

$A^2 + B^2$ **MARITIME RESCUE INSTITUTE**

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

(Company Number SC225049)

(Charity Number SC032388)

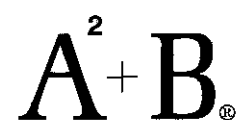
DIRECTORS' REPORT AND ACCOUNTS

31 DECEMBER 2006

**Anderson Anderson & Brown**

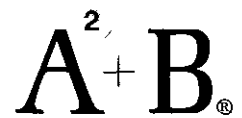
Chartered Accountants

**MARITIME RESCUE INSTITUTE
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2006**



CONTENTS	PAGE
LEGAL AND ADMINISTRATIVE INFORMATION	1
DIRECTORS' REPORT	2
STATEMENT OF DIRECTORS' RESPONSIBILITIES	8
ACCOUNTANTS' REPORT	9
STATEMENT OF FINANCIAL ACTIVITIES	10
BALANCE SHEET	11
NOTES ON THE ACCOUNTS	12

MARITIME RESCUE INSTITUTE
LEGAL AND ADMINISTRATIVE INFORMATION



DIRECTORS AND TRUSTEES

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

Mr William Bowman (appointed 31 January 2007)
Mr Andrew Buchanan
Mr Andrew Lawson
Mr Hamish McDonald
Mr George Ritchie
Mr Martin Stansfield

CHIEF EXECUTIVE OFFICER

Mr Hamish McDonald

SECRETARIES

J & H Mitchell, 51 Atholl Road, Pitlochry

PRINCIPAL OFFICE

The Old Pier, Stonehaven

REGISTERED OFFICE

51 Atholl Road, Pitlochry

REPORTING ACCOUNTANTS

Anderson Anderson & Brown, 6 Carden Place, Aberdeen

BANKERS

Royal Bank of Scotland, 9 Rubislaw Terrace, Aberdeen

SOLICITORS

J & H Mitchell, 51 Atholl Road, Pitlochry

The directors submit their report and the accounts of the charitable company for the year ended 31 December 2006. 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 (revised 2005).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Nature of governing document

Maritime Rescue Institute is a company limited by guarantee and not having a share capital (company number SC225049) and a registered Scottish charity (charity number SC032388). The charitable company is governed by its Memorandum and Articles of Association.

Organisational structure

The Board of Directors controls Maritime Rescue Institute ("MRI"). The Directors are volunteers who have careers in a wide variety of fields, where they as individuals have demonstrated a wide scope of proven experience relevant to the Charity. Additionally they had declared an interest in the objectives and activities of the Charity. All Directors are given an induction covering their role and the work of MRI.

The Directors decide on overall policy, strategy, and appointment of the Chief Executive Officer ("CEO"), asset purchases and such as

The CEO is responsible to the directors for the day to day running of MRI and the execution of the strategy and policies decided by the Board.

The charity employs four staff members including the CEO, presently a non paid position, and relies heavily on volunteers to operate, to provide the Search and Rescue ("SAR") Lifeboat service and for fund raising.

MRI has a trading arm, MRI Trading Ltd, which sells consultative service, souvenirs, and associated items. The profits from the trading arm are donated directly to MRI.

Directors and Directors' Interests

The directors of the charitable company during the year ended 31 December 2006 were as listed on page 1. The charity has no share capital or debentures.

Risk Management

The SAR aspect of the charity's purpose by its very nature exposes SAR Team members and operational SAR assets to substantial risk. MRI carries out ongoing SAR operational profiling which enables continuous update of operational requirements, risk assessment, and definition of SAR asset and training requirement.

Risk Management (continued)

MRI is recognised internationally for its standards in SAR training and fully recognises the risks to be faced by staff and volunteers alike. The charity has set standards and ongoing competency assessment programmes to offer best prospect so that all staff and volunteers are trained to negate known risks.

Additional to the aforementioned operational risks, prudence dictates that a financial contingency should be held in reserve in case the viability of the charity is threatened. The charity has a £35,000 contingency fund lodged with its Solicitor's bank.

OBJECTIVES AND ACTIVITIES

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

- 24 hour waterborne SAR response via HM Coastguard for the Kincardineshire coast and up to 50 nautical miles offshore,
- educational and awareness programmes relating to water environments, and
- Training, Research/Development and Advisory services both nationally and internationally

Aims and rationale of operations

MRI saves lives around the Kincardineshire coast by providing.

- two SAR Lifeboats operating from MRI Base, Stonehaven, and
- education and awareness programmes relating to water environments

MRI SAR Lifeboat Operators

To maximise the efficiency and safety of SAR Lifeboat operations MRI utilises the findings of ongoing SAR area operational profiling to provide definition of SAR asset and SAR training requirements.

The charity then further defines a standard of performance, commensurate with the resources available, using trained and competent people who, whenever possible, are volunteers.

OBJECTIVES AND ACTIVITIES (continued)

MRI's Strategic Performance Standards for provision of SAR resource are to

- be available to launch 10 minutes from notification to MRI,
- reach notified casualties, where risk to life exists, to a maximum of 50 nautical miles from MRI Base, and
- reach 90% of notified casualties, where risk to life exists, within 10 nautical miles of MRI Base by 40 minutes of launch in adverse weather

MRI's provision of education and awareness programmes relating to water environments

MRI continues to develop working relationships with both senior and primary schools. Over the past year the charity has increased its involvement with the Scottish Executive's "Determination to Succeed" programme. This offers schoolchildren the opportunity to engage with a social enterprise along with learning new skills that include leadership, communication, teambuilding and social skills, provided with a background of waterways safety awareness.

For younger age groups, MRI developed its "Rory and Ropey" characters, these two unique characters are used to enforce educational and safety messages in an informative but fun way. Through their adventures, children will be encouraged to Discover, Play, Read, Create and Learn about their environment and heritage.

MRI promotes the advancement of maritime rescue both nationally and internationally by providing

- training programmes to the public, voluntary organisations, local authorities, and governmental organisations both nationally and internationally,
- research/development and advisory programmes covering a wide range of topics, boat and ancillary systems, maritime rescue systems and techniques, methodology of teaching and trainer development, and
- MRI Trading Ltd sells consultative services, souvenirs, and associated items. The surplus from the trading arm is donated directly to the charity.

MRI strives to, and is recognised internationally for, providing high quality operationally relevant services in the field of waterborne emergency response and rescue.

ACHIEVEMENTS AND PERFORMANCE

MRI SAR Lifeboats

Responded to 11 SAR calls during 2006, saving 8 lives and approximately £45,000 of craft. The number of call outs was low in comparison to the annual average since 1976 of 18 and went against the upward trend in other coastal areas of the UK. Localised weather conditions, an unusually low level of marine traffic and perhaps benefit gained from our waterways awareness programmes may have combined to be the factors bringing about the reduction. However although SAR callout numbers were down on average, two of the rescues were carried out in very severe and challenging conditions.

The charity's SAR Lifeboats are not externally funded and run at a deficit, they therefore require voluntary contributions and funding to sustain the service provision.

MRI generates income from Training, Research/Development and Advisory services, Funding Donations, Fundraising and Rental income

Training

Through 2006 MRI provided

- 20 training programmes to delegates and organisations from Belgium, Germany, Holland, Ireland, Sweden, United Kingdom and the United States
- "Determination to Succeed" programmes for 310 schools pupils

The above figures show a significant growth on the previous year and bookings for all programmes in 2007 show continued growth.

Research, Development and Advisory services

Advisory services were provided to

- The Iranian Ports and Shipping organisation in relation to Iran's development of their national maritime search and rescue resource
- Servico Regional De Protection, Madeira, funded through the EU Interleg 3, SAMARCAM Project relating to development of waterborne emergency response and rescue resource
- 20 primary schools where "Rory and Ropey" resource packs are now being used

MRI achieved its target of initiating project work during 2006 and the intent is to further expand this area of work in 2007.

ACHIEVEMENTS AND PERFORMANCE (continued)

Funding

Several funding awards were gained, the major ones being

- “Awards for All Lottery Fund” for the “Rory and Ropey” resource pack development
- “Heritage Lottery Fund” for the project “Saving Lives Rescuing Our Coastal Heritage”

Donations

MRI Trading Ltd made significant donations to the charity. The trading company was involved in two major consultative projects involving development of specialist waterborne support systems for offshore renewable energy programmes. A spin off from one of these programmes, “design build and fit out of a self contained special purpose boat system to facilitate access/egress to marine structures”, is that the system can also be utilised for waterborne search and rescue in developing countries.

Fundraising

MRI increased its fundraising efforts over 2006 with growing support from the community. The major source of income came from MRI's annual Harbour Festival, which attracts thousands of visitors and locals to Stonehaven. The rest comes from a wide variety of fundraising initiatives.

Rental income

MRI has established two sources of rental income by leasing two areas of its property – one to the Boathouse Café and the other office space to OFCOM.

FINANCIAL REVIEW

Results

The net resources expended for the year amounting to £4,345 (2005 £47,106) has been dealt with as shown in the Statement of Financial Activities.

The general reserve at the year end showed a balance of £20,674.

Reserves policy

The directors 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.

PLANS FOR FUTURE PERIODS

The major plans for the future involve the purchase of the Old Pier building and replacement of the MRI 42 SAR Lifeboat

To date part funding has been secured for the purchase of the building and unspecified legacies have been promised to go towards the costs of search and rescue

MRI intends to continue growth in provision of Training, Research/Development and Advisory services and work programmes already secured for 2007 are ahead of those in 2006

The Chief Executive retires in November 2007 and the process to secure a suitable person to fill this post is already underway

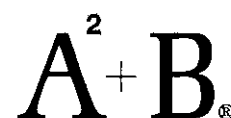
By order of the board


Director – A Lawson

27th May 2007

Date

MARITIME RESCUE INSTITUTE
STATEMENT OF DIRECTORS' RESPONSIBILITIES



Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the net income or expenditure of the charity for that period. In preparing those accounts, the directors are required to

- 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 have been followed, subject to any material 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 directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the accounts comply with the Companies Act 1985. 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 2006 set out on pages 10 to 21

Respective responsibilities of directors and reporting accountants

As described on page 8 the company's directors 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.

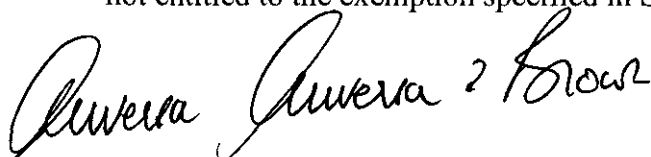
Basis of opinion

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

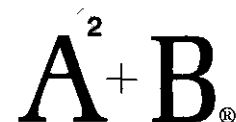
- (a) the accounts are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985,
- (b) having regard only to, and on the basis of, the information contained in those accounting records
 - (i) the accounts have been drawn up in a manner consistent with the 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

28 May 2007

MARITIME RESCUE INSTITUTE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2006



	Note	Unrestricted funds £	Restricted funds £	Total 2006 £	2005 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	58,917	40,199	99,116	31,795
Activities for generating funds	3	48,156		48,156	32,695
Investment income	4	2,019		2,019	2,533
Incoming resources from charitable activities	5	88,927		88,927	102,034
TOTAL INCOMING RESOURCES		198,019	40,199	238,218	169,057
RESOURCES EXPENDED					
Cost of generating funds	6	12,055		12,055	14,021
Charitable activities	7	207,685	11,540	219,225	193,674
Governance costs	8	11,283		11,283	8,468
TOTAL RESOURCES EXPENDED		231,023	11,540	242,563	216,163
NET RESOURCES EXPENDED AND NET MOVEMENTS IN FUNDS FOR THE YEAR					
Funds at 1 January 2006	9	(33,004)	28,659	(4,345)	(47,106)
		278,050		278,050	325,156
FUNDS AT 31 DECEMBER 2006		£ 245,046	£ 28,659	£ 273,705	£ 278,050

All funds above are unrestricted

MARITIME RESCUE INSTITUTE
BALANCE SHEET – 31 DECEMBER 2006


A²+B[®]

	Note	2006 £	2005 £
FIXED ASSETS			
Tangible assets	11	224,372	261,398
Investments	12	10	
		<u>224,382</u>	<u>261,398</u>
CURRENT ASSETS			
Stock		2,960	
Debtors	13	48,471	13,029
Cash at bank and in hand		50,960	35,000
		<u>102,391</u>	<u>48,029</u>
CREDITORS <i>amounts falling due within one year</i>	14	<u>53,068</u>	<u>31,377</u>
NET CURRENT ASSETS		<u>49,323</u>	<u>16,652</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>£ 273,705</u></u>	<u><u>£ 278,050</u></u>
Restricted funds	15	28,659	
Unrestricted funds			
General reserve	16	20,674	13,502
Revaluation reserve	16	61,595	65,445
Designated funds – fixed assets	16	162,777	199,103
		<u><u>£ 273,705</u></u>	<u><u>£ 278,050</u></u>

In the directors' opinion the charitable company is entitled under Section 249A(2) of the Companies Act 1985 to exemption from the audit of its accounts for the year ended 31 December 2006. 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 Lawson

28TH May 2007

Date

1 ACCOUNTING POLICIES

(a) *Basis of accounts preparation*

The accounts are prepared under the historical cost convention, as modified by 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 (revised 2005)

(b) *Incoming resources*

i) Voluntary income

Donations are included in the Statement of Financial Activities in the year in which they are receivable

ii) Grants receivable

Income from grants, including capital grants, is included in incoming resources when it is receivable except where the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that income is to be expended in a future period. In these circumstances income is deferred until those periods.

iii) Activities for generating income

Income from fund raising activities is recognised in the Statement of Financial Activities when receivable

(c) *Resources expended*

Liabilities are recognised when the charity has an obligation to make a payment to a third party

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

Expenditure is directly attributed to the relevant category within the Statement of Financial Activities, with support costs allocated on a basis consistent with the use of resources

Costs of generating funds comprise those costs incurred in undertaking activities which generate funds for the charity

Charitable activities include expenditure associated with the company's work in promoting and advancing public education in maritime rescue

Governance costs include those costs incurred in the governance of the charitable company and its assets and are primarily associated with constitutional and statutory requirements

1 ACCOUNTING POLICIES (continued)

(d) *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
Computers and office equipment	3 5 years
Boats, search and rescue equipment	10 years

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

(e) *Stock*

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

(f) *Taxation*

The company is recognised by HM Revenue & Customs as a charity and therefore is not liable to taxation

(g) *Leasing commitments*

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

(h) *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

(i) *Unrestricted general funds*

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

1 ACCOUNTING POLICIES (continued)

(j) *Group accounts*

The gross income levels of the group are such that the SORP requires consolidated group accounts to be prepared. However, for accounting periods beginning on or after 1 April 2006 this threshold has increased to £500,000. The directors consider that the group income will not reach this level in future years therefore the directors do not consider it an effective use of charity resources to prepare consolidated accounts for the current year only.

2 VOLUNTARY INCOME

	Unrestricted funds £	Restricted funds £	Total 2006 £	Total 2005 £
Funding				7,950
Donation from subsidiary	41,971		41,971	1,412
Third party donations and grants	16,946	40,199	57,145	22,433
	<u>£ 58,917</u>	<u>£ 40,199</u>	<u>£ 99,116</u>	<u>£ 31,795</u>

3 ACTIVITIES FOR GENERATING FUNDS

	2006 £	2005 £
Fundraising	20,906	18,695
Rental income	27,250	14,000
	<u>£ 48,156</u>	<u>£ 32,695</u>

4 INVESTMENT INCOME

	2006	2005
Bank interest received	<u>£ 2,019</u>	<u>£ 2,533</u>

5 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2006 £	2005 £
Provision of courses	80,462	74,850
Advisory programmes	8,465	27,184
	<u>£ 88,927</u>	<u>£ 102,034</u>

6 RESOURCES EXPENDED

The company allocates its support costs as shown in the table below and then further apportions these costs between the two charitable activities undertaken (see note 7)
Support costs are allocated on a basis consistent with the use of resources

	Activities for generating funds £	Charitable activities £	Governance £	Total £
<i>Direct costs</i>				
Wages, salaries and national insurance		54,450		54,450
Direct cost of courses		18,796		18,796
<i>Support costs</i>				
Repairs & servicing		1,159		1,159
Provision of lifeboat search and rescue		33,749		33,749
Depreciation	5,840	31,186		37,026
Fundraising costs	4,731			4,731
Project costs		9,076		9,076
Rent & rates		28,114		28,114
Heat, light & power		7,172		7,172
Travelling & subsistence		7,279		7,279
Entertaining		372		372
Printing, stationery & telephone		5,348		5,348
Motor expenses		386		386
Insurance		14,342		14,342
Bank charges		1,402		1,402
General expenses		4,014		4,014
Subscriptions & donations		300		300
Publicity	1,484			1,484
Legal & accountancy			11,283	11,283
Irrecoverable VAT		2,080		2,080
	<u>£ 12,055</u>	<u>£ 219,225</u>	<u>£ 11,283</u>	<u>£ 242,563</u>

7 CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Training and Education Total £	Unrestricted funds £	Restricted funds £	Search and Rescue Total £	Total £
Wages, salaries and national insurance	54,450		54,450				54,450
Direct cost of courses	18,796		18,796				18,796
Repairs and servicing	1,159		1,159				1,159
Provision of lifeboat search & rescue				31,285	2,464	33,749	33,749
Depreciation	31,186		31,186				31,186
Rent and rates	28,114		28,114				28,114
Heat, light and power	7,172		7,172				7,172
Travelling and subsistence	7,279		7,279				7,279
Entertaining	372		372				372
Printing, stationery and telephone	5,348		5,348				5,348
Motor expenses	386		386				386
Insurance	14,342		14,342				14,342
Bank charges and interest	1,402		1,402				1,402
General expenses	4,014		4,014				4,014
Subscriptions and donations	300		300				300
Irrecoverable VAT	2,080		2,080				2,080
Project costs		9,076	9,076				9,076
	<u>£ 176,400</u>	<u>£ 9,076</u>	<u>£ 185,476</u>	<u>£ 31,285</u>	<u>£ 2,464</u>	<u>£ 33,749</u>	<u>£ 219,225</u>

8 GOVERNANCE COSTS

		2006 £	2005 £
Legal and accountancy		7,683	6,468
Reporting accountant's fees	external scrutiny	2,100	2,000
	other	1,500	
		<u>£ 11,283</u>	<u>£ 8,468</u>

9 MOVEMENT IN FUNDS FOR THE YEAR *is stated after charging*

	2006 £	2005 £
Depreciation	37,026	36,249
Operating lease rental – land & buildings	<u>26,458</u>	<u>31,627</u>

10 STAFF NUMBERS AND COSTS

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

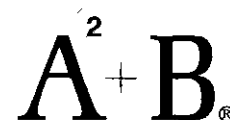
	2006 No	2005 No
Directors	5	2
Management	1	1
Administration	1	1
Training	1	3
	<u>8</u>	<u>7</u>

The aggregate payroll costs of these persons were as follows

	2006 £	2005 £
Wages and salaries	47,543	46,522
Social security	4,653	3,580
Pension	2,253	2,700
	<u>£ 54,449</u>	<u>£ 52,802</u>

The directors received no remuneration or expenses from the company during the year (2005 £nil)

MARITIME RESCUE INSTITUTE
NOTES ON THE ACCOUNTS – 31 DECEMBER 2006



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 2006 and at 31 December 2006	112,297	2,976	425	10,149	259,033	384,880
DEPRECIATION						
At 1 January 2006	11,595	1,468	312	3,257	106,850	123,482
Charge for year	7,786	595	85	2,657	25,903	37,026
At 31 December 2006	19,381	2,063	397	5,914	132,753	160,508
Net book amounts at 31 December 2006	<u>£ 92,916</u>	<u>£ 913</u>	<u>£ 28</u>	<u>£ 4,235</u>	<u>£ 126,280</u>	<u>£ 224,372</u>
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>

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 directors are not aware of any material change in the value of the building since the last date of the valuation.

The historical cost of the leasehold building included at valuation is £43,002.

12 INVESTMENTS

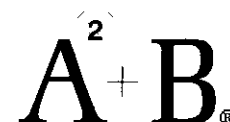
	2006	2005
COST	<u>£ 10</u>	<u>£</u>

The subsidiary undertaking at 31 December 2006 was

MRI Trading Ltd

Country of corporation	Scotland
Holding	Ordinary shares
Nature of business	Provision of marine consultancy services
Proportion of shares held	100%
Aggregate capital and reserves	£(188)
Loss for the period	£(198)

MARITIME RESCUE INSTITUTE
NOTES ON THE ACCOUNTS – 31 DECEMBER 2006



13 DEBTORS

	2006	2005
	£	£
Trade debtors	14,004	7,055
Prepayments and accrued income	609	4,034
Other debtors	33,858	1,940
	<u>£ 48,471</u>	<u>£ 13,029</u>

14 CREDITORS *amounts falling due within one year*

	2006	2005
	£	£
Bank overdraft		6,414
Trade creditors	24,958	16,392
Amount due to subsidiary undertaking	20,277	
Other taxes and social security	1,785	1,572
Other creditors		1,378
Accruals	6,048	5,621
	<u>£ 53,068</u>	<u>£ 31,377</u>

15 RESTRICTED FUNDS

	£
At 31 December 2005	
Incoming resources	40,199
Resources expended	<u>(11,540)</u>
At 31 December 2006	<u>£ 28,659</u>

Restricted Funds represent income from three sources for purposes specified by the donor

16 UNRESTRICTED FUNDS

	General reserve £	Revaluation reserve £	Designated funds fixed assets £	Total £
At 31 December 2005	13,502	65,445	199,103	278,050
Net resources expended for year	(33,004)			(33,004)
Transfer from designated funds	36,326		(36,326)	
Transfer to general reserve	3,850	(3,850)		
At 31 December 2006	<u>£ 20,674</u>	<u>£ 61,595</u>	<u>£ 162,777</u>	<u>£ 245,046</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.

17 LEASE COMMITMENTS

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

	Land and buildings	
	2006	2005
Leases expiring after five years	<u>£ 25,000</u>	<u>£ 39,950</u>

18 RELATED PARTY TRANSACTIONS

Control

Throughout the year the charity was controlled by the directors

Transactions

During the year there were the following transactions with related parties

Related party	Transaction	£	Balance at year end £
MRI Trading Limited, a company in which H McDonald is a director	Loan	62,248	
	Donation	41,971	(20,277)

19 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.