



MARITIME RESCUE INSTITUTE

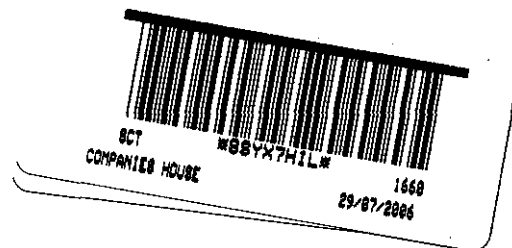
*(A company limited by guarantee
and not having share capital)*

(Company Number: SC225049)

(Charity Number: SC032388)

DIRECTORS' REPORT AND ACCOUNTS

31 DECEMBER 2005



Anderson Anderson & Brown
Chartered Accountants

**MARITIME RESCUE INSTITUTE
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2005**



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MARITIME RESCUE INSTITUTE
LEGAL AND ADMINISTRATIVE INFORMATION



CONSTITUTION

Maritime Rescue Institute is a company limited by guarantee (company number: SC225049) and a registered charity (charity number: SC032388) governed by its Memorandum and Articles of Association.

DIRECTORS AND TRUSTEES

The directors of the charitable company ("the charity") are its trustees for the purposes of charity law. The directors are:

A Buchanan	(appointed 20 April 2005)
G F Ritchie	(appointed 30 August 2005)
M Stanfield	(appointed 26 October 2005)
H McDonald	(appointed 26 October 2005)
A Lawson	(appointed 14 November 2005)

ORGANISATION

The board of directors, which meets quarterly, administers the company. Trustees are appointed by the board.

SECRETARIES

J & H Mitchell, 51 Atholl Road, Pitlochry

REGISTERED OFFICE

51 Atholl Road, Pitlochry

ACCOUNTANTS

Anderson Anderson & Brown, 6 Carden Place, Aberdeen

BANKERS

Royal Bank of Scotland, 22 Market Square, Stonehaven

SOLICITORS

J & H Mitchell, 51 Atholl Road, Pitlochry

The trustees submit their report and the accounts of the charity for the year ended 31 December 2005. Legal and administrative information set out on page 1 forms part of this report. The accounts comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities.

RESULTS

The net resources expended for the year amounting to £47,106 (2004 incoming resources - £51,152) has been dealt with as shown in the Statement of Financial Activities.

The general reserve at the year end was £13,502.

OBJECTS OF THE CHARITY

The objects of the charity are to promote and advance the education of the public in maritime rescue in the waters surrounding Scotland and elsewhere, either independently and/or in association with Local Authorities, public sector agencies, non-governmental organisations, voluntary organisations and others.

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS

Maritime Rescue Institute ("MRI") continues to strengthen and concentrate its efforts in its main areas of expertise, namely:-

- **Providing waterborne search and rescue – serviced by its 2 lifeboats and 18 local voluntary crewmembers**

During the year the MRI Search and Rescue (SAR) team responded to 18 Search and Rescue call-outs. These call outs reflected a trend for the year of increased shoreline and cliff foot casualties which, unfortunately, included a number of fatalities. Training has now very much focused on this trend along with addressing an issue that is now facing most lifeboat organisations worldwide – only 10% of crewmembers join with seamanship skills. The charity proudly holds the reputation for being THE place internationally to come for key training.

To be compliant with new standards set within the Maritime Coast-guard Agency (MCA) code, MGN 280(M), MRI has compiled a system of boat maintenance, crew training, performance assessment and verification which have further enhanced systems already in place. The opportunity was also taken to prepare the SAR lifeboats for survey by MCA officials under the new code. This code will also be cross referenced with the quality assurance system for charities, PQASSO which is now well underway.

- **Being at the forefront in the provision of training, advice and help with development in set up of waterborne emergency response centres worldwide.**

Still considered second to none in the world in its delivery of waterborne training programmes, the charity strengthened its income during 2005 by providing courses for Dutch, German and Swedish lifeboat organisations along with various training programmes for government agencies. Requests for assistance from Egypt, Iran and Sri Lanka (post Tsunami), have been responded to and it is very much hoped that links will be strengthened and new ones forged during 2006.

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS (continued)

Such programmes included advanced training in waterborne emergency response and management through the European Union Interleg III programme to Maderia and Cape Verdi Islands.

- **Being involved in the set up and running of research and development programmes relating to waterborne projects**

Maritime Rescue Institute is in the fortunate situation of being able to act as the conduit between company, developer and operator. Examples of this have emerged during 2005 in its involvement in two programmes – one relating to wave power and the other relating to wind power. Having the opportunity and ability to be at the forefront of such projects not only provides income but also allows superb staff learning and development in a wide range of skills from project management to gaining knowledge and experience in the development of new products in a waterborne emergency response environment.

Alongside its main activities, the charity has continued to make considerable progress in:

- **The development of its schools and educational programmes**

MRI offers an ideal setting for experiential learning with fairly unique resources available. The charity has enjoyed its youth work programmes which have included activities for special needs, learning difficulties and socially excluded groups and has quickly realised that MRI has a very special capacity to allow young people to access experiential learning in ways that are not readily available today, though the types of activities we employ include learning skills that form part of the Scottish maritime heritage and were once common.

Working with young people of all ages, abilities, background and needs challenges the methods MRI uses to deliver key skills to all its end-user groups mentioned above: action-oriented team building, communication, environmental awareness, risk assessment, decision making process, collective problem solving, group management. The success and usefulness of the youth programmes already undertaken means that MRI is fully committed to delivery of youth programmes into the future. The "Determined to Succeed" initiative is an ideal opportunity for MRI to expand its work to schools and local young people.

MRI SAR Youth Team continued to progress during 2005 and even embarked on a winter boat building project (15' skiff) ready to sail by spring 2006.

- **Looking at ways to enhance its social and community needs**

The charity base has proven to be an ideal meeting place for many of its local groups both charitable and corporate. It has also been successful in the leasing out of part of its premises – one to a restaurant business and one to Ofcom. Both these ventures have added considerably to income.

Profile has increased locally through its fundraising efforts, its youth work, its school programmes and through its increased efforts in public relations.

Support from Scottish Enterprise, Corporate Sponsorship, donations and success with a number of funding applications has inspired volunteer work and has become a key ongoing part of the charity's development.

**MARITIME RESCUE INSTITUTE
DIRECTORS' REPORT**



REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS (continued)

The Future:

The Trustees will continue in their quest to strengthen the key areas of expertise and what MRI has been recognised for throughout the world to date. Plans will be put into place to capture the existing skills for future generations, to strengthen its asset base by continuing in its proposal to buy the building and finally to look towards fundraising for the future development of its boats.

DIRECTORS AND DIRECTORS' INTERESTS

The trustees of the charity during the year ended 31 December 2005 were as listed on page 1 together with A Laing who resigned on 30 June 2005, A C M Liddell who resigned on 30 August 2005 and H G McDonald who resigned on 30 August 2005. The charity has no share capital or debentures.

RESERVES POLICY

The trustees have established a policy whereby the net book value of tangible fixed assets required to enable the company to meet its charitable objectives is included in a designated fund. Thereafter, the trustees aim to maintain a level of free reserves to enable the charity to sustain its charitable activities.

RISK MANAGEMENT

The trustees have reviewed the charity's policies and procedures together and have assessed the risks to which the charity is exposed. Steps have been taken to mitigate those risks through operating and reporting procedures.

By order of the board

Trustee - A Buchanan

20 June 2006

Date

MARITIME RESCUE INSTITUTE
STATEMENTS OF TRUSTEES' RESPONSIBILITIES



Law applicable to charities in Scotland requires the trustees to prepare accounts for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing accounts giving a true and fair view, the trustees should follow best practice and:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether or not applicable United Kingdom Accounting Standards and Statements of Recommended Practice have been followed, subject to any departures disclosed and explained in the accounts; and
- d) prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the accounts comply with the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990, the Charities Accounts (Scotland) Regulations 1992 and the Memorandum and Articles of Association. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**ACCOUNTANTS' REPORT TO THE MEMBERS ON THE
UNAUDITED ACCOUNTS OF MARITIME RESCUE INSTITUTE**

We report on the accounts for the year ended 31 December 2005 set out on pages 7 to 17.

Respective responsibilities of directors and reporting accountants

As described on page 4 the company's directors, known in this case as the trustees, are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

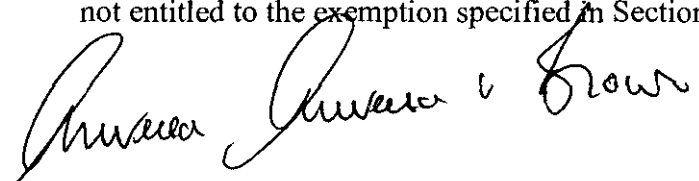
Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in Section 249A(4) of the Act as modified by Section 249A(5) and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).


Anderson Anderson & Brown
Chartered Accountants
Reporting Accountants
Aberdeen

20 June 2006

MARITIME RESCUE INSTITUTE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2005



	Note	2005 £	2004 £
INCOMING RESOURCES			
Donations, legacies and similar incoming resources	4	31,795	198,488
Activities in furtherance of charity's objects	5	102,034	88,226
Activities for generating funds	6	32,695	9,016
Investment income	7	2,533	1,534
TOTAL INCOMING RESOURCES		169,057	297,264
RESOURCES EXPENDED			
Cost of generating funds	8	14,021	3,876
Charitable expenditure:			
Cost of charitable activities	9	193,674	227,806
Management and administration	10	8,468	14,430
TOTAL RESOURCES EXPENDED		216,163	246,112
NET (RESOURCES EXPENDED)/INCOMING RESOURCES AND NET MOVEMENT IN FUNDS FOR THE YEAR		(47,106)	51,152
Funds at 1 January 2005		325,156	274,004
FUNDS AT 31 DECEMBER 2005		£ 278,050	£ 325,156

All funds above are unrestricted.

MARITIME RESCUE INSTITUTE
BALANCE SHEET – 31 DECEMBER 2005

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A + B

	Note	2005 £	2004 £
FIXED ASSETS			
Tangible assets	11	261,398	287,050
Investment	12	-	1
		<u>261,398</u>	<u>287,051</u>
CURRENT ASSETS			
Debtors	13	13,029	82,844
Cash at bank and in hand		35,000	51,269
		<u>48,029</u>	<u>134,113</u>
CREDITORS: amounts falling due within one year	14	<u>31,377</u>	<u>96,008</u>
NET CURRENT ASSETS		<u>16,652</u>	<u>38,105</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 278,050</u>	<u>£ 325,156</u>
UNRESTRICTED FUNDS			
General reserve	15	13,502	(31,189)
Revaluation reserve	15	65,445	69,295
Designated funds – fixed assets	15	199,103	287,050
		<u>£ 278,050</u>	<u>£ 325,156</u>

In the directors' opinion the charitable company is entitled under Section 249A(1) of the Companies Act 1985 to exemption from the audit of its accounts for the year ended 31 December 2005. No member who is entitled to has requested an audit in terms of Section 249B(2) of the Companies Act 1985.

The directors are responsible for ensuring that the charitable company keeps accounting records which comply with Section 221 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its net incoming resources or resources expended each year in accordance with the requirements of Section 226 of the Act and which otherwise comply with its requirements, so far as applicable to the charitable company.

Signed on behalf of the board of directors



Director – A Buchanan

20 June 2006

Date

1. ACCOUNTING POLICIES

(a) *Basis of accounts preparation*

The accounts are prepared under the historical cost convention modified to include the revaluation of the leasehold building and in accordance with applicable accounting standards, the Companies Act 1985 and the Statement of Recommended Practice – Accounting and Reporting by Charities issued in October 2000.

(b) *Incoming resources*

Income is included in incoming resources in the period in which the charity is entitled to receipt.

(c) *Fixed assets and depreciation*

Fixed assets costing £200 or more are capitalised at cost.

The cost of fixed assets is written off over their expected useful lives as follows:

Leasehold building	over term of lease
Plant and machinery	5 years
Motor vehicles	5 years
Office equipment	3-5 years
Boats, search and rescue equipment	5-10 years

Fixed assets are stated at cost or valuation at the year end.

(d) *Stock*

Stocks are valued at the lower of cost and net realisable value.

(e) *Taxation*

As a charity, the company is not liable to taxation.

(f) *Leasing commitments*

Rentals paid under operating leases are charged to income on a straight-line basis over the lease term.

1. ACCOUNTING POLICIES (continued)

(g) *Resources expended*

Resources expended are included in the Statement of Financial Activities on an accruals basis.

Expenditure is directly attributed to the relevant category within the income and expenditure account.

(h) *Unrestricted general funds*

These are funds which can be used in accordance with the charitable objects at the discretion of the directors.

(i) *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and gains or losses on translation are included in the profit and loss account.

2. NET EXPENDITURE *is stated after charging:*

	2005 £	2004 £
Audit fee	-	2,000
Depreciation	36,249	30,473
Operating lease rental - land	31,627	39,131

3. STAFF NUMBERS AND COSTS

The average number of persons employed by the charity during the year, including the directors, was as follows:

	2005 No	2004 No
Management	2	2
Administration	1	1
Training	3	2
	<u>6</u>	<u>5</u>

The aggregate payroll costs of these persons were as follows:

	2005 £	2004 £
Staff costs - wages and salaries	46,522	52,458
- social security	3,580	3,442
- pension	2,700	-
	<u>£ 52,802</u>	<u>£ 55,900</u>

The directors received no remuneration or expenses from the company during the year (2004 - £nil).

4. DONATIONS, LEGACIES AND SIMILAR INCOMING RESOURCES

	2005 £	2004 £
Funding	7,950	4,370
Donation from subsidiary	1,412	40,933
Third party donations	22,433	153,116
	<u>£ 31,795</u>	<u>£ 198,488</u>

MARITIME RESCUE INSTITUTE
NOTES ON THE ACCOUNTS – 31 DECEMBER 2005



5. ACTIVITIES IN FURTHERANCE OF CHARITY'S OBJECTS

	2005 £	2004 £
Provision of courses	74,850	88,226
Consultancy	27,184	-
	<u>£ 102,034</u>	<u>£ 88,226</u>

6. ACTIVITIES FOR GENERATING FUNDS

	2005 £	2004 £
Fundraising	18,695	9,016
Rental income	14,000	-
	<u>£ 32,695</u>	<u>£ 9,016</u>

7. INVESTMENT INCOME

	2005	2004
Bank interest received	<u>£ 2,533</u>	<u>£ 1,534</u>

8. COST OF GENERATING FUNDS

	2005 £	2004 £
Fundraising costs	8,989	-
Publicity	377	3,876
Depreciation	4,655	-
	<u>£ 14,021</u>	<u>£ 3,876</u>

9. COST OF CHARITABLE ACTIVITIES

	2005 £	2004 £
Wages, salaries and national insurance	52,802	55,900
Direct cost of courses	12,367	16,251
Repairs and servicing	1,747	3,163
Search and rescue boat costs	18,495	28,549
Other charges	-	183
Depreciation	31,594	31,886
Training costs	-	4,892
Rent and rates	35,212	40,185
Heat, light and power	3,446	4,702
Travelling and subsistence	6,759	5,684
Entertaining	142	804
Printing, stationery and telephone	4,518	12,322
Motor expenses	1,025	2,031
Insurance	12,901	11,170
Bank charges and interest	2,830	2,049
General expenses	3,932	6,712
Subscriptions and donations	1,954	1,323
Loss on disposal of assets	3,950	-
	<u>£ 193,674</u>	<u>£ 227,806</u>

10. MANAGEMENT AND ADMINISTRATION

	2005	2004
Legal and accountancy	<u>£ 8,468</u>	<u>£ 14,430</u>

11. TANGIBLE FIXED ASSETS

	Leasehold building £	Plant & machinery £	Motor vehicle & equipment £	Computers & office equipment £	Boats, search & rescue equipment £	Total £
COST OR VALUATION						
At 1 January 2005	102,444	8,336	425	6,718	259,033	376,956
Additions	9,853	-	-	4,700	-	14,553
Disposals	-	(5,360)	-	(1,269)	-	(6,629)
At 31 December 2005	<u>112,297</u>	<u>2,976</u>	<u>425</u>	<u>10,149</u>	<u>259,033</u>	<u>384,880</u>
DEPRECIATION						
At 1 January 2005	5,389	1,945	227	1,398	80,947	89,906
Charge for year	6,206	1,667	85	2,388	25,903	36,249
Relating to disposals	-	(2,144)	-	(529)	-	(2,673)
At 31 December 2005	<u>11,595</u>	<u>1,468</u>	<u>312</u>	<u>3,257</u>	<u>106,850</u>	<u>123,482</u>
Net book amounts at:						
31 December 2005	<u>£ 100,702</u>	<u>£ 1,508</u>	<u>£ 113</u>	<u>£ 6,892</u>	<u>£ 152,183</u>	<u>£ 261,398</u>
31 December 2004	<u>£ 97,055</u>	<u>£ 6,391</u>	<u>£ 198</u>	<u>£ 5,320</u>	<u>£ 178,086</u>	<u>£ 287,050</u>

The leasehold building was valued at an open market value by the directors in consultation with the charity's professional property advisors on 29 March 2004.

The historical cost of the leasehold building included at valuation is £nil.

MARITIME RESCUE INSTITUTE
NOTES ON THE ACCOUNTS – 31 DECEMBER 2005



12. INVESTMENT

	2005	2004
Cost	<u>£ -</u>	<u>£ 1</u>

The investment represents 100% of the issued share capital of Maritime Rescue International Limited, a company registered in Scotland. The company did not trade during the year and has applied to be struck off the register at Companies House.

13. DEBTORS

	2005 £	2004 £
Trade debtors	7,055	5,237
Prepayments and accrued income	4,034	15,774
Other debtors	1,940	61,833
	<u>£ 13,029</u>	<u>£ 82,844</u>

14. CREDITORS: *amounts falling due within one year*

	2005 £	2004 £
Amount due to subsidiary undertaking	-	23,427
Trade creditors	16,392	49,093
Bank overdraft	6,414	11,837
Accruals	5,621	5,151
Other taxes and social security	1,572	6,437
Other creditors	1,378	63
	<u>£ 31,377</u>	<u>£ 96,008</u>

15. UNRESTRICTED FUNDS

	General reserve £	Revaluation reserve £	Designated funds - fixed assets £	Total £
At 31 December 2004	(31,189)	69,295	287,050	325,156
Net resources expended for year	(47,106)	-	-	(47,106)
Transfer from designated funds	87,947	-	(87,947)	-
Transfer to general reserve	3,850	(3,850)	-	-
At 31 December 2005	<u>£ 13,502</u>	<u>£ 65,445</u>	<u>£ 199,103</u>	<u>£ 278,050</u>

The designated fixed assets fund, together with the revaluation reserve represents the net book value of tangible fixed assets, acquired using unrestricted funds. Each year an amount is transferred to or from the fund representing the movements in the net book value of those tangible fixed assets in the year.

16. LEASE COMMITMENTS

At the end of the financial year the charity had annual commitments under operating leases as follows:

	Land and buildings	
	2005	2004
Leases expiring after five years	<u>£ 39,950</u>	<u>£ 39,950</u>

17. RELATED PARTY TRANSACTIONS

Control

Throughout the year the charity was controlled by the directors.

17. RELATED PARTY TRANSACTIONS (continued)

Transactions

During the year there were the following transactions with related parties:

Related party	Transaction	£	Balance at year end £
Maritime Rescue International Limited ("MRIL") – 100% subsidiary	Movement in loan	(24,839)	
	Donation	1,412	-

18. LEGAL STATUS

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.