

Seagull Trust Cruises
(Company Limited by Guarantee)
Directors' Report & Financial
Statements
For the Year Ended October 31st 2009



Royal Patron HRH The Princess Royal



The Queens Award for Voluntary Service Winner 2007

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Seagull Trust Cruises is a Scottish Charity (Number SC027163) incorporated in Scotland [as a company limited by guarantee] (Company Number SC179736). Registered Office: 19 Dean Terrace, Edinburgh EH4 1NL

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Royal Patron of Seagull Trust Cruises HRH The Princess Royal



BUCKINGHAM PALACE

Supporting people with special needs is valuable and important work. It is all too easy to take for granted the ease of access so many of us enjoy when in good health; but sadly ill health, a disability or advancing years can impact our mobility and our capacity to enjoy the environment in which we live. It is here that Seagull Trust Cruises reaches out, providing a service and experience that allows those people with special needs to get out onto the inland waterways of Scotland and see, smell and feel the peaceful and stimulating countryside from one of their specially built boats. For all too many a cruise aboard one of the boats represents a rare chance to be out and about.

Run entirely by a team of enthusiastic volunteers through a branch network that encompasses some of Scotland's most stunning inland waterway landscapes, with views only available from the water, Seagull Trust Cruises is helping to provide a day of 'freedom' for those people whose mobility is impaired. Further, the team have helped and continue to help in securing the inland waterways for future generations and have ambitious plans to promote the environmental benefit of the waterway network to young people through educational programmes.

As Royal Patron of Seagull Trust Cruises, I thank you all for your time, effort and support which is greatly appreciated by Seagull Trust Cruises' many passengers.

Chairman's Statement

Seagull Trust Cruises has been changing the lives of our passengers since 1978 when our founder Reverend Hugh Mackay had a dream to make free canal cruising accessible for disabled and disadvantaged groups.

While Seagull Trust Cruises has continued on its journey to provide a sustainable future for our customers and the Trust, few would have predicted the scale of the current recession. It is of a magnitude that the Trust has never witnessed before. As our annual accounts to 31 October 2009 demonstrate, our plans to improve financial performance are now beginning to bring their expected benefits to the Trust; indeed the balance on the funds has increased by 22.7% over that year. To fund our work Seagull Trust Cruises relies upon generous donations from the public, companies and trusts and to all a very sincere thank you for your continued support.

As we predicted one major effect of the recession is that we have also seen an impressive increase in our passenger numbers with a 22% increase on last year.

We need to stay true to the core values as we continue to change with the times, to ensure that we do have universal appeal to our customers operating to the highest standards in the provision of a caring, stimulating, safe and enjoyable leisure experience.

Our long relationship with BVT in Glasgow continues as they kindly refurbished the Yarrow Seagull and is also working on the plans for our new Classroom boat. We have also greatly benefited from forging new relationships with other organisations that have similar ethos and aims like the Wooden Spoon and The Waterways Trust Scotland. The Classroom boat is a slight diversion for Seagull Trust Cruises however there are many gains for all parties i.e. inspiring and encouraging younger volunteers, hopefully ensuring the continued sustainability of not only Seagull Trust Cruises but also the Scottish canals.

The branches also continue to be very proactive in the promotion of the Trust and we have seen a new fundraising concept for the Falkirk branch. They held a Teddy Bear Parachute Jump at the Falkirk Wheel with the kind assistance of British Waterways Scotland. This event was so successful that it is to become an annual event.

The Highland Seagull is the oldest boat in the fleet and we are delighted that the branch are well on the way to raising enough money to build a replacement. So it is likely that the Highland Branch will have a new boat in 2011. This is an amazing effort by all the volunteers in the Branch.

All the events, festivals etc taking place on the canals this year were well attended by the branches who flew the flag for Seagull Trust Cruises giving us a higher profile.

Future Plans -

At the annual planning day in October 2009 a five year plan was developed and identified the following areas which will ensure that the Trust continues to improve the service we give to our customers and that the Trust is here for many years to come:

- Operate more boats and operate through a more vibrant local branch network.
- Ensure the charity brand is very widely recognised, respected and valued throughout Britain
- Supporting projects in connection with Scotland's waterways including educational and environmental.
- Continue with the charitable function and research a commercial operation designed to raise funds and extend the brand proposition without it affecting our core function.
- Operate strong consistent controls and procedures that reflect the highest level of customer experience, integrity, Health & Safety, Regulatory Compliance and environmental best practice.
- Run to a franchise model with the branch network providing a strong engaging experience for volunteers and customers, working to common, consistent processes and controls.

- Head office providing a strong vibrant central support function providing leadership in controls, procedures and strategy
- Central and branch led fund raising function.
- Ensure the charity is fit for purpose.

In order to achieve these goals a number of sub committees have been established.

Finally but by no means least I would like to thank our volunteers, supporters and partners whom without their engagement and commitment we would not have been able to shape our response to our current challenges. With that continued support and enthusiasm, to encourage us to persevere and be bold, we will thrive far beyond the current recession.

Ronnie Rusack, MBE
Chairman

Your Help is Always Appreciated

There are many ways you can help us to maintain and expand our activities and every single contribution goes straight to furthering our work.

- By joining us as a volunteer
- By giving a donation
- By considering leaving us a legacy

Please contact us **0131 333 0322** for information. Every penny, every hour of support counts and makes a very real difference – thank you in advance for your kind support.

For more information about the activities of Seagull Trust Cruises how it benefits the community and our locations, please visit our website www.seagulltrust.org.uk for up to date information and to download our current newsletter.

<p>If you would like to help our valuable work, by becoming a volunteer or making a donation please contact us on 0131 333 0322 we appreciate your help</p>

Directors' Report
for the year ended 31 October 2009

The directors present their report and financial statements for the year ended 31 October 2009.

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

The principal activity of the company during the year was to provide free canal cruising for people with special needs.

Reference and administrative information

Directors serving during the year:

Jennifer Biggans	
Capt. Gordon Daly	
Graham Filmer	
Paul Flarry	
Rodger Harvey-Jamieson	Vice Chairman and Company Secretary
David Hoskins	
David Mieras	
Elinor Milne	
Alexander Milroy	
Hamish Nicoll	
Donald Paterson	Treasurer
Ronald Rusack MBE	Chairman
Dr James Sime	
Ronald Spedding	
George Taylor	
Marjorie Taylor	

The directors are the members of the company. No director had a financial interest in the company.

Legal Status	The charity is a company limited by guarantee, governed by its Memorandum and Articles of Association.
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Company number	SC179736
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Scottish Charity Number	SCO27163
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Date of incorporation	16 October 1997
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Registered Office	19 Dean Terrace, Edinburgh, EH4 1NL
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Business Address	Canal Side, Baird Road, Ratho, Edinburgh EH28 8RA
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Bankers	The Royal Bank of Scotland plc and the Governor and Company of the Bank of Scotland
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**Directors' Report
for the year ended 31 October 2009**

Structure, governance and management

The company operates through Branches established at Falkirk, Inverness, Kirkintilloch and Ratho.

Each of the Branches may appoint up to 2 Directors. Members of the company who are not affiliated to any Branch may also appoint up to 12 Directors in total. Additional Directors may be co-opted for their special expertise. There is a policy of non-discrimination in selection procedures.

The Directors meet 6 times per year in January, April, June, August, October and December. The minimum number of Directors is 10 and there is no maximum number. As at 31 October 2009 there were 16 Directors.

Risk management

The Directors continue to review the major strategic business and operational risks that the company faces on a regular basis and where possible, have established systems to monitor and mitigate these risks.

Induction and Training

The current Directors have been made aware of their duties and responsibilities and of the standards expected by OSCR, and a programme of induction and training is provided for new Directors.

Objectives, activities and achievements

Objectives

The principal activity of the company is to expand and develop the provision of free canal cruising for people with special needs in Scotland.

Activities

All the company's activities are run entirely by volunteers. The company maintains and operates 8 purpose designed canal boats including a holiday boat which is available for hire by people with special needs.

Directors' Report
for the year ended 31 October 2009

Financial review and performance

Accounts

The company's net incoming resources for the year amounted to £356,994 (2008 £112,507). Charitable expenditure amounted to £98,982 (2008 £75,556).

The company's funds at 31 October 2009 totalled £1,225,392 of which the general funds were £251,685.

Investment policy

The company has no investments other than cash and the rights in respect of the property, boats and other assets required to fulfil its objectives. This position is unlikely to change in the near future.

Reserves policy

The Directors, 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 Directors are conducting a review of the operations of the company in order to ensure that the activities outlined above may be continued in the forthcoming years. The company is seeking funding towards a new canal boat specially designed for use by mentally, physically or socially disadvantaged children and young people.

Transactions with Directors or Trustees

The company has granted Ronnie Rusack a licence to operate the dry dock at Ratho in order to relieve the company of the burden of its management and to ensure its proper control and supervision. Ronnie Rusack may charge and retain a fee for allowing any authorised user of the canal to make use of the dry dock, but the level of any fee may not exceed an amount agreed with the company. The company is satisfied that the arrangement is in its best interests and that of canal users generally, and that the fee income received by Ronnie Rusack does no more than fairly reflect the costs actually incurred by him.

There were no other transactions with the directors or trustees during the year.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the surplus or deficit of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue on that basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved on 22 March 2010 and signed on behalf of the Board of Directors by:

Mr R Rusack
Chairman

Independent Examiner's Report to the Trustees of Seagull Trust Cruises

I report on the accounts of the charity for the year ended 31 October 2009 which are set out on pages 11 - 14.

Respective responsibilities of trustees and examiner

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

Basis of independent examiner's statement

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

Independent examiner's statement

In the course of my examination, no matter has come to my attention which gives 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.

In my opinion there are no other matters to which attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Clive B. Scott

A member of the Institute of Chartered Accountants of Scotland

16-18 Weir Street

Falkirk

FK1 1RA

March 22nd 2010

Statement of Financial Activities
(including Income and Expenditure Account)
for the year ended 31 October 2009

	Note	General Fund £	Designated Fund £	Restricted Fund £	Total Fund £	2008 £
Incoming resources						
<i>Incoming resources from generated funds</i>						
Income from investments		2,717	-	-	2,717	8,904
Subscriptions and donations		99,219	-	27,500	126,719	97,645
Sale of goods		15,615	-	-	15,615	10,741
Miscellaneous income		15,355	-	-	15,355	1,285
Barge hire income		4,510	-	-	4,510	3,800
Gain on sale of tangible fixed assets			216,641		216,641	-
Total incoming resources		<u>137,416</u>	<u>216,641</u>	<u>27,500</u>	<u>381,557</u>	<u>122,375</u>
Less: Cost of generating funds						
Cost of goods sold		(16,777)	-	-	(16,777)	(6,868)
Fundraising costs		(7,786)	-	-	(7,786)	(3,000)
		<u>(24,563)</u>	<u>-</u>	<u>-</u>	<u>(24,563)</u>	<u>(9,868)</u>
Net incoming resources available for charitable application		<u>112,853</u>	<u>216,641</u>	<u>27,500</u>	<u>356,994</u>	<u>112,507</u>
Resources expended						
<i>Charitable expenditure</i>						
Operational costs		(45,138)	(37,364)	-	(82,502)	(59,065)
Support costs		(13,394)	-	-	(13,394)	(13,511)
Governance costs		(3,086)	-	-	(3,086)	(2,980)
Total resources expended		<u>(61,618)</u>	<u>(37,364)</u>	<u>-</u>	<u>(98,982)</u>	<u>(75,556)</u>
Net movement in funds for the year		<u>51,235</u>	<u>179,277</u>	<u>27,500</u>	<u>258,012</u>	<u>36,951</u>
Fund transfers		47,803	51,252	3,449	-	-
Net income / (deficit) for the year		<u>3,432</u>	<u>230,529</u>	<u>24,051</u>	<u>258,012</u>	<u>36,951</u>
Funds brought forward:						
General fund		248,253	715,678	3,449	967,380	73,636
Transfer from Seagull Trust		-	-	-	-	856,792
Funds carried forward		<u>251,685</u>	<u>946,207</u>	<u>27,500</u>	<u>1,225,392</u>	<u>967,379</u>
Represented by:						
Tangible Fixed Assets		-	946,207	-	946,207	715,677
Stock		3,298	-	-	3,298	4,204
Debtors		8,796	-	-	8,796	31,355
Bank		241,634	-	27,500	269,134	219,037
Creditors		(2,043)	-	-	(2,043)	(2,895)
		<u>251,685</u>	<u>946,207</u>	<u>27,500</u>	<u>1,225,392</u>	<u>967,379</u>

Balance Sheet as at 31 October 2009

	Notes	2009		2008	
		£	£	£	£
Fixed Assets					
Tangible assets	3		946,207		715,677
Current Assets					
Stocks	4	3,298		4,204	
Debtors	5	8,796		31,355	
Cash at bank and in hand		269,134		219,039	
		<u>281,228</u>		<u>254,598</u>	
Creditors: amounts falling due within one year	6	<u>(2,043)</u>		<u>(2,895)</u>	
Net Current Assets			279,185		251,703
Total Assets Less Current Liabilities			<u>1,225,392</u>		<u>967,380</u>
Funds:					
General fund			251,685		248,253
Designated fund			946,207		715,678
Restricted fund			27,500		3,449
Total Funds			<u>1,225,392</u>		<u>967,380</u>

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 477 of the Companies Act 2006;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 476 requesting that an audit be conducted for the year ended 31 October 2009 and

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 386, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus or deficit for the year then ended in accordance with the requirements of Section 394 & 395 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board on 22 March 2010 and signed on its behalf by

Mr R Rusack
Chairman
Registration Number SC179736

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006.

The financial statements have been prepared in accordance with the Statement of Recommended Practice - accounting and Reporting by Charities (revised 2005). They are also prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). In order to comply with this revised statement, it was necessary to change the income and expenditure headings.

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. 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 less residual value of each asset over its expected useful life, as follows:

Boathouses	-	2% Straight Line
Barges		4% Straight Line
Equipment	-	20% Straight Line

Assets transferred from the Seagull Trust have been depreciated at the above rate based on their original cost.

1.5. Stock

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

2. Legal status

The company is limited by guarantee, having no share capital. Every member of the company undertakes to contribute such amount as may be required, up to a maximum of £1 each, to the assets of the company if it is wound up whilst that person is a member, or within one year of the cessation of that person as a member, for payment of the company's debts and liabilities and the costs, charges and expenses of winding up and for the adjustment of the rights of the contributors amongst themselves.

3. Tangible fixed assets

	Boathouses	Barges	Equipment	Total
	£	£	£	£
At 1 November 2008	471,987	268,594	7,637	748,218
Additions	340,720	5,985	4,547	351,252
Disposals	(85,267)	-	-	(85,267)
At 31 October 2009	<u>727,440</u>	<u>274,579</u>	<u>12,184</u>	<u>1,014,203</u>
Depreciation				
At 1 November 2008	13,725	16,885	1,930	32,540
On disposals	(1,908)	-	-	(1,908)
Charge for the year	17,796	17,078	2,490	37,364
At 31 October 2009	<u>29,613</u>	<u>33,963</u>	<u>4,420</u>	<u>67,996</u>
Net book values				
At 31 October 2009	<u>697,827</u>	<u>240,616</u>	<u>7,764</u>	<u>946,207</u>
At 31 October 2008	<u>458,262</u>	<u>251,709</u>	<u>5,707</u>	<u>715,678</u>

4. Stocks

	2009	2008
	£	£
Stocks	<u>3,298</u>	<u>4,204</u>

5. Debtors

	2009	2008
	£	£
Prepayments and accrued income	<u>8,796</u>	<u>31,355</u>

6. Creditors: amounts falling due within one year

	2009	2008
	£	£
Payments received on account	50	250
Funds for gala dinner	-	980
Accruals and deferred income	1,993	1,665
	<u>2,043</u>	<u>2,895</u>

All Aboard With Seagull Trust Cruises!

