

**Community of Arran Seabed Trust Limited**

**Directors Report and  
Financial Statements for the year ended  
28th February 2013**

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Scottish Charity No. SC042088

**Directors' Report for the year ended 28 February 2013**

The directors have pleasure in presenting their report, together with the financial statements for the year ended 28 February 2013.

**Reference and Administrative Information**

<b>DIRECTORS AND TRUSTEES</b>	Mr. H L Wood (Chair) Ms S Sangster (Treasurer) Ms J Martin (Secretary) Mr. T Appleby Mr. J Henderson Mr. R Cheshire Ms. C Gill
<b>SECRETARY</b>	Ms J Martin
<b>MEMBERS</b>	Mr. H L Wood Mr. T Appleby Ms J Martin
<b>REGISTERED OFFICE</b>	The Old Haybarn Park Terrace Lamlash Isle of Arran KA27 8NB
<b>REGISTERED NUMBER</b>	299917 (Scotland)
<b>CHARITY REFERENCE</b>	SC 042088
<b>ACCOUNTANTS</b>	John M Taylor & Co Chartered Accountants 9, Glasgow Road Paisley PA1 3QS
<b>LAW AGENTS</b>	Buchanan Dickson Frame Old Embroidery Mill Paisley PA1 1TJ
<b>BANKERS</b>	Bank of Scotland Brodick Isle of Arran

**Structure, Governance and Management**

Community of Arran Seabed Trust Limited is a company limited by guarantee, governed by its directors, in line with its written Constitution. Charitable status was granted on 11<sup>th</sup> February 2011.

**Directors' Report for the year ended 28 February 2013 (Continued)**

**Objectives and Activities**

***Objectives and aims***

Our purposes are:

- a) to identify and secure for the community, areas of seabed around Arran and to promote and protect marine life,
- b) to protect and improve the surrounding waters for the advancement of environmental protection and to promote sustainable marine stocks,
- c) to educate the community and organisations in relation to the need for marine conservation.

***Significant activities***

COAST's focus during 2012-13 was directed at the continued management of the Lamlash Community Marine Reserve, ongoing marine education to both the wider community and schools on the island and the facilitation of scientific research by visiting universities within the reserve.

COAST's proposal for a Marine Protected Area (MPA) around the south of Arran was submitted to Scottish Natural Heritage. The document was compiled by our Project manager and included information on local marine habitats provided by local volunteer divers.

***Future plans***

We hope that in future years the Trust can continue to build on the close links formed with the community and others and to maintain COAST's respected status arising out of its activities.

**Financial Review**

***Reserves policy***

The Directors aim to maintain reserves at a level that equates to approximately six months of total expenditure. The Directors consider that this level will provide sufficient funds to cover the operational costs.

The balance held at 28 February 2013 was £100,993, against an actual 6 month spend of £39,778. The accounts for the year are attached and form part of this report.

Approved by the Directors on 09.11.13 and signed on their behalf by:



J Martin - Secretary

## Independent Examiner's Report to the Directors of the Community of Arran Seabed Trust

I report on the accounts of the Trust for the year ended 28 February 2013, which are set out on pages 4 to 11.

### Respective responsibilities of Trustees and Independent Examiner

The Directors are responsible for the preparation of the accounts in accordance with the terms of the Charity and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The Directors consider the audit requirement of Regulation 10(1)(a) to (c) of the Charities Accounts (Scotland) Regulations 2006 does not apply. It is my responsibility to examine the accounts as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

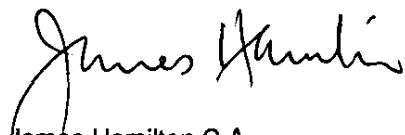
### Basis of Independent Examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the Trust and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeks explanations from the Directors concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the accounts.

### Independent Examiner's statement

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that, in any material respect, the requirements:
  - to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts regulations, and
  - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulationshave not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



James Hamilton C.A.  
John M Taylor & Co, Chartered Accountants  
9 Glasgow Road  
Paisley  
PA1 3QS

Date: 11 November 2013

**Statement of Financial Activities (Incorporating Income and Expenditure Account)**  
**For the year ended 28 February 2013**

	Notes	Unrestricted Funds			2013 Total £	2012 Total £
		General Fund £	Designated Funds £	Restricted Funds £		
<b>Incoming Resources</b>						
<i>From generated funds</i>						
Voluntary income	3	4,244	-	720	4,964	3,241
Investment income	5	418	-	-	418	196
<i>From charitable activities</i>						
Other incoming resources	6	196	-	100,682	100,878	113,811
<b>Total Incoming Resources</b>		<b>4,858</b>	<b>-</b>	<b>101,402</b>	<b>106,260</b>	<b>117,248</b>
<b>Resources Expended</b>						
Cost of generating income	7	1,168	-	-	1,168	165
Charitable activities	8	-	-	62,738	62,738	40,357
Governance costs	9	2,356	-	1,322	3,678	3,706
Other resources expended	10	-	-	11,972	11,972	6,452
<b>Total Resources Expended</b>		<b>3,524</b>	<b>-</b>	<b>76,032</b>	<b>79,556</b>	<b>50,680</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>1,334</b>	<b>-</b>	<b>25,370</b>	<b>26,704</b>	<b>66,568</b>
<b>Gross transfers between funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net incoming/(outgoing) resources before recognised gains</b>		<b>1,334</b>	<b>-</b>	<b>25,370</b>	<b>26,704</b>	<b>66,568</b>
<b>Other recognised gains</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Gains on investment assets</i>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>1,334</b>	<b>-</b>	<b>25,370</b>	<b>26,704</b>	<b>66,568</b>
<b>Reconciliation of Funds</b>						
<b>Total funds brought forward</b>		<b>18,908</b>	<b>-</b>	<b>55,381</b>	<b>74,289</b>	<b>7,721</b>
<b>Total funds carried forward</b>		<b>20,242</b>	<b>-</b>	<b>80,751</b>	<b>100,993</b>	<b>74,289</b>

**Balance Sheet as at 28 February 2013**

	Notes	Year to 28/02/2013		Year to 29/02/2012	
		£	£	£	£
<b>Fixed Assets</b>	11		17,125		12,240
<b>Current Assets</b>					
Stock		2,624		1,850	
Current Account		7,139		3,608	
Instant Access Bank Account		71,714		51,196	
Income Generating Bank Account		7,636		7,453	
Petty Cash		20		61	
Debtors and Prepayments	12	1,058		1,262	
		<u>90,191</u>		<u>65,430</u>	
<b>Current Liabilities</b>					
Trade creditors		249		-	
Accruals		2,370		1,800	
Credit card		123		-	
Deferred Grant		2,000			
PAYE Liability		1,581		1,581	
		<u>6,323</u>		<u>3,381</u>	
<b>Net Current Assets</b>			<u>83,868</u>		<u>62,049</u>
<b>Total Assets less Liabilities</b>			<u>100,993</u>		<u>74,289</u>
<b>Represented by:</b>					
Unrestricted Funds					
General Fund	15		20,242		18,908
Restricted Fund	15		<u>80,751</u>		<u>55,381</u>
<b>Total Funds</b>			<u>100,993</u>		<u>74,289</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 28<sup>th</sup> February 2013. The members have not required the Company to obtain an audit of its financial statements for the period ended 28<sup>th</sup> February 2013 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Directors on 8. 11. 13 and signed on their behalf by,

H L Wood - Director



## Notes to the Financial Statements

### 1. Basis of Accounting

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) (revised 2005).

### 2. Accounting Policies

#### **Recognition of incoming resources**

Income is recognised and included in the Statement of Financial Activities (SoFA) when:

- The charity becomes entitled to the resource;
- The directors are virtually certain they will receive the resources; and
- The monetary value can be measured with sufficient reliability.

#### **Incoming resources with related expenditure**

Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resource and related expenditure are reported gross in the Statement of Financial Activities.

#### **Grants and Donations**

Grants and donations are only included in the Statement of Financial Activities when the charity has unconditional entitlement to the resource.

#### **Investment income**

This is included in the accounts when receivable.

#### **Liability recognition**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

#### **Governance costs**

Include costs of the preparation and examination of the statutory accounts, the costs of Directors' meetings and the cost of any legal advice sought by the Directors on governance and constitutional matters.

#### **Support costs**

Support costs include central functions and have been allocated entirely to Charitable Activities, see note 8 for a detailed breakdown of costs incurred during the year.

#### **Tangible fixed assets for use by the charity**

Items are capitalized if they have an estimated useful life in excess of one year and have an initial cost of at least £50. They are valued at cost or, if gifted, at the value to the charity on receipt. Depreciation is calculated at such a rate as to write off the asset over the period of its estimated useful life.

### 3. Voluntary Income

	Unrestricted		Restricted	Total 2013	Total 2012
	General	Designated			
	£	£	£	£	£
Merchandise Income	504	-	-	504	766
Income from Gas Sales	808	-	-	808	554
Camera Hire	200	-	-	200	-
Donations (Note 4)	2,732	-	720	3,452	1,921
	4,244	-	720	4,964	3,241



## Notes to the Financial Statements (continued)

## 4. Donations (Note 3)

	Unrestricted			Total 2013 £	Total 2012 £
	General £	Designated £	Restricted £		
Individual donor	1,000	-	-	1,000	1,000
Sundry donations	1,032	-	720	1,752	921
Gift Aid Recoverable	700	-	-	700	-
	<u>2,732</u>	<u>-</u>	<u>720</u>	<u>3,452</u>	<u>1,921</u>

## 5. Investment Income

	Unrestricted			Total 2013 £	Total 2012 £
	General £	Designated £	Restricted £		
Bank interest received	418	-	-	418	196
	<u>418</u>	<u>-</u>	<u>-</u>	<u>418</u>	<u>196</u>

## 6. Other Incoming Resources

	Unrestricted			Total 2013 £	Total 2012 £
	General £	Designated £	Restricted £		
Grants Received - Esmee Fairbairn Foundation	-	-	50,000	50,000	50,000
- The Underwood Trust	-	-	50,000	50,000	50,000
- Van Neste Foundation	-	-	-	-	10,000
- The Scottish Executive	-	-	-	-	3,350
- FFC	-	-	307	307	-
- MCS	-	-	375	375	-
Miscellaneous income	196	-	-	196	150
T.V. Coverage	-	-	-	-	-
Fundraising	-	-	-	-	311
	<u>196</u>	<u>-</u>	<u>100,682</u>	<u>100,878</u>	<u>113,811</u>

## Notes to the Financial Statements (continued)

## 7. Cost of Generating Voluntary Funds

	Unrestricted		Restricted	Total 2013	Total 2012
	General	Designated			
	£	£	£	£	£
Merchandise purchases	1,162	-	-	1,162	155
Paypal charges	6	-	-	6	10
	<u>1,168</u>	<u>-</u>	<u>-</u>	<u>1,168</u>	<u>165</u>

## 8. Charitable Activities

	Unrestricted		Restricted	Total 2013	Total 2012
	General	Designated			
	£	£	£	£	£
Projects and activities	-	-	28	28	-
Research costs	-	-	1,600	1,600	-
P.R. Literature and brochures	-	-	2,035	2,035	5,570
Rent and electricity	-	-	4,526	4,526	2,184
Website development and Internet	-	-	409	409	1,717
Travel and subsistence	-	-	5,178	5,178	4,367
Printing	-	-	156	156	315
Clothing costs	-	-	-	-	240
Training	-	-	1,125	1,125	615
Grants awarded	-	-	2,500	2,500	-
Wages and Employers NIC	-	-	31,556	31,556	20,592
Charter of dive boat	-	-	8,245	8,245	1,208
Seminar costs	-	-	66	66	160
Postage, stationery and advertising	-	-	1,668	1,520	768
Equipment repairs and maintenance	-	-	249	249	1,021
Telephone and fax	-	-	1,094	1,094	537
Computers and software	-	-	1,048	1,048	93
Repairs	-	-	-	-	9
Insurance	-	-	1,255	1,255	961
	<u>-</u>	<u>-</u>	<u>62,738</u>	<u>62,738</u>	<u>40,357</u>
Average number of staff employed				<u>1</u>	<u>1</u>

Notes to the Financial Statements (continued)

9. Governance Costs

	Unrestricted		Restricted £	Total 2013 £	Total 2012 £
	General	Designated			
	£	£			
Accountancy fees	2,328	-	-	2,328	1,800
Other professional fees	-	-	-	-	126
Office Administration	-	-	822	822	-
Filing Fees	28	-	-	28	30
Consultancy	-	-	500	500	1,750
	<u>2,356</u>	<u>-</u>	<u>1,322</u>	<u>3,678</u>	<u>3,706</u>

10. Other Resources Expended

	Unrestricted		Restricted £	Total 2013 £	Total 2012 £
	General	Designated			
	£	£			
Recruitment expenses	-	-	206	206	1,444
Depreciation	-	-	7,068	7,068	4,080
Subscriptions	-	-	246	246	201
Repairs	-	-	72	72	590
Irrecoverable input VAT	-	-	3,951	3,951	-
Bank charges	-	-	30	30	-
Sundry	-	-	399	399	137
			<u>11,972</u>	<u>11,972</u>	<u>6,452</u>

11. Fixed Assets

	Plant and Equipment £	Office Equipment £	Total £
<b>At Cost</b>			
At 1 March 2012	15,009	1,311	16,320
Additions	10,412	1,541	11,953
Disposals	-	-	-
	<u>25,421</u>	<u>2,852</u>	<u>28,273</u>
<b>Depreciation</b>			
At 1 March 2012	3,752	328	4,080
Charge for year	6,355	713	7,068
On disposals	-	-	-
	<u>10,107</u>	<u>1,041</u>	<u>11,148</u>
<b>Net Book Value at 28 February 2013</b>	<u>15,314</u>	<u>1,811</u>	<u>17,125</u>
<b>Net Book Value at 29 February 2012</b>	<u>11,257</u>	<u>983</u>	<u>12,240</u>

**Notes to the Financial Statements (continued)**

**12. Debtors and Prepayments**

	Unrestricted General	Designated	Restricted	Total 2013 £	Total 2012 £
Paypal	88	-	-	88	64
Prepayments	-	-	230	230	230
Gift Aid Recoverable	700	-	-	700	-
VAT	40	-	-	40	968
	<u>828</u>	<u>-</u>	<u>230</u>	<u>1,058</u>	<u>1,262</u>

**13. Related Party Transactions**

	Total 2013 £	Total 2012 £
Consultancy services	-	1,750
Charter of Dive Boat	8,245	1,208
Sundry office costs reimbursed (stationery/telephone/posts etc)	1,088	2,398
Rent and electricity for barn	1,024	-
Directors' travel and subsistence reimbursed	3,292	3,554
	<u>13,649</u>	<u>8,910</u>

The above transactions all took place with directors (or their companies) at normal business rates.

**14. Analysis of Net Assets between Funds**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Fixed Assets	17,125	-	-	17,125
Current assets	5,277	-	84,914	90,191
Current liabilities	(2,160)	-	(4,163)	(6,323)
	<u>20,242</u>	<u>-</u>	<u>80,751</u>	<u>100,993</u>

## Notes to the Financial Statements (continued)

## 15. Movements in Funds

	At 1 March 2012 £	Incoming resources £	Outgoing resources £	Transfer £	At 28 February 2013 £
<b>Restricted Funds</b>					
Esmee Fairbairn/Underwood Trust	55,381	100,720	(75,350)	-	80,751
FFC		307	(307)	-	-
MCS		375	(375)	-	-
<b>Unrestricted Funds</b>					
General Fund	18,908	4,858	(3,524)	-	20,242
	<b>74,289</b>	<b>106,260</b>	<b>79,556</b>	<b>-</b>	<b>100,993</b>

**Restricted Funds**

**The Esmee Fairbairn/Underwood Trust Fund** – These grants both have the same, very wide-ranging scope, their main purposes include:

- Supporting the employment of the Marine Project Officer, together with all necessary support and administration costs.
- Improving publicity leaflets and educational material.
- Funding local diver surveys, including boat and equipment costs.
- Develop skills and confidence of Committee members and to train community stakeholders in marine sustainability issues.

**FFC** – This grant was received towards the cost of organising kite-making activities during "Fish Week".

**MCS** – This grant was received towards the costs of organising Seasearch dives.

**The General Fund** – This fund arises out of generated income and unrestricted grants (e.g. the Van Neste Foundation) and finances the costs not specifically provided for by the other funds.