



The Moray Firth Partnership

(A Company Limited by Guarantee)

Report of the Directors and Financial Statements

for the year ended 31 March 2014

**The Moray Firth Partnership is a charity
registered in Scotland, number: SC028964**

Company number: SC196042

**THE MORAY FIRTH PARTNERSHIP
(A Company Limited by Guarantee)**

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

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**THE MORAY FIRTH PARTNERSHIP
(A Company Limited by Guarantee)**

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2014

(A) REFERENCE AND ADMINISTRATIVE DETAILS, DIRECTORS AND ADVISERS

DIRECTORS:

Michael Comerford
Graham Grant *(appointed 19/02/14)*
Ken Gray *(appointed 19/02/14)*
George Hogg *Vice Chair*
Gordon Mackie
Maureen Macmillan *Chair*
Bill Ruck

SENIOR STAFF MEMBERS:

Kathryn Logan Partnership Manager

COMPANY NUMBER: SC196042

CHARITY NUMBER: SC028964

REGISTERED OFFICE: Great Glen House, Leachkin Road, Inverness, IV3 8NW

COMPANY SECRETARY: Morton Fraser, Solicitors 30/31 Queen Street, Edinburgh EH2 1JX

INDEPENDENT EXAMINER: Mohamed A. Ashour ACIE Signpost INC, 5/7 Tomnahurich Street, Inverness IV3 5DA

**The Moray Firth Partnership
Great Glen House
Leachkin Road
Inverness
IV3 8NW**



THE MORAY FIRTH PARTNERSHIP (A Company Limited by Guarantee)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2014 (continued)

(B) STRUCTURE, GOVERNANCE AND MANAGEMENT

Background

- The Moray Firth Partnership (MFP) was set up in 1993 as one of a number of “Firths Projects”, in response to the Rio Earth Summit call for integrated coastal zone management (ICZM).
- Our area of remit includes around 800km of coastline from Duncansby Head at John o’Groats to Kinnaird Head at Fraserburgh, including all the inner firths; the coastal hinterland; the coastal waters out to the 12 nautical mile limit; and river systems that feed into the Firth.
- The MFP aims to provide a voluntary, sustainable and holistic approach to the integrated management of the natural, economic, recreational and cultural resources of the area, to retain and enhance a high quality of life for all of its residents and visitors.
- Our role is as an influencing body, aiming to promote agreement through dialogue and consensus. The MFP is not a lobby group, and does not “take sides” on issues. Our ‘neutral’ status lets us bring together many diverse interest groups and helps them to develop joint actions. We provide a forum to share information, discuss, plan and implement integrated ways of addressing issues arising from the many, competing demands on the Moray Firth, and aim to improve communication between all interests relating to the Moray Firth.
- The Partnership is a voluntary coalition of a wide range of organisations and individuals, with over 620 members that have an interest in the Firth. Membership is free and open to anyone. Members include local authorities and statutory agencies, fishing interests, port and harbours, oil and other commercial interests, local businesses, community groups and individuals.

Structure of the Moray Firth Partnership

The Moray Firth Partnership became a Company Limited by Guarantee and a registered Scottish charity in 1999.

The Memorandum and Articles of Association, the governing documents of the company, were reviewed and updated in 2006 following an external review of the organisation and recommendations for streamlining its management and administration.

The Board of Directors

The company has a small Board with a maximum of seven directors who are responsible for the good governance of the company. The directors, who are all voluntary and unpaid, are also the trustees of the charity. Appointment is by election at the Annual General Meeting (AGM) for a period of up to three years. All directors are elected as individuals based on their knowledge and skills and not as representatives of any organisation or interest group. One-third of the directors are required to stand down annually, but are eligible for re-election at the AGM. The Board elects the Chair annually at the first meeting following the AGM.

The Board also oversees the work of any action groups or steering groups that are set up under the auspices of the Partnership.

**THE MORAY FIRTH PARTNERSHIP
(A Company Limited by Guarantee)**

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2014
(continued)**

(B) STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

New Directors

New directors are provided with background information and meet with other Board members and staff to become acquainted with the work, aims and values of the Partnership.

Company membership

The Moray Firth Partnership currently has about six hundred and forty members, all of whom are encouraged to play an active part. Membership is free and is open to any individual or organisation. There are two separate classes of membership; Ordinary, open to individuals, and Corporate, restricted to organisations.

Liability of members

In the event that the company is wound up without sufficient assets, the liability of members is restricted to £1 each.

Action groups

The MFP's work in Integrated Coastal Zone Management (ICZM) involves many inter-related issues, some of which are progressed through separately funded projects. Where relevant, our work is guided by topic-based action groups, such as the Seafood Project Steering Group. These all include representatives from external organisations and interests.

Staffing

During the year to March 2014 there were two staff posts - a full-time Partnership Manager and a part-time Partnership Administrator. Staff members are involved in all aspects of developing and managing projects, as well as fundraising and the general management and governance of the MFP, and may have specific duties delegated to them by the Board. Further assistance is contracted-in as required on an ad hoc basis using freelance contractors or agency staff.

Budgeting

The Board agrees a forward budget for each financial year, covering the core and project activities of the Partnership. Within the budget constraints, day-to-day management of activities is delegated to the Manager to secure value for money and minimise costs.

New projects and work

Any new project proposals are subject to Board approval, based on a project outline, budget and risk assessment, in line with the stated aims and values of the Partnership. Directors may also be involved in carrying out or managing project work, in which case their activities are subject to the same scrutiny by the remaining Board members as if the work was done by staff or contractors.

Register of interests

Directors and staff are required to declare any interest they, or members of their family or other related persons, may have in contracts or work to be carried out, or projects to be funded by the Partnership. Other than as noted in Section G – 'Related party transactions and directors' interests', no interests were declared in 2013/14.

**THE MORAY FIRTH PARTNERSHIP
(A Company Limited by Guarantee)**

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2014
(continued)**

(B) STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk review

The Partnership maintains a risk register covering the main business, operational and financial risks, as well as health and safety, which is reviewed regularly by the staff and the Board. The Directors have reviewed the major risks to which the Partnership is exposed and are satisfied that systems are in place to manage and minimise exposure to such risks. The directors have agreed clear lines of delegation and authority to staff and have involved staff in recognising risk in all their activities.

(C) OBJECTIVES AND ACTIVITIES

Our objectives

The Principal objective of the company is defined by clause three of its Memorandum of Association as follows:

“for the benefit of the local communities living and working within the area of the Moray Firth and the public generally to advance the education of those local communities in particular and the public as a whole in the wise and sustainable use and conservation of the resources of the Moray Firth, and (where it has an impact on the foregoing) the land surrounding the Moray Firth. (For the purposes of this clause, “the Moray Firth” shall include that part of the territorial waters of the Moray Firth that extends from Duncansby Head to Fraserburgh and the landward area where it has impact upon the Moray Firth.”

Values

In everything we do, we aim to add value and be inclusive, transparent, neutral and apolitical, strategic and sustainable. These values are applied to all projects, groups and activities being run under the auspices of the Partnership.

Aims

The Partnership has four strategic aims:

- To encourage and support **long term sustainable management** of the Moray Firth through strategic thinking and planning.
- To facilitate **integration, synergy, consensus building and conflict-resolution** between stakeholders in relation to strategic issues and issues arising.
- To encourage and enable **community participation** in the stewardship of coastal and marine resources.
- To **raise awareness and improve understanding** of the Moray Firth, its resources, strengths, opportunities and vulnerabilities by sharing information.

**THE MORAY FIRTH PARTNERSHIP
(A Company Limited by Guarantee)**

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2014
(continued)
(C) OBJECTIVES AND ACTIVITIES (CONTINUED)**

The Moray Firth Area

The Moray Firth is of significant natural heritage, economic, cultural and social importance. Within some 850 Kilometres of coastline, it has over 80 designated sites. The presence of a range of protected species, including the Bottlenose dolphin, is of major economic importance to the Scottish tourism industry. Two applications for siting offshore wind farms in the outer firth were submitted in 2012 and were consented in 2014. There are also licensed exploration areas for oil and gas in addition to the existing Beatrice oilfield. Inshore fisheries, particularly for species such as squid and nephrops, are also a significant resource. Three major port and harbour developments were also granted planning consent in 2014, which will also contribute to the potential cumulative impacts on the area. The way in which potential developments are managed, and the implications for users, the environment and socio-economic development of the firth, are of critical importance and will be a key focus for the Moray Firth Partnership's work, as well as for a wide range of other organisations for the foreseeable future.

Decision Making and Forward Planning

The Board of Directors decides on the priority actions for the partnership based on the strategic directions agreed by members at the annual general meeting or via other consultations, and in a way that meets its statutory requirements. Day to day management decisions are made by the Manager, in liaison with the Board where appropriate. The current Business Plan is available on the MFP website.

Core Funding and Key Funders

Marine Scotland continued to fund the Partnership at £32,000 p.a., based on an agreed work programme. This represents approximately 38% of current total income, which is a major contribution to securing the ongoing work of the Partnership and its networks. The same level of funding has been agreed for 2014/15.

Scottish Natural Heritage continues to act as employer and to provide serviced office accommodation for the two core MFP staff. This is a significant benefit to the MFP and its staff, providing high quality facilities and information services, enabling staff to focus more on ICZM work than general administration. The value of these services was estimated at £7,330 for 2013/14, which is included as in kind.

In addition to the Scottish Government and Scottish Natural Heritage, we wish to recognise the other funders that have continued to provide core funding and to support the work of the partnership over a number of years, enabling a wide range of core and project work to be completed. The funders for 2013/14 include Aberdeenshire Council, Chevron Upstream Europe and the Cromarty Firth Port Authority. A full list is included as Note 2 to the accounts.

The lack of longer-term core funding makes it more difficult to secure long-term funding desirable for integrated coastal zone management. Smaller, short-term projects can help deliver key aims, but seldom generate sufficient revenue to cover the core costs without significant staff time. The company continues to consider, as part of its future strategy, how this situation is to be managed and how to secure additional core-funding from other sources, so that it can develop major projects over 3-5 years that will generate sufficient funds to pay for core staff time and ICZM work.

**THE MORAY FIRTH PARTNERSHIP
(A Company Limited by Guarantee)**

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2014
(continued)**

(D) PRINCIPAL ACHIEVEMENTS AND PERFORMANCE IN 2013/14

The MFP carried out a wide range of work during the year, and was represented on a number of bodies, such as the river basin management planning Area Advisory Groups, the Highland Biodiversity Partnership, the Chanonry Point Advisory Group. It was also a member of the Highland Fisheries Local Action Group (FLAG) steering group that agrees the allocation of FLAG / European Fisheries Funds.

Our main work in 2013/14 included the following:-

Inshore Fisheries Groups Support

The MFP was contracted to provide secretariat support for the Moray Firth and North Coast Inshore Fisheries Group in 2012/13. As of January 2014, we were asked to take on a further two IFG areas, covering the North West and the East Coast of Scotland. The MFP also organised the scribing of the Scottish Inshore Fisheries Conference in March 2014 and preparation of the first IFG newsletter. The work to support these groups ties in with the MFP's own objectives of supporting sustainable coastal and marine management and has provided a range of opportunities to enhance liaison, learning and sharing information.

The Moray Firth Special Area of Conservation (SAC) Management Scheme

The MFP continues to act as Secretariat to the Group, facilitated one Group meeting and completed a short desk-based study looking at options and needs for some additional, area guidance for developers and others working within the SAC area. See Section E below for details of the further work planned. £6,235 funds raised through group members in 2012/13 to provide additional work following on from the study is still held in the MFP bank account on behalf of the SAC group and is included in creditors. These funds are expected to be drawn down during 2015.

Seafood Scoping Study

With financial support from Highland Council, the MFP completed a short scoping study to gather information on access to, and demand for, locally-landed seafood, as well as opportunities to develop new initiatives including a possible seafood trail / seafood festival. The study included a public survey and discussions with representatives of various seafood sectors. The report's findings were combined with separate studies done in the Aberdeen city and shire area, and it was agreed to develop a follow-on project across the three Fisheries Local Action Group (FLAG) areas for Highland, Moray and Aberdeenshire, covering the area from Cape Wrath to St Cyrus and working with the East Grampian Coastal Partnership. The project outline was completed in 2013/14 and FLAG funding was secured for a short, but ambitious project to start in July 2014, which is seen as a forerunner to a longer term and strategic seafood project.

The MFP is also one of a number of bodies on the steering group for the East Scotland Seafood Experience. The work being done in the MFP area is seen as a prerequisite and complementary to this wider area project.

**THE MORAY FIRTH PARTNERSHIP
(A Company Limited by Guarantee)**

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2014
(continued)**

(D) PRINCIPAL ACHIEVEMENTS AND PERFORMANCE IN 2013/14 (continued)

“Touch Table”/ GIS

The Moray Firth was one of two pilot areas agreed with the Scottish Association of Marine Science and other bodies to develop use of their GIS “touch table” facility as a marine planning and consultation tool. The Argyle area workshops focused on recreational issues but the MFP identified some key liaison work required relating to oil rig anchoring in relation to local fisheries grounds following reports to the local Inshore Fisheries Group of problems in the Burghhead area. Holes in the seabed caused by large rig anchors were causing a safety issue for small vessels towing gear. A workshop was set up, which took place in April 2014 attended by representatives of local fishermen, the inshore fisheries group and commercial operators that manage oil rig movements. At the workshop, key fishing grounds were mapped, using the touch table, criteria for safe rig anchoring were identified, and an alternative anchorage area identified which was away from key fishing grounds. The new area is being used successfully and there are plans to hold further workshops in relation to tanker anchoring issues in the inner firth.

Dolphin Space Programme (DSP)

The Dolphin Space Programme is a long-running initiative requiring co-operation between dolphin tour boat operators and various agencies to promote sustainable marine wildlife watching practices. In March 2011 the MFP agreed to provide temporary, unpaid, secretariat services until new project funding could be secured. The planned Wildlife SMaRT project was not progressed due to difficulties in securing funding across the wider east coast area. Given its other work commitments, the MFP advised the DSP group that it would stand down in summer 2014. Work in 2013/14 included organising various meetings, WiSe (Wildlife Safe) training in Inverness, processing operator accreditation, website etc.

Moray Firth Gansey Project

The funded phase of this three year heritage project focusing on the traditional fishermen’s jumper, or gansey, ended in 2012, but the project itself continues to generate significant public interest and participation. As well as continuing demand for the printed booklet and DVD, the long-term legacy of the project includes the travelling exhibition. This has been touring the UK including Hull and Barnstable in 2013/14, with bookings for Norfolk, Shetland and Aberdeen in 2014/15. Once the UK tour is complete, the exhibits will return to the Moray Firth and selected host museums.

Moray Firth Data Gathering

The MFP continued to record licences, consents etc. issued by Marine Scotland, SEPA and other bodies relative to the Moray Firth, and to diarise information on key local activities and events that have an impact on the area. The aim is to provide a single source of information in one location to assist ongoing coastal zone management / development. The aim is for this data to be mapped to provide information for local coastal and marine planning.

**THE MORAY FIRTH PARTNERSHIP
(A Company Limited by Guarantee)**

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2014
(continued)**

(D) PRINCIPAL ACHIEVEMENTS AND PERFORMANCE IN 2013/14 (continued)

Engaging with Young People, Businesses and Communities

Developing practical opportunities for members and volunteers to get involved continues as part of our core activities, helped greatly by input from local Rangers and community group organisers. We supported businesses, groups and individuals achieve their own goals of team building / corporate responsibility / personal development by identifying and facilitating tailored events / work that will also benefit the Moray Firth area.

Moray Firth Sectoral Interactions Matrix

The sectoral interactions matrix identifies how different sectors and interests perceive they interact with other sectors and interests across the marine and coastal environment. Interactions were categorised as 'neutral', 'positive', 'competition', 'conflict' or 'incompatible'. The Moray Firth matrix has over 100 sub-categories under fourteen main categories, and aims to gather further background data on the frequency, seasonality and location of interactions, to give a clearer picture of where there may be issues to be resolved, or opportunities to pursue. Data from all major firths areas was mapped by a contractor appointed by Marine Scotland. Further work is continuing on mapping including relating to rig and tanker anchoring in relation to inshore fisheries areas.

(E) PLANS FOR 2014/15 AND BEYOND

Scotland's National Marine Plan/ Marine Planning Partnerships

The MFP's work in integrated coastal zone management is linked to, and supportive of, proposals for marine management and development of Scotland's National Marine Plan.

The Scottish Government made further progress in implementing aspects of the Marine (Scotland) Act 2010, however the final boundaries and proposed timescales for roll out of Scottish Marine Regions and the role that Local Coastal Partnerships may be expected to play have still not been formally announced. Significant progress was made in identifying and consulting on key sites to be included in the network of Marine Protected Areas, although very few of these relate to the Moray Firth. The MFP has started considering what nature of Marine Planning Partnership might be most appropriate for the MF area and what role the MFP might play.

Until such time as there is a clearer indication of how Regional Marine Planning is to be set up and managed, and the future role for the MFP within that, our aim is to maintain the status quo in terms of our administration. Given the challenges ahead, it is more important than ever that the Moray Firth Partnership continues its current role as an independent organisation and neutral broker. We therefore aim to continue to secure core and project management fees from a range of sources to meet our longer-term ICZM objectives.

**THE MORAY FIRTH PARTNERSHIP
(A Company Limited by Guarantee)**

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2014
(continued)**

E: plans for 2014/15 and beyond

The MFP Business Plan sets out key areas of work in integrated coastal and marine management:-

- Consider how a Marine Planning Partnership might best be set up to serve the needs of the Moray Firth area
- consider options for longer-term funding and one larger-scale, 3 year project to promote ICZM
- Continue work on Sectoral Interactions Matrix for the Moray Firth that will include more detailed consideration and mapping of some key issues / opportunities identified during the first stage matrix work
- Facilitate discussions between local inshore fisheries and shipping companies to consider options for alternative or additional anchorage areas that avoid key fishing grounds, potentially using the "Touch Table" GIS facility.
- Hold a cross-area meeting with Highland, Moray and Aberdeenshire Councils to complete the review of local authorities' Structure and Local Development Plans for policies that affect or are connected to coastal areas and interests.
- Gather relevant socio-economic data and ecosystem / ecological baseline data and,
- Continued compilation of data on activities and events affecting the Moray Firth, including licence applications, consents etc issued by Marine Scotland, local authorities, SNH, SEPA and other regulatory or licensing bodies
- Continue working with the Moray Firth SAC management group / Sub Group to help develop area-specific guidance, initially for the Inner Moray Firth SAC area

Other Project and Ongoing Work

- Continue to provide contracted secretariat services to Inshore Fisheries Groups that promote sustainable fisheries management, covering the Moray Firth and North Coast, the East Coast and North West IFG areas. Develop the second IFG newsletter and help support the 2015 Scottish Inshore Fisheries Conference.
- Deliver the "Seafood – See Here!" project, to enhance awareness of and access to locally landed seafood, through a range of ambitious and innovative activities. The project has support from three FLAG areas (Highland, Moray and Aberdeenshire) and will cover the area from Cape Wrath on the north Pentland Coast to St Cyrus in Aberdeenshire. A steering group will direct the work with input from key seafood industry, tourism, education, local authority and other sectors.
- Continue input to Biodiversity Partnerships, Area Advisory Groups. Continue membership of the Highland FLAG and help develop priorities for the next EMFF funding round 2014-2020.
- Develop new materials aimed at interesting younger people in coastal issues
- Update the MFP website, produce one MFP printed newsletter and regular e-bulletins.
- Organise an MFP annual conference

THE MORAY FIRTH PARTNERSHIP (A Company Limited by Guarantee)

(F) FINANCIAL REVIEW

Results for the year ended 31 March 2014

For the financial year ended 31 March 2014, the company had a surplus on core activities of £7,564 (2013 deficit £4,906) and an overspending on project funds of £115 financed by the unrestricted reserves, giving a net surplus/deficit of £7,449 (2013 deficit £2,882). The balance of accumulated funds carried forward at 31 March 2014 was £52,610 (2013 £45,161).

Reserves

The directors aim to have unrestricted free reserves in the region of six months ongoing core costs. At 31 March 2014, the free reserves totalled £35,367 equivalent of 6.9 months' core running costs per the 2014/15 budget, which is satisfactory and an improvement on previous year.

Restricted Reserves

Note 11 to the accounts shows the balances and movements on restricted reserves, which are ring-fenced funds generally relating to project activities, distinct from core work. Most projects extend over more than one financial year and some continue beyond the original funded period, such as the *Seafood, Gansey* and *North Sea Trail* projects. Some funds such as the *Moray Firth Flotilla* and *Engaging Young People and Businesses*, have a small balance carried forward which will be drawn down in future periods. The Board has agreed to maintain / use the balances on these restricted funds towards ongoing and new project work of a similar genre, including paying for activities and / or staff time that may not be funded through other means.

Funding and support -Year ended 31 March 2014

We wish to thank the many individuals that have been actively involved through the various action groups and projects, as well as the wider membership. This time and support provides an invaluable contribution to the good management and overall success of the Partnership, as well as donations and financial contributions received.

Related party transactions and directors' interests

The following related party transactions occurred during the year. These are not considered to have influenced the pursuance of the separate, independent interests of the Partnership, but are disclosed in the interest of transparency, according to best practice.

- Director Graham Grant is an employee of the Cromarty Firth Port Authority which donated funds to the Partnership.
- Director George Hogg is an employee of Scottish Natural Heritage (SNH), which provides in-kind support in the form of payroll administration and HR and IT services
- The Partnership manager and administrator are both employed by Scottish Natural Heritage (SNH), and seconded to MFP and have the same terms and conditions as SNH staff. The cost of MFP salaries is reimbursed to SNH. Staff pension costs and the costs of payroll administration are benefits provided in-kind to the Partnership and included in the "donated services and facilities" category in the Statement of Financial Activities.

**THE MORAY FIRTH PARTNERSHIP
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**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2014
(continued)**

(F) FINANCIAL REVIEW (continued)

Future funding

The Partnership has sufficient secured income and free reserves to cover the budgeted cash core costs of £61,500 for the year to March 2015 and expects to continue with grant funded and contracted work for the foreseeable future. Once further information becomes available from Marine Scotland regarding future plans for regional marine planning and the role of local coastal partnerships therein, the Board will review the situation and consult with MFP members as to how they think the partnership should continue to operate and fund its work.

The directors gratefully acknowledge the contributions made to the MFP by those organisations listed on page seventeen, both in cash and in-kind, which have enabled us to continue our work.

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

Independent examination

Mohamed Ashour of Signpost INC was re-appointed as Independent Examiner for 2013/14 accounts.

Restricted and unrestricted funds

All in-kind contributions are shown as unrestricted funds.

Donated services and facilities and gifts in-kind

Services and facilities provided in-kind, such as the provision of employment services etc. are included at an estimated open market value.

ON BEHALF OF THE BOARD:

.....
Maureen Macmillan, Chair

Dated: 29 September 2014

**THE MORAY FIRTH PARTNERSHIP
(A Company Limited by Guarantee)**

**INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF
THE MORAY FIRTH PARTNERSHIP (A Company Limited Guarantee)
FOR THE YEAR ENDED 31 MARCH 2014**

I report on the accounts of the charity for the year ended 31 March 2014 which are set out on pages 13 to 20.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors of the company for the purposes of company law 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 2006 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 Regulation 11 of the 2006 Accounts Regulations. 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.

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.

Mohamed A. Ashour ACIE
Signpost INC,
5/7 Tomnahurich Street
Inverness
IV3 5DA

Dated: 30/09/2014

**THE MORAY FIRTH PARTNERSHIP
(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND
EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2014**

	Note	Unrestricted funds £	Restricted funds £	Total funds 2014 £	Total funds 2013 £
Incoming resources					
Voluntary income:					
- Grants and donations	2	47,250	4,867	52,117	76,682
- Incoming resources from charitable activities	3	17,515	-	17,515	-
- Donated services (in-kind)	4	-	14,122	14,122	14,507
Total incoming resources		64,765	18,989	83,754	91,189
Resources expended					
Charitable activities	5	55,979	19,104	75,083	98,027
Governance costs	6	1,222	-	1,222	950
Total resources expended		57,201	19,104	76,305	98,977
Net incoming/(outgoing) resources before transfers		7,564	(115)	7,449	(7,788)
Movement in funds					
Total funds at 1 April 2013		27,803	17,358	45,161	52,949
Total funds at 31 March 2014		35,367	17,243	52,610	45,161

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the deficit for the year.

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

**THE MORAY FIRTH PARTNERSHIP
(A Company Limited by Guarantee)**

BALANCE SHEET

At 31 MARCH 2014

	Note	2014		2013	
		£	£	£	£
CURRENT ASSETS:					
Debtors	9	19,957		11,297	
Cash at bank and in hand		<u>43,793</u>		<u>43,113</u>	
		63,750		54,410	
CURRENT LIABILITIES:					
Creditors (amounts falling due within one year)	10	<u>(11,140)</u>		<u>(9,249)</u>	
NET CURRENT ASSETS:			<u>52,610</u>		<u>45,161</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>52,610</u>		<u>45,161</u>
RESERVES:					
	12				
Unrestricted funds			35,367		27,803
Restricted funds			<u>17,243</u>		<u>17,358</u>
Total funds			<u>52,610</u>		<u>45,161</u>

The directors are satisfied that the company is entitled to exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2014. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of the affairs of the company as at the end of the financial year and if its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable the company.

These financial statements have been prepared in accordance with provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

ON BEHALF OF THE BOARD:

Maureen Macmillan – Chair
Date:

Ken Gray - Director
Date:

**THE MORAY FIRTH PARTNERSHIP
(A Company Limited by Guarantee)**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES

Basis of preparation of accounts

In accordance with the Companies Act 2006, the financial statements aim to provide information that is relevant, reliable, comparable and understandable and has been prepared in accordance with:

- The historical cost convention.
- The Financial Reporting Standard for Smaller Entities (FRSSE 2008).
- The Statements of Recommended Practice, Accounting and Reporting by Charities (SORP 2005).
- The going concern basis and the accruals basis.
- Applicable accounting standards.

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

Incoming resources

Voluntary income

Subject to the general rules on the recognition of incoming resources, entitlement, certainty and measurability, voluntary income, such as donations and grants, is included in incoming resources when it is receivable.

Gifts in-kind and donated services and facilities

Gifts in-kind and donated services and facilities are included in income at an estimated open market value.

Grant making policy

The Partnership may make grants to community or not-for-profit groups and education establishments to encourage activities at a local and community level, that contribute to the Partnership's stated aims and objectives and that benefit the coast and sea of the Moray Firth. No grants were made in 2013/14.

**THE MORAY FIRTH PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES- continued

Resources expended

Resources expended are included in the Statement of Financial Activities on an accrual basis, including VAT.

Funds accounting

Unrestricted funds are funds that can be used in accordance with the charitable objectives at the discretion of the directors.

Restricted funds can only be used for particular restricted purposes within the objectives of the charity. Restrictions arise when specified by the donor or when the funds are raised for particular restricted purposes, such as specified projects. All gifts in-kind and donated services and facilities have been included as restricted funds income. In 2013/14 all in kind income / expenses related to core costs.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2014

	Unrestricted funds	Restricted funds	Total funds 2014	Total funds 2013
	£	£	£	£
2. GRANTS AND DONATIONS RECEIVED				
(Excluding donated services and facilities)				
Aberdeenshire Council	2,500	-	2,500	2,500
Chevron Upstream Europe	6,500	-	6,500	5,000
Cromarty Firth Port Authority	4,000	-	4,000	4,000
Heritage Lottery Fund	-	-	-	15,500
Highland Council (The) LEADER 2007-13 (Highland, Moray and Rural Aberdeenshire programmes)	-	3,513	3,513	-
Moray Offshore Renewables	250	-	250	-
Scottish Association of Marine Science	2,000	-	2,000	-
Scottish Gov't (Marine Scotland)	32,000	-	32,000	32,000
Scottish Natural Heritage	-	-	-	1,000
Miscellaneous Donations	-	1,354	1,354	109
Fees and costs recharged on behalf of other organisations	-	-	-	5,725
Other charitable activities	-	-	-	2,708
Miscellaneous	-	-	-	224
	47,250	4,867	52,117	76,682

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

Provision of secretariat and other services	17,515	-	17,515	-
	17,515	-	17,515	-

4. DONATED SERVICES

The following in-kind donated services and facilities were provided by Scottish Natural Heritage.

Staff pension costs and travel expenses	-	6,792	6,792	6,077
Provision of serviced office and other accommodation	-	7,330	7,330	7,330
Staff Recruitment costs – advertising	-	-	-	1,100
Sub total	-	14,122	14,122	14,507

**THE MORAY FIRTH PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2014

5. COSTS OF CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds 2014	Total funds 2013
	£	£	£	£
Project costs:				
- Contractor and consultancy fees	-	3,975	3,975	15,143
- Promotion, web-site, design, print etc.	-	174	174	2,986
- Misc. project admin. costs, postage, T&S	-	708	708	2,068
- Direct costs, incl. workshops, conferences materials, etc.	-	125	125	8,593
	-	4,982	4,982	28,790
Personnel costs and travel expenses	45,747	6,792	52,539	48,109
Other Contracted in Admin Assistance	7,357	-	7,357	7,540
Office overheads, legal & prof. fees	2,875	7,330	10,205	13,588
	<u>55,979</u>	<u>19,104</u>	<u>75,083</u>	<u>98,027</u>

6. GOVERNANCE COSTS

Meetings & Company Secretarial Costs	722	-	722	650
Independent Examiner & Accountancy Fee	500	-	500	300
	<u>1,222</u>	<u>-</u>	<u>1,222</u>	<u>950</u>

7. STAFF COSTS

	2014	2013
	£	£
Gross wages	41,901	37,762
Social security costs	2,786	2,839
Pensions (superannuation)	6,792	6,077
	<u>51,479</u>	<u>46,678</u>
The average monthly number of employees (full-time equivalent posts)	1.7	1.7

No employee had remuneration in excess of £60,000 during the year (2013 nil).

8. STAFF PENSION COSTS

Core MFP staff are employed through Scottish Natural Heritage (SNH), which is a member of the Principal Civil Service Pension Scheme (PCSPS). The SNH accounts contain the following disclosure:

The provisions of the Principal Civil Service Pension Scheme (PCSPS) cover present and past employees and are an unfunded, defined benefit, contributory public service occupational pension scheme. PCSPS is a multi-employer defined benefit scheme but SNH is unable to identify its share of the underlying assets and liabilities. Liability for payment of future benefits is a charge on the PCSPS which prepares its own scheme statements. The latest formal valuation of the scheme took place at 31 March 2007 with the date of the next valuation date under review pending the reforms to public service pension provisions discussions. Further details on this can be found in the resource accounts of the Cabinet Office: Civil Superannuation www.civilservice.gov.uk/pensions

SNH recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payments to the PCSPS of amounts calculated on an accruing basis. In respect of the defined contribution elements of the schemes, SNH recognises the contributions payable for the year.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2014

	2014	2013	
	£	£	
9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Trade debtors	19,515	251	
Prepayments and accrued income	<u>442</u>	<u>11,046</u>	
	<u>19,957</u>	<u>11,297</u>	
10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Trade creditors	3,890	-	
Accrued expenses	1,015	3,014	
Other creditors (amount held on behalf of third party)	<u>6,235</u>	<u>6,235</u>	
	<u>11,140</u>	<u>9,249</u>	
11. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted	Restricted	Total
	£	£	£
Net current assets	<u>35,367</u>	<u>17,243</u>	<u>52,610</u>
	<u>35,367</u>	<u>17,243</u>	<u>52,610</u>

**THE MORAY FIRTH PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2014

12. RESERVES

	Balance brought forward	Incoming resources	Outgoing resources	Transfer between funds	Balance carried forward
	£	£	£	£	£
Unrestricted funds	27,803	64,765	(57,201)	-	35,367
Restricted funds	17,358	4,867	(4,982)	-	17,243
Restricted funds comprise:					
Conference & misc events /projects	2,149	-	-	-	2,149
Moray Firth Trail (Nortrail)	1,695	-	(8)	-	1,687
Moray Firth Flotilla	4,903	-	-	-	4,903
Moray Firth Gansey Project Engaging Young People & Business	2,252	1,354	(740)	-	2,866
Added Value / Seafood	5,429	-	-	-	5,429
Dolphin Space Programme	207	3,667	(4,005)	-	(131)
	723	(154)	(229)	-	340
	17,358	4,867	(4,982)	-	17,243

13. Directors' remuneration

No director received remuneration during the year (2013- Nil). No director claimed reimbursement of travel or other expenses during the year (2013 - Nil). No amounts were outstanding at the year end.

14. Related parties

Two of the directors are employees of other organisations that funded the Partnership during the year. The receipt of funds from related organisations is not considered to have influenced the pursuance of the separate and independent interests of the MFP, but is disclosed in the interests of transparency.

15. Taxation

As a charity, Moray Firth Partnership is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or S256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity. The charity is not registered for VAT.