

SCRABSTER HARBOUR TRUST
BOARD MEMBERS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

SCRABSTER HARBOUR TRUST

TRUST INFORMATION

Board members

T Pottinger
C Calder
J Cormack
S Middlemas
A Mackie
K MacKenzie
F Bremner
G Robertson
W Thomson

Clerk to the Board

E Thoms

Independent Auditors

Saffery Champness
Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9BA

Business address

Harbour Office
Scrabster
Caithness
KW14 7UJ

Solicitors

Young Robertson & Co
29 Traill Street
Thurso
Caithness
KW14 8EQ

Burness Paull LLP
50 Lothian Road
Festival Square
Edinburgh
EH3 9WJ

SCRABSTER HARBOUR TRUST

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SCRABSTER HARBOUR TRUST

BOARD REPORT FOR THE YEAR ENDED 31 MARCH 2014

The board present their report and financial statements for the year ended 31 March 2014.

Principal activities

The Trust was established under the Scrabster Harbour Act 1841 with the power to build and operate a harbour in Scrabster. Since that date various amendments to the original Act have taken place, which have allowed the Harbour to be developed and expanded.

Commercially, the 2013-14 financial statements show turnover at the same level as the prior year. Ferry revenues were lower than the prior year. The mechanical failure of the ferry crankshaft in April and subsequent vessel dry docking arrangements affected ferry operations resulting in reduced revenue. Fish and general cargo revenue were also lower. Strong performance in the fishing, shellfish, cruise and property income compensated for decline in other sectors. Profit before tax was lower compared with the previous year reflecting debt service costs and additional depreciation charges for the new quay.

Final handover of the Old Fish Market pier development to the Trust occurred in June 2013. The quay has been well used for a range of activities including renewables, oil & gas, fishing and general cargo operations. The new quay was named the Jubilee Quay and dedicated in September 2014.

Overall there is strong commercial interest in the port with a number of harbour operations already confirmed for 2015. A refreshed marketing and promotion strategy is currently being implemented.

The Trust continues to engage with the relevant agencies and bodies to advance its development programme aimed at realising significant socio-economic benefits for the local and regional communities and economies through further development of the port.

Results

The profit before taxation for the year was £220,619 (2013 - £307,222) on a turnover of £2,271,490 (2013 - £2,281,061).

Net operating costs have increased slightly from £1,763,299 in the previous year to £1,772,207.

SCRABSTER HARBOUR TRUST

BOARD REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2014

Board Members

The following members have held office since 1 April 2013:

| | |
|-------------|------------------------------|
| T Pottinger | |
| C Calder | |
| W Calder | (Term ended 31 October 2013) |
| J Campbell | (Term ended 31 October 2013) |
| J Cormack | |
| S Middlemas | |
| A Mackie | |
| K MacKenzie | |
| F Bremner | (Appointed 31 October 2013) |
| G Robertson | (Appointed 31 October 2013) |
| W Thomson | (Appointed 20 January 2014) |

Charitable donations

During the year the Trust donated £800 (2013 - £2,400) to charities. Of this £300 (2013 - £1,900) was to local charities and £500 (2013 - £500) was to the Royal National Mission to Deep Sea Fishermen.

The Scrabster Harbour Revision (Constitution) Order 2005

The Scrabster Harbour Revision (Constitution) Order 2005 (the "Order") reconstituted Scrabster Harbour Trust. The grant of the Order on 2 March 2005 provided the Trust with a modernised constitution which complies with the Government's document 'Modernising Trust Ports - A Guide to Good Governance'. The new constitution date was 7 November 2005, being the date of the first Annual General Meeting of the Trust occurring more than three months after the coming into force of the Order.

Under the new constitution the Trust is managed by the Board of between six and eight persons with experience in relevant matters.

On the new constitution date, all the powers and duties of the Trustees vested in the Board except those given to Trust Body by Article 12 of the Order, all assets and liabilities of the Trustees vested in the Trust and the Trustees were extinguished, but the Body Corporate established by the Act of 1841 remains a Body Corporate with perpetual succession.

The Order includes provisions with regard to the establishment of a Trust Body designed to maintain and develop the links with the community by encouraging continuing stakeholder interest. The Trust Body came into being on 12 September 2005.

The Order also extends the seaward limit of the Harbour and repeals or revokes certain statutory provisions.

Auditors

Saffery Champness have expressed their willingness to remain in office as auditors of the Trust.

SCRABSTER HARBOUR TRUST

BOARD REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2014

Board members' responsibilities

The Board members are responsible for preparing the Board's Report and financial statements in accordance with applicable laws and United Kingdom Generally Accepted Accounting Practice.

The Scrabster Act 1841, as amended by The Scrabster Harbour Order 1897 and the Scrabster Harbour Revision (Constitution) Order 2005 requires the Board to prepare financial statements for each financial year. The Board is required to submit its annual statement of accounts to the annual general meeting of the Trust. These financial statements should give a true and fair view of the state of affairs of the Trust and of the profit or loss of the Trust for that period.

In preparing those financial statements, the board members 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 Trust will continue in business.

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Scrabster Harbour Act 1841. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the Board is aware, there is no relevant audit information of which the Trust's auditors are unaware. Additionally, the Board have taken all the necessary steps that they ought to have taken as Board Members in order to make themselves aware of all relevant audit information and to establish that the Trust's auditors are aware of that information.

On behalf of the board



.....
T Pottinger
Chairman

.....
07/10/2014

SCRABSTER HARBOUR TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCRABSTER HARBOUR TRUST

We have audited the financial statements of Scrabster Harbour Trust for the year ended 31 March 2014 set out on pages 6 to 18. 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).

This report is made solely to the Trust's Board, as a body, in accordance with the Scrabster Harbour Act 1841, as amended. Our audit work has been undertaken so that we might state to the Trust's Board those matters we are required to state to them in an auditors' 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 Trust's Board as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditors

As explained more fully in the Members Responsibilities Statement set out on page 3, the members 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report 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 Trust's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Scrabster Harbour Act 1841, as amended.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Board Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

SCRABSTER HARBOUR TRUST

**INDEPENDENT AUDITORS' REPORT (continued)
TO THE MEMBERS OF SCRABSTER HARBOUR TRUST**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required to report to you if, in our opinion:

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



**David Hughes (Senior Statutory Auditor)
for and on behalf of Saffery Champness**

**Chartered Accountants
Statutory Auditors**

20 October 2014

Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9BA

SCRABSTER HARBOUR TRUST

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014

| | Notes | 2014 £ | 2013 £ |
|--|-----------|-----------------------|-----------------------|
| Turnover | 2 | 2,271,490 | 2,281,061 |
| Administrative expenses | | (2,805,355) | (2,607,382) |
| Other operating income | | <u>1,033,148</u> | <u>844,083</u> |
| Operating profit | 3 | 499,283 | 517,762 |
| Other interest receivable and similar income | 4 | 8,492 | 2,396 |
| Interest payable and similar charges | 5 | <u>(287,156)</u> | <u>(212,936)</u> |
| Profit on ordinary activities before taxation | | 220,619 | 307,222 |
| Tax on profit on ordinary activities | 6 | <u>(100,250)</u> | <u>(99,177)</u> |
| Profit for the year | 14 | <u><u>120,369</u></u> | <u><u>208,045</u></u> |

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 notes on pages 9 to 18 form part of these financial statements.

SCRABSTER HARBOUR TRUST


BALANCE SHEET
AS AT 31 MARCH 2014

| | Notes | £ | 2014 £ | £ | 2013 £ |
|--|-------|------------------|---------------------|------------------|---------------------|
| Fixed assets | | | | | |
| Tangible assets | 7 | | 37,400,922 | | 38,121,425 |
| Current assets | | | | | |
| Debtors | 8 | 412,850 | | 330,262 | |
| Cash at bank and in hand | | 2,143,402 | | 1,827,134 | |
| | | | <u>2,556,252</u> | <u>2,157,396</u> | |
| Creditors: amounts falling due within one year | 9 | <u>(742,686)</u> | | <u>(718,397)</u> | |
| Net current assets | | | <u>1,813,566</u> | | <u>1,438,999</u> |
| Total assets less current liabilities | | | 39,214,488 | | 39,560,424 |
| Creditors: amounts falling due after more than one year | 10 | | (4,643,844) | | (4,792,566) |
| Provisions for liabilities | 11 | | (100,428) | | (91,058) |
| Accruals and deferred income | 12 | | <u>(26,002,322)</u> | | <u>(26,329,275)</u> |
| | | | <u>8,467,894</u> | | <u>8,347,525</u> |
| Trust funds | | | | | |
| Profit and loss account | 14 | | <u>8,467,894</u> | | <u>8,347,525</u> |

The notes on pages 9 to 18 form part of these financial statements.

Approved by the Board for issue on 7/10/2014


.....
T Pottinger
Chairman


.....
C Calder
Vice Chairman

SCRABSTER HARBOUR TRUST

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014**

| | Notes | £ | 2014 £ | £ | 2013 £ |
|---|---------------|-----------|----------------|-------------|------------------|
| Net cash inflow from operating activities | 20 | | 726,521 | | 824,051 |
| Returns on investments and servicing of finance | | | | | |
| Interest received | | 8,492 | | 2,396 | |
| Interest paid | | (263,623) | | (188,188) | |
| Net cash outflow for returns on investments and servicing of finance | | | (255,131) | | (185,792) |
| Taxation | | | (71,953) | | (70,792) |
| Capital expenditure | | | | | |
| Payments to acquire tangible assets | | (485,849) | | (8,748,832) | |
| Receipts from sales of tangible assets | | 100 | | 149 | |
| Net cash outflow for capital expenditure | | | (485,749) | | (8,748,683) |
| Net cash outflow before management of liquid resources and financing | | | (86,312) | | (8,181,216) |
| Financing | | | | | |
| New bank loan | | - | | 5,000,000 | |
| Government grant received | | 542,080 | | 5,001,138 | |
| Repayment of bank loan | | (139,500) | | (67,934) | |
| Net cash inflow from financing | | | 402,580 | | 9,933,204 |
| Increase in cash in the year | 21, 22 | | <u>316,268</u> | | <u>1,751,988</u> |

SCRABSTER HARBOUR TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than heritable property 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:

| | |
|--------------------------------------|----------|
| Harbour and buildings | 50 years |
| Crafts, equipment and floating plant | 10 years |
| Office equipment | 10 years |
| Motor vehicles | 5 years |

1.4 Pensions

The Trust contributes to a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rule of the scheme.

1.5 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

1.6 Government grants

Grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account over the expected useful lives of the relevant assets by equal instalments.

Grants of a revenue nature are credited to the profit and loss account in the period to which they relate.

1.7 Cash at bank and in hand

Cash held on deposit is included in cash in hand.

2 Turnover

The total turnover of the Trust for the year has been derived from its principal activity undertaken wholly in the United Kingdom.

SCRABSTER HARBOUR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2014

| | | | |
|----------|---|-------------------|-------------------|
| 3 | Operating profit | 2014 | 2013 |
| | | £ | £ |
| | Operating profit is stated after charging: | | |
| | Depreciation of tangible assets | 1,205,502 | 917,227 |
| | Auditors' remuneration | 8,000 | 7,750 |
| | Emoluments of board members - executive | 152,270 | 145,625 |
| | Emoluments of board members - non-executive | 42,754 | 45,000 |
| | | <u> </u> | <u> </u> |
| | | | |
| 4 | Investment income | 2014 | 2013 |
| | | £ | £ |
| | Bank interest | 8,492 | 2,396 |
| | | <u> </u> | <u> </u> |
| | | | |
| 5 | Interest payable | 2014 | 2013 |
| | | £ | £ |
| | On bank overdrafts | - | 42,186 |
| | On loans repayable after five years | 287,156 | 170,750 |
| | | <u> </u> | <u> </u> |
| | | <u>287,156</u> | <u>212,936</u> |

SCRABSTER HARBOUR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2014

| 6 Taxation | 2014 £ | 2013 £ |
|---|----------------|----------------|
| Domestic current year tax | | |
| U.K. corporation tax | 90,880 | 71,953 |
| Adjustment for prior years | - | (114) |
| Total current tax | <u>90,880</u> | <u>71,839</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | <u>9,370</u> | <u>27,338</u> |
| | <u>100,250</u> | <u>99,177</u> |
| Factors affecting the tax charge for the year | | |
| Profit on ordinary activities before taxation | <u>220,619</u> | <u>307,222</u> |
| Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.00% (2013 - 24.00%) | <u>50,742</u> | <u>73,733</u> |
| Effects of: | | |
| Adjustments to previous periods | - | (114) |
| Other tax adjustments | <u>40,138</u> | <u>(1,780)</u> |
| | <u>40,138</u> | <u>(1,894)</u> |
| Current tax charge for the year | <u>90,880</u> | <u>71,839</u> |

SCRABSTER HARBOUR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2014

7 Tangible fixed assets

| | Harbour and buildings | Crafts, equipment and floating plant | Total |
|-----------------------|-----------------------------|--|-------------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 April 2013 | 48,141,477 | 674,684 | 48,816,161 |
| Additions | 74,981 | 410,868 | 485,849 |
| Disposals | - | (850) | (850) |
| | <u>48,216,458</u> | <u>1,084,702</u> | <u>49,301,160</u> |
| At 31 March 2014 | | | |
| Depreciation | | | |
| At 1 April 2013 | 10,179,204 | 515,532 | 10,694,736 |
| Charge for the year | 1,158,163 | 47,339 | 1,205,502 |
| | <u>11,337,367</u> | <u>562,871</u> | <u>11,900,238</u> |
| At 31 March 2014 | | | |
| Net book value | | | |
| At 31 March 2014 | <u>36,879,091</u> | <u>521,831</u> | <u>37,400,922</u> |
| At 31 March 2013 | <u>37,962,273</u> | <u>159,152</u> | <u>38,121,425</u> |

8 Debtors

| | 2014 | 2013 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 271,220 | 233,797 |
| Other debtors | 109,530 | 68,290 |
| Prepayments and accrued income | 32,100 | 28,175 |
| | <u>412,850</u> | <u>330,262</u> |

SCRABSTER HARBOUR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2014

| 9 Creditors: amounts falling due within one year | 2014 £ | 2013 £ |
|--|----------------|----------------|
| Bank loans and overdrafts | 148,722 | 139,500 |
| Trade creditors | 306,553 | 373,304 |
| Corporation tax | 90,880 | 71,953 |
| Other taxes and social security costs | 17,019 | 18,142 |
| Accruals and deferred income | 179,512 | 115,498 |
| | <u>742,686</u> | <u>718,397</u> |

All bank facilities are secured by a legal first charge over certain buildings and land owned by the Trust.

| 10 Creditors: amounts falling due after more than one year | 2014 £ | 2013 £ |
|--|------------------|------------------|
| Bank loans | <u>4,643,844</u> | <u>4,792,566</u> |
| Analysis of loans | | |
| Wholly repayable after 5 years | <u>4,792,566</u> | <u>4,932,066</u> |
| | 4,792,566 | 4,932,066 |
| Included in current liabilities | <u>(148,722)</u> | <u>(139,500)</u> |
| | <u>4,643,844</u> | <u>4,792,566</u> |
| Loan maturity analysis | | |
| In more than one year but not more than two years | 148,722 | 139,500 |
| In more than two years but not more than five years | 676,200 | 644,364 |
| In more than five years | <u>3,967,644</u> | <u>4,148,202</u> |

SCRABSTER HARBOUR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2014

11 Provisions for liabilities

| | Deferred tax liability £ |
|--------------------------|-----------------------------|
| Balance at 1 April 2013 | 91,058 |
| Profit and loss account | 9,370 |
| | <hr/> |
| Balance at 31 March 2014 | 100,428 |
| | <hr/> <hr/> |

The deferred tax liability is made up as follows:

| | 2014 £ | 2013 £ |
|--------------------------------|-----------|-----------|
| Accelerated capital allowances | 100,428 | 91,058 |
| | <hr/> | <hr/> |

12 Accruals and deferred income

| | Government grants £ |
|---------------------------------|------------------------|
| Balance at 1 April 2013 | 26,290,419 |
| Grants received during the year | 542,080 |
| Amortisation in the year | (869,061) |
| | <hr/> |
| Balance at 31 March 2014 | 25,963,438 |
| | <hr/> |
| | Deferred Income £ |
| Rental Income | 35,844 |
| Deferred composite dues | 3,040 |
| | <hr/> |
| | 38,884 |
| | <hr/> |
| Balance at 31 March 2014 | 26,002,322 |
| | <hr/> <hr/> |
| Balance at 31 March 2013 | 26,329,275 |
| | <hr/> <hr/> |

SCRABSTER HARBOUR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2014

13 Pension costs

From 4 October 1977 to 19 October 1993, the Trust operated a Retirement Benefit Scheme. From 19 October 1993, this was replaced by a Group Personal Pension Scheme. This scheme is a defined contribution pension scheme. The assets of the scheme are held separately from those of the Trust in an independently administered fund.

Defined contribution

| | 2014 | 2013 |
|---|---------------|---------------|
| | £ | £ |
| Contributions payable by the Trust for the year | <u>35,213</u> | <u>33,953</u> |

14 Statement of movements on profit and loss account

| | Profit and loss account £ |
|--------------------------|------------------------------------|
| Balance at 1 April 2013 | 8,347,525 |
| Profit for the year | <u>120,369</u> |
| Balance at 31 March 2014 | <u>8,467,894</u> |

15 Pilotage activities

| | 2014 | 2013 |
|--|---------------|---------------|
| | £ | £ |
| Statement under regulation 4 of the Statutory Harbour Undertakings (Pilotage Accounts) Regulations 1988 in respect of pilotage activities. | | |
| Revenue from pilotage services | <u>32,101</u> | <u>26,734</u> |
| Expenditure incurred in: | | |
| Providing the services of pilots | 11,423 | 11,985 |
| Providing a pilot boat and crew | <u>8,157</u> | <u>9,121</u> |

The foregoing items of income and expenditure have been included in the Profit and Loss Account of the Trust.

SCRABSTER HARBOUR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2014

| 16 Reconciliation of movements in Trust funds | 2014 | 2013 |
|--|-------------------------|-------------------------|
| | £ | £ |
| Profit for the financial year | 120,369 | 208,045 |
| Opening Trust funds | <u>8,347,525</u> | <u>8,139,480</u> |
| Closing Trust funds | <u><u>8,467,894</u></u> | <u><u>8,347,525</u></u> |

| 17 Capital commitments | 2014 | 2013 |
|--|----------------|---------------|
| | £ | £ |
| At 31 March 2014 the Trust had capital commitments as follows: | | |
| Contracted for but not provided in the financial statements | <u>874,002</u> | <u>60,846</u> |

18 Staff numbers and costs

(a) The average number of persons employed by the Trust during the year was as follows:

| | 2014 | 2013 |
|-----------------------|------------------|------------------|
| | No | No |
| Non executive members | 7 | 6 |
| Administration | 10 | 10 |
| Other | <u>11</u> | <u>11</u> |
| | <u><u>28</u></u> | <u><u>27</u></u> |

(b) Costs relating to these employees

| | 2014 | 2013 |
|-----------------------|-----------------------|-----------------------|
| | £ | £ |
| Wages and salaries | 608,045 | 585,118 |
| Social security costs | 54,138 | 53,163 |
| Other pension costs | <u>35,213</u> | <u>33,953</u> |
| | <u><u>697,396</u></u> | <u><u>672,234</u></u> |

19 Control

The operations and activities of the Trust are controlled by the Board members. There is no single controlling party.

SCRABSTER HARBOUR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2014

| 20 Reconciliation of operating profit to net cash outflow from operating activities | 2014 | 2013 |
|---|----------------|----------------|
| | £ | £ |
| Operating profit | 499,283 | 517,762 |
| Depreciation of tangible assets | 1,205,502 | 917,227 |
| Loss on disposal of tangible assets | 750 | 373 |
| (Increase)/decrease in debtors | (82,588) | 1,237,301 |
| Decrease in creditors within one year | (27,393) | (1,148,114) |
| Movement on grant provision/deferred income | (869,033) | (700,498) |
| Net cash inflow from operating activities | <u>726,521</u> | <u>824,051</u> |

| 21 Analysis of net debt | 1 April 2013 | Cash flow | Other non-cash changes | 31 March 2014 |
|-----------------------------------|--------------------|----------------|------------------------|--------------------|
| | £ | £ | £ | £ |
| Net cash: | | | | |
| Cash at bank and in hand | <u>1,827,134</u> | <u>316,268</u> | <u>-</u> | <u>2,143,402</u> |
| Debt: | | | | |
| Debts falling due within one year | (139,500) | (9,222) | - | (148,722) |
| Debts falling due after one year | <u>(4,792,566)</u> | <u>148,722</u> | <u>-</u> | <u>(4,643,844)</u> |
| | (4,932,066) | 139,500 | - | (4,792,566) |
| Net debt | <u>(3,104,932)</u> | <u>455,768</u> | <u>-</u> | <u>(2,649,164)</u> |

| 22 Reconciliation of net cash flow to movement in net debt | 2014 | 2013 |
|--|--------------------|--------------------|
| | £ | £ |
| Increase in cash in the year | 316,268 | 1,751,988 |
| Cash inflow from increase in debt | <u>139,500</u> | <u>(4,932,066)</u> |
| Movement in net debt in the year | 455,768 | (3,180,078) |
| Opening net (debt)/funds | <u>(3,104,932)</u> | <u>75,146</u> |
| Closing net debt | <u>(2,649,164)</u> | <u>(3,104,932)</u> |

SCRABSTER HARBOUR TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2014

23 Related party relationships and transactions

Other transactions

During the year the Trust carried out transactions with related parties. Sales and purchases on normal commercial terms were carried out with the following businesses. These transactions are deemed to be with related parties because directors of the companies listed served on the Board of the Trust during the year.

Scrabster Seafoods Limited - sales of £34,710 were made by the Trust, including transactions of £4,950 for on-going property rentals. At the year end Scrabster Seafoods Limited owed the Trust £3,687. The related party is W Calder.

J G C Engineering and Technical Services Limited - sales of £288 and purchases of £2,072 were made by the Trust. The related party is J Campbell.

Dounreay Site Restoration Limited - purchases of £486 were made by the Trust. The related party is S Middlemas.

Calder Engineering Limited - sales of £192 were made by the Trust. The related party is C Calder.

Young Robertson & Co - services of £29,752 were provided to the Trust. At the year end the Trust owed Young Robertson & Co £3,634. The related party is Board member G Robertson and clerk to the Board E Thoms.

Thomson International (Fish Sales) Limited - sales of £21,466 were made by the Trust. At the year end Thomson International (Fish Sales) Limited owed the Trust £2,035. The related party is W Thomson.

LED Scotland Limited - purchases of £439 were made by the Trust. At the year end the Trust owed LED Scotland Limited £94. The related party is F Bremner.

