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MARITIME RESCUE INSTITUTE
*(A company limited by guarantee
and not having share capital)*
(Company Number: SC225049)
(Charity Number: SC032388)

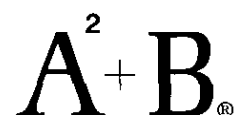
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2009



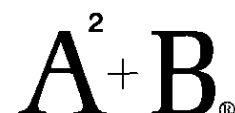
Anderson Anderson & Brown LLP
Chartered Accountants

MARITIME RESCUE INSTITUTE
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009



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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 Ronald Martin	(Appointed 19 May 2009)	Chairman
Mr Andrew Lawson		
Mr Martin Stansfield		
Ms Joyce Buchanan	(Appointed 19 May 2009)	
Ms Carol Kinghorn	(Appointed 19 May 2009)	
Mr William Beattie	(Appointed 19 May 2009)	
Mr Colin Braithwaite	(Appointed 12 January 2010)	

SECRETARIES

J & H Mitchell, 51 Atholl Road, Pitlochry

PRINCIPAL OFFICE

The Old Pier, Stonehaven

REGISTERED OFFICE

51 Atholl Road, Pitlochry

INDEPENDENT EXAMINER

John A Black CA
Anderson Anderson & Brown LLP, 9 Queens Road, Aberdeen

BANKERS

Royal Bank of Scotland plc, 9 Rubislaw Terrace, Aberdeen

SOLICITORS

J & H Mitchell, 51 Atholl Road, Pitlochry

The directors submit their report and the financial statements of the charitable company for the year ended 31 December 2009. Legal and administrative information set out on page 1 forms part of this report. The financial statements 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 Management Team along with asset purchases.

The General Manager and Manager of Operations are responsible to the directors for the day-to-day running of MRI and the execution of the strategy and policies decided by the Board.

During 2009 the charity employed six staff members including one part-time funded post of Education Officer. It also benefited from a secondment from the Dutch Lifeboat Service to assist in its operational activities. The charity relies heavily on volunteers to provide the Lifeboat Service and to assist in fundraising, accountancy, administration and maintenance.

Directors

The directors of the charitable company during the year ended 31 December 2009 were as listed on page 1, together with Andrew Buchanan who retired from the Board on 12 January 2010.

Risk Management

MRI's boats are its greatest risk both financially and operationally. MRI cannot provide a SAR lifeboat capability without the boats and will therefore endeavour to build a buffer for the finance involved in related repairs. The Search and Rescue "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 £21,000 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 supported by 20 volunteers; 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.

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.

OBJECTIVES AND ACTIVITIES (continued)

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

The post of Education Officer is a three-year funded position. During 2009, our Education Programmes reached 2,632 school children, with ages ranging from 4 to 18 years of age. We were involved with Education Initiatives such as Aberdeenshire Council's Enterprise in Education - 'Determined to Succeed' Programmes, Primary to Secondary school 'Transition Days, participation at a Science Fare, the Childcare Partnership, Activity Days and the training of youngsters in Royal Yachting Programmes. Programmes differed, but each one carried the messages of safety in a maritime environment, activity in getting a 'taste for the sea' and promoted healthy and active youngsters. Leadership, Teamwork and Communication along with life skills such as First Aid were key elements in all programmes.

We visited 1,387 children in primary schools through Assembly presentations/class visits with a wide range of topics. 1,245 children from nursery/primary and secondary schools visited MRI base to take part in activity days and class visits. MRI's unique fun characters, Rory and Ropey, help youngsters 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; and
- 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.

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

MRI's Lifeboats responded to 16 calls during 2009, saving 60 lives and approximately £72,000 worth of craft. 52 of the lives saved were due to the horrendous street flooding in Stonehaven on 1st November. MRI base still acts as the flood support centre for persons and businesses displaced due to the flooding. The trend in other call out situations is incidents in the leisure market - rock angling, yachting and extreme sports along the local coastline.

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 2009 MRI provided:

- 17 Training programmes to Special groups, 7 to KNRM (Netherlands Lifeboat), 4 to the RNLI, 1 to the Finland Lifeboat Service, 2 to the Canadian Coastguards, 1 to Freshwater independent lifeboat service, 2 to Grampian Police Underwater Search Team, 2 to Highlands and Islands Airport Authorities and the first of its kind to the Dutch Lifeguards.
- 1 Seminar with the Icelandic Rescue Service.

ACHIEVEMENTS AND PERFORMANCE (continued)

MRI SAR Lifeboats

The above figures show a wider spread of activity from the previous year although income is slightly down.

Research, Development and Advisory services

- The recession during 2009 had definite impact on R&D programmes with only one area of trials for Direction Finder equipment being carried out for the German Company, ROTHETA.

Funding

As within most organisations during 2009, funding has also been impacted by the recession but relationships with sponsors and funders have strengthened over the past year and it is hoped that this will pay dividend into 2010. As our major sponsor, Shell UK has given incredible help to the charity with finance, marketing and publicity and, has given much in-kind help. Major funds came from:

- Sponsorship from Shell UK of £45,000 over three years 2008 - 2010
- The Robertson Trust funded the Education Officer post by £7,500
- Lloyds TSB funded the Education Post by £8,000
- Awards for All Lottery funded £9,000 towards a boat for Education programmes
- The Hunting Group gave £6,000 towards the boat for Education programmes
- The Dunard Trust awarded £5,000 for general use
- Diced Cap Charitable Trust supported the charity by £3,000

Donations

A private Donor provided £24,000 to be used in support of a new lifeboat whilst another gave £20,020 as an unexpected donation towards running costs. DE Engineering donated £4,000 for general use and, as in other years, numerous smaller local donations were received.

Fundraising

MRI increased its fundraising efforts over 2009 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. The major source of income came from MRI's annual Harbour Festival, which attracts thousands of visitors and locals to Stonehaven.

Rental income

The charity continues to lease out the Boathouse Cafe/Restaurant bringing in constant rental income.

FINANCIAL REVIEW

Results

The net outgoing resources for the year amounting to £63,782 (2008 - incoming resources £52,419) has been dealt with as shown in the Statement of Financial Activities.

The General Reserve at the year end showed a balance of £3,518 (2008 - deficit £20,298).

There is no doubt that the financial recession across the globe has had an impact on MRI's funds but despite this, in many areas the charity has gone from strength to strength and predicts an upward trend for 2010.

However:

- The cessation of trading of its subsidiary, MRI Trading Ltd, resulted in there being no donation from this source.
- Having had no funding for the final year of its apprenticeship, rather than cease this important scheme, the charity funded the position from within its own resources.
- The lifeboats are now aging and require greater upkeep and maintenance. Since this is core to MRI's work and service to its community, it has caused the charity to spend more than its income.
- Having had the luxury of a voluntary CEO who had been the founder of MRI, in preparation for his retirement, the charity must now pay salary for an Operations Manager. This has meant an additional £28,000 being used from its own reserves during 2009.

We are pleased to report an increase in local fundraising income during 2009 which indicates the appreciation of MRI's lifeboat service within its local community.

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 directors 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.

- To help boat maintenance problems by allocating the latest addition to its boats as one of the two dedicated lifeboats and segregating two other boats for the training of others.
- To strengthen the Educational Programmes delivered and seek funding for continuation of this post.
- To further liaise with its international contacts to expand training potential at the charity base in Stonehaven.

PLANS FOR FUTURE PERIODS (continued)

- To fund the position of Operations Manager
- To strengthen its marketing and PR
- To seek funding for a new building which would allow the charity to further its work whilst providing a valuable community asset

The directors' report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Signed on behalf of the board of directors

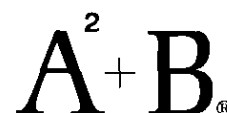
Ronald G. Martin

Director - Ronald Martin

6th May 2010

Date

MARITIME RESCUE INSTITUTE
STATEMENT OF DIRECTORS' RESPONSIBILITIES



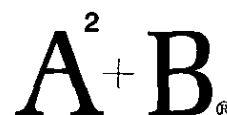
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit of the company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT EXAMINER'S REPORT



Independent Examiner's Report to the Trustees of Maritime Rescue Institute

I report on the accounts of the charity for the year ended 31 December 2009 which are set out on pages 10 to 24.

Respective responsibilities of trustees and examiner

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

Basis of independent examiner's statement

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

Independent examiner's statement

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

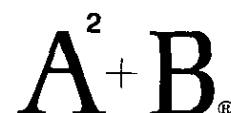
1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - to prepare accounts which accord with the accounting records and comply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

A handwritten signature in cursive script that reads 'John A Black'.

John A Black CA
Member of Institute of Chartered Accountants in Scotland
Anderson Anderson & Brown LLP
9 Queens Road
Aberdeen

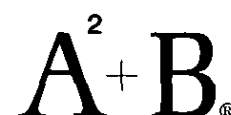
Date 6 MAY 2010

MARITIME RESCUE INSTITUTE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2009



	Note	Unrestricted funds £	Restricted funds £	Total 2009 £	Total 2008 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	80,050	22,950	103,000	212,224
Activities for generating funds	3	34,420	-	34,420	30,490
Investment income	4	165	-	165	1,698
Incoming resources from charitable activities	5	100,066	-	100,066	102,114
TOTAL INCOMING RESOURCES		214,701	22,950	237,651	346,526
RESOURCES EXPENDED					
Cost of generating funds	6	13,273	3,950	17,223	13,530
Charitable activities	7	228,137	49,206	277,343	272,537
Governance costs	8	6,867	-	6,867	8,040
TOTAL RESOURCES EXPENDED		248,277	53,156	301,433	294,107
NET INCOMING RESOURCES / RESOURCES EXPENDED AND NET MOVEMENT IN FUNDS FOR THE YEAR					
Funds at 1 January 2009	9	(33,576) 136,459	(30,206) 135,800	(63,782) 272,259	52,419 219,840
FUNDS AT 31 DECEMBER 2009		£ 102,883	£ 105,594	£ 208,477	£ 272,259

MARITIME RESCUE INSTITUTE
COMPANY NUMBER: SC225049
BALANCE SHEET - 31 DECEMBER 2009



	Note	2009 £	2008 £
FIXED ASSETS			
Tangible assets	11	312,277	325,929
Investments	12	10	10
		<u>312,287</u>	<u>325,939</u>
CURRENT ASSETS			
Stock		1,073	848
Debtors (<i>amounts recoverable after more than one year</i> <i>£nil (2008 - £30,500)</i>)	13	42,287	82,801
Cash at bank and in hand		52,071	78,171
		<u>95,431</u>	<u>161,820</u>
CREDITORS: amounts falling due within one year	14	51,801	60,510
NET CURRENT ASSETS		<u>43,630</u>	<u>101,310</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		355,917	427,249
CREDITORS: amounts falling due after more than one year	15	147,440	154,990
		<u>£ 208,477</u>	<u>£ 272,259</u>
FUNDS			
Restricted funds	18	105,594	135,800
Unrestricted funds:			
General reserve	19	3,518	(20,298)
Revaluation reserve	19	50,045	53,895
Designated funds	19	49,320	102,862
		<u>£ 208,477</u>	<u>£ 272,259</u>

For the year ended 31 December 2009 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

MARITIME RESCUE INSTITUTE
COMPANY NUMBER: SC225049
BALANCE SHEET - 31 DECEMBER 2009 (*continued*)

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

Signed on behalf of the Board of Directors

Ronald G. Martin

Director - Ronald Martin

6th MAY 2010 Date

1. ACCOUNTING POLICIES

(a) *Basis of preparation of financial statements*

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards and the Companies Act 2006.

(b) *Going concern*

The financial statements are prepared on a going concern basis.

(c) *Consolidation*

The company is exempt from producing group financial statements under Section 398 of the Companies Act 2006 as it is classified as a small sized group. The company's financial statements 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.

(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.

1. ACCOUNTING POLICIES (continued)

(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) *Funds*

Unrestricted funds include incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds. These funds can be used in accordance with the charitable objects at the discretion of the directors.

Designated funds are unrestricted funds earmarked by the directors for specific future purposes or projects.

Restricted funds are to be used for specific purposes as laid down by the donor.

2. VOLUNTARY INCOME

	Unrestricted funds £	Restricted funds £	Total 2009 £	Total 2008 £
Donation from subsidiary	-	-	-	34,043
Third party donations and grants	80,050	22,950	103,000	178,181
	<u>£ 80,050</u>	<u>£ 22,950</u>	<u>£ 103,000</u>	<u>£ 212,224</u>

3. ACTIVITIES FOR GENERATING FUNDS

	2009 £	2008 £
Fundraising	17,420	14,545
Rental income	17,000	15,945
	<u>£ 34,420</u>	<u>£ 30,490</u>

4. INVESTMENT INCOME

	2009	2008
Bank interest received	<u>£ 165</u>	<u>£ 1,698</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2009	2008
Provision of courses	<u>£ 100,066</u>	<u>£ 102,114</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 £	2008 £
<i>Direct costs:</i>					
Wages, salaries and national insurance	-	59,383	-	59,383	48,215
Apprentices & seconded staff	-	46,580	-	46,580	26,258
Direct cost of courses	-	19,587	-	19,587	32,550
<i>Support costs:</i>					
Repairs & servicing	-	5,786	-	5,786	5,726
Provision of lifeboat search and rescue	-	36,662	-	36,662	38,481
Depreciation	6,772	35,086	-	41,858	43,255
Fundraising costs	10,078	-	-	10,078	6,008
Project costs	-	16,751	-	16,751	7,885
Staff training	-	2,803	-	2,803	4,100
Rent & rates	-	8,280	-	8,280	7,938
Heat, light & power	-	6,302	-	6,302	8,181
Travelling & subsistence	-	2,738	-	2,738	2,891
Printing, stationery & telephone	-	4,361	-	4,361	3,330
Motor expenses	-	193	-	193	-
Insurance	-	15,115	-	15,115	12,817
Bank charges	-	3,604	-	3,604	3,001
Loan interest	-	9,071	-	9,071	11,537
General expenses	-	4,442	-	4,442	2,397
Subscriptions & donations	-	442	-	442	1,388
Publicity	373	-	-	373	750
Legal & accountancy	-	-	6,867	6,867	8,040
Irrecoverable VAT	-	-	-	-	19,359
Bad debts written off	-	157	-	157	-
	<u>£ 17,223</u>	<u>£ 277,343</u>	<u>£ 6,867</u>	<u>£ 301,433</u>	<u>£ 294,107</u>

7. CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted fund £	Training and education Total £	Unrestricted funds £	Restricted funds £	Search and rescue Total £	Total £	2008 £
Wages, salaries and national insurance	59,383	-	59,383	-	-	-	59,383	48,215
Apprenticeships & seconded staff	23,701	22,879	46,580	-	-	-	46,580	26,258
Direct cost of courses	18,587	-	19,587	-	-	-	19,587	32,550
Repairs and servicing	3,386	2,400	5,786	-	-	-	5,786	5,726
Provision of lifeboat search & rescue	-	-	-	30,110	6,552	36,662	36,662	76,962
Depreciation	34,711	375	35,086	-	-	-	35,086	36,483
Staff training	2,803	-	2,803	-	-	-	2,803	4,100
Project costs	751	16,000	16,751	-	-	-	16,751	7,885
Rent and rates	8,280	-	8,280	-	-	-	8,280	7,938
Heat, light and power	6,302	-	6,302	-	-	-	6,302	8,181
Travelling and subsistence	2,738	-	2,738	-	-	-	2,738	2,891
Printing, stationery and telephone	4,361	-	4,361	-	-	-	4,361	3,330
Motor expenses	193	-	193	-	-	-	193	-
Insurance	15,115	-	15,115	-	-	-	15,115	12,817
Bank charges and interest	3,604	-	3,604	-	-	-	3,604	3,001
Loan interest	9,071	-	9,071	-	-	-	9,071	11,537
General expenses	4,442	-	4,442	-	-	-	4,442	2,397
Subscriptions and donations	442	-	442	-	-	-	442	1,388
Irrecoverable VAT	-	-	-	-	-	-	-	19,359
Bad debt written off	157	-	157	-	-	-	157	-
	<u>£ 198,027</u>	<u>£ 42,654</u>	<u>£ 240,681</u>	<u>£ 30,110</u>	<u>£ 6,552</u>	<u>£ 36,662</u>	<u>£ 277,343</u>	<u>£ 311,018</u>

8. GOVERNANCE COSTS

	2009 £	2008 £
Legal and accountancy	3,289	2,485
Independent examination/audit fee - external scrutiny	2,000	2,300
- other	1,578	3,255
	<u>£ 6,867</u>	<u>£ 8,040</u>

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

	2009 £	2008 £
Depreciation	41,858	43,255
Operating lease rental - land & buildings	4,400	4,400
Bank interest	1,228	892
Loan interest	<u>9,071</u>	<u>11,537</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:

	2009 No	2008 No
Directors	6	3
Management	1	1
Administration	1	1
Training	3	2
	<u>11</u>	<u>7</u>

The aggregate payroll costs of these persons were as follows:

	2009 £	2008 £
Wages and salaries	69,795	55,274
Social security	5,338	4,790
Pension	2,750	2,707
	<u>£ 77,883</u>	<u>£ 62,771</u>

The directors received no remuneration or expenses from the company during the year (2008 - £nil).

11. TANGIBLE FIXED ASSETS

	Leasehold buildings £	Plant & machinery £	Motor vehicle & equipment £	Computers & office equipment £	Boats, search & rescue equipment £	Total £
COST OR VALUATION						
At 1 January 2009	293,297	2,976	4,200	10,149	259,033	569,655
Additions	-	-	-	715	27,491	28,206
At 31 December 2009	293,297	2,976	4,200	10,864	286,524	597,861
DEPRECIATION						
At 1 January 2009	45,209	2,976	873	10,108	184,560	243,726
Charge for year	15,026	-	473	145	26,214	41,858
At 31 December 2009	60,235	2,976	1,346	10,253	210,774	285,584
Net book amounts at:						
31 December 2009	£ 233,062	£ -	£ 2,854	£ 611	£ 75,750	£ 312,277
31 December 2008	£ 248,088	£ -	£ 3,327	£ 41	£ 74,473	£ 325,929

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. In the current economic climate the trustees feel it would be inappropriate and imprudent to make an upward revaluation of the property notwithstanding that they believe that the property is carried at an amount below its current value.

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

12. INVESTMENTS

	2009	2008
COST	£ 10	£ 10

The subsidiary undertaking at 31 December 2009 was:

MRI Trading Ltd

Country of incorporation:	Scotland
Holding:	Ordinary shares
Nature of business:	Provision of marine consultancy services
Proportion of shares held:	100%
Aggregate capital and reserves:	£10
Profit for the year:	£nil

The subsidiary ceased trading on 31 October 2008 and is now dormant.

13. DEBTORS

	2009 £	2008 £
Trade debtors	3,110	15,087
Prepayments and accrued income	4,733	3,714
Other debtors	34,335	64,000
Amount due from subsidiary undertaking	110	-
	<u>£ 42,288</u>	<u>£ 82,801</u>

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

	2009 £	2008 £
Loan (Note 16)	15,847	13,684
Trade creditors	23,403	33,699
Amount due to subsidiary undertaking	-	123
Other taxes and social security	4,946	4,005
Other creditors	53	10
Accruals	7,552	8,989
	<u>£ 51,801</u>	<u>£ 60,510</u>

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

	2009	2008
Loan (Note 16)	<u>£ 147,440</u>	<u>£ 154,990</u>

16. LOAN

	2009 £	2008 £
Wholly repayable within five years	91,052	82,630
Not wholly repayable within five years	72,235	86,044
	<u>£ 163,287</u>	<u>£ 168,674</u>
	2009 £	2008 £
Amounts repayable:		
Less than one year (Note 14)	15,847	13,684
Between one and two years (Note 15)	17,028	15,998
Between two and five years (Note 15)	58,177	52,948
	<u>91,052</u>	<u>82,630</u>
In five years or more (Note 15)	72,235	86,044
	<u>£ 163,287</u>	<u>£ 168,674</u>

One loan is repayable in 115 monthly instalments ending September 2017, bearing interest at 6.8% per annum. The amount outstanding at 31 December 2009 is £132,737.

The other loan is repayable in 120 monthly instalments commencing October 2008, bearing interest at 2.5% per annum above the Clydesdale Bank base rate. The amount outstanding at 31 December 2009 is £30,550.

17. SECURITY

The loans are secured by a standard security over the charitable company's interest in certain leasehold properties.

18. RESTRICTED FUNDS

	2009 £	2008 £
At 31 December 2008	135,800	72,473
Incoming resources	22,950	97,770
Resources expended	(53,156)	(34,443)
At 31 December 2009	<u>£ 105,594</u>	<u>£ 135,800</u>

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

	At 31 December 2008 £	Incoming resources £	Resources expended £	At 31 December 2009 £
Building	35,000	-	-	35,000
Trailer	2,400	-	(2,400)	-
Heritage projects	3,951	-	-	3,951
Apprenticeship	7,379	-	(7,379)	-
Education Officer	45,070	-	(15,500)	29,570
Lifeboat	42,000	-	(20,000)	22,000
Harbour festival	-	3,950	(3,950)	-
Other	-	3,000	(2,552)	448
Lottery Education Fund	-	1,000	(1,000)	-
Education Boat	-	15,000	(375)	14,625
	<u>£ 135,800</u>	<u>£ 22,950</u>	<u>£ (53,156)</u>	<u>£ 105,594</u>

19. UNRESTRICTED FUNDS

	General reserve £	Revaluation reserve £	Designated funds - fixed assets £	Total £
At 31 December 2008	(20,298)	53,895	102,862	136,459
Net resources expended for year	(33,576)	-	-	(33,576)
Transfer from designated funds	53,542	-	(53,542)	-
Transfer to general reserve	3,850	(3,850)	-	-
At 31 December 2009	<u>£ 3,518</u>	<u>£ 50,045</u>	<u>£ 49,320</u>	<u>£ 102,883</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	-	50,045	212,607	49,625	312,277
Investments	10	-	-	-	10
Current assets	39,462	-	-	55,969	95,431
Current liabilities	(35,954)	-	(15,847)	-	(51,801)
	<u>3,518</u>	<u>50,045</u>	<u>196,760</u>	<u>105,594</u>	<u>355,917</u>
Liabilities due after more than one year	-	-	(147,440)	-	(147,440)
	<u>£ 3,518</u>	<u>£ 50,045</u>	<u>£ 49,320</u>	<u>£ 105,594</u>	<u>£ 208,477</u>

21. LEASE COMMITMENTS

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

	Land and buildings	
	2009	2008
Leases expiring after five years	<u>£ 4,400</u>	<u>£ 4,400</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 subsidiary company	Current account due from subsidiary company	233	110

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.