

Charity Registration No. SC045119 (Scotland)

Company Registration No. SC477579 (Scotland)

FISHERIES INNOVATION SCOTLAND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018

FISHERIES INNOVATION SCOTLAND

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr J H Goodlad (Chairman)

Mr A W Dingwall

Mr C A Armstrong

Mr M E Mitchell

Mr A Gibb

Mr M Coleman

Ms H R Farr

(Appointed 1 February
2018)

Mr T W Lewis

(Appointed 15 December
2017)

Secretary

J & H Mitchell LLP

Charity number (Scotland)

SC045119

Company number

SC477579

Registered office

PO Box 7223

PITLOCHRY

PH16 9AF

Auditor

Johnston Carmichael LLP

66 Tay Street

PERTH

PH2 8RA

FISHERIES INNOVATION SCOTLAND

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FISHERIES INNOVATION SCOTLAND

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MAY 2018

The trustees present their report and financial statements for the year ended 31 May 2018.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objectives and activities

The charity's objectives are to encourage the advance of expertise, science and management in relation to marine fisheries in Scotland and elsewhere, and further thereto:

- To provide information and support to members, other organisations, public bodies and governments and to inform fisheries policies and management
- To advance, and to encourage the advance of, expertise, science and management of and in relation to prosperous and environmentally sustainable fisheries in Scotland
- To establish, undertake, manage, enable, encourage and promote education, research and training
- To contribute to and enhance the public's knowledge and understanding of fisheries in and surrounding Scotland and elsewhere

The policies adopted in furtherance of these objects are to identify, advertise, assess, commission, actively manage, peer review and publish high quality research. The Board has also indicated that other projects such as organising a Bi-Annual Scottish Fishing Conference, creating an Annual Innovation Award and organising international business bursaries are important in furthering FIS's objectives. These policies have been refined and developed during the reporting period.

Details of the activities of the charity during the year

This was the fourth year of FIS operations, and the main activities were:

- Maintaining Board and Secretariat functions / relationships
- Securing Member funding for the fourth year of operations
- Managing claims and a new application for European Maritime and Fisheries Fund support for project match funding.
- Appointment of Coby Needle and a new TC member on the retirement of Nick Bailey.
- Board and TAC meetings
- Research prioritisation discussions and preparations for advertising and commissioning new projects FIS024, FIS025, FIS026, FIS028 and FIS029.
- Management meetings, peer review and approval/publication (where appropriate) of several FIS projects.
- Preparations for the Bi-Annual Scottish Fishing Conference 2018
- Commissioning and management of the international study project for 2018, FIS019
- Attend EMFF PMC, PAC and PMC Industry Group meetings
- Organise industry stakeholder group meeting
- Attend Scottish Brexit Conference

FISHERIES INNOVATION SCOTLAND

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

Grant making policy

FIS has established robust mechanisms for commissioning, managing and evaluating research and development projects. Prioritised research requirements are agreed by the board and published as a call for proposals. Submitted proposals are subject to internal and external peer review, before being tabled for final assessment by the board when funding decisions are made.

Achievements and performance

Project FIS015, the outstanding Round 2 project, was delivered satisfactorily within the reporting period. The key achievements within the reporting period can be summarised as:

- FIS commissioned new *ad hoc* projects FIS019-020
- FIS approved contractors for projects FIS024, FIS025, FIS026, FIS028 and FIS029
- FIS applied for EMFF support for projects FIS024, FIS025, FIS026, FIS028 and FIS029
- Much progress was made towards the organisation of the third Scottish Fishing Conference to be held in St Andrews in July 2018.

Financial review

Results for the year ended 31 May 2018 are given in the Statement of Financial Activities on page 11. The assets and liabilities are given in the Balance Sheet on page 12. The financial statements should be read in conjunction with the related notes which appear on pages 13 to 20.

In summary, income amounted to £277,530 (2017 - £450,000), expenditure totalled £586,355 (2017 - £145,202), resulting in net expenditure for the year of £308,825 (2017 - net income -£304,798).

During the reporting period the Executive Director and Secretariat have been responsible for the day-to-day management of FIS finance and responsibility for ensuring that an effective system of internal financial control is maintained and operated in respect of FIS accounts.

The system of internal financial control is based on a framework of regular management information, periodic audit, administrative procedures including segregation of duties and a system of delegation and accountability. In particular, it includes:

- the existence of an appropriate control environment, such as clearly defined management responsibilities and evidence of reaction to control failures;
- regular monitoring of financial activity on a weekly basis by the Executive Director and Secretariat;
- contractual agreement for the allocation of FIS funds requiring the signature of two Directors;
- a system of continuous cash flow control;
- all contractors' invoices being checked prior to settlement and, under the terms of the standard FIS Agreement, the right to secure financial audit of contractors;
- Johnston Carmichael LLP continue to independently audit the FIS accounts annually;
- the Directors of FIS are informed at biannual Board meetings of the financial status of the company;
- minimising the financial risk to FIS by securing contributions from all Member organisations and committing funds within the constraints of these allocations.

FISHERIES INNOVATION SCOTLAND

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

The system of internal financial control is overseen by the Executive Director, the Chairman, the FIS Board and the Secretariat financial administrator who has responsibility for the development and maintenance of the financial control framework.

Reserves policy

It is the policy of the charity that unrestricted funds that have not been designated for a specific use should be maintained at a level equivalent to three months of the total expenditure excluding grants payable for the year. At 31 May 2018 this amounted to £123,758 therefore three months amounts to approximately £30,939. At the end of the reporting period the total funds held amounted to £360,375 of which £5,000 are restricted and £355,375 are unrestricted therefore this level of reserves has been maintained.

The majority of the funds committed to FIS by the members are allocated on the basis that they will support the research and development projects therefore this level of reserves is held mainly to cover any administrative costs for the notice period of three months in the event of a significant drop in funding.

Risk Management

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. These risks are re-evaluated on an ongoing basis by the Executive Director and the Secretariat, and the Board is alerted to salient emerging issues. The most important risk to the charity is the security of its future funding stream and therefore its ability to fulfil its objectives and this risk is carefully considered and discussed at every meeting of the Board.

The Board retains insurance for "Professional and legal liability (charity)" and "Trustees and individual liability (charity)" with Hiscox Underwriting Limited.

Future plans

For the forthcoming year, 2018/19, Fisheries Innovation Scotland will maintain many of the same operations as indicated for the reporting period. Specifically, it will: complete and publish the research projects commissioned during 2017/18; advertise and commission new research projects for 2018/19 including an International Study Bursary; complete reporting on the 2018 Bi-Annual Scottish Fishing Conference; and represent the organisation and the wider Scottish fishing community at workshops, conferences and other similar events.

Structure, governance and management

The charity is a company limited by guarantee. The company is governed by its Memorandum and Articles of Association, last amended 28 July 2014.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr J H Goodlad (Chairman)

Mr M Park

(Resigned 1 June 2017)

Mr A W Dingwall

Mr C A Armstrong

Mr M E Mitchell

Mr A Gibb

Mr M Coleman

Ms H R Farr

(Appointed 1 February 2018)

Mr T W Lewis

(Appointed 15 December 2017)

FISHERIES INNOVATION SCOTLAND

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

From our 8 Member organisations listed below, 7 trustees, together with designated alternates, have been recruited (in addition, the chairman is also an elected trustee). The exceptions as at 31 May 2018 are Scottish Natural Heritage, which has yet to nominate a Trustee to the Board. Trustees are also required to serve as members of the company under the Articles and are formally appointed as Company Directors.

None of the directors has any beneficial interest in the company. All of the directors are members of the company and guarantee to contribute £1 in the event of a winding up.

The Member organisation is responsible for selecting and nominating the candidate it wishes to serve on the FIS Board. Existing Board Members are informed of the nomination and, in the absence of substantive objection, the individual is appointed. There is no fixed term for FIS trustees. The Chairman is an independent appointee of the Board and the position is reviewed annually.

FIS Trustees are drawn from a broad range of interest groups including:

- Sainsbury's
- Marine Scotland
- Scottish Fishermen's Federation
- Seafish
- Young's Seafood
- Scottish Natural Heritage
- Funding Fish
- Marks and Spencer

Organisational Management

FIS is operated by a Board constituted by Trustees who are also Company Directors. Board members are drawn from each of FIS's Member organisations and take overall responsibility for ensuring that FIS fulfils its stated aims and maintains the appropriate infrastructure for the effective, accountable and lawful conduct of the organisation. The Chairman is an independent appointee of the Board. The Company Secretary is J&H Mitchell Solicitors. Day to day management and administration of FIS is undertaken by the Executive Director, Richard Slaski. A Secretariat supports the Board, the Chairman and the Executive Director, a role which was undertaken by Epsilon Resource Management Ltd during the reporting period. FIS accounts are audited by Johnston Carmichael LLP.

The Board consists of 8 trustees together with a similar number of designated alternates who may act on behalf of a specified trustee in their absence. The Board has agreed that other relevant bodies or individuals shall have observational or advisory status and be invited to participate in normal board meetings. Specifically, the Chair of the Technical Advisory Committee has been asked to be a regular attendee at board meetings during the reporting period.

FISHERIES INNOVATION SCOTLAND

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

The work of FIS is supported by a Technical Advisory Committee (TAC), whose members are selected by the Board on the basis of their personal expertise and experience. The TAC meets independently of the Board and communications between the two are maintained by the Executive Director and the secretariat.

As a routine annual cycle is becoming established, it is anticipated that the Board will meet at least twice each year. Sub-groups of the Board also meet on an ad hoc basis to address specific tasks agreed by the Board. Interim Board meetings also occur as required.

The Chairman and the Executive Director liaise regularly with respect to routine operational matters. All decisions related to policy, strategic development, project approvals and fundamental aspects of company business are referred to the Board. In the absence of Board consensus on an issue, decisions are carried on the basis of a simple majority with the Chairman holding a casting vote.

Details of organisational structure

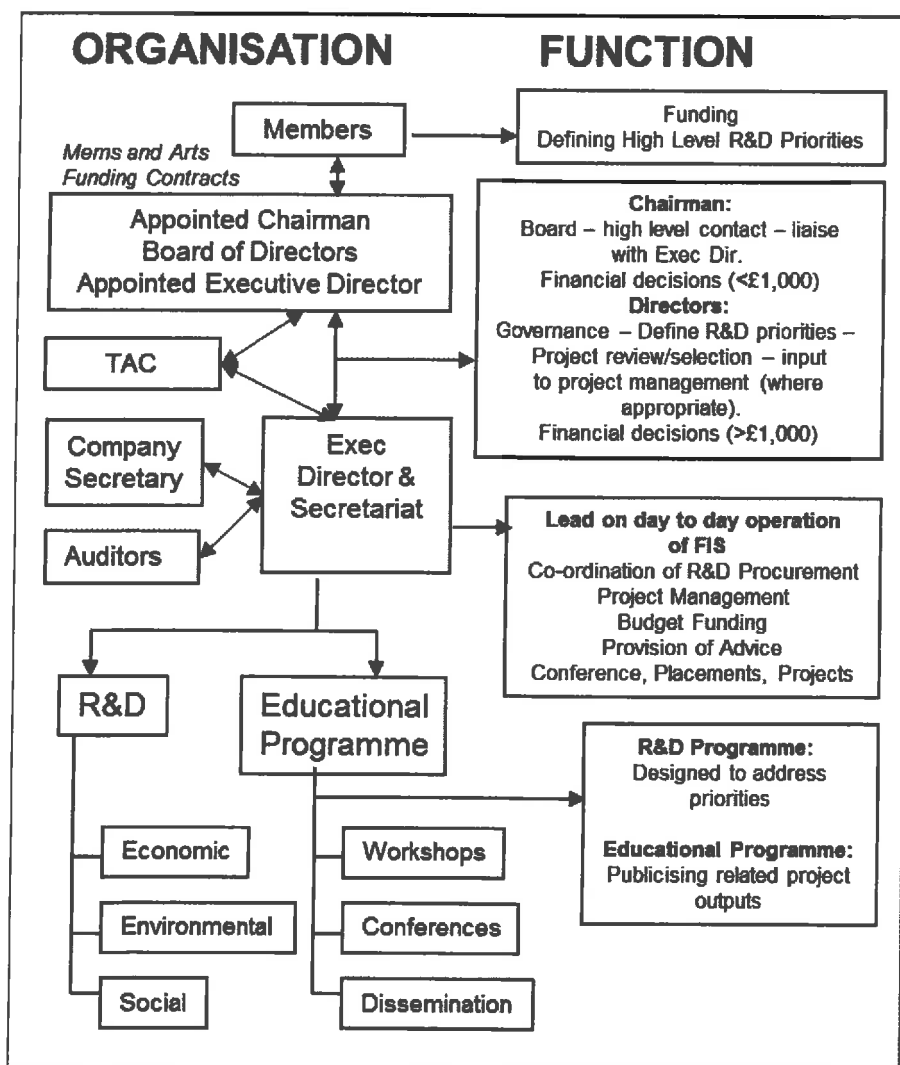


Figure 1. Organisational diagram of FIS operational structure and related functions.

FISHERIES INNOVATION SCOTLAND

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

Trustees Induction and Training

At the time of their appointment, all trustees are provided with an information pack containing:

- The Role of the Charity Trustee (Liddell, 2011)
- Memorandum and Articles of Association
- Standard FIS confidentiality agreement
- The previous year's Board meeting and Annual General Meeting minutes
- The latest set of accounts
- The latest annual report

The Secretariat also provides an induction presentation providing details of the structure, function and status of FIS. Trustees are also referred to the OSCR website for guidance on Trustees Responsibilities and are encouraged to attend workshops and training events relevant to their role with FIS. The Secretariat also provides specific advice and guidance to new trustees and undertook bilateral meetings with all Member organisations during the reporting period.

Relationship with Related Parties

The trustees, who are also directors for the purposes of company law, are each drawn from FIS Member organisations. All trustees are formally requested to declare any potential conflict of interest prior to its discussion at a Board meeting. Exclusion of the Board member from further participation in discussions is at the Chairman's discretion. In instances where the Member organisation that a trustee represents has a vested interest in a research proposal, the trustee will remove themselves from the assessment and voting process in relation to that proposal. Directors are not permitted to be direct participants in a FIS project.

Auditor


In accordance with the company's articles, a resolution proposing that Johnston Carmichael LLP be reappointed as auditor of the company will be put at a General Meeting.


Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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

The trustees' report was approved by the Board of Trustees.


Mr A W Dingwall
Trustee
Dated: 22/11/18


Mr M Coleman
Trustee
Dated: 22/11/18

FISHERIES INNOVATION SCOTLAND

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MAY 2018

The trustees, who are also the directors of Fisheries Innovation Scotland 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 (FRS 102);
- 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; and
- 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 adequate 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

FISHERIES INNOVATION SCOTLAND

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES AND MEMBERS OF FISHERIES INNOVATION SCOTLAND

Opinion

We have audited the financial statements of Fisheries Innovation Scotland (the 'charitable company') for the year ended 31 May 2018 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 May 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

FISHERIES INNOVATION SCOTLAND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES AND MEMBERS OF FISHERIES INNOVATION SCOTLAND

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report, (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

FISHERIES INNOVATION SCOTLAND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES AND MEMBERS OF FISHERIES INNOVATION SCOTLAND

Auditor's responsibilities for the audit of the financial statements (continued)


As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' 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 charitable company, the charitable company's members as a body, and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Jean Main (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

22/11/18
.....

Chartered Accountants
Statutory Auditor

66 Tay Street
PERTH
PH2 8RA

Johnston Carmichael LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

FISHERIES INNOVATION SCOTLAND

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MAY 2018

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<u>Income from:</u>					
Donations and legacies	3	272,530	5,000	277,530	450,000
<u>Expenditure on:</u>					
Charitable activities	4	586,355	-	586,355	145,202
Net (expenditure)/income for the year/ Net movement in funds		(313,825)	5,000	(308,825)	304,798
Reconciliation of Funds					
Fund balances at 1 June 2017		669,200	-	669,200	364,402
Fund balances at 31 May 2018		355,375	5,000	360,375	669,200

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

FISHERIES INNOVATION SCOTLAND

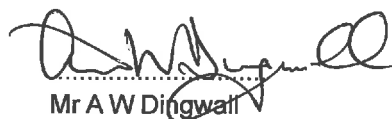
BALANCE SHEET

AS AT 31 MAY 2018

	Notes	2018 £	£	2017 £	£
Current assets					
Debtors	11	1,046		178,664	
Cash at bank and in hand		829,938		642,073	
		<u>830,984</u>		<u>820,737</u>	
Creditors: amounts falling due within one year	12	(364,526)		(151,537)	
Net current assets			466,458		669,200
Creditors: amounts falling due after more than one year	13		(106,083)		-
Net assets			<u>360,375</u>		<u>669,200</u>
The Funds of the Charity					
Restricted funds	14	5,000		-	
Unrestricted funds		355,375		669,200	
		<u>360,375</u>		<u>669,200</u>	

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

The financial statements were approved by the Trustees on 22/11/18



Mr A W Dingwall
Trustee



Mr M Coleman
Trustee

Company Registration No. SC477579

FISHERIES INNOVATION SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

Charity information

Fisheries Innovation Scotland is a charitable company limited by guarantee incorporated in Scotland. The registered office and business address is PO Box 7223, PITLOCHRY, PH16 9AF.

1.1 Accounting convention

These financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") section 1A applicable to small entities and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The charitable company is a Public Benefit Entity as defined by FRS 102.

The charity has availed itself of S396 of the Companies Act 2006, as permitted in paragraph 4(1) of Schedule 1 of SI 2008 No 409, and adapted the Companies Act formats to reflect the special nature of the charity's activities.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for at least the next 12 months. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Donation and gifts represent the member's donation to the charity and is recognised when the amounts can be measured and it is probable that the income will be received

Income is deferred if there are donor imposed conditions that specify that time period in which the expenditure can take place.

FISHERIES INNOVATION SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

(Continued)

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. These are allocated between charitable expenditure and support costs.

Charitable expenditure is incurred in direct pursuance of the charity's principal objects and as set out in the trustees' report.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include secretariat costs, governance costs and administrative costs. They are incurred directly in support of expenditure on the objects of the charity.

1.6 Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks.

1.7 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and bank balances, are measured at transaction price including transaction costs.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

FISHERIES INNOVATION SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

2 Critical accounting estimates and judgements

(Continued)

The trustees consider that there are no estimates and underlying assumptions which has significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Donations and gifts	275,000	5,000	280,000	450,000
Government grants	(2,470)	-	(2,470)	-
	<u>272,530</u>	<u>5,000</u>	<u>277,530</u>	<u>450,000</u>
For the year ended 31 May 2017				
Donations and gifts	450,000	-		450,000
	<u>450,000</u>	<u>-</u>		<u>450,000</u>
Donations and gifts				
Marine Scotland	100,000	-	100,000	150,000
Funding Fish	25,000	5,000	30,000	-
Scottish Fishermen's Federation	25,000	-	25,000	100,000
Seafish Industry	25,000	-	25,000	100,000
Young's Seafood Ltd	25,000	-	25,000	25,000
Scottish Natural Heritage	25,000	-	25,000	25,000
Sainsbury's Supermarkets Ltd	25,000	-	25,000	25,000
Marks and Spencers	25,000	-	25,000	-
The Scottish White Fish Producers Association Ltd	-	-	-	25,000
	<u>275,000</u>	<u>5,000</u>	<u>280,000</u>	<u>450,000</u>
Grants receivable for core activities				
Grants not received	(2,470)	-	(2,470)	-
	<u>(2,470)</u>	<u>-</u>	<u>(2,470)</u>	<u>-</u>

FISHERIES INNOVATION SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

4 Charitable activities

	2018 £	2017 £
Secretariat costs	66,723	62,523
Conferences and seminars	20,432	50,266
Programme expenses and referee payments	2,180	2,809
Chairman's honorarium	10,000	10,000
Travelling and meeting expenses	6,775	9,715
Consultancy fees	-	1,517
	<u>106,110</u>	<u>136,830</u>
Grant funding of activities (see note 5)	462,597	(5,010)
Support costs (see note 6)	14,288	9,440
Governance costs (see note 6)	3,360	3,942
	<u>586,355</u>	<u>145,202</u>
Analysis by fund		
Unrestricted funds	<u>586,355</u>	<u>145,202</u>
For the year ended 31 May 2017		
Secretariat costs		62,523
Conferences and seminars		50,266
Programme expenses and referee payments		2,809
Chairman's honorarium		10,000
Travelling and meeting expenses		9,715
Consultancy fees		1,517
		<u>136,830</u>
Analysis by fund		
Unrestricted funds		<u>145,202</u>
		<u>145,202</u>

FISHERIES INNOVATION SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

5 Grants payable

	2018 £	2017 £
Grants to institutions:		
University of Aberdeen	277,207	-
Marine Scotland Science	106,040	(5,000)
Anderson Solutions (Consulting) Ltd	34,335	-
JNCC	29,762	-
NAFC Shetland	12,500	-
University of Strathclyde	3	-
MRAG Ltd	(988)	(10)
University of Stirling	(205)	-
	<u>458,654</u>	<u>(5,010)</u>
Grants to individuals	3,943	-
	<u>462,597</u>	<u>(5,010)</u>

The credits included within grants payable in 2018 relate to the following:

MRAG Ltd - over accrual of £988 in 2017

University of Stirling - over accrual of £205 in 2017

6 Support costs

	Support costs £	Governance costs £	2018 £	2017 £	Basis of allocation
Insurance	1,106	-	1,106	1,124	Direct
Postage, stationery and computer expenses	3,313	-	3,313	2,117	Direct
Advertising	9,210	-	9,210	5,220	Direct
Subscriptions	84	-	84	334	Direct
Bank charges	561	-	561	632	Direct
Sundry expenses	14	-	14	13	Direct
Audit fees	-	3,360	3,360	3,300	Direct
Legal and professional	-	-	-	642	Direct
	<u>14,288</u>	<u>3,360</u>	<u>17,648</u>	<u>13,382</u>	
Analysed between					
Charitable activities	<u>14,288</u>	<u>3,360</u>	<u>17,648</u>	<u>13,382</u>	

FISHERIES INNOVATION SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

7 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the auditor's:	2018 £	2017 £
Audit of the annual accounts	3,360	3,300

8 Trustees

None of the trustees and key management personnel (or any persons connected with them) received any remuneration during the year.

During the year, 1 of the trustees received an honorarium of £10,000 (2017 - £10,000) and 3 of the trustees were reimbursed travel and meeting expenses amounting to £2,488 (2017 - 3 trustees reimbursed £3,204). The payment to trustees is permitted under clause 10.4.1 and 10.4.2 of the charity's constitution.

9 Employees

There were no employees during the year.

The Executive Director's costs are charged as Secretariat Costs as disclosed in note 4 of the accounts.

10 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	829,938	818,951
Carrying amount of financial liabilities		
Measured at amortised cost	470,609	151,537

11 Debtors

Amounts falling due within one year:	2018 £	2017 £
Other debtors	-	176,878
Prepayments and accrued income	1,046	1,786
	1,046	178,664

FISHERIES INNOVATION SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

12 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	11,545	6,450
Accruals and deferred income	352,981	145,087
	<u>364,526</u>	<u>151,537</u>

13 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Accruals and deferred income	106,083	-
	<u>106,083</u>	<u>-</u>

14 Restricted funds

The income funds of the charity include restricted funds comprising the following balances of donations and grants held on trust for specific purposes:

	Balance at 1 June 2017 £	Movement in funds Income Expenditure £		Balance at 31 May 2018 £
Funding Fish	-	5,000	-	5,000
	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>

The donation is purposed for strengthening the communication of the results and benefits of Fisheries Innovation Scotland supported projects to key audiences.

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 May 2018 are represented by:			
Current assets/(liabilities)	461,458	5,000	466,458
Long term liabilities	(106,083)	-	(106,083)
	<u>355,375</u>	<u>5,000</u>	<u>360,375</u>

FISHERIES INNOVATION SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

16 Related party transactions

Transactions with related parties

Some of the trustees represent the member organisations of the company and during the period income received from these organisations amounted to £255,000 (2017 - £425,000) as detailed in note 3. In instances where the organisation that a trustee represents has a vested interest in a research proposal, the trustee will remove themselves from the evaluation and voting process in relation to that proposal.

Marine Scotland was carrying out one of the projects but it was abandoned last year resulting in a credit to the statement of financial position in 2017 of £5,000 for the opening project accrual.