



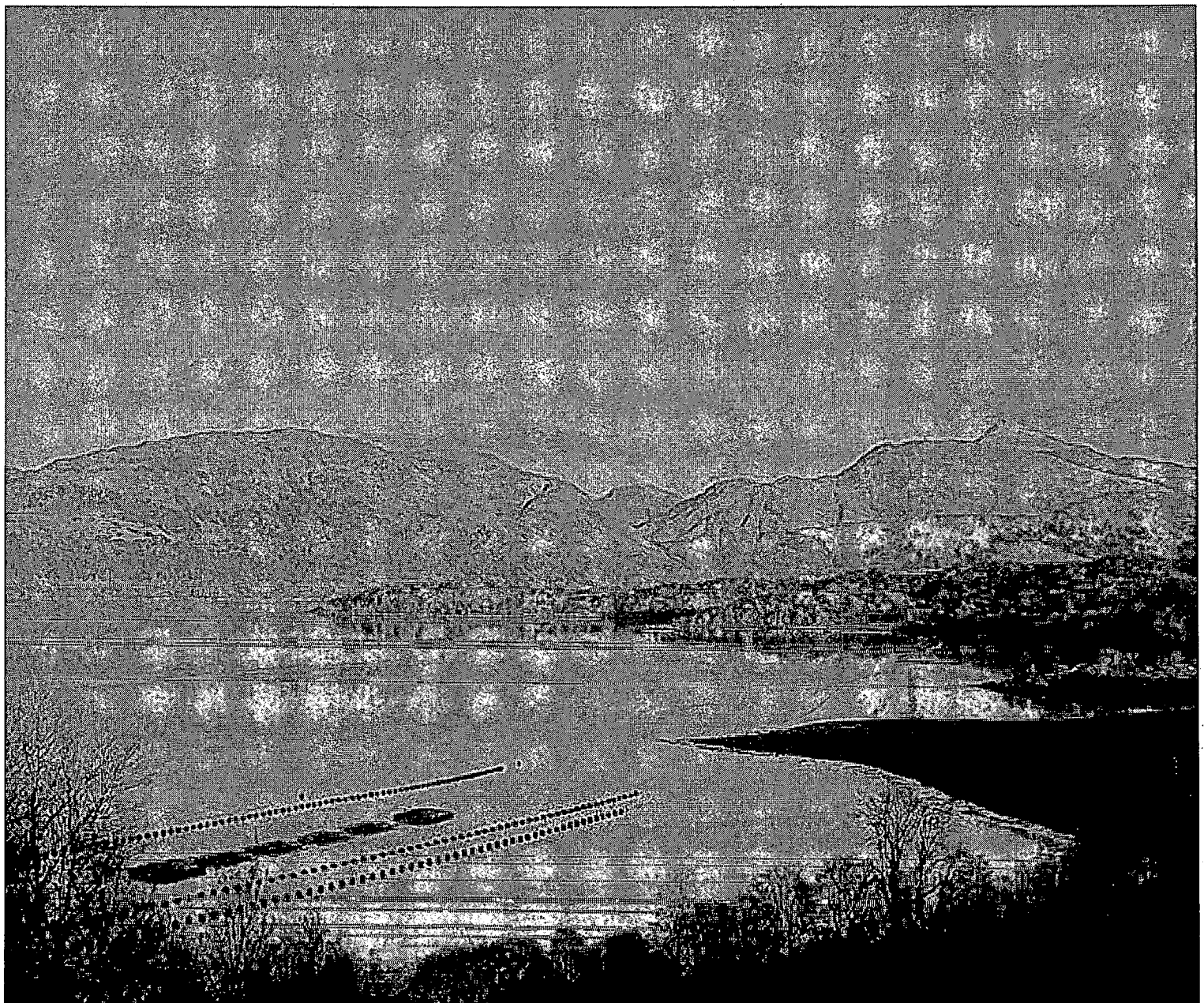
# Trustees Report and Accounts

Year ended 28<sup>th</sup> February 2018

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## Trustees' Report for the year ended 28 February 2018

### Scottish Aquaculture Research Forum

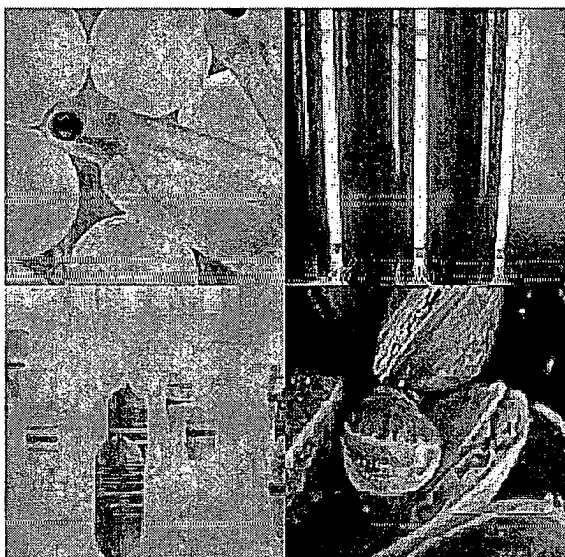
The trustees present their report and the audited financial statements for the year ended 28 February 2018.

### Structure, Governance & Management

The charity is a company limited by guarantee.

### Governing Document

The company is governed by its Memorandum and Articles of Association, last amended 28 April 2004.



### Recruitment and Appointment of Trustees

From our 12 Member organisations listed below, 12 trustees, together with designated alternates, have been recruited. Trustees are also required to serve as members of the company under the Articles and are formally appointed as Company Directors, guaranteeing to contribute £1 in the event of the company being wound up. The Member organisation is responsible for selecting and nominating the candidates it wishes to serve on the SARF Board. Existing Board Members are informed of the nomination and, in the absence of substantive objection, the

individual is appointed. There is no fixed term for SARF trustees. The Chairman is an independent appointee of the Board and the position is reviewed annually.

SARF Trustees are drawn from a broad range of interest groups including:

- The Scottish Government – Marine Directorate
- Scottish Environment Protection Agency
- Scottish Natural Heritage
- Highlands and Islands Enterprise
- Marine Scotland Science
- Scottish Environment Link
- The Crown Estate Scotland
- Sea Fish Industry Authority
- British Trout Association
- Scottish Salmon Producers Organisation
- Scottish Salmon Education and Research Foundation
- Association of Scottish Shellfish Growers



### Trustees Induction and Training

At the time of their appointment, all trustees are provided with an information pack containing:

- The Role of the Charity Trustee (Liddell, 2011)<sup>1</sup>
- Memorandum and Articles of Association
- Standard SARF confidentiality agreement

<sup>1</sup> Liddell, C. (2011) – The Role of the Charity Trustee (Unpublished).

- The previous year's Board meeting and Annual General Meeting minutes
- The latest set of accounts
- The latest annual report

Moving forward, in light of new guidance published by OSCR 04/04/2016, trustees will be advised of the following link - <http://www.oscr.org.uk/charities/guidance/guidance-and-good-practice-for-charity-trustees>

The Secretariat also provides an induction presentation providing details of the structure, function and status of SARF. Trustees are encouraged to attend workshops and training events relevant to their role with SARF. The Secretariat also provides specific advice and guidance to new trustees. In addition to its normal cycle of Board meetings, SARF has previously staged an internal workshop to encourage the development of specific areas of SARF business through designated task groups.

### **Organisational Management**

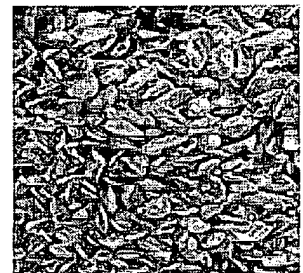
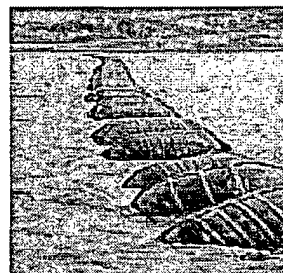
SARF is operated by a Board constituted by trustees who are also Company Directors. Board members are drawn from each of SARF's Member organisations and take overall responsibility for ensuring that SARF fulfils its stated aims and maintains the appropriate infrastructure for the effective, accountable and lawful conduct of the organisation. The Chairman is an independent appointee of the Board. The Company Secretary is J&H Mitchell Solicitors. Day to day management and administration of SARF is undertaken by the Secretariat, which has been Epsilon Resource Management Ltd since 31<sup>st</sup> January 2012. SARF accounts are audited by Johnston Carmichael LLP.

The Board consists of 12 trustees together with a similar number of designated alternates who may act on behalf of a specified trustee in their absence. The Board has agreed that other relevant bodies or individuals shall have observational or advisory status and be invited to participate in normal board meetings. Trustees are drawn from a diverse range of SARF Member

organisations including Government, regulators, industry, and environmental non-governmental organisations (NGO's). As individuals the Trustees bring a combination of policy, technical and business expertise to the Board.

The Board meets at least twice each year: an AGM and Board Meeting usually take place in May with a further Board meeting in late Autumn. The main function of the May Board meeting is to select the project areas that will be published as a call for proposals for research and development funding. The Autumn meeting is used to assess which of the proposals submitted should be supported by SARF. Sub-groups of the Board also meet on an *ad hoc* basis to address specific tasks agreed by the Board. Interim Board meetings also occur as required.

The Chairman and the Secretariat liaise regularly with respect to routine operational matters. All decisions related to policy, strategic development, project approvals and fundamental aspects of company business are referred to the Board. In the absence of Board consensus on an issue, decisions are carried on the basis of a simple majority with the Chairman holding a casting vote.



## Organisational Structure and Relationships

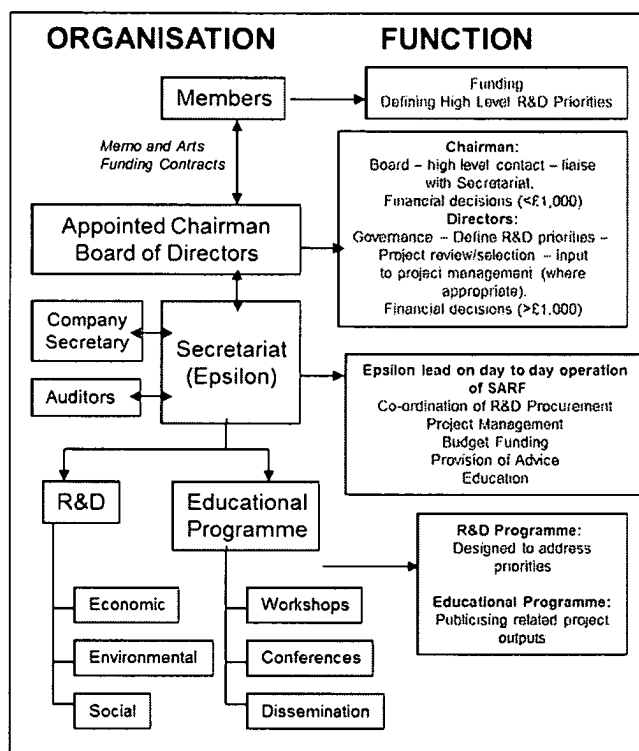


Figure 1. Organisational diagram of SARF operational structure and related functions.

## Relationship with Related Parties

The trustees, who are also Directors for the purposes of company law, are each drawn from SARF Member organisations. All trustees are formally requested to declare any potential conflict of interest prior to its discussion at a Board meeting. Exclusion of the Board member from further participation in discussions is at the Chairman's discretion. In instances where the Member organisation that a trustee represents has a vested interest in a research proposal, the trustee will remove themselves from the assessment and voting process in relation to that proposal. Directors are not permitted to be

direct participants in a SARF project.



## Risk Management

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. These risks are re-evaluated on an ongoing basis by the Secretariat and the Board is alerted to salient emerging issues. The Board retains insurance for "Professional and legal liability (charity)" and "Trustees and individual liability (charity)" with Hiscox Underwriting Limited.

POTENTIAL RISK	MITIGATION
<b>Governance Risks</b>	
The charity lacks direction, strategy and forward planning	<ul style="list-style-type: none"> <li>set out the key aims, objectives and policies</li> <li>create financial plans and budgets</li> <li>monitor financial and operational performance</li> <li>get feedback from beneficiaries and funders</li> </ul>
Trustee body lacks relevant skills or commitment	<ul style="list-style-type: none"> <li>highly experienced Board of trustees</li> <li>high levels of meetings attendance and written feedback</li> </ul>
Conflicts of interest	<ul style="list-style-type: none"> <li>agree protocol for disclosure of potential conflicts of interest, remind trustees of this at every meeting</li> </ul>
Reporting to trustees (accuracy, timeliness and relevance)	<ul style="list-style-type: none"> <li>timely and accurate project reporting</li> <li>timely and accurate financial reporting</li> <li>assess and review projects and authorisation procedures</li> </ul>
<b>Operational Risks</b>	
Contract risk	<ul style="list-style-type: none"> <li>standardised contract + get regular professional advice</li> </ul>



	on any issues that arise
Competition from similar organisations	<ul style="list-style-type: none"> <li>review market and methods of service delivery</li> <li>regular meetings with similar organisations</li> </ul>
Funding	<ul style="list-style-type: none"> <li>ensure regular contact with funders</li> </ul>
Procedural and systems documentation	<ul style="list-style-type: none"> <li>properly document policies and procedures</li> </ul>
<b>Financial Risks</b>	
Budgetary control and financial reporting	<ul style="list-style-type: none"> <li>strict procedures for authorising payments</li> <li>link budgets to business planning and objectives ensure adequate skills base to produce and interpret budgetary and financial reports</li> <li>agree procedures to review and action budget/cash flow variances and monitor and control costs</li> <li>regularly review reserves and investments</li> </ul>
Cash flow sensitivities	<ul style="list-style-type: none"> <li>ensure adequate cash flow projections (prudence of assumptions)</li> </ul>
Compliance with donor imposed restrictions	<ul style="list-style-type: none"> <li>check with donor requirements, e.g. match funding, for every transaction</li> </ul>
Fraud or error	<ul style="list-style-type: none"> <li>segregate duties</li> <li>set authorisation limits</li> </ul>
<b>External Risks</b>	
Public perception	<ul style="list-style-type: none"> <li>ensure good quality reporting of the charity's activities and financial situation</li> <li>regular presentations at public &amp; professional events</li> </ul>
Adverse publicity	<ul style="list-style-type: none"> <li>agree proper review procedures for complaints</li> </ul>
<b>Compliance Risks</b>	
Compliance with legislation	<ul style="list-style-type: none"> <li>identify key legal and regulatory requirements</li> <li>allocate responsibility for key compliance procedures</li> <li>put in place compliance monitoring and reporting</li> </ul>
Professional advice	<ul style="list-style-type: none"> <li>identify and ensure access to professional advice</li> <li>identify issues where advice is required</li> </ul>

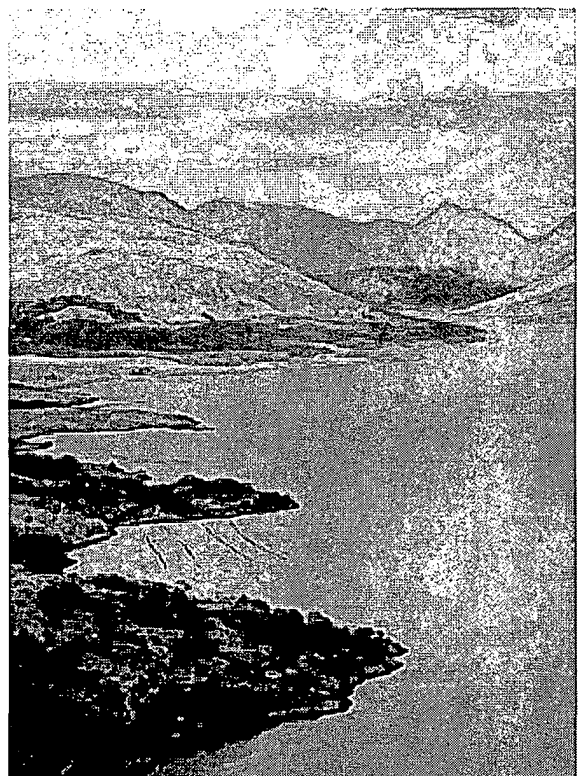
### ***Aims, Objectives and Principal Activities***

The aims of SARF are:

- To promote, encourage and support

scientific research and development in aquaculture and related areas. This includes research in the fields of environmental, economic and social impacts, technical and biological cultivation and health and welfare science.

- To enhance public understanding of aquaculture through the dissemination of research results in the public domain. This will include research exhibitions and on-line publications of investigations and results.
- SARF has a range of members including representatives from the aquaculture industry, government organisations, wild fish groups and environmental NGO's. The research undertaken is across a broad range of areas and is required to meet the collective needs of its members.



### ***Strategic Aim***

Through the support of research and the dissemination and publication thereof, promote and encourage a sustainable, diverse and economically viable aquaculture industry, based on the principles of stewardship, social responsibility and working within the carrying capacity of the

environment, both locally and nationally and throughout its supply chain.

#### Objectives for the year

- Commission research and development projects prioritised and agreed by the Board
- Ensure the delivery of objective scientific research and development outputs from ongoing projects to underpin the sustainable development of aquaculture.
- Develop the educational remit of SARF.

#### **Strategies for achieving objectives**

##### *Commissioning research*

SARF has established robust mechanisms for commissioning, managing and evaluating research and development projects. Prioritised research requirements are agreed by the Board and published as a call for proposals. Submitted proposals are subject to internal and external peer review, before being tabled for final assessment by the Board in the Autumn when funding decisions are made.

In addition to SARF's established grant round, exceptionally, *ad hoc* proposal procedures have been established to permit high priority projects to be taken forward through a fast track mechanism.

To encourage innovation, SARF has introduced an open concept note application process whereby brief outline proposals are invited at specific times. Concept notes deemed by the Board to be of interest to SARF will be required to provide full applications which will be subject to internal and external peer review before the Board makes a final decision on funding the proposed research.

##### *Ensuring delivery*

Successful proposals are contracted through SARF and their progress monitored according to agreed protocols. Projects are encouraged to disseminate their results widely through appropriate media and fora.

Final reports for projects are subject to internal and external peer review and, subject to commercial sensitivity, are published on the SARF website.

##### *Developing educational remit*

In addition to publishing the results of SARF projects through established online media, some projects have produced specific guidance material that has been disseminated directly to the appropriate target audiences. An example of this activity is a guidance note on the use of Acoustic Deterrent Devices which was distributed electronically to all licensed marine fish farms in Scotland. We are aware that the outputs from SARF projects are being used or are under active consideration by Government and Regulators. Work on Permitted Development Rights and Technical Standards are just some of the examples of work that is directly informing policy and regulation.

The SARF website is regularly updated.



#### **Review of Achievements and Performance for the Year – 2017-18**

##### **Operational Performance and Strategic Analysis of Commitments**

All the principal objectives for 2017-18 were achieved, with one new SARF project commissioned within the reporting period.

Since its inception in 2004, SARF has developed a respected system for the procurement of high calibre applied research and development in the field of aquaculture. Between 2004 and the end of this reporting period, SARF in collaboration with its co-

sponsors has committed a total of £7,126,406 in fulfilment of its charitable role, with direct SARF commitments (projects and operational costs) accounting for £4,952,022 (69%) of the total.

Research and Development projects are the greatest proportion (86%) of expenditure, with a total of £6,150,737 (£3,976,353 - 65% from SARF). A total of 97 projects have been commissioned.

Operational expenditure as a function of total commitment over the period 2004 to the end of this reporting period is 13.7% of the total SARF commitment, a variable proportion of which relates to seeking leverage funding to supplement SARF's core income stream. The SARF Secretariat deals with all the day-to-day management of SARF and its various projects, including contractual and financial management together with all processes connected with project monitoring and evaluation. The Secretariat is also responsible for taking forward the education and dissemination role of SARF.

In 2017-18 SARF continued to operate a separate project budget line to account for the provision of advice.

#### *Research and Development*

Table 1 provides a list of SARF sponsored research and development projects. Of the 97 research & development projects commissioned since the inception of SARF, 89 are complete and 8 are ongoing: 3 internal project codes for fund raising, provision of advice and education; 5 external contracted research projects.

Since the start of the reporting period 2017-2018, SARF has commissioned three new projects.

In the same period three projects – SARF 09B, SARF097C and SARF109 - ended, and were published subsequent to peer review and Board approval.

Whilst overall, the quality of project outputs is good, the Secretariat and the Board are

aware of the need for some contractors to improve the provision of practical guidance and recommendations based on best available evidence.

#### *Education and Dissemination*

The SARF Secretariat has developed promotional material that is available to Member organisations, outlining SARF's role, remit and progress, together with a link to the SARF website.

The SARF application form which forms the basis of our research contracts requires that contractors define their plans to disseminate the outcomes of projects in appropriate formats, and also requires them to consider the subsequent use and/or impacts resulting from their research.

SARF secretariat attended and/or made presentations to several meetings during the year, publicising its activities and outcomes: Aquaculture Common Issues Group; EMFF PMC; Seafood Industry Expert Working Group ('Seafood 2040').

SARF remains available to provide the Ministerial Working Group on Aquaculture, directly or via one of its working groups, with an annual status update, and continues to respond to specific requests for information related to projects that address actions being taken forward under the renewed Strategic Framework for Scottish Aquaculture.

#### *Representational Role*

The SARF Secretariat is increasingly recognised as an important source for strategic aquaculture R&D related information and is developing a representational role in fora at UK and EU level. A member of the SARF Secretariat served on the Aquaculture Common Issues Group and the UK European Fisheries Fund Programme Monitoring Committee during the reporting period. Members of the SARF Board are also active participants in the MGSA together with other international fora, where they actively promote the work of SARF.



Throughout the year, the Chairman and the Secretariat engage with senior officials within Government, academia and industry to promote the work of SARF, remain abreast of relevant initiatives and to encourage further collaboration and support.

SARF was a founding member of the European Aquaculture Technology and Innovation Platform (EATIP) and continues to be a member of the European Aquaculture Society (EAS).

#### *Contracts*

Additional clauses to the SARF standard R&D contract have been approved which will help to ensure that contractors record, archive and share the data they collect in appropriate formats and through nationally recognised Data Archive Centres.

#### *Finance*

A corporate level risk assessment pro-forma has been developed and adopted by the Board.

Assessment of research council and other funding source opportunities is ongoing.

SARF continues to encourage funding from organisations wishing to use the SARF commissioning and management processes to deliver R&D projects.

#### *Factors outside the charity's control affecting objectives*

Securing longer term financial stability has been fundamental to SARF's continued success. Contributing SARF Members are encouraged to formalise their commitments to SARF through contracts and increase their sponsorship to reflect increasing costs.

There has been a trend amongst some sponsors of SARF to reduce their core funding commitments, in favour of selective support for specific projects. This remains an area of concern which the Board will consider at its May 2018 Board Meeting and AGM.

In broad terms for the aquaculture industry, better co-ordination and management of research effort will be required at National and UK level to ensure that what limited resources are available are properly targeted, efficiently managed and focus on delivery.

#### ***Financial Review and Results for the Year***

Incoming funds are donations from member organisations for core funding and specific additional project funding. In total these donations amounted £56,875 in the year from core sources.

Total expenditure for the year amounted to £260,463 of which £260,283 related to grants paid towards research projects. Other expenditure included consultancy fees paid to the secretariat, administrative costs and governance costs.

It is anticipated that any reserves will be used to fund legacy projects in a future accounting period.

#### ***Financial management policies***

Since 31<sup>st</sup> January 2012 Epsilon Resource Management Ltd (Epsilon) has been responsible for the day-to-day management of SARF finance and responsibility for ensuring that an effective system of internal financial control is maintained and operated in respect of SARF accounts.

The system of internal financial control is based on a framework of regular management information, periodic audit, administrative procedures including segregation of duties, and a system of delegation and accountability. In particular, it includes:

- the existence of an appropriate control environment, such as clearly defined management responsibilities and evidence of reaction to control failures;
- regular monitoring of financial activity, on a weekly basis by Epsilon's financial controller and on a monthly basis all transactions of more than £1,000 are

agreed by the SARF Chairman and one other designated signatory;

- contractual agreement for the allocation of SARF funds requiring the signature of two Directors;
- the Chairman also approves on a regular basis the expenses and fees generated by the Secretariat;
- a system of continuous cash flow control;
- all contractors invoices being checked prior to settlement and, under the terms of the standard SARF Agreement, the right to secure financial audit of contractors;
- Johnston Carmichael LLP independently audit the SARF accounts annually;
- the Directors of SARF are informed at biannual Board meetings of the financial status of the company;
- minimising the financial risk to SARF by, as far as possible, securing contractually agreed contributions from Member organisations and committing funds within the constraints of these confirmed allocations.

The system of internal financial control is overseen by the Chairman, the SARF Board and the financial administrator who has responsibility for the development and maintenance of the financial control framework.

### ***Reserves Policy and Objectives***

It is the policy of SARF not to accrue reserves. The majority of the funds committed to SARF by our sponsors are allocated on the basis that they will support research and development projects. As research projects can have a life of up to three years, the majority of related funding is in place at the outset. In addition, SARF conducts an annual research prioritisation exercise with its Member organisations and the number of high priority research areas submitted for consideration is generally more than SARF sponsorship alone could support.

Funds held at the end of the reporting period amount to £109,915 – being £34,111 restricted and £75,084 unrestricted.

Although restricted funds are being carried

forward in reserves, these are almost fully committed to current running projects.

It is prudent to hold unrestricted funds to cover overheads, secretariat costs and new core projects.

### ***Future Plans***

Over the coming year, in addition to managing the current tranche of research and development projects, SARF will continue to engage with Members in order to achieve the best outcomes from their perspectives.

The annual report including an assessment of progress against annually agreed objectives and targets is used as an expedient and dynamic means of defining and evaluating SARF's performance.

An additional allocation of £500,000 of research budget was made available to SARF by Marine Scotland, for projects commissioned in 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18. Taking into account allocation of some of these funds to overheads, they will have been fully utilised by the end of 2018-19.

The following strategic, medium and short term objectives were agreed for the reporting period beginning 2017. The progress made against each of these objectives during the reporting year is outlined below.

### ***Strategic objectives***

#### ***1. Research and Development***

- Seek to measurably improve the quality of research being delivered in support of SARF's aims, by maintaining and improving appraisal, assessment, monitoring and evaluation processes.
- Better understand and develop aquaculture knowledge and expertise in both food and non-food production.
- Demonstrably deliver policy, regulatory and industry relevant research outcomes.

#### ***Progress:***

- All proposals and projects continue to be

subject to internal and external peer review and the list of peer reviewed publications emerging from projects is growing steadily.

- All projects are formally monitored on an interim and/or annual basis. Many projects involve steering groups.
- SARF is continuing its proactive role in providing advice and in R&D co-ordination activities at a strategic level.
- The majority of SARF projects relate directly to informing policy, regulation and industry best practice.

## *2. Education and Dissemination*

- Take a more prominent role in developing and promoting Scotland's reputation in aquaculture research.
- Encourage use of the results of SARF research projects to promote national and international improvements in aquaculture sustainability.
- Seek measurable improvement in targeted communication of research results to non-specialists.

### *Progress:*

- The Secretariat's involvement in a range of UK and EU related aquaculture R&D fora helps to ensure that Scotland's reputation as an important and internationally recognised centre for research in this field is promoted.

## **Medium term objectives**

### *Research and Development*

- Demonstrably promote better communication between key stakeholders and research providers to improve research focus and delivery.
- Forge links with one or more research funding bodies with a view to delivering co-ordinated research effort to address areas of work which may require multidisciplinary approaches and or resources beyond those available to SARF.
- Submit SARF to independent external evaluation as agreed by the Board.

### *Progress –*

- In addition to specific project

dissemination activities and workshops, SARF continues to promote collaborative projects which engage key stakeholders as project partners or sponsors.

- SARF has maintained its support for the Scottish Aquaculture Innovation Centre.

### *Education and Dissemination*

- Develop the potential of SARF to disseminate audience specific educational material online.
- Engage with other education and training bodies to facilitate the delivery of research results to appropriate target audiences.

### *Progress –*

- Much of SARF's effort in this area during this reporting period has been focused on improving the delivery of relevant project information to policy, regulation and industry.
- The SARF website has been upgraded to ensure that it remains web compliant and contains new features to improve dissemination.

## **Recurrent short term objectives to be completed within the reporting period:**

### *Research and Development*

- Identify research priorities and commission research prioritised by the Board.
- Conduct at least one project monitoring meeting per project per year.
- Ensure appropriate peer review of all proposals and final reports.
- Seek to hold inaugural project (inception) meetings with all projects engaging key SARF Member organisations at an early stage to encourage good communication, early data exchange and better experimental design and execution.

### *Progress –*

- Research prioritisation, commissioning, and peer review are a fundamental and ongoing part of SARF's operational and management procedures. Inaugural or inception meetings are now standard for all new projects.

#### *Education and Dissemination*

- Ensure that all SARF project final reports accepted by the Board and not subject to confidentiality are published on the SARF website.
- Ensure that all published SARF project reports are issued with an International Standard Book Number (ISBN) and lodged with the British Library.
- Seek to disseminate information on the work of SARF and its projects to appropriate audiences whenever possible.

#### *Progress –*

- All SARF project reports accepted by the Board are published on the SARF website.
- All SARF reports are now issued with an ISBN to ensure that they will be retained as formal references by the British Library.

#### ***Short term objectives which have been completed within the reporting period 2017 - 2018***

#### *Research and Development*

- Attendance and presentations at national and international workshops.

#### *Education and Dissemination*

- Continued upgrading of the SARF website to facilitate access to SARF reports and deliver project information in a form that is appropriate to diverse and geographically dispersed audiences.
- Consideration of the need for additional workshops or conferences.

#### *General*

- Seeking to improve co-ordination of aquaculture related R&D to ensure more efficient use of resources.
- Aquaculture R&D Database was published on the SARF website in October 2013.

#### *Progress –*

- All of the objectives to be completed in 2017-18 were achieved.

#### ***Short term objectives to be completed within the forthcoming reporting period 2018 - 2019***

#### *Research and Development*

- For the Secretariat to consult directly with SARF members to establish that their strategic research priorities have been addressed since 2004.

#### *Education and Dissemination*

- For the Secretariat to investigate mechanisms to identify and increase the impact of SARF projects.
- To consider participation at other workshops and seminars during 2018-19.
- To consider a major SARF conference to be held near the end of the 2018-19 reporting period.

#### *General*

- Seek to improve co-ordination of aquaculture related R&D to ensure more efficient use of resources.
- To begin to work on a summary document of all of SARF's achievements since 2004.

### **Chairman's Notes**

During the reporting period 2017-18 SARF has been busy managing the remaining 5 current external research projects, which relate to seal deterrence, sea lice (2 projects), marine licensing and closed containment nursery systems. Three projects, SARF094B, SARF097C and SARF109, were completed, peer reviewed and approved by the Board.

As predicted in the 2016-17 Annual Report, SARF's core income stream has remained at the same low level as the previous year. This pattern of reduction was recognised in the 2014 Financial Year and a realistic contingency and options report was prepared by a Strategy Subgroup and accepted by the Board of Directors in May 2015. The current budgetary and operational situation is in line with the predictions in the 2015 Report and was presented to the AGM in May 2017. On the basis of this update the Board of Directors will be required to provide their advice and guidance on the direction and extent of SARF's activities in 2018-2019 and, if possible, in subsequent Financial Years.

The Secretariat continues to serve as a focal point for the provision of advice and other forms of assistance, including the organisation, representation and participation in conference-type activities

that relate to the remit of SARF. As Chairman, I have been able to work closely with the Secretariat in participating in more meetings and events, including several research project progress and review meetings, than in previous years.

Finally, I wish to once again thank the secretariat for its hard work during the year, including its important role in providing the Chairman and Directors with timely financial and operational advice, often at short notice, in a range of situations that inevitably occur between formal meetings of the Board of Directors. All aspects of SARF operations continued to function smoothly and effectively, and I am pleased to record that for the 13<sup>th</sup> year running the cost of our wide ranging secretarial and administrative functions have remained below 15% of total funds and project work under management.



On behalf of the board of trustees:

15<sup>th</sup> May 2018



**Table 1. List of Projects**

Project Code	Project Title	Start Date	End Date
SARF001	Prevention and management of <i>Ichthyophthirius multifiliis</i>	01/01/2005	31/07/2005
SARF003	Development of a GIS-based tool to assist planning of aquaculture developments	01/03/2005	28/02/2006
SARF004	Vaccine performance - efficacy in gadoids measured by cell mediated immune responses	01/05/2005	30/04/2008
SARF004a	BAC Library	01/09/2006	28/02/2007
SARF005	Site optimisation for aquaculture operations	20/01/2005	19/10/2005
SARF009	Coastal assimilative capacity for amalgamated fish farm chemicals/organic pollutants	01/04/2005	31/03/2008
SARF011	Review of Environmental Quality Standards (EQS) for use in assimilative capacity model development	01/06/2005	31/05/2006
SARF012	The development of modelling techniques to improve predictions of assimilative capacity of water bodies utilised for marine caged fish farming	01/07/2005	30/09/2007
SARF012a	Development of assimilative capacity and carrying capacity models for water bodies utilised for marine bivalve and caged fish farming	01/04/2008	30/09/2010
SARF013 & 13a	Identification of sources of faecal pollution in Scottish coastal waters to help clarify causes of recent deterioration in the quality of Shellfish Harvesting waters ( to be associated with the EU REDRISK Project)	14/11/2005	13/11/2007
SARF014	Cod broodstock nutrition, and specifically the role of essential fatty acids such as arachidonic acid.	01/10/2005	30/09/2007
SARF015	The aetiology and epidemiology of Pancreas Disease (PD) and similar pathologies - Heart and Skeletal Muscle Inflammation (HSMI) and Cardiomyopathy Syndrome (CMS) - in Scotland	01/11/2005	30/11/2007
SARF016	Rainbow Trout Gastro Enteritis	01/05/2006	31/03/2009
SARF017	A rationale for the identification of sea lochs with isolated deep water, to help assess the risk of widespread basin de-oxygenation.	01/12/2005	30/11/2006
SARF021	The development of practical but meaningful welfare indices for cod on-growing.	01/03/2006	11/06/2009
SARF022	Novel species risk to biodiversity assessments study: as discussed within the Scottish Biodiversity Strategy Implementation plans	05/01/2006	05/07/2006
SARF023	Review of sea lice bath treatment model	12/06/2006	17/08/2007
SARF024	A Review of Fish Farm Environmental Impact Assessments	01/09/2006	31/03/2007
SARF025	Consumer attitudes to aquaculture feed sustainability	01/02/2007	30/09/2007
SARF026	Evaluation of copper concentrations around marine cage fish farms.	01/02/2007	01/11/2009
SARF027	Stock management strategies to optimise growth potential in on-growing of marine fish.	01/02/2007	31/01/2010
SARF027a	CON008 - continuation/extension of SARF027	15/02/2010	31/05/2011
SARF028	Development of a system for sentinel fish farm monitoring.	01/03/2007	01/02/2009

SARF030	Assessment of the rate of sedimentary ecosystem recovery following the removal of marine fish farm cages or the cessation of farming.	01/07/2007	30/09/2010
SARF031	Assessment of appropriate thresholds for the potential triggers for Environmental Impact Assessments (EIA) for shellfish farms.	15/01/2007	30/09/2007
SARF035	Determination of the fate of chemical/faecal material which is transported beyond the Allowable Zone of Effects (AZE).	26/02/2007	31/08/2007
SARF036	Establishing the effects of fish farm discharges on Biodiversity Action Plan (BAP) habitats and assessing their recoverability.	01/08/2007	31/12/2009
SARF037	Strategic waste management and minimisation in aquaculture – a detailed review of current status and future options.	19/02/2007	30/09/2007
SARF038	International Symposium	01/04/2007	01/04/2010
SARF039	SARF Education and Dissemination Programme	01/04/2007	Ongoing
SARF040	Review of Marine Fish Farm EIA Thresholds	10/03/2008	14/02/2009
SARF040a	Completion of SARF040	25/09/2009	27/11/2009
SARF040b	PDR	12/04/2010	30/06/2010
SARF041	Developing practical strategies for reducing the spread of harmful organisms during the transportation of live fish	01/04/2008	31/03/2009
SARF042	Assessment of the potential to reduce the infaunal species list required to give an indication of stress in sediments.	07/02/2008	06/06/2008
SARF043	Improving understanding of species specific requirements for marine finfish cultivation	01/03/2008	30/06/2012
SARF044	Assessment of the impacts and utility of acoustic deterrent devices	01/03/2008	31/12/2009
SARF045	Assessment of evidence that fish farming impacts on tourism.	08/02/2008	28/02/2009
SARF046	Socio-economic assessment of potential impacts of new and amended legislation on the cultivation of fish and shellfish species of current commercial importance.	08/02/2008	30/04/2009
SARF053	A systematic assessment of the environmental impact of Scottish shellfish farms, including benthos, water column and relevant special interactions	01/02/2009	30/06/2011
SARF054	Assessment of protocols and development of best practice contingency guidance to improve stock containment at cage and land based sites.	01/04/2009	01/10/2009
SARF055	Validation of OECD-model for predicted impact of freshwater cage production on in loch total phosphorus concentration	01/02/2009	31/03/2010
SARF056	Development and delivery of a proposal for re-establishment, on a pilot scale, of a native oyster population in Scotland	05/01/2009	30/09/2009
SARF057	Development of improved management strategies for Red Mark Syndrome (RMS)	01/02/2010	01/08/2011
SARF063-01	Overcoming bottlenecks in the intensive commercial production of native oyster spat	01/01/2010	30/06/2012

SARF063-02	Establishment and development of a national broodstock of the European hake, <i>Merluccius merluccius</i>	04/01/2010	30/12/2012
SARF064	<i>Mytilus trossulus</i> : Managing impact on sustainable mussel production in Scotland	04/01/2010	31/08/2011
SARF065	Trials to enhance oyster depuration with respect to norovirus	01/03/2010	31/10/2010
SARF066	Practical trials and cost-benefit analysis for industry of reduced depuration times for the mussel <i>Mytilus edulis</i>	01/08/2010	30/01/2011
SARF068	Optimising sea lice treatment regimes to minimise the development of resistance - altered to - Management of sea lice numbers with wrasse and maintaining wrasse welfare - April/May 2011	01/03/2010	01/09/2012
SARF069	Evaluation of sensitivity to chemotherapeutants in successive generations of <i>Lepeophtheirus salmonis</i> from a resistant population	01/01/2010	28/02/2011
SARF070	Development of a risk evaluation system for the establishment of <i>Gyrodactylus salaris</i> in Scottish river systems	01/03/2010	30/09/2010
SARF071	Preliminary tests of the behavioural responses of seals to electric fields in sea water	01/10/2010	30/06/2012
SARF072	Independent Review of SARF	20/08/2010	15/12/2010
SARF073	Engineering Standards	01/12/2010	31/07/2011
SARF075	SARF/Telford Workshop	28/02/2010	28/02/2010
SARF076	Provision of Advice	01/10/2009	Ongoing
SARF077	Macro/Micro Algae	22/11/2010	22/05/2011
SARF078	Carbon Lifecycle	01/12/2010	30/06/2011
SARF079	Tourism Project - ISLAD	01/04/2011	30/09/2011
SARF080	Applications for external funding	Ongoing	Ongoing
SARF081	Multi Trophic Aquaculture - IMTA	13/12/2010	25/03/2011
SARF082	Scottish Aquaculture's Utilisation of Environmental Resources	01/05/2012	31/05/2013
SARF084	SARF Session on Fish Migration Assessment at WFC	11/05/2012	11/05/2012
SARF085	Sediment Sulphide Response to Organic Loading	01/03/2012	31/11/2013
SARF087	Monitoring and Eradication of Invasive and Non-native Species in Aquaculture Units	01/02/2012	31/07/2012
SARF088	Student Dissertations		On website
SARF088b	Student Dissertations		On website
SARF090	Impacts of salmonid pen aquaculture on hard substrates	01/03/2013	15/01/2014
SARF091	Use of algal and other non-fish oils in refined edible products	03/01/2013	03/07/2013
SARF093	Renewable power generation on aquaculture sites	15/01/2013	31/10/2013
SARF094	RMS	07/01/2013	31/12/2014
SARF094b	RMS	01/01/2015	30/06/2017
SARF096	New approaches to mussel seedstock acquisition	08/04/2013	31/10/2013
SARF097	Plugging the Gaps: Improving Our knowledge of How Predators Impact Salmon Farms	15/10/2013	30/06/2016
SARF098	PAMP Refreshment Study	20/01/2014	24/07/2015
SARF098C	PAMP Refreshment (C)	01/05/2016	June 2017
SARF099	Survey of Pacific oyster in Scotland	01/03/2014	30/11/2014
SARF100	Novel Treatments for Freshwater Aquaculture	06/01/2014	06/10/2014
SARF103	Aquaculture R&D Database 2013		25/10/2013

SARF104	Sea Lice Research Feasibility Study	23/09/2013	20/12/2013
SARF104a	Expert Assistance for SARF104	23/09/2013	20/12/2013
SARF105	STS Write-up	01/02/2014	31/12/2014
SARFSP001	Assessment of the viability of the different life stages of <i>Lepeophtheirus salmonis</i> following exposure to hydrogen peroxide	01/02/2014	15/05/2015
SARFSP005	Assessment of the viability of <i>Neoparamoeba perurans</i> following exposure to hydrogen peroxide	01/02/2014	31/01/2015
SARFSP006	Availability and use of freshwater resources in Scotland	13/01/2014	13/07/2014
SARFSP007	Production of high quality, healthy farmed salmon from a changing raw material base, with special reference to a sustainable Scottish industry	01/06/2014	31/03/2015
SARFSP008	Modelling of the potential for shortening the pen-based phase of the salmon on-growing cycle	01/02/2014	31/05/2015
SARF106	Mariculture	15/09/2014	31/05/2015
SARF108	Sea Lice Predation	01/11/2014	31/01/2015
SARF109	Load Cells	01/04/2015	07/05/2017
SARF110	Locational Regulation of Shellfish Aquaculture	01/01/2015	01/03/2016
SARFSP010	Piloting a network for determining spatial and temporal variation in marine survival of Atlantic salmon and effects of anti-sea lice agents	01/05/2015	31/10/2018
SARF112	Influence of low frequency ADDs on cetaceans in Scottish coastal waters	15/06/2016	30/08/2018
SARFSP011	Closed containment	01/02/2018	31/10/2018
SARFSP012	Bath Dispersion	01/03/2018	30/11/2018
SARF113	Marine Licensing	01/02/2018	31/10/2018

## **Scottish Aquaculture Research Forum**

### **Trustees' Report and Accounts For the Year Ended 28 February 2018**

#### **Accounts: Legal and Administrative Information**

Chairman: Professor William Ritchie  
Secretary: J & H Mitchell LLP  
Charity number SC035745  
Company number SC267177

Registered office:  
PO Box 7223  
Pitlochry  
Perthshire  
PH16 9AF

Auditors: Johnston Carmichael LLP  
66 Tay Street  
Perth  
PH2 8RA

Bankers: The Royal Bank of Scotland plc  
84 Atholl Road  
Pitlochry  
PH16 5BJ

Solicitors: J & H Mitchell LLP  
51 Atholl Road  
Pitlochry  
Perthshire  
PH16 5BU

Secretariat: Epsilon Resource Management Ltd  
Briarlea Holmhead  
Auldgirth  
Dumfries  
DG2 0XL

The trustees present their report and accounts for the year ended 28 February 2018.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Constitution, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (as amended for accounting periods commencing from 1 January 2016).



## **Scottish Aquaculture Research Forum**

### **Trustees' Report and Accounts For the Year Ended 28 February 2018**

#### **Structure, governance and management**

The charitable company is a company limited by guarantee.

The trustees, who are also the directors for the purpose of company law, and who served during the period from 01 March 2017 to the date the financial statements were approved were as follows:

Mr A W Adrian

Mr C A Burton

Mr P R Hart

Dr N C Lake

Mr I I Sutherland

Dr J L Webster

(Retired 2 April 2018)

Mr D A Sandison

Dr R G Lees

Mr A J Mitchell

Mr D S Sinclair

Mr R S Raynard

Mr D A McLeod

Mr I Berrill

(Appointed 1 May 2018)

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

#### **Auditor**

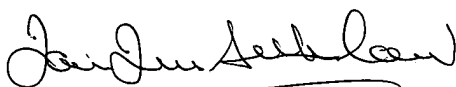
A resolution proposing that Johnston Carmichael LLP be reappointed as auditors of the company will be put to members.

#### **Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board of trustees:



**Mr I I Sutherland**

Trustee

Dated: 15/5/18



**Mr D S Sinclair**

Trustee

Dated: 15/5/18

## ***Scottish Aquaculture Research Forum***

### **Statement of Trustees' Responsibilities For the Year Ended 28 February 2018**

The trustees, who are also the directors of Scottish Aquaculture Research Forum for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

## **SCOTTISH AQUACULTURE RESEARCH FORUM**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF SCOTTISH AQUACULTURE RESEARCH FORUM**

##### **Opinion**

We have audited the financial statements of Scottish Aquaculture Research Forum (the 'charitable company') for the year ended 28 February 2018 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and 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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 28 February 2018, and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

##### **Basis for opinion on accounts.**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **SCOTTISH AQUACULTURE RESEARCH FORUM**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF SCOTTISH AQUACULTURE RESEARCH FORUM**

##### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard

##### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

##### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records, 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirements to prepare a strategic report.

##### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 3, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## SCOTTISH AQUACULTURE RESEARCH FORUM

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

#### TO THE MEMBERS OF SCOTTISH AQUACULTURE RESEARCH FORUM

##### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

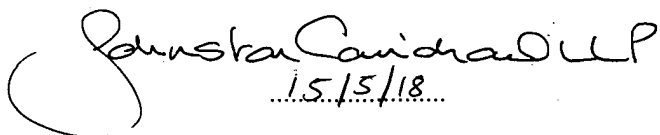
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Jean Main (Senior Statutory Auditor)  
for and on behalf of Johnston Carmichael LLP

  
15/5/18

Chartered Accountants  
Statutory Auditor  
66 Tay Street  
PERTH  
PH2 8RA

Johnston Carmichael LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.



# SCOTTISH AQUACULTURE RESEARCH FORUM

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 28 FEBRUARY 2018

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>Income from:</b>					
Donations and legacies	3	56,875	-	56,875	63,333
Investments	4	150	-	150	686
<b>Total income</b>		<u>57,025</u>	<u>-</u>	<u>57,025</u>	<u>64,019</u>
<b>Expenditure on:</b>					
Raising funds	5	180	-	180	-
Charitable activities	6	105,328	154,955	260,283	190,835
<b>Total expenditure</b>		<u>105,508</u>	<u>154,955</u>	<u>260,463</u>	<u>190,835</u>
<b>Net expenditure</b>		<u>(48,483)</u>	<u>(154,955)</u>	<u>(203,438)</u>	<u>(126,816)</u>
Gross transfers between funds		<u>15,000</u>	<u>(15,000)</u>	<u>-</u>	<u>-</u>
<b>Net expenditure for the year/ Net movement in funds</b>		<u>(33,483)</u>	<u>(169,955)</u>	<u>(203,438)</u>	<u>(126,816)</u>
<b>Reconciliation of Funds</b>					
Fund balances at 1 March 2017		<u>108,567</u>	<u>204,066</u>	<u>312,633</u>	<u>439,449</u>
<b>Fund balances at 28 February 2018</b>		<u>75,084</u>	<u>34,111</u>	<u>109,195</u>	<u>312,633</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# SCOTTISH AQUACULTURE RESEARCH FORUM

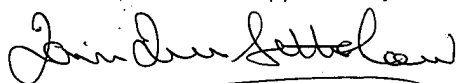
## BALANCE SHEET

AS AT 28 FEBRUARY 2018

	Notes	2018 £	£	2017 £	£
<b>Current assets</b>					
Cash at bank and in hand		387,796		600,552	
<b>Creditors: amounts falling due within one year</b>	<b>12</b>	<u>(278,601)</u>		<u>(275,136)</u>	
<b>Net current assets</b>			109,195		325,416
<b>Creditors: amounts falling due after more than one year</b>	<b>13</b>		-		(12,783)
<b>Net assets</b>			<u>109,195</u>		<u>312,633</u>
<b>The funds of the charity:</b>					
Restricted funds	<b>15</b>		34,111		204,066
Unrestricted funds			<u>75,084</u>		<u>108,567</u>
			<u>109,195</u>		<u>312,633</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the Trustees on 15/5/18



Mr I I Sutherland  
Trustee



Mr D S Sinclair  
Trustee

Company Registration No. SC267177

# SCOTTISH AQUACULTURE RESEARCH FORUM

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2018

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	18		(212,906)		(91,475)
<b>Cashflows from investing activities</b>					
Interest received		150		686	
<b>Net cash provided by investing activities</b>			150		686
<b>Net cash used in financing activities</b>			-		-
<b>Net decrease in cash and cash equivalents</b>			(212,756)		(90,789)
Cash and cash equivalents at beginning of year			600,552		691,341
<b>Cash and cash equivalents at end of year</b>			387,796		600,552
<b>Relating to:</b>					
Bank balances and short term deposits			387,796		600,552

# SCOTTISH AQUACULTURE RESEARCH FORUM

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 28 FEBRUARY 2018

#### 1 Accounting policies

##### Company information

Scottish Aquaculture Research Forum is a private company limited by guarantee incorporated in Scotland. The company is also a charity registered in Scotland with OSCR. The registered office is PO box 7223, Pitlochry, PERTSHIRE, PH16 9AF.

##### 1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities: the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

The charitable company is a Public Benefit Entity as defined by FRS 102.

The charity has availed itself of Section 396 of the Companies Act 2006, as permitted in paragraph 4 (1) of schedule 1 of SI 2008 No 409, and adapted the Companies Act formats to reflect the special nature of the charity's activities.

The accounts are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these accounts are rounded to the nearest £.

The accounts have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for at least the next twelve months. Thus the Trustees' continue to adopt the going concern basis of accounting in preparing the accounts.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

## **SCOTTISH AQUACULTURE RESEARCH FORUM**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 28 FEBRUARY 2018**

##### **1 Accounting policies**

###### **1.4 Income**

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Deferred income represents grants received in the current financial year for future periods. This is released to income in the period in which entitlement passes to the charity.

Investment income and interest are recognised on a cash basis; there is no material difference between the basis and the accruals method. Bank interest is included gross of income and tax.

###### **1.5 Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category and include irrecoverable VAT. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the period end are noted as a commitment, but not accrued as expenditure.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include consultancy fees, governance costs, and administrative costs. They are incurred directly in support of expenditure on the objects of the charity.

###### **1.6 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

## SCOTTISH AQUACULTURE RESEARCH FORUM

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 28 FEBRUARY 2018

##### 1 Accounting policies

##### 1.7 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charitable company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

##### 1.8 Taxation

The company is recognised as a charity by HM Revenue and Customs under section 479 CTA 2010; no provision is made for taxation.

# SCOTTISH AQUACULTURE RESEARCH FORUM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 28 FEBRUARY 2018

#### 2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The trustees consider there to be no critical accounting estimates and judgements.

#### 3 Donations and legacies

	Unrestricted funds	Total 2018	Total 2017
	£	£	£
Donations and gifts	56,875	56,875	63,333
For the year ended 28 February 2017	63,333		63,333

#### 4 Investments

	Unrestricted funds	Total 2018	Total 2017
	£	£	£
Interest receivable	150	150	686
For the year ended 28 February 2017	686		686

#### 5 Raising funds

	Unrestricted funds	Total 2018	Total 2017
	£	£	£
<u>Fundraising and publicity</u>			
Advertising	180	180	-
	180	180	-
For the year ended 28 February 2017			



# SCOTTISH AQUACULTURE RESEARCH FORUM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 28 FEBRUARY 2018

#### 6 Charitable activities

	Secretariat and admin	Grants to Institutions	Total 2018	Total 2017
	£	£	£	£
Consultancy fees	39,230	-	39,230	35,379
Programme expenses and referee payments	710	-	710	1,859
Insurance	1,524	-	1,524	1,616
Postage & Stationery	657	-	657	461
Conference and seminars	2,437	-	2,437	3,728
Dues and subscriptions	290	-	290	730
Sundry expenses	1,167	-	1,167	1,164
Legal and professional fees	3,679	-	3,679	-
Audit fees (see note 8)	3,980	-	3,980	3,980
	<u>53,674</u>	<u>-</u>	<u>53,674</u>	<u>48,917</u>
Grant funding of activities (see note 7)	-	206,609	206,609	141,918
	<u>53,674</u>	<u>206,609</u>	<u>260,283</u>	<u>190,835</u>
<b>Analysis by fund</b>				
Unrestricted funds	53,674	51,654	105,328	
Restricted funds	-	154,955	154,955	
	<u>53,674</u>	<u>206,609</u>	<u>260,283</u>	
<b>For the year ended 28 February 2017</b>				
Unrestricted funds	48,917	139,440		188,357
Restricted funds	-	2,478		2,478
	<u>48,917</u>	<u>141,918</u>		<u>190,835</u>

# SCOTTISH AQUACULTURE RESEARCH FORUM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 28 FEBRUARY 2018

#### 7 Grants payable

	2018 £	2017 £
Grants to institutions:		
Marine Scotland	5,000	-
The Scottish Association for Marine Sciences	79,955	132,051
Provision for advice and other	11,921	9,867
University of Stirling	70,000	-
ABPmer	39,733	-
	<u>206,609</u>	<u>141,918</u>

Grants payable are to support activities in line with the charitable objectives of the company.

#### 8 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the company's auditor and associates:	2018 £	2017 £
Audit of the company's annual accounts	<u>3,980</u>	<u>3,980</u>

#### 9 Trustees

None of the trustees or key management personnel (or any persons connected with them) received any remuneration or reimbursement of expenses during the year.

#### 10 Employees

There were no employees during the year.

#### 11 Financial instruments

	2018 £	2017 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	<u>387,796</u>	<u>600,552</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	<u>275,893</u>	<u>285,836</u>

# SCOTTISH AQUACULTURE RESEARCH FORUM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 28 FEBRUARY 2018

#### 12 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Deferred income	14	2,708	2,083
Trade creditors		3,288	12,231
Accruals and deferred income		272,605	260,822
		<u>278,601</u>	<u>275,136</u>

#### 13 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Accruals and deferred income	-	12,783
	<u>-</u>	<u>12,783</u>

#### 14 Deferred income

	2018 £	2017 £
Total deferred income at 1 March 2017	2,083	7,916
Amounts credited to statement of financial activities	(13,125)	(12,083)
Amounts deferred in year	13,750	6,250
	<u>2,708</u>	<u>2,083</u>
Total deferred income at 28 February 2018	<u>2,708</u>	<u>2,083</u>

# SCOTTISH AQUACULTURE RESEARCH FORUM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 28 FEBRUARY 2018

#### 15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 March 2017	Movement in funds			Balance at 28 February 2018
		Income	Expenditure	Transfers	
	£	£	£	£	£
SARF 047	15,000	-	-	(15,000)	-
Special Projects 2013	189,066	-	(154,955)	-	34,111
	<u>204,066</u>	<u>-</u>	<u>(154,955)</u>	<u>(15,000)</u>	<u>34,111</u>

SARF 047 - this funding was originally provided by Scottish Salmon Producers' Organisation towards wellboat treatments and integrated sealice management. It has now been confirmed that this project will not go ahead and so the funds have been released as they are no longer considered restricted.

Special Projects 2013 - funding from Marine Scotland, The Crown Estate and Scottish Salmon Producers Organisation towards strategic research to support sustainable growth of Scottish farmed fish and shellfish.

#### 16 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 28 February 2018 are represented by:			
Current assets	109,195	-	109,195
	<u>109,195</u>	<u>-</u>	<u>109,195</u>

Restricted funds represent unexpended co-funders contributions to specific projects. These funds are restricted in purpose and are recorded separately.

Income currently confirmed for next year amounts to £30,000.

## SCOTTISH AQUACULTURE RESEARCH FORUM

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 28 FEBRUARY 2018

#### 17 Related party transactions

No guarantees have been given or received.

The trustees, who are also the directors for the purposes of company law, each represent one of the sponsor organisations of the company.

In instances where the organisation that a trustee represents has a vested interest in a research proposal, the trustee will remove themselves from the evaluation and voting process in relation to that proposal.

Total donations received from sponsor organisations during the year amounted to £57,500 (2017 - £57,500). These donations are to be used for projects that further the charitable objectives of the company.

Marine Scotland Science, a company that the trustee Alastair Mitchell is a director of, is currently carrying out two projects under Special Projects 2013. Costs on these projects during the year amounted to £5,000 (2017 - £nil).

Epsilon Resource Management Limited is a company owned by Richard Slaski, the co-ordinator for Scottish Aquaculture Research Forum, and acts as the Secretariat for the company. During the year secretariat costs amounted to £30,481 (2017 - £27,677).

The Chairman, Professor Ritchie, who is not a trustee, received an honorarium of £2,000 (2017 - £2,000) and travel expenses reimbursed amounting to £594 (2017 - £175).

<b>18 Net cash provided by (used in) operating activities</b>	<b>2018 £</b>	<b>2017 £</b>
Net expenditure for the reporting period (as per the statement of financial activities)	(203,438)	(126,816)
Adjustments for:		
Investment income	(150)	(686)
Movements in working capital:		
Decrease in debtors	-	15,506
(Decrease)/increase in creditors	(9,943)	26,354
Increase/(decrease) in deferred income	625	(5,833)
<b>Cash used in operations</b>	<b>(212,906)</b>	<b>(91,475)</b>