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MARITIME RESCUE INSTITUTE

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

(Company Number SC225049)

(Charity Number SC032388)

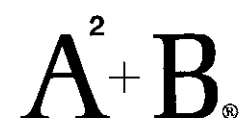
DIRECTORS' REPORT AND ACCOUNTS

31 DECEMBER 2007



Anderson Anderson & Brown LLP
Chartered Accountants

**MARITIME RESCUE INSTITUTE
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2007**



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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 George Ritchie (Chairman)
Mr William Bowman
Mr Andrew Buchanan
Mr Andrew Lawson
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 LLP, 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 2007. 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") and asset purchases.

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, one funded apprentice, 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

The directors of the charitable company during the year ended 31 December 2007 were as listed on page 1 together with Mr Hamish McDonald who resigned as a director on 1 August 2007.

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 surpluses from the trading arm are 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 12 SAR calls during 2007, saving 9 lives and approximately £50,000 of craft. There was a slight increase in the number of SAR calls over the previous year, which had been an unusually quiet year. The number of SAR calls during 2007 was nearer the 10 year average of 15 per annum.

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 2007 MRI provided

- 17 Training programmes to Special groups, 7 to KNRM (Netherlands Lifeboat), 1 to the RNLI, 1 to French Rescue Service, 2 to Southport independent lifeboat service, 1 to Australian rescue
- 1 Expert Witness
- 1 Seminar in Vigo, Spain
- "Determination to Succeed" programmes for 310 schools pupils

The above figures show growth on the previous year and bookings for all programmes in 2008 show continued growth.

Research, Development and Advisory services

Advisory services were provided to

- The Major R&D programme concluded in 2007 was the design and production of an 8 metre support craft, its two specially modified support container systems plus a scale 10 metre model mooring buoy system for CNR Ltd

MRI achieved its target of initiating project work during 2007 and the intent is to further expand this area of work in 2008.

ACHIEVEMENTS AND PERFORMANCE (continued)

Funding

Several funding awards were gained, the major ones being

- The Robertson Trust funded the Building purchase to the tune of £30,000
- Apprenticeship award of £16,000
- Local Action Group funded £4,600 covering a stretcher and suits for educational programmes
- Apache Oil funded £2,400 for a new trailer

Donations

The Circinn Trust provided £12,000 towards boat repairs An unknown donor supplied £20,000 towards a new lifeboat

MRI Trading Limited

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 2007 with growing support from the community There are the usual ongoing fundraising streams – collection cans, Calendars and Cards, Seafood Recipe Book, Direct Giving, Adopt a Lifeboat Crewmember There is 1 lady raising funds by trekking to see the Dalai Lama, 1 gentleman doing the Portsmouth to Timbuktu drive, one young lad climbing to base camp Kilimanjaro and 3 youngsters doing a skydive The major source of income came from MRI's annual Harbour Festival, which attracts thousands of visitors and locals to Stonehaven We make use of our building by hiring it out to groups We get donations from giving talks to people coming to visit MRI and MRI going to their venue We provide a column in the Local Newspaper – “Mearns Leader” called Coastal Notes

Rental income

MRI had two sources of rental income in 2007 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 £26,207 (2006 £4,345) has been dealt with as shown in the Statement of Financial Activities

The Building purchase added considerably to the costs incurred in 2007 but the long term benefits of reducing costs was considered a prudent and worthwhile undertaking

The General Reserve at the year end showed a deficit balance of £40,786 The charity trustees are taking steps to address this

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

To continue to offer the Lifeboat Service to the local community and to attract other lifeboat services to Stonehaven for Training

Having secured a loan for half of the purchase price of buying the Building (£151,000), we continue to seek funding to pay off the loan thereby releasing core funding The major plans for the future involve the replacement of the MRI 42 SAR Lifeboat


An Operations Director has been identified to start with MRI in 2008 thereby enabling the current CEO to relinquish some of his duties, and the new post will promote the expansion of the courses which can be undertaken

Funding is being sought for the appointment of an Education and Youth Development Officer who will develop and strengthen the strong links and partnerships with schools and local youth groups

We are taking steps to develop further liaisons offering training potential at the charity base in Stonehaven

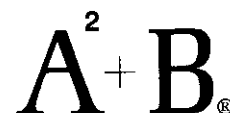
To seek areas of assistance required in under developed countries where MRI s knowledge and experience is needed

Signed on behalf of the board of directors

Director 
29/07/08

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 and the Charities and Trustee Investment (Scotland) Act 2005. 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 2007 set out on pages 10 to 23

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.

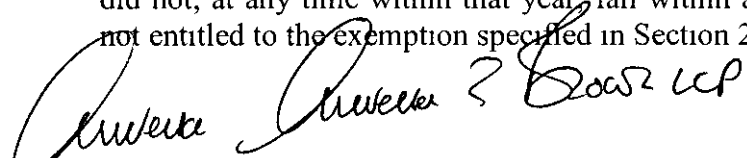
Basis of opinion

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

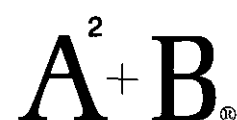
In our opinion

- (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 LLP
Chartered Accountants
Reporting Accountants
Aberdeen

29 July 2008

MARITIME RESCUE INSTITUTE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2007



	Note	Unrestricted funds £	Restricted funds £	Total 2007 £	Total 2006 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	48,545	83,620	132,165	99,116
Activities for generating funds	3	36,678		36,678	48,156
Investment income	4	1,821		1,821	2,019
Incoming resources from charitable activities	5	71,160		71,160	88,927
TOTAL INCOMING RESOURCES		<u>158,204</u>	<u>83,620</u>	<u>241,824</u>	<u>238,218</u>
RESOURCES EXPENDED					
Cost of generating funds	6	20,485		20,485	12,055
Charitable activities	7	223,223	39,806	263,029	219,225
Governance costs	8	12,175		12,175	11,283
TOTAL RESOURCES EXPENDED		<u>255,883</u>	<u>39,806</u>	<u>295,689</u>	<u>242,563</u>
NET RESOURCES EXPENDED AND NET MOVEMENTS IN FUNDS FOR THE YEAR					
Funds at 1 January 2007	9	(97,679)	43,814	(53,865)	(4,345)
		245,046	28,659	273,705	278,050
FUNDS AT 31 DECEMBER 2007		<u>£ 147,367</u>	<u>£ 72,473</u>	<u>£ 219,840</u>	<u>£ 273,705</u>

MARITIME RESCUE INSTITUTE
BALANCE SHEET – 31 DECEMBER 2007


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	Note	2007 £	2006 £
FIXED ASSETS			
Tangible assets	11	366,984	224,372
Investments	12	10	10
		<u>366,994</u>	<u>224,382</u>
CURRENT ASSETS			
Stock		1,160	2,960
Debtors	13	7,323	48,471
Cash at bank and in hand		59,212	50,960
		<u>67,695</u>	<u>102,391</u>
CREDITORS <i>amounts falling due within one year</i>	14	<u>75,516</u>	<u>53,068</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(7,821)</u>	<u>49,323</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>359,173</u>	<u>273,705</u>
CREDITORS <i>amounts falling due after more than one year</i>	15	<u>139,333</u>	
		<u>£ 219,840</u>	<u>£ 273,705</u>
Restricted funds	18	72,473	28,659
Unrestricted funds			
General reserve	19	(40,786)	20,674
Revaluation reserve	19	57,745	61,595
Designated funds	19	130,408	162,777
		<u>£ 219,840</u>	<u>£ 273,705</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 2007. 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 
 29/7/08

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) (“SORP”)

(b) *Going concern*

The accounts are prepared on a going concern basis as they do not reflect the benefit of a gift aid donation of £27,658 made by MRI Trading Limited after the year end

(c) *Consolidation*

The company is exempt from producing group accounts under Section 248 of the Companies Act 1985 as it is classified as a small sized group. The charitable company is exempt from producing consolidated accounts under paragraph 383 (b) of the SORP. The company’s accounts therefore present information about it as an individual undertaking and not its group.

(d) *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.

1 ACCOUNTING POLICIES (continued)

(e) *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

(f) *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

(g) *Stock*

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

1 ACCOUNTING POLICIES (continued)

(h) *Taxation*

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

(i) *Leasing commitments*

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

(j) *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

(k) *Unrestricted general funds*

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

2 VOLUNTARY INCOME

	Unrestricted funds £	Restricted funds £	Total 2007 £	Total 2006 £
Donation from subsidiary				41,971
Third party donations and grants	48,545	83,620	132,165	57,145
	<u>£ 48,545</u>	<u>£ 83,620</u>	<u>£ 132,165</u>	<u>£ 99,116</u>

3 ACTIVITIES FOR GENERATING FUNDS

	2007 £	2006 £
Fundraising	15,678	20,906
Rental income	21,000	27,250
	<u>£ 36,678</u>	<u>£ 48,156</u>

4 INVESTMENT INCOME

	2007	2006
Bank interest received	<u>£ 1,821</u>	<u>£ 2,019</u>

5 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

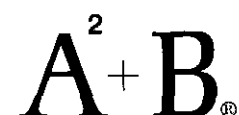
	2007 £	2006 £
Provision of courses	71,160	80,462
Advisory programmes		8,465
	<u>£ 71,160</u>	<u>£ 88,927</u>

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		69,912		69,912
Direct cost of courses		16,846		16,846
<i>Support costs</i>				
Repairs & servicing		9,484		9,484
Provision of lifeboat search and rescue		42,633		42,633
Depreciation	6,725	33,663		40,388
Fundraising costs	6,094			6,094
Project costs		25,338		25,338
Rent & rates		20,490		20,490
Heat, light & power		7,288		7,288
Travelling & subsistence		6,692		6,692
Printing, stationery & telephone		4,865		4,865
Motor expenses		163		163
Insurance		11,006		11,006
Bank charges		6,810		6,810
General expenses		2,182		2,182
Subscriptions & donations		722		722
Publicity	7,666			7,666
Legal & accountancy			12,175	12,175
Irrecoverable VAT		4,935		4,935
	<u>£ 20,485</u>	<u>£ 263,029</u>	<u>£ 12,175</u>	<u>£ 295,689</u>

MARITIME RESCUE INSTITUTE
NOTES ON THE ACCOUNTS – 31 DECEMBER 2007



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	69,912		69,912				69,912
Direct cost of courses	16,846		16,846				16,846
Repairs and servicing	9,484		9,484				9,484
Provision of lifeboat search & rescue				28,165	14,468	42,633	42,633
Depreciation	33,663		33,663				33,663
Rent and rates	20,490		20,490				20,490
Heat, light and power	7,288		7,288				7,288
Travelling and subsistence	6,692		6,692				6,692
Printing, stationery and telephone	4,865		4,865				4,865
Motor expenses	163		163				163
Insurance	11,006		11,006				11,006
Bank charges and interest	6,810		6,810				6,810
General expenses	2,182		2,182				2,182
Subscriptions and donations	722		722				722
Irrecoverable VAT	4,935		4,935				4,935
Project costs		25,338	25,338				25,338
	<u>£ 195,058</u>	<u>£ 25,338</u>	<u>£ 220,396</u>	<u>£ 28,165</u>	<u>£ 14,468</u>	<u>£ 42,633</u>	<u>£ 263,029</u>

8 GOVERNANCE COSTS

		2007 £	2006 £
Legal and accountancy		8,159	7,683
Reporting accountant's fees	external scrutiny	2,300	2,100
	other	1,716	1,500
		<u>£ 12,175</u>	<u>£ 11,283</u>

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

	2007 £	2006 £
Depreciation	40,388	37,026
Operating lease rental – land & buildings	<u>16,943</u>	<u>26,458</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

	2007 No	2006 No
Directors	5	5
Management	1	1
Administration	1	1
Training	<u>1</u>	<u>1</u>
	<u>8</u>	<u>8</u>

The aggregate payroll costs of these persons were as follows

	2007 £	2006 £
Wages and salaries	61,918	47,543
Social security	6,032	4,653
Pension	<u>1,962</u>	<u>2,253</u>
	<u>£ 69,912</u>	<u>£ 54,449</u>

The directors received no remuneration or expenses from the company during the year (2006 £nil)

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 2007	112,297	2,976	425	10,149	259,033	384,880
Additions	181,000		2,000			183,000
At 31 December 2007	293,297	2,976	2,425	10,149	259,033	567,880
DEPRECIATION						
At 1 January 2007	19,381	2,063	397	5,914	132,753	160,508
Charge for year	10,802	596	428	2,658	25,904	40,388
At 31 December 2007	30,183	2,659	825	8,572	158,657	200,896
Net book amounts at 31 December 2007	<u>£ 263,114</u>	<u>£ 317</u>	<u>£ 1,600</u>	<u>£ 1,577</u>	<u>£ 100,376</u>	<u>£ 366,984</u>
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>

The original 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

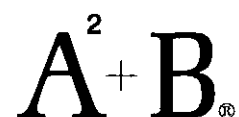
	2007	2006
COST	<u>£ 10</u>	<u>£ 10</u>

The subsidiary undertaking at 31 December 2007 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	£21,511
Profit for the year	£21,699

MARITIME RESCUE INSTITUTE
NOTES ON THE ACCOUNTS – 31 DECEMBER 2007



13 DEBTORS

	2007	2006
	£	£
Trade debtors	731	14,004
Prepayments and accrued income	3,122	609
Other debtors	3,470	33,858
	<u>£ 7,323</u>	<u>£ 48,471</u>

14 CREDITORS *amounts falling due within one year*

	2007	2006
	£	£
Loan	9,498	
Trade creditors	16,373	24,958
Amount due to subsidiary undertaking	39,665	20,277
Other taxes and social security	1,920	1,785
Other creditors	386	
Accruals	7,674	6,048
	<u>£ 75,516</u>	<u>£ 53,068</u>

15 CREDITORS *amounts falling due after more than one year*

	2007	2006
Loan	<u>£ 139,333</u>	<u>£</u>

16 LOAN

	2007 £	2006 £
Wholly repayable within five years	60,671	
Not wholly repayable within five years	88,160	
	<u>£ 148,831</u>	<u>£</u>
	2007 £	2006 £
<i>Amounts repayable</i>		
Less than one year	9,498	
Between one and two years	10,816	
Between two and five years	40,357	
	<u>60,671</u>	
In five years or more	88,160	
	<u>£ 148,831</u>	<u>£</u>

The loan is repayable by monthly instalments commencing October 2007 and ending January 2018, bearing interest at 2.0% per annum above the Bank of England base rate

17 SECURITY

The loan is secured by a standard security over the charitable company's interest in certain of the leasehold property

MARITIME RESCUE INSTITUTE

NOTES ON THE ACCOUNTS – 31 DECEMBER 2007

 $A^2 + B^2$

18 RESTRICTED FUNDS

	2007 £	2006 £
At 31 December 2006	28,659	
Incoming resources	83,620	40,199
Resources expended	(39,806)	(11,540)
At 31 December 2007	<u>£ 72,473</u>	<u>£ 28,659</u>

Restricted funds represent income for purposes specified by the donor as follows

	At 31 December 2006 £	Incoming resources £	Resources expended £	At 31 December 2007 £
Building		30,000		30,000
Trailer		2,400		2,400
Heritage projects	27,620	220	(21,129)	6,711
Apprenticeship		16,000	(4,209)	11,791
Lifeboat		20,000		20,000
Awards for All	1,003			1,003
Harbour festival		3,000	(2,468)	532
Replacement engine		12,000	(12,000)	
Other	36			36
	<u>£ 28,659</u>	<u>£ 83,620</u>	<u>£ (39,806)</u>	<u>£ 72,473</u>

MARITIME RESCUE INSTITUTE

NOTES ON THE ACCOUNTS – 31 DECEMBER 2007

 $A^2 + B^2$
19 UNRESTRICTED FUNDS

	General reserve £	Revaluation reserve £	Designated funds fixed assets £	Total £
At 31 December 2006	20,674	61,595	162,777	245,046
Net resources expended for year	(97,679)			(97,679)
Transfer from designated funds	(32,369)		(32,369)	
Transfer to general reserve	3,850	(3,850)		
At 31 December 2007	<u>£ (40,786)</u>	<u>£ 57,745</u>	<u>£ 130,408</u>	<u>£ 147,367</u>

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

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Fund £	Revaluation reserve £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets		57,745	279,239	30,000	366,984
Investments	10				10
Current assets	25,222			42,473	67,695
Current liabilities	(66,018)		(9,498)		(75,516)
	<u>(40,786)</u>	<u>57,745</u>	<u>269,741</u>	<u>72,473</u>	<u>359,173</u>
Liabilities due after more than one year			(139,333)		(139,333)
	<u>£ (40,786)</u>	<u>£ 57,745</u>	<u>£ 130,408</u>	<u>£ 72,473</u>	<u>£ 219,840</u>

21 LEASE COMMITMENTS

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

	Land and buildings	
	2007	2006
Leases expiring after five years	<u>£ 25,000</u>	<u>£ 39,950</u>

22 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 was a director for part of the year	Current account Donation	8,260	39,665

23 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