FORTH PROPERTY DEVELOPMENTS LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31ST DECEMBER 2013

Registered Number: SC223863

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FORTH PROPERTY DEVELOPMENTS LIMITED

REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013

CONTENTS **PAGE**

Company Information	2
Report of the Directors	3
Independent Auditors' Report	5
Income Statement	7
Balance Sheet	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Accounting Policies	11
Notes to the Accounts	15

FORTH PROPERTY DEVELOPMENTS LIMITED

COMPANY INFORMATION

DIRECTORS	C.G. Hammond S.R. Paterson
COMPANY SECRETARY	Pamela Smyth
REGISTERED OFFICE	1 Prince of Wales Dock Leith EDINBURGH EH6 7DX
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Atria One 144 Morrison Street EDINBURGH EH3 8EX

FORTH PROPERTY DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS

The Directors present their report and the audited accounts of the Company for the year ended 31 December 2013. This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

Company Registration

The Company is registered in Scotland as number SC223863.

Principal Activities

The Company is owned by Forth Property Holdings Limited (which is a 90% subsidiary of Forth Ports Limited) and is a limited company incorporated and domiciled in Scotland. The Company's principal activity is property development. During the year, the Company progressed its property development work and sold its interest in Grangemouth. The Company is expected to continue with its property development work for the foreseeable future.

Principal Risks and Uncertainties

The Directors of Forth Ports Limited manage the Group's risks at group level, rather than at an individual Company level. For this reason, the Company's Directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of Forth Property Developments Limited's business. The principal risks and uncertainties of the Forth Ports Limited Group, which include those of the Company, are discussed in the Group's annual report which does not form part of this report.

Results and Dividends

The loss for the year after taxation amounted to £17,000 (2012 – loss of £2,477,000). The Directors paid a dividend of £nil (2012 - £nil) during the year and propose that the loss for the year be transferred from reserves.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the accounts were:-

C.G. Hammond
S.R. Paterson

REPORT OF THE DIRECTORS (continued)

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

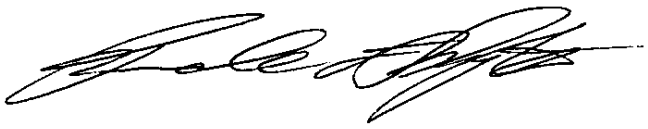
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Disclosure of Information to Auditors

Each Director, as at the date of this report, has confirmed that, insofar as they are aware, there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware and they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

BY ORDER OF THE BOARD



Pamela Smyth
Company Secretary

24 April 2014

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF FORTH PROPERTY DEVELOPMENTS LIMITED

We have audited the financial statements of Forth Property Developments Limited for the year ended 31 December 2013 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows, the Accounting Policies and related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective Responsibilities of Directors and Auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Forth Property Developments Limited Directors' Report for the year ended 31 December 2013 to identify material inconsistencies with the audited financial statements. 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 Company's affairs as at 31 December 2013 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

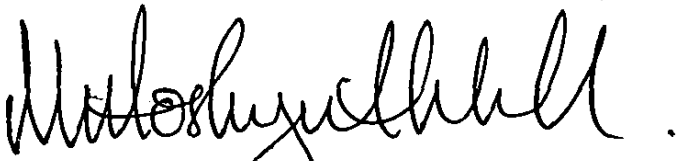
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF FORTH PROPERTY DEVELOPMENTS LIMITED

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Mark Hoskyns-Abrahall (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

24 April 2014

FORTH PROPERTY DEVELOPMENTS LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £000	2012 £000
Revenue	1	5,228	1,177
Cost of sales		(907)	(59)
Gross profit		4,321	1,118
Administrative expenses		(380)	(531)
Operating profit	2	3,941	587
Analysed as:			
Operating profit before exceptional items		3,941	591
Exceptional items	3	-	(4)
Operating profit		3,941	587
Finance costs	4	(3,576)	(3,385)
Profit/(loss) before taxation		365	(2,798)
Taxation	6	(382)	321
Loss for the year attributable to equity shareholders		(17)	(2,477)

Results for the year are attributable solely to continuing operations.

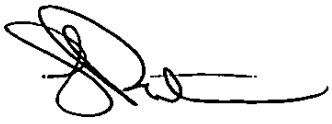
The Company has no comprehensive income other than those included in the Income Statement above and therefore no separate Statement of Comprehensive Income has been presented.

FORTH PROPERTY DEVELOPMENTS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2013

	Notes	2013 £000	2012 £000
ASSETS			
Non-current assets			
Property, plant and equipment	7	2,783	2,845
Intangible assets	8	-	3
Deferred tax assets	11	3,037	3,978
		5,820	6,826
Current assets			
Inventories	9	20,243	21,105
Trade and other receivables	10	89	76
Cash and cash equivalents	12	15	101
		20,347	21,282
Total assets		26,167	28,108
LIABILITIES			
Current liabilities			
Trade and other payables	13	(53,729)	(55,653)
Total liabilities		(53,729)	(55,653)
Total assets less total liabilities		(27,562)	(27,545)
SHAREHOLDER'S DEFICIT			
Ordinary shares	14	1	1
Retained loss		(27,563)	(27,546)
Total shareholder's deficit		(27,562)	(27,545)

The accounts on pages 7 to 23 were authorised and approved for issue by the Board of Directors on 24 April 2014 and signed on its behalf by:



S.R. Paterson
Director

FORTH PROPERTY DEVELOPMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

	Ordinary Shares £000	Retained Loss £000	Total Deficit £000
Balance at 1st January 2012	1	(25,069)	(25,068)
Loss for the year and total comprehensive income	-	(2,477)	(2,477)
Balance at 31st December 2012	1	(27,546)	(27,545)
Loss for the year and total comprehensive income	-	(17)	(17)
Balance at 31st December 2013	1	(27,563)	(27,562)

FORTH PROPERTY DEVELOPMENTS LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £000	2012 £000
Cash flows from operating activities			
Net cash generated from operating activities	15	1,377	280
Interest paid		-	(3,389)
Net cash generated from/(used in) operating activities		1,377	(3,109)
Cash flows generated from investing activities			
Purchase of property, plant and equipment		3	-
Net cash generated from investing activities		3	-
Cash flows from financing activities			
Loan from intermediate parent company		-	4,032
Loan repaid to intermediate parent company		(1,908)	(2,113)
Loan from holding company		-	928
Loan from fellow subsidiary		451	481
Loan repaid to fellow subsidiary		(9)	(123)
Net cash (used in)/generated from financing activities		(1,466)	3,205
Net (decrease)/increase in cash and cash equivalents		(86)	96
Cash and cash equivalents at start of year		101	5
Cash and cash equivalents at end of year	12	15	101

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2013

The principal accounting policies adopted in the preparation of these accounts are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation

These accounts have been prepared in accordance with EU Endorsed International Financial Reporting Standards (IFRS) and IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The accounts have been prepared on the going concern basis under the historical cost convention. A summary of the more important accounting policies is set out below, together with an explanation of where changes have been made to previous policies on the adoption of new accounting standards in the year, if applicable.

The preparation of accounts in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Going Concern

The Directors believe that preparing the accounts on a going concern basis is appropriate. In reaching this conclusion the Directors have taken into account the net liabilities of the Company of £27,562,000 and the amounts due to Forth Ports Limited and other group undertakings of £52,920,000. The Directors of the Company do not expect the amounts due to group undertakings to be fully called within twelve months of approval of these accounts, and Forth Ports Limited intend to provide funds to enable the Company to meet its liabilities as they fall due. The Directors have received confirmation that it is Forth Ports Limited's present intention to support the Company for at least one year after these financial statements are signed.

New Accounting Standards

Any amendments to published standards effective in the year, standards early adopted, standards, amendments and interpretations effective in the year but not relevant, interpretations to existing standards not yet effective and not early adopted, and interpretations to existing standards not yet effective and not relevant to the Company are disclosed in the accounts of Forth Ports Limited. None of these has an impact on these accounts.

Revenue Recognition

Revenue represents the income earned from rental income, sale of property developments and provision of property related services. Service related revenue is recorded once the service has been provided. Revenue excludes value added tax. The excess of amounts invoiced, over income recognised, is included in deferred income.

Profits and losses arising on the sale of sites or completed developments are recognised when contracts for sale have been exchanged and all material conditions have been satisfied. The Board will have due regard to all the circumstances of any individual transaction in determining whether or not any conditions are material or have been satisfied.

Where sites or completed developments are sold to joint ventures or associates, profits are only recognised in proportion to third parties interests in those entities. The remaining profits are recognised when the sites or completed developments are sold by the joint ventures or associates to unrelated parties.

Consideration is given to the collectability of any debt outstanding arising from the sale of sites or property developments and provisions are made where necessary. The need for such provisions is reviewed on a regular basis.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

Exceptional Items

Exceptional items are those material items of expenditure which the Company has disclosed separately because of their quantity or incidence so as to give a clearer understanding of the Company's financial performance. These items are quantified and described in detail in Note 3.

Borrowing Costs

Borrowing costs are generally expensed as incurred. The Company's policy is to capitalise interest and other borrowing costs directly incurred with respect to the acquisition or development of qualifying assets. Such costs are capitalised and included in the carrying value of the assets. Capitalisation of borrowing costs commences when:

- expenditures for the asset and borrowing costs are incurred; and
- activities necessary to prepare the asset for its intended use or sale are in progress

If active development is interrupted for an extended period, capitalisation is suspended. Capitalisation ceases when the asset is substantially ready for its intended use or sale.

Property, Plant and Equipment

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is charged to write off the cost or revalued amount less any residual value of the asset over the estimated useful lives as follows;

Plant and equipment	3-5 years
Operational land and buildings	50 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of assets are included in operating profit.

Repairs and maintenance are charged to the Income Statement during the financial year in which they are incurred. The cost of major renovations is included in the carrying amount of the assets when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining life of the related asset.

Operating Leases

Assets leased out by the Company under operating leases are included within inventories in the Balance Sheet. Rental income (net of any incentives given to lessees) is recognised once the service has been provided.

Intangible Assets

Intangible assets refer to externally purchased software which is amortised on a straight-line basis over 3 years.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

Inventories

Property work in progress relates to expenditure on property development projects, land held for development and project work in progress and is included at cost less amounts which are deemed to be irrecoverable. Cost includes all direct expenditure and associated indirect costs and related costs of finance where appropriate. In determining whether the carrying value is at the lower of cost or net realisable value, a review is carried out on each individual development site (Granton Harbour, Western Harbour and The Harbour, Leith Docks) at 31st December each year. The estimated sales receipts are assessed for each development as are the existing costs and the expected costs to complete (including sales costs) which are then compared with the carrying value. On completion, such assets are transferred to investment properties or sold to third parties.

Trade Receivables and Accrued Property Income

Trade receivables and accrued property income are carried at original invoice amount less an allowance made for impairment of these receivables. An allowance for impairment of trade receivables and accrued property income is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the market rate of interest for similar borrowers. The carrying amount of the asset is reduced through the use of this impairment allowance and the amount of the loss is recognised in the Income Statement. In future years the unwinding of the discount is recognised within finance income.

Cash and Cash Equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

Trade Payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Trade payables are not interest bearing and are stated at their nominal value.

Share Capital

Ordinary shares are classified as equity.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2013 (continued)

Current and Deferred Taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the United Kingdom where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for, if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Financial Risk Management

Liquidity Risk

All financing arrangements are subjected to continuous management review to ensure that assets will be sufficient to satisfy financial obligations as and when they fall due.

Credit Risk

All contractual arrangements are subject to an initial assessment of credit risk. Subsequent to contract, continuous management review identifies where credit obligations have not been met, or are at risk of not being met. This management review also identifies and monitors the appropriate actions to be taken with a view to enforcing the company's rights under contract.

Market Risk

The overall objective of the Company is to secure shareholder value through the effective management and development of property assets, including acquisitions and disposals, over the long-term. Key market variables which affect this outcome include; property sales value and forecast growth, construction costs and forecast inflation, along with general macro-economic factors such as interest rates and property yields.

The impact of potential interest rate movements on costs of specific developments are monitored continuously, and consideration given to hedging interest rate risk. Assumptions on other key market variables are tested regularly, and the carrying values of the assets are re-assessed to reflect any changes which are thought likely to affect the market value at the expected point of disposal.

Capital Risk Management

The Directors of Forth Ports Limited manage the group's capital risk at a group level. Their policies are discussed within the group's annual report which does not form part of this report.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1. Revenue

Revenue is derived from three main categories as detailed below:

	2013 £000	2012 £000
Rental income	1,165	1,158
Property sales	4,045	-
Property related services	18	19
	5,228	1,177

2. Operating profit

The following items have been included in arriving at operating profit:

	2013 £000	2012 £000
Depreciation:		
Operational land and buildings – owned assets	62	61
Land and Buildings – recharge	25	25
Amortisation:		
Intangibles	3	2

Services provided by the Company's auditor

During the year the Company obtained statutory audit services from the Company's auditor, which have been paid by Forth Ports Limited.

3. Exceptional items

The exceptional items contained within administrative costs relate to redundancy costs following reorganisation of £nil (2012 - £4,000).

4. Finance costs

	2013 £000	2012 £000
Interest on loan from Forth Ports Limited	2,376	2,185
Interest payable to:		
Forth Property Investments Limited	182	164
Forth Property Holdings Limited	1,018	1,036
	3,576	3,385

Interest is charged on Company borrowings at a fixed rate from Group reflecting fixed group borrowing costs plus a fixed margin of 1.5%, therefore, there is no residual risk from a movement of 0.5% in LIBOR.

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2013

5. Directors and employees

The Directors received no emoluments from the Company in respect of the year ended 31 December 2013 (2012 - nil).

There are no other employees of the Company.

6. Taxation

	2013 £'000	2012 £000
Analysis of tax charge/(credit) for the year		
Current tax – credit for the year	(565)	(668)
Adjustments to tax prior years	6	1
	(559)	(667)
Deferred tax:		
Charge for the year (Note 11)	946	346
Adjustment to tax in respect of prior years	(5)	-
	382	(321)

The tax for the year is higher (2012 – higher) than the standard rate of corporation tax in the UK of 23.25% (2012 – 24.5%). The differences are explained below:

	2013 £000	2012 £000
Profit/(loss) before taxation	365	(2,798)
Loss multiplied by rate of corporation tax in the UK of 23.25% (2012 – 24.5%)	85	(686)
Effects of:		
Adjustments to tax in respect of prior years		
- current tax	6	1
- deferred tax	(5)	-
Expenses not deductible for tax purposes	14	15
Group relief surrendered for nil payment	-	3
Effect of tax rate change on current year deferred tax	(64)	-
Effect of tax rate change on deferred tax balance	346	346
Current tax charge/(credit) for the year	382	(321)

In the 2013 budget on 20th March 2013, the UK government announced its intention to further reduce the UK corporate income tax rate to 21% for financial year 2014 and to 20% for financial year 2015. Both changes to the rates were enacted at the balance sheet date and deferred tax has been provided at 21%, being the rate at which the asset is expected to reverse. The effect of the reduction to 21% has been to reduce the deferred tax asset by £289k, from £3,326k to £3,037k, which has reduced profit by this amount.

Current tax credits have been group relieved by the availability of profits in fellow subsidiaries for the year ended 31 December 2013.

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2013

7. Property, plant and equipment

	Operational Land and Buildings £000	Plant and Equipment £000	Total £000
Cost			
At 1st January 2013	3,075	82	3,157
Additions	-	-	-
At 31 December 2013	3,075	82	3,157
Accumulated depreciation			
At 1st January 2013	230	82	312
Charge for year	62	-	62
At 31 December 2013	292	82	374
Net book value at 31 December 2013	2,783	-	2,783

	Operational Land and Buildings £000	Plant and Equipment £000	Total £000
Cost			
At 1st January 2012	3,075	82	3,157
Additions	-	-	-
At 31 December 2012	3,075	82	3,157
Accumulated depreciation			
At 1st January 2012	169	82	251
Charge for year	61	-	61
At 31 December 2012	230	82	312
Net book value at 31 December 2012	2,845	-	2,845

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2013

8. Intangible assets

	Software £000	Total £000
Cost		
At 1st January 2013	8	8
Additions	-	-
At 31 December 2013	8	8
Accumulated amortisation		
At 1st January 2013	5	5
Charge for year	3	3
At 31 December 2013	8	8
Net book value at 31 December 2013	-	-

The cost of software includes £3,000 (2012 - £3,000) of externally purchased assets.

	Software £000	Total £000
Cost		
At 1st January 2012	8	8
Additions	-	-
At 31 December 2012	8	8
Accumulated amortisation		
At 1st January 2012	3	3
Charge for year	2	2
At 31 December 2012	5	5
Net book value at 31 December 2012	3	3

9. Inventories

	2013 £000	2012 £000
Stock of land and work in progress	20,243	21,105

It is estimated that, of the stock of land and work in progress, £20,243,000 (2012- £21,105,000) is not likely to be fully recoverable within the next twelve months.

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2013

10. Trade and other receivables

	2013 £000	2012 £000
Trade receivables	1,978	1,983
Bad debt provision	(1,906)	(1,940)
	72	43
Other receivables	12	8
Prepayments and accrued income	5	25
	89	76

The fair value of trade receivables is equal to the carrying value noted above.

The ageing of trade receivables is as follows:

	2013 £000	2012 £000
Not past due date	46	27
Less than 30 days past due date	12	17
31 – 60 days past due date	12	11
61 – 90 days past due date	1	5
Over 90 days past due date	1,907	1,923
	1,978	1,983

At 31 December 2013 trade receivables of £46,000 (2012 - £27,000) were not past due or impaired. Trade receivables of £1,906,000 (2012 - £1,940,000) were identified as being impaired, all of which are provided for and analysed below. The factors considered in providing for impaired trade receivables are mainly that of the financial position of the customer.

The relative credit strength of existing contractual arrangements has been assessed. In the view of management, over 43% (2012 – 43%) of regular annual turnover is secured with companies with a good credit position. 24% (2012 - 24%) of turnover is with companies considered to have a below average rating.

The other classes within Trade and other receivables do not contain impaired assets.

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2013

10. Trade and other receivables (continued)

The ageing of the allowance for credit losses of trade receivables is as follows:

	2013 £000	2012 £000
Not past due date	-	(8)
Less than 30 days past due date	-	(10)
31 – 60 days past due date	-	(7)
61 – 90 days past due date	-	(2)
Over 90 days past due date	(1,906)	(1,913)
	(1,906)	(1,940)

The movement on the allowance for credit losses is as follows:

	2013 £000	2012 £000
At 1st January	(1,940)	(1,906)
Decrease/(Increase) in allowance	34	(34)
At 31st December	(1,906)	(1,940)

The Company does not hold any collateral as security over its trade receivables relating to rental. However, all trade receivables which relate to land sales have the title of the land as standard security collateral.

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2013

11. Deferred tax assets

	2013 £000	2012 £000
Deferred taxation		
Capital allowances	(12)	(15)
Temporary differences in relation to trading stock	(3,025)	(3,963)
	(3,037)	(3,978)
Deferred tax liabilities – reconciliation		
At 1st January	(3,978)	(4,323)
Amount (debited)/credited to income statement (Note 6)	659	(1)
Effect of tax rate change on deferred tax balance (Note 6)	282	346
At 31st December	(3,037)	(3,978)

12. Cash and cash equivalents

	2013 £000	2012 £000
Cash at bank and in hand	15	101

13. Trade and other payables

	2013 £000	2012 £000
Trade payables	5	1
Other payables	522	411
Accruals	106	98
Accrued and deferred income	176	208
Amount due to Forth Ports Limited	33,750	36,295
Amount due to Forth Property Holdings Limited	16,040	15,952
Amount due to Forth Property Investments Limited	3,128	2,676
Amount due to Port of Dundee Limited	2	12
	53,729	55,653

Trade payables are mainly contractually due to be paid within one month.

Amounts due to group undertakings are payable on demand but are not expected to be fully paid during the next twelve months.

14. Ordinary shares

	2013 £000	2012 £000
Authorised		
1,000 ordinary shares of £1 each	1	1
Allotted and fully paid		
1,000 ordinary shares of £1 each	1	1

There is only one class of ordinary share which carries no right to fixed income.

15. Cash flow from operating activities

	2013 £000	2012 £000
Profit/(loss) before tax	365	(2,798)
Adjustments for:		
- finance costs	3,576	3,385
- sale of land from stock	(4,045)	-
- depreciation of plant and equipment	90	89
Movements in working capital:		
Decrease/(increase) in inventories	862	(309)
(Increase)/decrease in receivables	(14)	164
Increase/(decrease) in payables	543	(251)
Cash generated from operations	1,377	280

16. Ultimate parent company

The Company is owned by Forth Property Holdings Limited, which is a 90% subsidiary of Forth Ports Limited, a Company incorporated in the United Kingdom.

Forth Ports Limited is ultimately controlled by Arcus European Infrastructure Fund 1 L.P., a limited partnership incorporated in the United Kingdom and registered in England. As Arcus European Infrastructure Fund 1 L.P. does not prepare consolidated accounts for public use, the next most senior parent is AEIF Luxembourg Holdings S.a.r.l. and copies of the consolidated accounts may be obtained from its principal place of business at 6 Rue Jean Monnet, Luxembourg L-2180.

17. Related party transaction

Total payroll recharges from Forth Ports Limited amounted to £100,000 (2012 - £205,000) all which was expensed in the Income Statement.

During the year the Company sold stock to Forth Ports Limited for £4,045,000 (2012 - £nil).

The Company paid interest on inter-company borrowings to Forth Ports Limited ("FP") of £2,376,000 (2012 - £2,185,000), to Forth Property Investments Limited ("FPI"), a fellow subsidiary, of £182,000 (2012 - £164,000) and to Forth Property Holdings Limited ("FPH") of £1,018,000 (2012 - £1,036,000). The Company paid £35,000 (2012 - £37,000) to FP for insurance during the year.

The balance due at the year end was £3,128,000 for FPI (2012 - £2,676,000), £16,040,000 for FPH (2012 - £15,952,000) and £33,750,000 for FP (2012 - £36,295,000).

The Company paid infrastructure charges to Port of Dundee Limited, a fellow subsidiary, of £25,000 (2012 - £25,000). The balance due at the year end was £2,000 (2012 - £12,000).

18. Minimum rental payments receivable

The future minimum rental payments receivable under non-cancellable operating leases are as follows:-

	2013 £000	2012 £000
Within one year	574	855
Between two and five years	1,586	2,058
Beyond five years	20,053	19,454
	22,213	22,367

The Company leases out some of its property within inventories under non-cancellable operating lease agreements. The leases are for various lengths of time and have varying terms, escalation clauses and renewal rights.