

**Company Registration Number SC250012**

The Solway Firth Partnership

**Financial Statements**

31st March 2011

Company Limited by Guarantee

**Charity Number SC034376**

**CLIENT  
COPY**

Armstrong Watson  
Chartered Accountants  
Fairview House  
Victoria Place  
Carlisle  
Cumbria  
CA1 1HP

**THE SOLWAY FIRTH PARTNERSHIP  
COMPANY LIMITED BY GUARANTEE**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31ST MARCH 2011**

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**THE SOLWAY FIRTH PARTNERSHIP  
COMPANY LIMITED BY GUARANTEE**

**OFFICERS AND PROFESSIONAL ADVISERS**

<b>Registered charity name</b>	The Solway Firth Partnership
<b>Charity number</b>	SC034376
<b>Company registration number</b>	SC250012
<b>Principal address</b>	Campbell House The Crichton Dumfries DG1 4UQ
<b>Registered office</b>	J & H Mitchell WS 51 Atholl Road Pitlochry Perthshire PH16 5BU
<b>Trustees</b>	Mr G L Mann OBE Councillor J E Prince Councillor A J Markley Councillor D H Parsons Councillor A Geddes Mr A Shankland Mr G A Caldwell Mr C H G Edwards Councillor J D Hendry Mrs J C Lochhead Mr A McNeill
<b>Secretary</b>	J & H Mitchell WS
<b>Independent examiner</b>	Mrs J E Carroll FCA Armstrong Watson Fairview House Victoria Place Carlisle Cumbria CA1 1HP
<b>Bankers</b>	Bank of Scotland Plc 91 High Street Dumfries DG1 2BN

# **THE SOLWAY FIRTH PARTNERSHIP COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' ANNUAL REPORT**

### **YEAR ENDED 31ST MARCH 2011**

The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the unaudited financial statements of the charity for the year ended 31st March 2011.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

Reference and administrative details are shown in the schedule of officers and professional advisers on page 1 of the financial statements.

#### **THE TRUSTEES**

The trustees who served the charity during the period were as follows:

Mr G L Mann OBE  
Councillor J E Prince  
Councillor A J Markley  
Councillor D H Parsons  
Councillor A Geddes  
Mr A Shankland  
Mr G A Caldwell  
Mr C H G Edwards  
Councillor J D Hendry  
Dr W T Sinclair (Served until 26 May 2011)  
Mrs J C Lochhead  
Councillor K A Little (Resigned 31st March 2011)  
Mr A McNeill (Co-opted on 26 May 2011)

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing Document**

The Company was incorporated on 16 April 2003 as a company limited by guarantee without share capital. The Company registration number is SC250012. The first members of the Partnership were:

Allerdale Borough Council  
Annan District Salmon Fishery Board  
Associated British Ports  
Carlisle City Council  
Copeland Borough Council  
Countryside Agency  
The Crown Estate  
Cumbria County Council  
Cumbria Sea Fisheries Committee  
Dumfries and Galloway Council  
Environment Agency  
Department of Environment Food and Rural Affairs (Fisheries Inspectorate) Natural England  
Nith District Salmon Fishery Board  
Scottish Environment Protection Agency

# THE SOLWAY FIRTH PARTNERSHIP COMPANY LIMITED BY GUARANTEE

## TRUSTEES' ANNUAL REPORT *(continued)*

### YEAR ENDED 31ST MARCH 2011

Scottish Executive (Fisheries Office & Scottish Fisheries Protection Agency)  
Scottish Natural Heritage  
Scottish Water  
Solway Rural Initiative Limited and their respective successors

It is a Scottish Charity under Scottish Charity Number SC034376 and this has been accepted by the Office of the Scottish Charity Regulator and, for tax purposes, by HM Revenue & Customs.

The Partnership has Trustees meetings as required, at least 2 Advisory Group meetings per year (the Advisory Group comprises of all Corporate Members of the Partnership) and 4 Working Group meetings per year (the Working Group is a subset of the Advisory Group).

During the financial year ending 31 March 2011 the Partnership employed two members of staff - one full time and one part-time. The Partnership also acted as employer for a further two members of staff in Scottish Coastal Forum and East Grampian Partnership.

#### **Recruitment and Appointment of Trustees**

The methods of recruiting and appointing new trustees are outlined in Articles 31-33 of Memorandum and Articles of Association. In summary, new trustees can be recruited or co-opted via nominations from the Partnership's membership.

The Memorandum and Articles of Association were revised and changes approved at the AGM in October 2007, creating a new category of Ordinary Membership and enabling the appointment of individual Trustees to the Partnership Board.

#### **OBJECTIVES AND ACTIVITIES**

##### **1. Maintain and develop Solway Firth Partnership**

Activities have included applying for funding to support the work of the Partnership; providing annual funding forecasts to management groups; administering and managing the Partnership's income and expenditure; undertaking business planning beyond 2010 – 2011; developing the work programme of the Partnership; maintaining contact and dialogue with partners to support the networking function of the Partnership including the key cross-border link; and maintaining the Partnership database. A Business Plan for 2011 – 2013 was developed reflecting the core aims of the organisation and the requirements of funding partners.

A part-time administrator was appointed to fill the vacancy left by the outgoing project officer: the change of role better fitting the current needs of the organisation. This has enabled the Partnership to handle funding for related projects that align closely with the Partnership's own aims and objectives. These include the Scottish Coastal Forum and Dumfries and Galloway Council Coastal Access funds. This development explains the sharp rise in cash at bank shown in these accounts but it must be noted that project specific funds are restricted and this figure does not represent funding available to meet the core costs of the Partnership which remains similar to previous levels.

# THE SOLWAY FIRTH PARTNERSHIP COMPANY LIMITED BY GUARANTEE

## TRUSTEES' ANNUAL REPORT *(continued)*

### YEAR ENDED 31ST MARCH 2011

#### **2. Raise awareness and understanding of the Solway Firth Partnership and key marine and coastal issues**

Activities included fostering relations with local and specialist news organisations and issuing regular press releases; producing and distributing Tidelines magazine; maintaining the Partnership website; redeveloping display material and using with supporting literature at events and key locations; attending D & G Environment Day with interactive display; and co-ordinating and promoting World Oceans Week events. A World Oceans Week committee was formed to better meet the needs of the project which has grown steadily over the years and now involves a series of coastal and marine events and educational activities.

#### **3. Enhance integrated management**

Consulting with user groups, voluntary groups and the private sector to ensure engagement between all the estuary interests; and facilitating consultation on policies, plans and actions affecting the Solway. During the course of the year, the Partnership's staff and Chairman attended a number of conferences and seminars to input to policy development affecting the Solway area; these included North West Coastal Forum and Coastal Partnership Network events.

#### **4. Support sustainable Solway fisheries**

Activities included supporting the development of a good practice Sectoral Code of Conduct; developing an information base for a Solway-wide recreational sea angling guide; developing a heritage fisheries research proposal in conjunction with University of Glasgow; promoting Solway seafood at events; and promoting the Marine Stewardship Council sustainable fisheries management accreditation scheme. Marine Stewardship Council on the Menu: Solway Firth events were jointly planned, promoted and run by SFP and MSC at Whitehaven and Kirkcudbright and included a programme of presentations and discussion including input from the Shetland Shellfish Management Organisation.

#### **5. Facilitate effective European Marine Site management**

Activities included acting in an intermediary capacity between interests in Luce Bay and Sands Special Area of Conservation and developing an integrated approach to stakeholder engagement in fisheries management measures for the site. The Partnership ensured that the Solway's special status in terms of its wildlife and natural features (as reflected in its EMS designations) was appropriately considered in all emerging policy and planning initiatives.

#### **6. Monitor and protect marine and coastal biodiversity**

Activities included supporting establishment of Seasearch recording in the Solway; developing closer links with key marine biodiversity links in Cumbria; and maintaining and developing engagement with marine recording schemes and centres both nationally and locally. The Partnership disseminated information to local stakeholders regarding the Irish Sea Marine Conservation Zones and Scottish Marine Protected Area projects on a regular basis and co-hosted an MPA event with South West Association for Nature Conservation at which Marine Scotland presented information. The Partnership input to the Dumfries & Galloway Local Biodiversity Action Plan process including attendance at Steering Group meetings.

#### **7. Co-ordinate action on marine and coastal litter**

Activities included supporting local action on beach cleans and surveys in line with Marine Conservation Society objectives; and supporting and developing the Fishing for Litter initiative on the Solway. The FFL scheme has now been running successfully for several years in Kirkcudbright and the feasibility of its establishment in other ports and harbours around the Solway was explored, resulting in Isle of Whithorn joining the initiative.

# THE SOLWAY FIRTH PARTNERSHIP COMPANY LIMITED BY GUARANTEE

## TRUSTEES' ANNUAL REPORT *(continued)*

### YEAR ENDED 31ST MARCH 2011

#### **8. Support action on improving water quality**

Activities included maintaining input to the Solway Area Advisory Group of the Solway Tweed River Basin District, and assisting where possible in implementation of the River Basin Management Plan and Water Framework Directive requirements. The Partnership attended all meetings of this joint Scottish Environment Protection Agency and Environment Agency led initiative providing input on coastal issues.

#### **9. Ensure the potential of any new opportunities for the Solway are maximised**

Activities included input to the Solway Energy Gateway cross border liaison group which is exploring tidal energy generation potential in the Solway Firth. The European Fisheries Fund programme provides considerable future potential for sustainable development of fisheries and coastal communities and the Partnership input to work on both sides of the Solway Firth in this regard.

#### **10. Supporting marine planning**

This area of work expanded during the course of the year as implementation of the Marine Acts took effect. The Partnership continued to contribute to Scottish and English marine policy development though submission of responses to consultations and attendance at events.

- The Scottish Government consultation on a Draft Offshore Wind Plan generated a great deal of local interest and, given the significant nature of this in terms of future marine planning and use of the area, the Partnership dedicated time to attending numerous events on both sides of the Firth in order to fully understand the issues. The Partnership promoted the consultation through its networks and provided a detailed response that aimed to accurately capture the views of local people and organisations.
- The Partnership organised, advertised and facilitated a Scottish Marine Regions consultation event and produced a report summarising the views of around 60 local stakeholders expressed at the workshop. Work was undertaken to develop a Sectoral Interactions Matrix for the Solway to provide an early assessment of the range and compatibility of uses in the area and inform the marine planning process. The Partnership contributed to an Irish Sea Transboundary Partnership Working initiative led by the University of Liverpool which aimed to address the challenges raised by the multiplicity of administrative jurisdictions in the Irish Sea.

## FINANCIAL REVIEW

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### **Risk and Reserves Policy**

The Solway Firth Partnership's reserves policy is to maintain a sufficient level of reserves to enable operating activities to be maintained, taking account of potential risks and contingencies that may arise from time to time.

The Solway Firth Partnership's unrestricted reserves are held to meet the financial risks associated with the potential contingencies and uncertainties relating to the charity's operating activities. These include:

- shortfalls in income, when income does not reach expected levels as a result of reduced or withdrawn grant support.
- unexpected expenditure, for example when projects overrun or unplanned events occur.

# THE SOLWAY FIRTH PARTNERSHIP COMPANY LIMITED BY GUARANTEE

## TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31ST MARCH 2011

### PUBLIC BENEFIT

Solway Firth Partnership has reviewed the guidance provided by the Charities Commission in relation to public benefit and confirms that the Charity adheres to this. The Partnership is a voluntary coastal management partnership that aims to facilitate the holistic integrated management of the Firth including both English and Scottish interests. The Partnership acts as a catalyst in bringing people together to identify issues and actions needed to secure an environmentally sustainable future for the Solway which allows the economy to prosper while respecting the distinctive character, natural features, wildlife and habitats of the Firth. The Partnership has an open, democratic structure including free membership for individuals and organisations.

Supporting sustainable management of the Solway provides public benefit in a range of ways including: protecting the high quality of the local environment which is free to all to enjoy; supporting local economies such as tourism, for example through development of promotional material such as the Seafood Sealife book; supporting sustainable fisheries, for example through promoting locally caught seafood at events and sustainability initiatives such as the Marine Stewardship Council programme; enhancing quality of life for local people and visitors to the area, for example through beach cleaning initiatives; providing health benefits, for example through organising and promoting outdoor events; raising awareness, understanding and enjoyment of the marine and coastal environment through the organisation of educational initiatives such as World Oceans Week.

### PLANS FOR FUTURE PERIODS

The Solway Firth Business Plan 2010 – 2011 has been succeeded by a two year Business Plan 2011 – 2013 which sets out how the Partnership intends to maintain its strategic aims while adapting to meet the changing needs of the working environment. While the Plan spans two years the need for review and revision during this time is recognised given developments which may arise as a result of implementation of the Marine Acts. Nevertheless, the importance of being clear about the purpose of the organisation and setting out actions against which progress can be measured in relation to achievement of strategic objectives and the requirements of funding partners is fully recognised.

The Partnership's mission is to support a vibrant and sustainable local economy while respecting, protecting and celebrating the distinctive character, heritage and natural features of our marine and coastal area. This encapsulates the objectives set out more formally in the Partnership's Memorandum and Articles of Association. In recognition of the introduction marine planning under the Marine Acts, the Business Plan sets out a further overarching aim: to provide a framework for marine planning and management that enables engagement by everyone with an interest in our marine and coastal area.

The strategic outcomes the Partnership is working towards are:

- A significant contribution to sustainable development and environmental protection through supporting integrated marine and coastal planning and management.
- Provision of a transparent, balanced and respected mechanism that supports objective, impartial and evidence-based decision making for the local marine and coastal area.
- Distinctive input to development of a co-operative network of relationships between everyone with an interest in the local marine and coastal area.
- Provision of assistance to coastal communities and businesses resulting in tangible local benefits.
- Greater recognition and understanding of the high quality environment, culture and heritage of the local marine and coastal area.



# **THE SOLWAY FIRTH PARTNERSHIP COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' ANNUAL REPORT *(continued)***

### **YEAR ENDED 31ST MARCH 2011**

The Partnership will seek continued financial support for delivery of all actions from its Corporate Members. Marine Scotland has made a short term funding commitment, effectively replacing funding previously received from SNH. The Partnership will seek more active engagement with the Marine Management Organisation. Funds will also be sought from the private sector, not only to provide much needed funding support, but also to encourage broad engagement with the Partnership process, thereby strengthening links between industry, agencies and communities and contributing to integrated management objectives. Support for delivery of projects will be sought from sources including The Crown Estate, Scottish Natural Heritage, the Nuclear Decommissioning Authority, the Solway Coast AONB Sustainable Development Fund, the National Lottery, the European LEADER Programme and European Fisheries Fund Axis 4 Programme.

### **FUNDS HELD AS CUSTODIAN**

At the year end date the Partnership held an amount of £189,250 on behalf of other organisations as custodian. These monies are being held in separate bank accounts from those of the Partnership. These monies will be expended during the next financial year.

### **RESPONSIBILITIES OF THE TRUSTEES**

The trustees (who are also the directors of the Solway Firth Partnership for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Charities Accounts (Scotland) Regulations 2006 (as amended). The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **INDEPENDENT EXAMINER**

Mrs J E Carroll FCA has been re-appointed as independent examiner for the ensuing year.

**THE SOLWAY FIRTH PARTNERSHIP  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' ANNUAL REPORT** *(continued)*

**YEAR ENDED 31ST MARCH 2011**

**SMALL COMPANY PROVISIONS**

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

Registered office:  
J & H Mitchell WS  
51 Atholl Road  
Pitlochry  
Perthshire  
PH16 5BU

Signed on behalf of the trustees

A handwritten signature in black ink, appearing to read 'G L Mann', with a large, stylized initial 'G'.

MR G L MANN OBE  
Trustee

...*G.L.M.*.....

# THE SOLWAY FIRTH PARTNERSHIP COMPANY LIMITED BY GUARANTEE

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES AND MEMBERS OF THE SOLWAY FIRTH PARTNERSHIP

YEAR ENDED 31ST MARCH 2011

I report on the accounts of the charity for the year ended 31st March 2011 set out on pages 10 to 19.

### RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND INDEPENDENT EXAMINER

The charity's trustees (who are also the directors of the Solway Firth Partnership for the purposes of company law) 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 (as amended). The charity's trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to state, on the basis of my examination as required under section 44(1) (c) of the Act, 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 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 seeking explanations from you as 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 whether the accounts present a 'true and fair view'.

### INDEPENDENT EXAMINER'S STATEMENT

In connection with my examination, no matter has come to my attention:

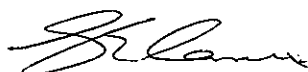
(1) which gives me reasonable cause to believe that in any material respect the trustees have not met the requirements to ensure that:

- proper accounting records are kept (in accordance with Section 44 (1) (a) of the 2005 Act and Regulation 4 of the 2006 Accountants Regulations (as amended); and
- to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended).

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Mrs J E Carroll FCA  
Independent examiner

Fairview House  
Victoria Place  
Carlisle  
Cumbria  
CA1 1HP



16<sup>th</sup> November 2011

**THE SOLWAY FIRTH PARTNERSHIP  
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES**

**YEAR ENDED 31ST MARCH 2011**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generating funds:					
Investment income	2	75	–	75	68
Incoming resources from charitable activities	3	62,334	6,036	68,370	79,214
Other incoming resources	4	1,520	249	1,769	116
<b>TOTAL INCOMING RESOURCES</b>		<u>63,929</u>	<u>6,285</u>	<u>70,214</u>	<u>79,398</u>
<b>RESOURCES EXPENDED</b>					
Charitable activities	5	(59,758)	(12,444)	(72,202)	(80,575)
Governance costs	6	(5,160)	–	(5,160)	(3,130)
<b>TOTAL RESOURCES EXPENDED</b>		<u>(64,918)</u>	<u>(12,444)</u>	<u>(77,362)</u>	<u>(83,705)</u>
<b>NET OUTGOING RESOURCES FOR THE YEAR</b>	7	(989)	(6,159)	(7,148)	(4,307)
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		<u>38,975</u>	<u>39,782</u>	<u>78,757</u>	<u>83,064</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>37,986</u>	<u>33,623</u>	<u>71,609</u>	<u>78,757</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 13 to 19 form part of these financial statements.

**THE SOLWAY FIRTH PARTNERSHIP  
COMPANY LIMITED BY GUARANTEE**

**INCOME AND EXPENDITURE ACCOUNT**

**YEAR ENDED 31ST MARCH 2011**

	Note	2011 £	2010 £
<b>INCOME</b>		<b>70,139</b>	<b>79,330</b>
<b>TOTAL EXPENDITURE</b>		<b>(77,362)</b>	<b>(83,705)</b>
<b>OPERATING DEFICIENCY</b>	<b>7</b>	<b>(7,223)</b>	<b>(4,375)</b>
<b>OTHER INCOME</b>			
Interest receivable and similar income	<b>2</b>	<b>75</b>	<b>68</b>
<b>RETAINED DEFICIT FOR THE FINANCIAL YEAR</b>		<b>(7,148)</b>	<b>(4,307)</b>

The Income and Expenditure Account includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 13 to 19 form part of these financial statements.

**THE SOLWAY FIRTH PARTNERSHIP  
COMPANY LIMITED BY GUARANTEE**

Company Registration Number SC250012

**BALANCE SHEET**

**31ST MARCH 2011**

	Note	2011 £	2010 £
<b>FIXED ASSETS</b>			
Tangible assets	9	2,427	1,782
<b>CURRENT ASSETS</b>			
Debtors	10	3,697	4,587
Cash at bank		261,126	87,430
		<u>264,823</u>	<u>92,017</u>
<b>CREDITORS: Amounts falling due within one year</b>	11	<u>(195,641)</u>	<u>(15,042)</u>
<b>NET CURRENT ASSETS</b>		69,182	76,975
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>71,609</u>	<u>78,757</u>
<b>NET ASSETS</b>		<u>71,609</u>	<u>78,757</u>
<b>FUNDS</b>			
Restricted income funds	13	33,623	39,782
Unrestricted income funds	14	37,986	38,975
<b>TOTAL FUNDS</b>		<u>71,609</u>	<u>78,757</u>

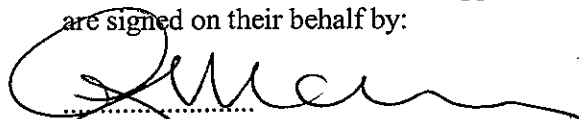
The trustees are satisfied that the charity is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476(1) of the Act.

The trustees acknowledge their responsibilities for:

- (i) ensuring that the charity keeps adequate 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 affairs of the charity as at the end of the financial year and of its surplus or deficit for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the charity.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These financial statements were approved by the members of the committee on the 4/11/11 and are signed on their behalf by:

  
MR G L MANN OBE

  
MR A SHANKLAND

The notes on pages 13 to 19 form part of these financial statements.

# THE SOLWAY FIRTH PARTNERSHIP COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2011

### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 2006.

#### **Cash flow statement**

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

#### **Incoming resources**

All incoming resources are included in the Income and Expenditure Account and Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Investment income is included when receivable.

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

#### **Fund accounting**

The charity's unrestricted funds are those available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are those resources where the income and related expenditure are not available for general use, but are to be used in accordance with the specific wishes of the donor or which have been raised by the charity for a particular purpose

# THE SOLWAY FIRTH PARTNERSHIP COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2011

### 1. ACCOUNTING POLICIES *(continued)*

#### Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examination fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis as deemed by the Board of Trustees.

The charity is not registered for Value Added Tax, and such tax is not recoverable by the charity. As such, it is included in the relevant costs in the Income and Expenditure account.

#### Fixed assets

All fixed assets are initially recorded at cost.

#### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings - 15% straight line

#### Pension costs

The company makes contributions to individual personal pension plans for the benefit of its employees. Employer contributions are charged to Statement of Financial Activities in the period to which they relate.

#### Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all its liabilities.

### 2. INVESTMENT INCOME

	Unrestricted Funds	Total Funds 2011	Total Funds 2010
	£	£	£
Bank interest receivable	75	75	68



**THE SOLWAY FIRTH PARTNERSHIP  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31ST MARCH 2011**

**3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Cumbria County Council	5,000	–	5,000	8,267
Carlisle City Council	750	–	750	750
Scottish Natural Heritage	37,250	1,536	38,786	41,504
Envirolink NW	–	–	–	1,000
Dumfries & Galloway Council	6,000	–	6,000	8,568
E ON	3,334	2,000	5,334	7,666
Scottish Government	–	–	–	459
WWF - UK	–	–	–	1,000
Natural England	10,000	–	10,000	10,000
The Crown Estate	–	2,500	2,500	–
	<u>62,334</u>	<u>6,036</u>	<u>68,370</u>	<u>79,214</u>

**4. OTHER INCOMING RESOURCES**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Marine Stewardship Council	709	–	709	–
Sundry income	811	249	1,060	116
	<u>1,520</u>	<u>249</u>	<u>1,769</u>	<u>116</u>

**5. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Projects	<u>59,758</u>	<u>12,444</u>	<u>72,202</u>	<u>80,575</u>

**6. GOVERNANCE COSTS**

	Unrestricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Examination and accountancy fees	2,487	2,487	2,481
Under accrual of accountancy fees in previous year	1,480	1,480	–
Legal and professional fees	1,193	1,193	649
	<u>5,160</u>	<u>5,160</u>	<u>3,130</u>

**7. NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR**

This is stated after charging:

	2011 £	2010 £
Depreciation	<u>472</u>	<u>533</u>

**THE SOLWAY FIRTH PARTNERSHIP  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31ST MARCH 2011**

**8. STAFF COSTS AND EMOLUMENTS**

Total staff costs were as follows:

	<b>2011</b>	2010
	£	£
Wages and salaries	41,670	40,240
Social security costs	3,888	3,669
Other pension costs	652	—
	<u>46,210</u>	<u>43,909</u>

**Particulars of employees:**

The average number of employees during the year was as follows:

	<b>2011</b>	2010
	No	No
Number of management staff	<u>2</u>	<u>2</u>

No employee received remuneration of more than £60,000 during the year (2010 - Nil).

The trustees received no remuneration from the charity in the year (2010 - Nil).

**9. TANGIBLE FIXED ASSETS**

	<b>Fixtures &amp; Fittings</b>
	£
<b>COST</b>	
At 1st April 2010	3,715
Additions	1,304
Disposals	(750)
<b>At 31st March 2011</b>	<u>4,269</u>
<b>DEPRECIATION</b>	
At 1st April 2010	1,933
Charge for the year	472
On disposals	(563)
<b>At 31st March 2011</b>	<u>1,842</u>
<b>NET BOOK VALUE</b>	
<b>At 31st March 2011</b>	<u>2,427</u>
At 31st March 2010	<u>1,782</u>

**THE SOLWAY FIRTH PARTNERSHIP  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31ST MARCH 2011**

**10. DEBTORS**

	2011 £	2010 £
Trade debtors	2,197	2,982
Prepayments	1,500	1,605
	<u>3,697</u>	<u>4,587</u>

**11. CREDITORS: Amounts falling due within one year**

	2011 £	2010 £
Trade creditors	1,059	4,450
PAYE and social security	2,610	742
Funds held as custodian	189,250	-
Accruals	2,722	9,850
	<u>195,641</u>	<u>15,042</u>

**12. PENSIONS**

The company paid contributions into the individual pension plan of some employees. The pension cost charge represents such contributions payable in the year and amounted to £652 (2010 - £nil). At the balance sheet date there were no payments outstanding with respect to these pension contributions (2010 - same).

**13. RESTRICTED INCOME FUNDS**

	Balance at 1 Apr 2010 £	Incoming resources £	Outgoing resources £	Balance at 31 Mar 2011 £
Solway Firth Fisheries Initiative Project	20,234	-	(5,169)	15,065
European Marine Site Management	7,500	-	-	7,500
Luce Bay & Sands SAC	11,058	-	-	11,058
World Oceans Week	-	6,285	(6,285)	-
Seasearch	990	-	(990)	-
	<u>39,782</u>	<u>6,285</u>	<u>(12,444)</u>	<u>33,623</u>

**THE SOLWAY FIRTH PARTNERSHIP  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31ST MARCH 2011**

**13. RESTRICTED INCOME FUNDS** *(continued)*

**Solway Firth Fisheries Initiative Project**

The project was established to support sustainable Solway fisheries; enable effective industry consultation; foster a link between community, environment, agency, government and industry representatives at local and national levels; and develop the economic potential of the local fishing sector.

**European Marine Site Management**

Funding has been allocated for a review of the inner Solway Firth European Marine Site Management Scheme and production of associated documents.

**Luce Bay & Sands SAC**

Funding has been allocated for the development of a Management Scheme for Luce Bay and Sands Special Area of Conservation including the engagement of local stakeholders and production of associated documents.

**World Oceans Week**

The Partnership co-ordinated and promoted a series of events in June 2010, including celebration events at Rockcliffe and Port William which were attended by twenty participating organisations and over 600 members of the public.

**Seasearch**

Grant received to support Marine Conservation Society Seasearch at Luce Bay.

**14. UNRESTRICTED INCOME FUNDS**

	Balance at 1 Apr 2010 £	Incoming resources £	Outgoing resources £	Balance at 31 Mar 2011 £
General Funds	<u>38,975</u>	<u>63,929</u>	<u>(64,918)</u>	<u>37,986</u>

**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Tangible fixed assets £	Net current assets £	Total £
<b>Restricted Income Funds:</b>			
Solway Firth Fisheries Initiative Project	–	15,065	15,065
European Marine Site Management	–	7,500	7,500
Luce Bay & Sands SAC	–	11,058	11,058
	–	<u>33,623</u>	<u>33,623</u>
<b>Unrestricted Income Funds</b>	<u>2,427</u>	<u>35,559</u>	<u>37,986</u>
<b>Total Funds</b>	<u>2,427</u>	<u>69,182</u>	<u>71,609</u>

**THE SOLWAY FIRTH PARTNERSHIP  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31ST MARCH 2011**

**16. RELATED PARTY TRANSACTIONS**

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

**17. COMPANY LIMITED BY GUARANTEE**

Every member of the Partnership has undertaken to contribute such amount as may be required (not exceeding £1) to the Partnership's assets if it should be wound up while they are a Member or within one year of ceasing to be a Member, for payment of the Partnerships debts and liabilities contracted before they cease to be a Member, and of the costs, charges and expenses of winding-up.

**THE SOLWAY FIRTH PARTNERSHIP  
COMPANY LIMITED BY GUARANTEE**

**MANAGEMENT INFORMATION**

**YEAR ENDED 31ST MARCH 2011**

**The following pages do not form part of the statutory financial statements  
which are the subject of the independent examiner's report on page 9.**

**THE SOLWAY FIRTH PARTNERSHIP  
COMPANY LIMITED BY GUARANTEE**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**

**YEAR ENDED 31ST MARCH 2011**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>INCOMING RESOURCES</b>		
<b>INVESTMENT INCOME</b>		
Bank interest receivable	75	68
	<u>75</u>	<u>68</u>
<b>INCOMING RESOURCES FROM CHARITABLE ACTIVITIES</b>		
Cumbria County Council	5,000	8,267
Carlisle City Council	750	750
Scottish Natural Heritage	38,786	41,504
Envirolink NW	-	1,000
Dumfries & Galloway Council	6,000	8,568
E ON	5,334	7,666
Scottish Government	-	459
WWF - UK	-	1,000
Natural England	10,000	10,000
The Crown Estate	2,500	-
	<u>68,370</u>	<u>79,214</u>
<b>OTHER INCOMING RESOURCES</b>		
Marine Stewardship Council	709	-
Sundry income	1,060	116
	<u>1,769</u>	<u>116</u>
<b>TOTAL INCOMING RESOURCES</b>	<u>70,214</u>	<u>79,398</u>

**THE SOLWAY FIRTH PARTNERSHIP  
COMPANY LIMITED BY GUARANTEE**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**

**YEAR ENDED 31ST MARCH 2011**

	2011 £	2010 £
<b>RESOURCES EXPENDED</b>		
<b>CHARITABLE ACTIVITIES</b>		
<b>Projects</b>		
<i>Costs directly allocated to activities</i>		
Wages & Salaries	41,670	40,240
Employer's NIC	3,888	3,669
Pension costs	652	-
Motor and travel costs	1,154	2,639
Advertising costs	654	746
Over provision of advertising costs in previous year	(1,387)	-
Rent, light and heat	9,232	9,039
Training	41	55
Rates	(519)	812
Tidelines	3,577	4,931
Meeting expenses	728	1,267
World Ocean Week expenses	5,463	3,908
Printing costs	-	1,889
Seasearch	982	987
Environment Fair expenses	-	317
	<u>66,135</u>	<u>70,499</u>
<i>Support costs allocated to activities</i>		
Insurance	235	222
Telephone	676	858
Sundry expenses	581	263
Depreciation	472	533
Bank charges	75	74
Loss on disposal of charity fixed assets	188	-
Stationery and postage	886	823
Conference expenses	-	5,170
IT support	2,954	2,133
	<u>6,067</u>	<u>10,076</u>
	<u>72,202</u>	<u>80,575</u>
<b>GOVERNANCE COSTS</b>		
Examination and accountancy fees	2,487	2,481
Under accrual of accountancy fees in previous year	1,480	-
Legal and professional fees	1,193	649
	<u>5,160</u>	<u>3,130</u>
<b>TOTAL RESOURCES EXPENDED</b>	<u>77,362</u>	<u>83,705</u>
<b>NET OUTGOING RESOURCES FOR THE YEAR</b>	<u>(7,148)</u>	<u>(4,307)</u>