

Company Registration No. SCO 45381 (Scotland)
Charity Registration No. SCO 06185 (Scotland)

THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2002



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

THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED

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

The Board of Trustees presents their Report and Accounts of the Company for the year ended 31st October 2002.

BOARD OF TRUSTEES

CHAIRMAN	B J L Minto OBE CA FRSA
VICE-CHAIRMAN	D B B Smith OBE MA LLB
SECRETARY & TREASURER	W D Batchelor MA CA
	R Cramond CBE MA FIMgt FSA(Scot)
	A Dodds
	T Gardner
	Mrs J Henderson
	H London
	J Noble
	R G W Prescott MA PhD FSA
	I Pringle
	I Reekie MA FEIS
	Mrs E Riches BA
	D Smith MBE
	T Sunter (resigned 19 February 2003)
	J Tarvit ISO
	D N Tod

ADVISORY COUNCIL

CHAIRMAN	B J L Minto
PRESIDENT	T A 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
	A Smith, President, Scottish Fishermen's Federation
	Lord Wilson of Tillyhorn, Chairman, National Museums of Scotland
NOMINATED	A Dodds, National Museum of Scotland
	A Lindsay, National Trust for Scotland
	Cllr M Scott-Hayward, Fife Council
	Cllr J Smith, Fife Council
ELECTED	Mrs W Anderson, J Main, D Stoddart
CO-OPTED	A C Scott
PATRONS	Sir James Cayzer Bt
	Lord Ewing of Kirkford
	David Miller CBE
	Sir Bob Reid

ELECTION OF BOARD MEMBERS

1. The following were elected members of the Board at the 2002 AGM
Mr I Reekie, Mrs E Riches, Mr J Tarvit and Mr D Tod
2. The following members of the Board are required to retire this year:
Messrs H London, I Pringle and D Smith. T Sunter resigned on 19 February 2003.

ELECTION OF ADVISORS

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

RESULTS

The Accounts show a deficit for the year of £7,844, after receipt of a Running Grant of £60,000 from the Scottish Executive and a Subvention of £46,550 from Fife Council. Capital grants received during the year amounted to £1,069. Opening Members Funds of £1,611,232 therefore fell by £6,775 and stood at £1,604,457 at 31 October 2002. 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. As one of the 3 major independent industrial museums in Scotland, the Trust has been awarded substantial on-going revenue support, initially for a three-year period, by the Scottish Executive, in partnership with Fife Council, which also continues to give a substantial support. As part of the Trust's policy of making the collections available to as many of the public as possible, it offers 'Children Free' entry and has 'Doors Open' days, when appropriate.

RESERVES

The reserves of the Trust mainly represent the value of the land, museum buildings and exhibits. It has no liquid reserves and presently operates with an overdraft, which is budgeted to reduce in 2003. Although no major capital expenditures are currently envisaged, present Board policy is to fully fund capital projects prior to implementation.

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 irreplaceable. The policy of the Trust is therefore to utilize 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, 2002 have been audited and the Auditors' Report is on page 14. 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

B J L Minto, Chairman

21/4/03

THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED

DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2002

	£	2002 £	£	2001 £
Income				
Admissions	29,011		33,781	
Subscriptions and donations	3,786		2,698	
Boat club contributions	14,450		24,304	
Running expense grants	106,550		111,550	
Shop sales	42,874		44,403	
Tea room sales	60,430		58,650	
Other income	6,000		5,886	
Sponsorship	7,000		7,000	
Model boats	77		206	
	<u>270,178</u>		<u>288,478</u>	
		270,178		288,478
Cost of sales				
Shop purchases	27,545		27,922	
Tea room purchases	27,934		27,703	
	<u>55,479</u>		<u>55,625</u>	
		(55,479)		(55,625)
Gross surplus		214,699		232,853
Expenditure				
Rates and insurance	10,280		6,502	
Light and heat	5,833		5,513	
Repairs and maintenance	13,070		8,430	
Boat expenses	14,290		24,463	
Wages and salaries	113,501		95,472	
Printing, postage and stationery	3,521		2,401	
Advertising	10,289		10,534	
Telephone	2,074		1,563	
Travel expenses	1,277		2,195	
Curatorial expenses	10,320		3,567	
Leasing - plant	516		1,389	
Audit fees	1,925		1,825	
Legal and professional fees	4,971		1,094	
Subscriptions	1,584		729	
General expenses	1,836		1,453	
Bank interest	1,724		3,792	
Depreciation	25,532		24,869	
Total overhead expenses	<u>(222,543)</u>		<u>(195,791)</u>	
		(222,543)		(195,791)
Surplus/(Deficit)		<u>(7,844)</u>		<u>37,062</u>

Henderson, Black & Co.

THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2002

	Notes	2002 £	2001 £
Turnover		270,178	288,478
Cost of sales		(55,479)	(55,625)
Gross profit		<u>214,699</u>	<u>232,853</u>
Administrative expenses		(220,819)	(191,999)
Operating (loss)/profit	4	<u>(6,120)</u>	<u>40,854</u>
Interest payable and similar charges	5	(1,724)	(3,792)
(Loss)/profit on ordinary activities before taxation		<u>(7,844)</u>	<u>37,062</u>
Tax on (loss)/profit on ordinary activities	6	-	-
(Loss)/profit on ordinary activities after taxation		<u><u>(7,844)</u></u>	<u><u>37,062</u></u>

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

THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 OCTOBER 2002

	2002 £	2001 £
(Loss)/profit for the financial year	(7,844)	37,062
Donations to development fund	-	1750
Total recognised gains and losses relating to the year	<u>(7,844)</u>	<u>38,812</u>

THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED

BALANCE SHEET AS AT 31 OCTOBER 2002

	Notes	2002		2001	
		£	£	£	£
Fixed assets					
Tangible assets	7		1,678,575		1,690,397
Current assets					
Stocks	8	6,391		6,784	
Debtors	9	1,438		4,239	
Cash at bank and in hand		430		430	
			8,259		11,453
Creditors: amounts falling due within one year	10	(28,302)		(29,543)	
Net current liabilities			(20,043)		(18,090)
Total assets less current liabilities			1,658,532		1,672,307
Creditors: amounts falling due after more than one year	11		(1,800)		(1,800)
Accruals and deferred income	12		(52,275)		(59,275)
Net assets			1,604,457		1,611,232
Financed by:					
Capital and reserves					
General fund - unrestricted			397,371		388,662
Life membership fund - unrestricted			1,802		2,002
Grants fund - restricted			1,132,818		1,148,102
Development fund - endowment			72,466		72,466
Members funds			1,604,457		1,611,232

Signed on behalf of the Board of Trustees


B J L Minto C.A. Chairman


W D Batchelor C.A. Treasurer

The financial statements were approved by the Board on 18 March 2003

THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 OCTOBER 2002

	2002	2002	2002	2002	2002	2001
	General fund	Life membership fund	Grants fund	Development fund	Total	Total
	£	£	£	£	£	£
Incoming resources:						
Admissions	29,011				29,011	33,781
Subscriptions & donations	3,786	-			3,786	2,698
Boat club contributions	14,450				14,450	24,304
Development fund				-	-	1,750
Grants received			1,069		1,069	-
Running expense grant	106,550				106,550	111,550
Shop sales	42,874				42,874	44,403
Tea room sales	60,430				60,430	58,650
Other income	6,000				6,000	5,886
Sponsorship	7,000				7,000	7,000
Model boats	77				77	206
Total incoming resources	270,178	-	1,069	-	271,247	290,228
Resources expended:						
On charity's objects	276,097				276,097	249,591
Administration	1,925				1,925	1,825
Total resources expended	278,022	-	-	-	278,022	251,416
Net incoming/(outgoing) Resources before transfers						
	(7,844)	-	1,069	-	(6,775)	38,812
Transfers between funds	16,553	(200)	(16,353)	-	-	-
Net movement in funds	8,709	(200)	(15,284)	-	(6,775)	38,812
Total funds brought forward at 1 November 2001	388,662	2,002	1,148,102	72,466	1,611,232	1,572,420
Total funds carried forward at 31 October 2002	397,371	1,802	1,132,818	72,466	1,604,457	1,611,232
Represented by:						
Fixed Assets	473,291		1,132,818	72,466	1,678,575	1,690,397
Current Assets	6,457	1,802			8,259	11,453
Current Liabilities	(28,302)				(28,302)	(29,543)
Longterm Liabilities	(1,800)				(1,800)	(1,800)
Deferred Income	(52,275)				(52,275)	(59,275)
	397,371	1,802	1,132,818	72,466	1,604,457	1,611,232

Henderson, Black & Co.

THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2002

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 in 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 2002

3 Employee Information	2002	2001
	£	£
Staff costs:		
Wages and salaries	108,119	90,982
Social security costs	5,382	4,490
	<u>113,501</u>	<u>95,472</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	11
Curatorial	2	1
	<u>11</u>	<u>12</u>
4 Operating (loss)/profit	2002	2001
	£	£
Operating (loss)/profit is stated after charging:		
Staff costs	113,501	95,472
Depreciation	25,532	24,869
Operating lease rentals - plant	516	1,389
Auditors' remuneration	1,925	1,825
	<u>141,474</u>	<u>123,555</u>
5 Interest payable	2002	2001
	£	£
On bank loans and overdrafts	1,724	3,792
	<u>1,724</u>	<u>3,792</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.		

THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

7 Tangible fixed assets	Freehold land	Freehold buildings	Exhibits, fixtures and equipment	Boats	Total
	£	£	£	£	£
Cost					
At 1 November 2001	56,560	1,657,084	119,487	49,349	1,882,480
Additions	-	5,381	8,328	-	13,709
At 31 October 2002	<u>56,560</u>	<u>1,662,465</u>	<u>127,815</u>	<u>49,349</u>	<u>1,896,189</u>
Depreciation					
At 1 November 2001	-	97,927	55,675	38,480	192,082
Charge for the year	-	16,624	7,821	1,087	25,532
At 31 October 2002	<u>-</u>	<u>114,551</u>	<u>63,496</u>	<u>39,567</u>	<u>217,614</u>
Net book value					
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>
At 31 October 2001	<u>56,560</u>	<u>1,559,157</u>	<u>63,811</u>	<u>10,869</u>	<u>1,690,397</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 £255,282 (2001 £249,944).

8 Stocks	2002 £	2001 £
Publications and consumables	<u>6,391</u>	<u>6,784</u>

THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

9 Debtors	2002	2001
	£	£
Trade debtors	86	2,536
Prepayments	1,352	703
Other debtors	-	1,000
	<u>1,438</u>	<u>4,239</u>

10 Creditors: amounts falling due within one year	2002	2001
	£	£
Bank loans and overdrafts	11,664	16,720
Trade creditors	9,047	5,528
Other taxes and social security costs	5,147	5,326
Loans	1,500	1,500
Accruals	944	469
	<u>28,302</u>	<u>29,543</u>

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

The loans are interest free and have no fixed terms of repayment.

11 Creditors: amounts falling due after more than one year	2002	2001
	£	£
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 2001	59,275
Grants received during the year	106,550
Transferred to revenue account	(106,550)
Transferred to sponsorship	(7,000)
Balance at 31 October 2002	<u>52,275</u>

THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

13 Financial commitments

At 31 October 2002 the company had annual commitments under non-cancellable operating leases as follows:

	2002	2001
	£	£
Operating leases, other than land and buildings which expire:		
Within one year	-	-
Between two and five years	516	1,352
In over five years	-	-
	<u>516</u>	<u>1,352</u>

14 Capital commitments

At 31 October 2002 the company had capital commitments as follows:

	2002	2001
	£	£
Contracted for but not provided in the financial statements	-	4,187
	<u>-</u>	<u>4,187</u>

15 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 2002 there were 424 members (2001 - 404)

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.

THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE SCOTTISH FISHERIES MUSEUM TRUST LIMITED

We have audited the financial statements of The Scottish Fisheries Museum Trust Limited on pages 4 to 12 for the year ended 31 October 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 8.

This report is made solely to the trustees, as a body. Our audit work has been undertaken so that we might state to the trustees 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 trust and the trustees 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 13, 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 2002 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

21/9/03

Edenbank House
22 Crossgate
Cupar

Henderson, Black & Co.