

Seagull Trust

Audited Accounts and Trustees' Report

for the year ended 31 October 2006

Scottish Charity Number: SC013757

Seagull Trust

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Seagull Trust

Trustees' Report for the year ended 31 October 2006

The Trustees present their report and financial statements for the year ended 31 October 2006.

The report is prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (revised 2005).

The principal activity of the charity during the year was to purchase, maintain and run Canal cruising vessels for the use of disabled persons.

Reference and administrative information

The Seagull Trust was established by Trust Deed on 21/11/1978.

Trustees

| | |
|------------------------|---|
| Brigadier Alan Alstead | |
| Michael Black | Minutes Secretary |
| Miss J Clark | |
| Frank Coutts | |
| Capt. Gordon Daly | Convenor Boats Committee |
| Sir Robert Easton | |
| William Fraser | Inverness Branch |
| Rodger Harvey-Jamieson | Legal Advisor |
| John Hume | |
| Harry MM Johnston | Hon Treasurer |
| David G Mieras | Ratho Branch |
| J Middlecote | Hon Secretary |
| Elinor Milne | Falkirk Branch |
| Sandy Milroy | Convenor Property Committe |
| Marshall Napier | Vice Chairman from 29/3/06 |
| Stanley Ross Smith | |
| Ronnie Rusack | Chairman from 29/3/06 Vice Chairman to 29/3/06 |
| Bob Russell | |
| Dr JG Sime | Chairman to 29/3/06 |
| Mrs Pat Sime | Sales and Marketing to 31/10/06 |
| Norman Simpson | Deceased September 2006 |
| George Taylor | Inverness Branch |
| Marjorie Taylor | Inverness Branch |

No Trustee had a financial interest in the Trust.

Scottish Charity Number SC 013757

Registered Office Canal Side, Baird Road, Ratho, Edinburgh EH28 8RA

Auditors Barrie Scott & Co, 16-18 Weir Street, Falkirk FK1 1RA

Bankers The Royal Bank of Scotland plc

Seagull Trust

Trustees' Report for the year ended 31 October 2006

Structure, governance and management

The Trust is managed by the Trustees, many of whom have delegated responsibilities as detailed on the foregoing list of Trustees. Other Trustees are appointed or retained for their various experience and sage advice. No third party has a right to appoint Trustees.

There is no specified number of Trustees nor a limit as to duration of service. Persons proposed as new Trustees are subject to the approval of the existing Trustees, who operate a policy of non-discrimination in selection procedures. As at 31 October 2006 there were 22 Trustees.

The Trustees meet at least three times each year but currently meet six times: January, April, June, August, October and December.

Connected body

Seagull Trust is under common control with Seagull Trust Cruises, both charities being registered in Scotland. Mr Ronnie Rusack is Chairman of both organisations.

Risk management

The Trustees continue to review the major strategic business and operational risks that the Trust faces and where possible, have established systems to monitor and mitigate these risks.

Induction and Training

The current Trustees have been made aware of OSCAR requirements and a programme of induction and training is being prepared for new Trustees.

Objectives and activities

Objectives

To purchase, maintain and run canal cruising vessels for the use of disabled persons.

To provide recreational activities for disabled persons and to make grants to enable them to participate in recreational activities.

To provide grants or other aid towards the maintenance, clothing, education and general benefit and well-being of any disabled person.

Activity

The Trust raises money for the purchase and maintenance of the property and boats required to fulfil its objects.

Achievements

In the provision of free canal cruising during the season, approximately 1,500 cruises carried 14,000 passengers.

The new vessel, Barr Seagull, was built during the year, at a cost of £80,605. This brings the fleet up to 8 vessels. The funding for this vessel was wholly from donations received from the Barr Charitable Trust.

The Trust raised £61,452 from voluntary subscriptions and donations.

All the Trust's activities are run entirely by volunteers.

Seagull Trust

Trustees' Report for the year ended 31 October 2006

Financial review and performance

Accounts

The Trust's net incoming resources for the year, including restricted fund income, amounted to £70,934. Charitable expenditure, including depreciation, amounted to £54,666.

The Trust's funds at 31 October 2006 totalled £876,071, of which the restricted funds were £219,222.

Investment policy

The Trustees have powers to invest, realise land or dispose of any part of the Trust. The Trust has no investments other than cash and the property required to fulfil its objects and this position is unlikely to change in the near future.

Reserves policy

The Trustees, while being aware of the inconsistent cash flow from voluntary donations, have a policy of maintaining unrestricted liquid reserves to cover at least six months' average expenditure and are reviewing the requirement for the establishment of a fund to provide for future major repairs and refits.

Future plans

The Trust plans to continue the activities outlined above in the forthcoming years, subject to satisfactory funding arrangements.

Approved on 9 February 2007 and signed on behalf of the Trustees by:

R Rusack
Chairman

Seagull Trust

Independent auditors' report to the members of Seagull Trust

We have audited the financial statements of Seagull Trust for the year ended 31 October 2006 which comprise the statement of financial activities, including the income and expenditure account, the balance sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Trust's members, as a body. Our audit work has been undertaken so that we might state to the Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's members as a body, for our audit work, for this report, or for the opinions that we have formed.

Respective responsibilities of the trustees and auditors

As described in the statement of trustees responsibilities the trustees are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990, the Charities Accounts (Scotland) Regulations 1992 and the terms of the trust deed. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the Trust is not disclosed.

We read other information contained in the Trustees' Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Seagull Trust

Independent auditors' report to the members of Seagull Trust

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note 7 to the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Trust's affairs as at 31 October 2006 and of its incoming resources and application of resources including, in its income and expenditure account, the surplus for the year then ended and have been properly prepared in accordance with the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 and the Charities Accounts (Scotland) Regulations 1992.

Barrie Scott & Co
Chartered Accountants
Registered Auditors

Seagull Trust

Statement of Financial Activities (including Income and Expenditure Account)

for the year ended 31 October 2006

| | Note | Unrestricted Fund £ | Restricted Funds £ | Total Funds £ | 2005 Funds £ |
|--|------|---------------------------|--------------------------|---------------------|--------------------|
| Incoming resources | | | | | |
| <i>Incoming resources from generated funds</i> | | | | | |
| Income from investments | | 2,440 | - | 2,440 | 2,459 |
| Subscriptions and donations | | 18,897 | 42,555 | 61,452 | 62,927 |
| Donations from Seagull Trust Cruises | | 7,101 | - | 7,101 | - |
| Sale of goods | | 4,617 | - | 4,617 | 4,562 |
| Total incoming resources | | <u>33,055</u> | <u>42,555</u> | <u>75,610</u> | <u>69,948</u> |
| Less: Cost of generating funds | | | | | |
| Cost of goods sold | | (4,501) | - | (4,501) | (4,197) |
| Fundraising costs | | (175) | - | (175) | (1,325) |
| | | <u>(4,676)</u> | <u>-</u> | <u>(4,676)</u> | <u>(5,522)</u> |
| Net incoming resources available for charitable application | | <u>28,379</u> | <u>42,555</u> | <u>70,934</u> | <u>64,426</u> |
| Resources expended | | | | | |
| <i>Charitable expenditure</i> 2 | | | | | |
| Operational costs | | (37,754) | (9,152) | (46,906) | (49,257) |
| Support costs | | (6,283) | - | (6,283) | (6,909) |
| <i>Governance costs</i> | | (1,477) | - | (1,477) | (1,390) |
| Total resources expended | | <u>(45,514)</u> | <u>(9,152)</u> | <u>(54,666)</u> | <u>(57,556)</u> |
| Net movement in funds for the year | | <u>(17,135)</u> | <u>33,403</u> | <u>16,268</u> | <u>6,870</u> |
| Fund transfers | | 6,950 | (6,950) | - | - |
| Net income for the year | | <u>(10,185)</u> | <u>26,453</u> | <u>16,268</u> | <u>6,870</u> |
| Funds brought forward | | 667,034 | 192,769 | 859,803 | 852,933 |
| Funds carried forward | | <u>656,849</u> | <u>219,222</u> | <u>876,071</u> | <u>859,803</u> |
| Represented by: | | | | | |
| Tangible Fixed Assets | 3 | 547,025 | 224,700 | 771,725 | 721,910 |
| Stock | 4 | 2,390 | - | 2,390 | 3,777 |
| Debtors | 5 | 735 | - | 735 | 15,600 |
| Bank | | 108,149 | - | 108,149 | 120,156 |
| Creditors | 6 | (1,450) | (5,478) | (6,928) | (1,640) |
| | | <u>656,849</u> | <u>219,222</u> | <u>876,071</u> | <u>859,803</u> |

Seagull Trust

Balance Sheet as at 31 October 2006

| | | 2006 | | 2005 | |
|--|-------|----------------|----------------|----------------|----------------|
| | Notes | £ | £ | £ | £ |
| Fixed Assets | | | | | |
| Tangible assets | 3 | | 771,725 | | 721,910 |
| Current Assets | | | | | |
| Stocks | 4 | 2,390 | | 3,777 | |
| Debtors | 5 | 735 | | 15,600 | |
| Fixed term deposit | | 75,000 | | 75,000 | |
| Cash at bank and in hand | | 33,149 | | 45,156 | |
| | | <u>111,274</u> | | <u>139,533</u> | |
| Current Liabilities | | | | | |
| Creditors | 6 | <u>6,928</u> | | <u>1,640</u> | |
| Net Current Assets | | | <u>104,346</u> | | <u>137,893</u> |
| Total Assets Less Current Liabilities | | | <u>876,071</u> | | <u>859,803</u> |
| Capital Account | | | | | |
| Funds | | | | | |
| Unrestricted general funds | 10 | | 656,849 | | 667,034 |
| Restricted funds | 11 | | <u>219,222</u> | | <u>192,769</u> |
| | | | <u>876,071</u> | | <u>859,803</u> |

9 February 2007

In accordance with the engagement letter dated 19 January 2007, we approve the financial information which comprises the Statement of Financial Activities, including the Income and Expenditure Account, the Balance Sheet and the related notes. We acknowledge our responsibility for the financial information, including the appropriateness of the accounting basis as set out in note 1, and for providing Barrie Scott & Co with all information and explanations necessary for its completion.

R Rusack
Chairman

Harry M M Johnston
Treasurer

Seagull Trust

Notes to the Accounts for the year ended 31 October 2006

1. Accounting Policies

1.1. Accounting convention

The accounts have been prepared under the historical cost convention modified when necessary to include the revaluation of certain fixed assets and are in accordance with applicable United Kingdom Accounting Standards, the Charities Accounts (Scotland) Regulations 1992 and Statement of Recommended Practice - Accounting and Reporting by Charities (revised 2005).

The Trust is exempt from the requirements to prepare a cash flow statement as it meets the size criteria of Financial Reporting Standard No 1.

1.2. Incoming resources

Voluntary income received by way of donations or gifts, subscriptions, investment income and income from the sale of goods are all included in full in the Statement of Financial Activities when received. The value of services provided by volunteers has not been included.

1.3. Expenditure

All resources expended are included on an accruals basis and are recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributable to one of the functional categories of resources expended in the SOFA. Resources expended include attributable VAT which cannot be recovered.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

| | | |
|------------|---|----------------------|
| Boathouses | - | 2% Straight Line |
| Boats | - | 4% Straight Line |
| Equipment | - | 20% Reducing Balance |

1.5. Grants received

In order to fully comply with the requirements of the SORP, all grants or donations of a capital nature which the Trust receives are credited to the Statement of Financial Activities (SOFA) when received and treated as restricted funds. Grants received prior to 1 November 1998 were treated as deferred income and released to the income and expenditure account over the related asset's useful life. Any such grants remaining are now treated as restricted funds.

1.6. Stock

Stock is valued at the lower of cost and net realisable value.

Seagull Trust

Notes to the Accounts for the year ended 31 October 2006

| 2. Charitable expenditure | 2006 | 2005 |
|-----------------------------|--------------|--------------|
| | £ | £ |
| Operational costs | | |
| Boat licences and insurance | 7,840 | 6,546 |
| Other insurances | 8,066 | 8,203 |
| Major repairs to boats | - | 6,536 |
| Training | 210 | 332 |
| Depreciation on boathouses | 13,725 | 13,725 |
| Depreciation on boats | 16,885 | 13,735 |
| Depreciation on equipment | 180 | 180 |
| | <hr/> 46,906 | <hr/> 49,257 |
| Support costs | | |
| Postages and telephone | 520 | 389 |
| Printing and stationery | 1,212 | 1,317 |
| Relocation costs | 527 | - |
| Rent and water rates | 3,694 | 4,902 |
| Cost of admin & hall hires | 35 | 79 |
| Sundry expenses | 295 | 222 |
| | <hr/> 6,283 | <hr/> 6,909 |
| Governance costs | | |
| Audit fee | 1,450 | 1,390 |
| Bank charges | 27 | - |
| | <hr/> 1,477 | <hr/> 1,390 |

Seagull Trust

Notes to the Accounts for the year ended 31 October 2006

3. Tangible assets

| | Boathouses | Boats | Equipment | Total |
|------------------------|----------------|----------------|--------------|------------------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 November 2005 | 686,211 | 343,354 | 4,962 | 1,034,527 |
| Additions | - | 80,605 | - | 80,605 |
| | <u>686,211</u> | <u>423,959</u> | <u>4,962</u> | <u>1,115,132</u> |
| At 31 October 2006 | | | | |
| Depreciation | | | | |
| At 1 November 2005 | 186,774 | 121,595 | 4,248 | 312,617 |
| Charge for the year | 13,725 | 16,885 | 180 | 30,790 |
| | <u>200,499</u> | <u>138,480</u> | <u>4,428</u> | <u>343,407</u> |
| At 31 October 2006 | | | | |
| Net book Values | | | | |
| At 31 October 2006 | <u>485,712</u> | <u>285,479</u> | <u>534</u> | <u>771,725</u> |
| At 31 October 2005 | <u>499,437</u> | <u>221,759</u> | <u>714</u> | <u>721,910</u> |

4. Stocks

| | 2006 | 2005 |
|------------------------------|--------------|--------------|
| | £ | £ |
| Promotional goods for resale | 2,390 | 3,777 |
| | <u>2,390</u> | <u>3,777</u> |

5. Debtors

| | 2006 | 2005 |
|--------------------------------|------------|---------------|
| | £ | £ |
| Other debtors | 735 | 600 |
| Prepayments and accrued income | - | 15,000 |
| | <u>735</u> | <u>15,600</u> |

6. Creditors

| | 2006 | 2005 |
|-----------------|--------------|--------------|
| | £ | £ |
| Accrued charges | 6,928 | 1,640 |
| | <u>6,928</u> | <u>1,640</u> |

Seagull Trust

Notes to the Accounts for the year ended 31 October 2006

7. Other information

Employees

The Trust has no employees.

The trustees did not receive any remuneration or reimbursements for expenses incurred on behalf of the charity.

Contingent liabilities

There are no contingent liabilities or guarantees.

Auditors remuneration

The amount charged to the income and expenditure account in the year was £1,450 (2005 £1,390), which includes a charge for the preparation of accounts for Seagull Trust Cruises for this period..

Accountancy and tax services

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statements.

8. Connected Charity

Seagull Trust Cruises, a company limited by guarantee, is under common control with Seagull Trust as a result of the sharing of certain officers and Trustees. The Registered Office of Seagull Trust Cruises is 19 Dean Terrace, Edinburgh, EH4 1NL. Seagull Trust Cruises is responsible for the day-to-day running and maintenance of the boathouses and boats which was previously the responsibility of Seagull Trust.

9. Capital commitments

The cost of the Barr Seagull includes a retention amount of £3,658. This will not be payable until 30 June 2007.

10. General Funds

The unrestricted general funds are for the further development of boathouses, buildings and boats as well as the day-to-day running costs of the Trust.

Seagull Trust

Notes to the Accounts for the year ended 31 October 2006

11. Restricted funds

| | Deferred Grant STB | Lloyds TSB | SBAAT | Marion Seagull Fund | Barr Seagull Fund | Total |
|--------------------------|--------------------------|---------------|-------|---------------------------|-------------------------|---------|
| Balance brought forward | 59,665 | 8,000 | 1,520 | 78,584 | 45,000 | 192,769 |
| Incoming resources: | | | | | | |
| Donations | - | - | - | - | 42,555 | 42,555 |
| Outgoing resources: | | | | | | |
| Depreciation | (1,600) | (400) | (80) | (3,572) | (3,500) | 9,152 |
| Transfer to General Fund | - | - | - | - | (6,950) | (6,950) |
| Balance carried forward | 58,065 | 7,600 | 1,440 | 75,012 | 77,105 | 219,222 |

Grants totalling £80,000 were received from the Scottish Tourist Board (STB) in 1992, 1993 and 1996 to help finance the construction costs of boathouses at Ratho and Falkirk.

Lloyds TSB Foundation for Scotland donated £10,000 in 2001 towards the cost of the disabled lift for the new boat.

The Scottish Business Achievement Award Trust (SBAAT) donated £2,000 in 2000 towards the cost of purchasing a new cruising vessel.

The Mrs MH Salvesen Charitable Trust donated £89,300 in 2003 to finance the building of the Marion Seagull.

The Barr Charitable Trust donated £87,555 in 2005 and 2006, to finance the building and upkeep of the Barr Seagull. The cost of building the vessel was £80,605 and therefore the remaining part of the funds received, £6,950, has been transferred to the General Fund to offset current and future running costs.