654,291	1,678,575
Current Assets	25,410	1,892			27,302	8,259
Current Liabilities	(14,139)				(14,139)	(28,302)
Longterm Liabilities	(1,800)				(1,800)	(1,800)
Deferred Income	(50,275)				(50,275)	(52,275)
	425,280	1,892	1,116,466	71,741	1,615,379	1,604,457

Henderson, Black & Co.

THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities, applicable accounting standards and the Companies Act 1985.

1.2 Incoming resources and resources expended

Incoming resources are recognised, net of VAT, when receivable.

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	1% per annum on straight line basis
Computer equipment	33.3% per annum on straight line basis
Exhibits, fixtures and equipment	10% per annum on reducing balance
Boats	10% per annum on reducing balance

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

1.6 Government grants

Capital grants on capital expenditure are allocated to the Grants Fund and a transfer is made to the General Fund equivalent to the depreciation charge of the assets acquired. Grants of a revenue nature are credited to income in the period to which they relate.

2 Funds

The Development Fund is an Endowment Fund for the purposes of funding the Zulu Gallery. A transfer is made to the general fund equivalent to depreciation on assets acquired by development funding.

The Grants Fund is a restricted fund relating to capital grants received for the acquisition of fixed assets. A transfer is made to the General Fund equivalent to the depreciation charge on the fixed assets acquired.

The Life Membership Fund is an unrestricted designated fund for the purposes of accounting for life membership subscriptions.

The General Fund consists of non-designated unrestricted funds.

THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2003

3	Employee Information	2003	2002
		£	£
	Staff costs:		
	Wages and salaries	102,882	108,119
	Social security costs	5,155	5,382
		<u>108,037</u>	<u>113,501</u>
		<u><u>108,037</u></u>	<u><u>113,501</u></u>
	 The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:	 No.	 No.
	Management, office and general staff	9	9
	Curatorial	2	2
		<u>11</u>	<u>11</u>
		<u><u>11</u></u>	<u><u>11</u></u>
4	Operating profit/(loss)	2003	2002
		£	£
	Operating profit/(loss) is stated after charging:		
	Staff costs	108,037	113,501
	Depreciation	24,580	25,532
	Operating lease rentals - plant	1,392	516
	Auditors' remuneration	1,925	1,925
		<u>135,934</u>	<u>141,474</u>
		<u><u>135,934</u></u>	<u><u>141,474</u></u>
5	Interest payable	2003	2002
		£	£
	On bank loans and overdrafts	1,407	1,724
		<u>1,407</u>	<u>1,724</u>
		<u><u>1,407</u></u>	<u><u>1,724</u></u>
6	Taxation		
	It has been agreed with the Inland Revenue that the Company is not liable to United Kingdom taxation due to its charitable status.		

Henderson, Black & Co.

THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2003

7 Tangible fixed assets	Freehold land	Freehold buildings	Exhibits, fixtures and equipment	Boats	Total
	£	£	£	£	£
Cost					
At 1 November 2002	56,560	1,662,465	127,815	49,349	1,896,189
Additions	-	296	-	-	296
At 31 October 2003	<u>56,560</u>	<u>1,662,761</u>	<u>127,815</u>	<u>49,349</u>	<u>1,896,485</u>
Depreciation					
At 1 November 2002	-	114,551	63,496	39,567	217,614
Charge for the year	-	16,629	6,973	978	24,580
At 31 October 2003	<u>-</u>	<u>131,180</u>	<u>70,469</u>	<u>40,545</u>	<u>242,194</u>
Net book value					
At 31 October 2003	<u>56,560</u>	<u>1,531,581</u>	<u>57,346</u>	<u>8,804</u>	<u>1,654,291</u>
At 31 October 2002	<u>56,560</u>	<u>1,547,914</u>	<u>64,319</u>	<u>9,782</u>	<u>1,678,575</u>

The heritable property known as St. Ayles, Harbourhead, Anstruther was purchased by Anstruther Town Council from the National Trust for Scotland in 1967 and the Town Council later sold the property to the Scottish Fisheries Museum Trust Limited at the same price, the date of recording being 29 June 1970.

The Scottish Fisheries Museum Trust Limited then granted a Bond and Disposition in Security in favour of the Town Council for the same amount and this deed is also recorded 29 June 1970. The Bond is now vested in Fife Council as successors to Anstruther Town Council. By a Back Letter granted by the Town Clerk in favour of the Scottish Fisheries Museum Trust Limited, it is agreed that no interest shall be charged upon the loan, nor will the sum be called up unless and until steps have been initiated for the Scottish Fisheries Museum Trust Limited to be wound up voluntarily or otherwise in terms of the Companies Acts.

No value has been included under the heading of Exhibits as shown for those items either donated or loaned to the Museum. The Trustees are unable to put value on these exhibits, but for insurance purposes the total contents of the Museum have been valued at £259,622 (2002 £255,282).

8 Stocks	2003 £	2002 £
Publications and consumables	<u>9,694</u>	<u>6,391</u>

THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2003

9 Debtors	2003	2002
	£	£
Trade debtors	3,008	86
Prepayments	1,886	1,352
	<u>4,894</u>	<u>1,438</u>

10 Creditors: amounts falling due within one year	2003	2002
	£	£
Bank loans and overdrafts	-	11,664
Trade creditors	5,720	9,047
Other taxes and social security costs	7,585	5,147
Loans	-	1,500
Accruals	834	944
	<u>14,139</u>	<u>28,302</u>

The bank overdraft is secured by a Standard Security over property at No.5 and No.11 East Shore, Anstruther.

11 Creditors: amounts falling due after more than one year	2003	2002
	£	£
Bond secured over property (note 7)	<u>1,800</u>	<u>1,800</u>

12 Deferred income	
Deferred revenue grants and sponsorship	£
Balance at 1 November 2002	52,275
Grants received during the year	106,550
Transferred to revenue account	(106,550)
Transferred to sponsorship	(2,000)
Balance at 31 October 2003	<u>50,275</u>

Henderson, Black & Co.

THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2003

13 Financial commitments

At 31 October 2003 the company had annual commitments under non-cancellable operating leases as follows:

	2003 £	2002 £
Operating leases, other than land and buildings which expire:		
Within one year	-	-
Between two and five years	1,392	516
In over five years	-	-
	<u>1,392</u>	<u>516</u>

14 Legal

The Company Registration Number is SC045381 and the Charity Registration Number is SC006185. The Company does not have a share capital, but the liability of the members is limited by guarantee. In the event of the company being wound up each member may be required to contribute an amount not exceeding £1. As at 31 October 2003 there were 448 members (2002 - 424)

A Legal Liability exists to repay the STB and Heritage Lottery Fund Grants if the underlying assets are sold or otherwise disposed of, without prior approval of the Grantors, on closure or liquidation, events which the Trustees deem unlikely.

THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED

STATEMENT OF THE BOARD OF TRUSTEES RESPONSIBILITIES

Company law requires the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the Board of Trustees are required to:

1. Select suitable accounting policies and then apply them consistently;
2. Make judgements and estimates that are reasonable and prudent;
3. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Board of Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Henderson, Black & Co.

THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED

We have audited the financial statements of The Scottish Fisheries Museum Trust Limited on pages 4 to 11 for the year ended 31 October 2003. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 7.

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

Respective responsibilities of trustees and auditors

As described in the statement of trustees responsibilities on page 12, the company's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the trust is not disclosed.

We are not required to consider whether the statement in the Trustees' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Trustees' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31 October 2003 and of its income and expenditure, its incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Henderson Black & Co

Henderson Black & Co
Chartered Accountants
Registered Auditor

29/4/04
Edenbank House
22 Crossgate
Cupar

Henderson, Black & Co.