



# **The Moray Firth Partnership**

**(A Company Limited by Guarantee)**

## **Report of the Directors and Financial Statements for the year ended 31 March 2017**

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

**Company number: SC196042**

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

**REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

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

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2017**

**(A) REFERENCE AND ADMINISTRATIVE DETAILS, DIRECTORS AND ADVISERS**

**DIRECTORS:**

Maureen Macmillan	<i>Chair (retired 17 March 2017)</i>
Carol Barbone	<i>Chair (elected 17 March 2017) Resigned June 2017</i>
William Ruck	<i>Vice Chair</i>
Graham Grant	
Gordon Mackie	<i>(Retired 17 March 2017)</i>
Ben Leyshon	
Alexander Yelland	
James Mackie	<i>(17 March 2017)</i>
William Wright	<i>(17 March 2017)</i>

**SENIOR STAFF MEMBERS:**

Kathryn Logan	Manager (left July 2016)
Robyn Shilland	Manager (April 2016 – April 2017)
Vicky Junik	Manager (May 2017 - present)

**COMPANY NUMBER:** SC196042

**CHARITY NUMBER:** SC028964

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

**COMPANY SECRETARY:** Morton Fraser, Solicitors      Quartermile Two, 2 Lister Square  
Edinburgh EH3 9GL

**INDEPENDENT EXAMINER:** Allison G Gibson      Scott Moncrieff, 10 Ardross Street,  
Inverness IV3 5NS

**THE MORAY FIRTH PARTNERSHIP  
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**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2017  
(continued)**

**(B) STRUCTURE, GOVERNANCE AND MANAGEMENT**

Background

- The Moray Firth Partnership (MFP) is a voluntary, not for profit organisation that brings together information, people and resources to promote sustainable “integrated coastal zone management” (ICZM). We were first set up in 1993 as one of a number of “Firths Projects”, in response to the Rio Earth Summit call for better management of our coasts and seas.
- Demand for shared use of marine space and resources continue to increase. The ways in which competing or conflicting interests and potential developments are identified and managed are of critical importance to long-term sustainability. This will continue to be a main focus for the MFP’s work in ICZM.
- The MFP works with individuals and organisations at all levels to help make best use of the area’s natural, economic, recreational and cultural resources and to retain and enhance a high quality of life for all of its residents and visitors.
- The MFP is not a lobby group, and does not “take sides” on issues. Our role is as an educational and influencing body, aiming to promote agreement through dialogue and consensus. Our ‘neutral’ status lets us bring together many diverse interest groups and helps them to develop joint actions.
- Our area of remit includes
  - around 800km of coastline from Duncansby Head at John O’Groats to Kinnaird Head at Fraserburgh and the inner firths
  - coastal waters out to the 12 nautical mile Territorial Waters limit; and
  - the coastal hinterland and river systems where these have an impact on the Firth.
- The MFP’s work is linked to, and supportive of, the Scottish Government’s proposals for long-term national and regional marine management, including implementation of Scotland’s first National Marine Plan, launched in March 2015. (See also Section C.)

The Moray Firth Area

The Moray Firth is Scotland’s largest firth and is of significant importance both locally and nationally as a source of food and power, industrial base, seaway, tourism and recreation area and is home to a wide range of wildlife. Within some 800 kilometres of coastline including the inner firths, it has over 80 designated sites protecting a wide range of species and habitats. The presence of a range of protected species, including the resident population of bottlenose dolphin, is of major economic importance to the Scottish tourism industry. Two offshore windfarms are under development in the outer Firth and there are licensed exploration areas for oil and gas in addition to existing oilfields. Inshore fisheries are an important industry supporting local communities and businesses.

The growing demands for shared use of marine areas and resources highlights the need for integrated coastal and marine management.

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

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2017  
(continued)**

**(B) STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

Structure of the Moray Firth Partnership

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

The Memorandum and Articles of Association, the governing documents of the company, were reviewed and updated on the 17th March 2017.

The Board of Directors

The company has a small Board who are responsible for the good governance of the company. The directors, who are all voluntary and unpaid, are also the trustees of the charity. Appointment is by election at the Annual General Meeting (AGM). All directors are elected as individuals based on their knowledge and skills but not as representatives of any organisation or interest group. One-third of the directors are required to stand down annually, but may stand for re-election for a further term.

The Board elects the Chair annually at the first meeting following the AGM.

New Directors

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

Register of interests

Directors and staff are required to declare any interest they, or members of their family or other related persons, may have in contracts or work to be carried out, or projects to be funded by the Partnership. Other than as noted in Section F – 'Related party transactions and directors' interests', no interests were declared in 2016/17.

Company membership

The Moray Firth Partnership currently has over six hundred members, all of whom are encouraged to play an active part. Membership is free and is open to any individual or organisation. There are three separate classes of membership; Ordinary, open to individuals, Corporate, restricted to organisations, and Additional Corporate Non-Voting, for individuals who wish to represent an organisation already with a voting member.

Liability of members

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

Action or Steering groups

Where appropriate, an action or steering group may be set up to help guide and support our work, usually including representatives from external organisations and interests. There were no action or steering groups in 2016/17.

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

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2017  
(continued)**

**(B) STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

Staffing

The MFP has two employed staff posts - a manager and an administrator. Staff members are involved in all aspects of developing and managing core work and projects, as well as fundraising and the general management of the MFP. Other support is contracted in as required, generally using freelance contractors.

A new manager, Robyn Shilland, began working with the MFP in April 2016. Robyn had a four-month handover period with Kathryn Logan, the previous manager, who left the MFP in July 2016. Robyn subsequently left the Partnership on 28th April 2017. We now have Vicky Junik who started 1<sup>st</sup> May 2017.

Budgeting

The Board agrees a forward budget for each financial year, covering the core activities of the Partnership. Project budgets are agreed on an ad-hoc basis as required. Day-to-day management of activities is delegated to the Manager, with the aim of making best use of resources and securing value for money, working within the budget constraints set.

New projects and work

Any new MFP project proposals are subject to Board approval, based on a project outline, budget and risk assessment, in line with the stated aims and values of the Partnership. Local objectives also need to be compatible with wider regional, national and international objectives as contained within relevant legislation.

Risk review

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

**(C) OBJECTIVES AND ACTIVITIES**

Aims

The Partnership has four strategic aims:

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

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

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2017  
(continued)**

**(C) OBJECTIVES AND ACTIVITIES (continued)**

Objectives

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

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

Values

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

Decision Making and Forward Planning

The Board of Directors decides on the strategic priorities for the Partnership. Day to day management decisions are made by the Manager, in liaison with the Board where appropriate.

Links to National and Regional Marine Planning

Scotland's first national marine plan was issued by the Scottish Government in March 2015, providing a policy framework to promote sustainable development of marine areas in a way that will protect and enhance the marine environment and promote existing and emerging industries. The plan is based on physical and socio-economic information about the marine area which is now available within a new online data resource – National Marine Plan Interactive (NMPi). Public authorities must now take authorisation or enforcement decisions in accordance with this plan, unless relevant considerations indicate otherwise, and also take into consideration existing plans such as local integrated coastal zone management.

Regional marine planning will be implemented within a Scottish Government agreed timescale within the eleven Scottish Marine Regions. Marine regions cover the area from Mean High Water Springs out to the Territorial Waters limits at twelve nautical miles. Terrestrial planning authorities cover the area down to Mean Low Water Springs so there is an intentional overlap of administrations in the intertidal zone recognising the importance of the coastal element.

**THE MORAY FIRTH PARTNERSHIP  
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**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2017  
(continued)**

**(C) OBJECTIVES AND ACTIVITIES (continued)**

At March 2017, two Marine Planning Partnerships had been set up for the Clyde and Shetland, with quite different constitutional structures as appropriate for each area.

For the Clyde area, the former Clyde Forum, a sister organisation to the MFP, has changed its constitution to become the new Clyde Marine Planning Partnership. Both have received direction from the Scottish Government to become the lead marine planning body for their respective Marine Regions.

Other areas are expected to follow on from the pilot schemes, although the Scottish Government has not yet issued a timetable.

The MFP Board has agreed it wishes to ensure a Regional Marine Plan is developed for the Moray Firth area in the foreseeable future, and is keen that the MFP plays a key role within the future Regional Marine Planning Partnership.

The MFP has been in discussion with members and local stakeholders, including discussing with Highland, Moray and Aberdeenshire Councils, to start to look at how a future Moray Firth Marine Planning Partnership might be set up. Further information about our work in taking this forward is outlined in section E.

Core Funding and Key Funders

For 2016/17, Marine Scotland (Scottish Government) provided £32,000 grant funding towards staff costs, based on our core work programme. In particular support was provided towards marine planning (through contributing to NMPI) and communicating the NMP to stakeholders, as well as supporting regional marine planning (through identifying data gaps and developing plans or strategies as to how marine planning can be implemented in the Moray Firth). This funding represented approximately 62% of total core income for the year, a major contribution to securing the ongoing work of the Partnership and its networks. The same level of funding has been agreed for 2017/18 but there is no longer-term agreement in place.

Scottish Natural Heritage continues to act as host employer and to provide serviced office accommodation for Partnership staff. This is a significant benefit to the Partnership, providing high quality facilities and information services. The value of these services was estimated at £7,330 for 2016/17, which is included as in kind.

In addition to the Scottish Government and Scottish Natural Heritage, we wish to recognise the other funders that have continued to provide core funding and to support the work of the partnership over a number of years, enabling a wide range of core and project work to be completed. Other key funders for 2016/17 include Aberdeenshire Council, the Port of Cromarty Firth and Chevron Upstream Europe. A full list is included as Note 5 to the accounts.

The lack of secured core funding makes it more difficult to attract long-term funding, desirable for the work we undertake. The MFP continues to consider, as part of its future strategy, how this situation is to be managed and how to secure additional core-funding from other sources.



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

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2017  
(continued)**

**(D) PRINCIPAL ACHIEVEMENTS AND PERFORMANCE IN 2016/17**

The Partnership carried out a range of work during the year involving a range of partners and interest groups. At the local firth level this included liaison work between fisheries and other sectoral interests, organising beach cleans and education/citizen science projects. At the Scotland and UK level the Partnership was involved with work to assist the national marine planning initiative, including much of the core work on integrated coastal zone management. All local coastal partnerships in Scotland work together through the Scottish Coastal Forum to share best practice and knowledge.

Our main work in 2016/17 was limited due to changes in staffing, but included the following:-

Citizen Science

The MFP became an associate partner of 'Capturing our Coast', a UK-wide project to engage the public in biological surveying and recording of the coast. MFP staff trained 25+ volunteers to conduct surveys and record their findings, which are recorded on an open-access national database to improve scientific understanding of coastal species and biological communities.

Moray Firth D&R MPA Proposal

The MFP brought together key stakeholders to write a proposal for a Demonstration and Research Marine Protected Area (D&R MPA) for the marine wildlife tour boat industry in the Moray Firth. This will supersede the Dolphin Space Programme (DSP), for which the MFP formerly acted as secretariat. The proposal was initiated to hold current year boat numbers.

This work will take a necessary hiatus during the high tourist season and resume towards the end of 2017.

Regional Marine Planning Consultations

In 2016-17, the MFP consulted with the three Local Authorities within the Moray Firth (Highland, Moray and Aberdeenshire Councils) regarding their opinions on regional marine planning in the Moray Firth, and what role the Authorities may wish to play in a Marine Planning Partnership.

Moray Firth SAC Secretariat Work

The MFP continued to act as secretariat to the Moray Firth Special Area of Conservation (SAC) Management Group. Following four years of inactivity, meetings were resumed in June 2016 with a second meeting taking place in December 2016. A further meeting was held in June 2017. A review of the SAC Management Scheme Action Plan was carried out by the MFP in 2016, during which group members reviewed and updated their actions.

£6,235 funds were raised through group members in 2012/13 to provide additional work to be carried out by the group. £194 of this was spent in 2016/17, leaving £6,041 remaining. This is held in the MFP bank account on behalf of the SAC Management Group and is included in creditors. It was provisionally agreed by the group in December 2016 that these funds should be used to fund a review of the Management Scheme; these funds are expected to be drawn down during 2017/18.

**THE MORAY FIRTH PARTNERSHIP  
(A Company Limited by Guarantee)  
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2017  
(D) PRINCIPAL ACHIEVEMENTS AND PERFORMANCE IN 2016/17 (continued)**

Review of coastal and marine policies in Local Development Plans

Local Development Plans (LDPs) produced by Local Authorities were reviewed and coastal and marine policies were extracted to produce a summary of these policies across the Moray Firth Region. This report will be reviewed as and when appropriate, in line with the LDP review cycles, in order to maintain an up to date and relevant document that will inform policies within the regional marine plan for the Moray Firth.

Moray Firth Gansey Project

Although main work on The Moray Firth Gansey Project ended in 2012, the interest in these fishermen's jumpers and related fishing heritage is still generating significant public interest and participation. As well as continuing demand for the printed booklet and DVD, the long-term legacy of the project includes the travelling exhibition with over 40 donated ganseys, which is now in its fifth year on UK tour. It has visited Shetland, Aberdeen, Scarborough, Hull, Norfolk and Devon in the last two years, with well over 35,000 visitors.

Our first international exhibition was in Alaska in June 2016 and a further exhibition was held in Boston in late 2017. LEADER (part-funders of the original project) showcased our cross-area community co-operation projects and lessons learned at their conference in March 2016 when developing guidance for future projects.

Volunteers

We would like to acknowledge the valuable contribution from our dedicated and hardworking volunteers.

**THE MORAY FIRTH PARTNERSHIP  
(A Company Limited by Guarantee)  
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2017  
(continued)**

**(E) PLANS FOR 2017/18 AND BEYOND**

Under new management and a revitalised MFP board, we are undertaking a wide-ranging programme of modernisation and investing in systems and processes that will ensure we are 'fit for purpose' as we develop our ambitious 5-year forward plan.

This modernisation will draw significant resource and financial investment over the twelve months of 2017/18. Alongside this, we are advancing our work with all stakeholders to build a sustainable future for the Moray Firth and its communities and businesses.

Our current work includes:

**Marine and coastal litter** – As one of the main threats to all the world's oceans, litter and pollution is as prevalent an issue in and around the Moray Firth as anywhere. We are working with several local and national groups to understand and tackle the problem strategically and collaboratively.

**Regional Marine Planning** – The National Marine Plan in Scotland was published by the Scottish Government, and sets out an overarching strategy for the sustainable use of Scotland's inshore and offshore waters. We are working with Marine Scotland, statutory authorities, key stakeholders, and the appropriate industrial sector representatives to develop marine planning specific for our region – one of the busiest in Scotland.

**A Fresh Approach** – We are facilitating the development of a stakeholder-led proposal to introduce a trial licensing scheme for marine-based wildlife watching boats within the Moray Firth SAC (Special Area of Conservation). The Core Group comprises Port of Inverness, Whale & Dolphin Conservation, Scottish Natural Heritage and all current tour boat operators.

**SAC Management Group** – The Partnership provides secretariat support to the Moray Firth Special Area of Conservation Management Group, which comprises all statutory bodies with responsibilities within the MF SAC. The Management Scheme, Action Plan, and meeting papers are on the MFP website.

We have several other initiatives in development including establishing a Harbours group, exploring sustainable environmental and community funding streams, and securing new partnerships across sectors.

We will work collaboratively with stakeholders and partners around the Moray Firth area. The range of our work means this can be with communities, businesses, individuals, public bodies or industry groups – anyone with an interest in developing a sustainable future for the Moray Firth and its communities.

**THE MORAY FIRTH PARTNERSHIP  
(A Company Limited by Guarantee)  
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2017  
(continued)**

**(F) FINANCIAL REVIEW**

Funding and support -Year ended 31 March 2017

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

Results for the year ended 31 March 2017

For the financial year ended 31 March 2017, the company had a deficit on core activities of £8,671 (2016 surplus of £2,727) and a deficit of £592 (2016: surplus of £9,929) from its project funds. This gives a net deficit of £9,263 (2016 net surplus of £12,656). The balance of accumulated funds carried forward at 31 March 2017 was £47,274 (2016 £56,537).

Reserves

The directors aim to have unrestricted free reserves in the region of six months ongoing core costs. At 31 March 2017, the free reserves totalled £44,856 equivalent to around eight months' total core running costs per 2016/17 actual costs, which is considered satisfactory given the increasing difficulties in securing further core funding.

Restricted Reserves

Projects undertaken by the MFP are designed to help meet our long term Partnership objectives and to enable wider outreach, but for financial purposes are treated separately from "core". Project funds received are ring-fenced and shown as "restricted" funds. The MFP generally aims to secure full external funding for new projects, but any deficit on completed projects would have to be met from other reserves.

Note 14 to the accounts shows the balances and movements on restricted reserves at 31/03/17. The Gansey project has extended over more than one financial year, where donations have continued to accrue since the main project ended in 2012. The Gansey Project reserve remains as a stand-alone fund, as these monies are restricted to use for further Gansey related research, materials, the travelling exhibition etc.

Related party transactions and directors' interests

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

- Director Ben Leyshon is an employee of Scottish Natural Heritage (SNH), which provided in-kind support in the form of office accommodation, payroll administration and HR, IT and other services.
- Director Graham Grant is Deputy Harbourmaster at the Port of Cromarty Firth, which provided core funding.
- Director Alex Yelland is employed by Chevron Upstream Europe, which provided core funding.

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

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2017  
(continued)**

**(F) FINANCIAL REVIEW (continued)**

- The Partnership manager is hosted by Scottish Natural Heritage (SNH). The cost of MFP salaries is reimbursed to SNH. Staff pension costs and the costs of payroll administration are benefits provided in-kind to the Partnership and are included in "donated services and facilities" in the Statement of Financial Activities. The in-kind pensions element will cease in 2017/18 and MFP will reimburse full salary costs.

Future funding / Going Concern Basis

The Partnership has sufficient secured income and free reserves to cover the budgeted cash core costs for the year to March 2018 and expects to continue as a going concern with grant funded and contracted work for the foreseeable future. Once further information becomes available regarding future Scottish Government plans for regional marine planning and the role of local coastal partnerships, the Board will review the situation as to how they think the partnership should continue to operate and fund its work.

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

Independent examination

Allison G Gibson of Scott Moncrieff was appointed as Independent Examiner for the 2016/17 accounts.

Donated services and facilities and gifts in-kind

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

**(G) STATEMENT OF RESPONSIBILITIES OF MEMBERS OF THE BOARD OF DIRECTORS**

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

Company and charity law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that period. In preparing those financial statements, the directors are required to:

**THE MORAY FIRTH PARTNERSHIP  
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**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2017**

**(G) STATEMENT OF RESPONSIBILITIES OF MEMBERS OF THE BOARD OF DIRECTORS (continued)**


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- 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 in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

Small company exemptions

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

Approved by order of the board of trustees on ..... 20<sup>th</sup> Feb. 2018 ..... and signed on its behalf by:

  
.....  
Graham Grant - Board Member

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

**INDEPENDENT EXAMINER'S REPORT TO THE DIRECTORS OF  
THE MORAY FIRTH PARTNERSHIP (A Company Limited Guarantee)  
FOR THE YEAR ENDED 31 MARCH 2017**

I report on the financial statements of the charity for the year ended 31 March 2017 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet and the related notes, set out in pages fourteen to twenty-four.

This report is made solely to the charity's directors, as a body, in accordance with section 44 of the Charities and Trustee Investment (Scotland) Act 2005. My examination has been undertaken so that I might state to the charity's directors those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's directors as a body, for my examination, for this report, or for the opinions I have formed.

**Respective responsibilities of directors and examiner**

The charity's directors 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 directors consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations (as amended) 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 (as amended). 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 directors 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.

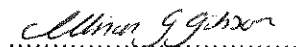
**Independent Examiner's statement**

In the course of my examination, no matter has come to my attention:

1. Which gives me reasonable cause to believe that in any material respect the requirements:
  - To keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations (as amended); and
  - To prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended)

have not been met; or

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

  
Allison G Gibson CA  
Scott Moncrieff  
10 Ardross Street  
Inverness  
IV3 5NS

Dated... 21 | 2 | 18.....

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND  
EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2017**

	Note	Unrestricted funds £	Restricted funds £	Total funds 2017 £	Total funds 2016 £
<b>INCOME AND ENDOWMENTS FROM</b>					
Grants, donations and legacies	5	49,456	1,070	50,526	62,338
Charitable activities	6	2,530	-	2,530	29,176
Other donated services (in-kind)	7	-	15,655	15,655	14,853
<b>Total</b>		<b>51,986</b>	<b>16,725</b>	<b>68,711</b>	<b>106,367</b>
<b>Expenditure on</b>					
Charitable activities	8	57,953	17,317	75,270	92,852
Governance Costs		2,704	-	2,704	859
<b>Total</b>		<b>60,657</b>	<b>17,317</b>	<b>77,974</b>	<b>93,711</b>
<b>Net (expenditure) / Income before transfers</b>		<b>(8,671)</b>	<b>(592)</b>	<b>(9,263)</b>	<b>12,656</b>
Transfer between funds		-	-	-	-
<b>Net movement in funds for the year</b>		<b>(8,671)</b>	<b>(592)</b>	<b>(9,263)</b>	<b>12,656</b>
Total funds at 1 April		53,527	3,010	56,537	43,881
<b>Total funds at 31 March</b>		<b>44,856</b>	<b>2,418</b>	<b>47,274</b>	<b>56,537</b>

**TOTAL RECOGNISED GAINS AND LOSSES**

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

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

The notes on page 16 to 24 form part of these financial statements.



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

**BALANCE SHEET**

**At 31 MARCH 2017**

	Note	2017		2016	
		£	£	£	£
<b>CURRENT ASSETS:</b>					
Debtors	11	3,325		17,271	
Cash at bank and in hand		<u>52,122</u>		<u>46,730</u>	
		55,447		64,001	
<b>CURRENT LIABILITIES:</b>					
Creditors (amounts falling due within one year)	12	<u>(8,173)</u>		<u>(7,464)</u>	
<b>NET CURRENT ASSETS:</b>			<b>47,274</b>		<b>56,537</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			<u><b>47,274</b></u>		<u><b>56,537</b></u>
<b>RESERVES:</b>					
Unrestricted funds	14		44,856		53,527
Restricted funds			<u>2,418</u>		<u>3,010</u>
Total funds			<u><b>47,274</b></u>		<u><b>56,537</b></u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2017.


The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2017 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees on 20<sup>th</sup> Feb 2018 and were signed on its behalf by:



Graham Grant – Board Member

Date: 20/2/18

Registered number: SC196042

The notes on pages 16 to 24 form part of these financial statements.

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

## NOTES TO THE ACCOUNTS YEAR ENDED 31 MARCH 2017

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### 1. General information

The charity is a private Company Limited by Guarantee, Company No: SC196042, registered in Scotland and a registered charity in Scotland, Charity No: SC028964. The address of the registered office is: Great Glen House, Leachkin Road, Inverness, IV3 8NW.

### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006.

### 3. Accounting Policies

#### Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with United Kingdom Accounting Standards including the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### Going concern

There are no material uncertainties about the charity's ability to continue for the foreseeable future.

#### Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 19.

#### Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future projects or commitments.

Restricted funds are subject to restrictions on their expenditure declared by the donor or through the terms of an appeal.

#### Income

All income is included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.

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

**NOTES TO THE ACCOUNTS *(continued)*  
YEAR ENDED 31 MARCH 2017**

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- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

**Expenditure**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

**Financial instruments**

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

**Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

**Debtors**

Short term debtors are measured at transaction price, less any impairment.

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

**NOTES TO THE ACCOUNTS *(continued)*  
YEAR ENDED 31 MARCH 2017**

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**Creditors**

Short term trade creditors are measured at the transaction price.

**Cash and cash equivalents**

Cash at bank includes cash and short term highly liquid investments with a short maturity of twelve months or less from the date of acquisition or opening of the deposit or similar account.

**Judgements in applying policies and key sources of estimation uncertainty**

In preparing the financial statements, directors are required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The Directors are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied to accruals. The estimate of accruals is deemed to be appropriate due to management's understanding of its liabilities at the year end.

**4. Limited by guarantee**

The liability of members is limited by guarantee. In the event of the charity being wound up during the period of membership or in the following year, members would be required to contribute an amount not exceeding £1.

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

**NOTES TO THE ACCOUNTS (continued)  
YEAR ENDED 31 MARCH 2017**

	Unrestricted funds	Restricted funds	Total funds 2017
	£	£	£
<b>5. GRANTS AND DONATIONS RECEIVED</b>			
<b>(Excluding donated services and facilities)</b>			
Aberdeenshire Council	2,500	-	2,500
Aberdeenshire EFF /FLAG	-	-	-
Chevron Upstream Europe	6,500	-	6,500
Cromarty Firth Port Authority	5,000	-	5,000
Highland Council EFF/ FLAG	-	-	-
Scottish Natural Heritage	3,076	-	3,076
Scottish Gov't (Marine Scotland)	32,000	-	32,000
Miscellaneous Donations - Gansey Project	-	1,070	1,070
Miscellaneous	380	-	380
	<b>49,456</b>	<b>1,070</b>	<b>50,526</b>

	Unrestricted funds	Restricted funds	Total funds 2016
	£	£	£
<b>5. GRANTS AND DONATIONS RECEIVED (continued)</b>			
<b>(Excluding donated services and facilities)</b>			
Aberdeenshire Council	2,500	-	2,500
Aberdeenshire EFF /FLAG	-	6,910	6,910
Chevron Upstream Europe	6,500	-	6,500
Cromarty Firth Port Authority	-	-	-
Highland Council EFF/ FLAG	-	6,910	6,910
Moray Council EFF/FLAG	-	6,910	6,910
Scottish Gov't (Marine Scotland)	32,000	-	32,000
Miscellaneous Donations - Gansey Project	-	548	548
Miscellaneous	-	60	60
	<b>41,000</b>	<b>21,338</b>	<b>62,338</b>

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

**NOTES TO THE ACCOUNTS (continued)  
YEAR ENDED 31 MARCH 2017**

**6. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds	Restricted funds	Total funds 2017
Provision of secretariat and other services / including indirect costs reimbursed	2,530	-	2,530
	2,530	-	2,530

**6. INCOME FROM CHARITABLE ACTIVITIES (continued)**

	Unrestricted funds	Restricted funds	Total funds 2016
Provision of secretariat and other services / including indirect costs reimbursed	29,176	-	29,176
	29,176	-	29,176

**7. DONATED SERVICES**

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

	Unrestricted funds	Restricted funds	Total funds 2017
Staff pension costs	-	8,325	8,325
Provision of serviced office accommodation and other services	-	7,330	7,330
	-	15,655	15,655

**7. DONATED SERVICES (continued)**

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

	Unrestricted funds	Restricted funds	Total funds 2016
Staff pension costs	-	7,523	7,523
Provision of serviced office accommodation and other services	-	7,330	7,330
	-	14,853	14,853

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

**NOTES TO THE ACCOUNTS (continued)  
YEAR ENDED 31 MARCH 2017**

**8. COSTS OF CHARITABLE ACTIVITIES**

	Unrestricted funds	Restricted funds	Total funds 2017
	£	£	£
Project costs:			
- Contractor and consultancy fees	9,378	-	9,378
- Promotion, web-site, design, print etc.	48	-	48
- Misc. project admin. costs & travel	1,276	1,662	2,938
- Direct costs, incl. workshops, conferences materials, etc.	861	-	861
	<u>11,563</u>	<u>1,662</u>	<u>13,225</u>
Personnel, other Contracted in Assistance costs and travel expenses	45,050	8,325	53,375
Office overheads, legal & prof. fees	1,340	7,330	8,670
	<u>57,953</u>	<u>17,317</u>	<u>75,270</u>

**8. COSTS OF CHARITABLE ACTIVITIES (continued)**

	Unrestricted funds	Restricted funds	Total funds 2016
	£	£	£
Project costs:			
- Contractor and consultancy fees	-	2,485	2,485
- Promotion, web-site, design, print etc.	-	7,559	7,559
- Misc. project admin. costs & travel	-	1,130	1,130
- Direct costs, incl. workshops, conferences materials, etc.	-	235	235
	<u>-</u>	<u>11,409</u>	<u>11,409</u>
Personnel, other Contracted in Assistance costs and travel expenses	53,674	7,523	61,197
Office overheads, legal & prof. fees	12,916	7,330	20,246
	<u>66,590</u>	<u>26,262</u>	<u>92,852</u>

**8. GOVERNANCE COSTS**

	Unrestricted funds	Restricted funds	Total funds 2017
Meetings & Company Secretarial Costs	756	-	756
Independent Examiner & Accountancy Fee	1,948	-	1,948
	<u>2,704</u>	<u>-</u>	<u>2,704</u>

**8. GOVERNANCE COSTS (continued)**

	Unrestricted funds	Restricted funds	Total funds 2016
Meetings & Company Secretarial Costs	479	-	479
Independent Examiner & Accountancy Fee	380	-	380
	<u>859</u>	<u>-</u>	<u>859</u>

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

**NOTES TO THE ACCOUNTS (continued)  
YEAR ENDED 31 MARCH 2017**

<b>9. STAFF COSTS</b>	<b>2017</b>
	<b>£</b>
Gross wages	44,552
Social security costs	498
Pensions (superannuation)	8,325
	<u>53,375</u>
The average monthly number of employees (full-time equivalent posts)	1.58

No employee had remuneration in excess of £60,000 during the year (2016 nil).

<b>9. STAFF COSTS (continued)</b>	<b>2016</b>
	<b>£</b>
Gross wages	35,354
Social security costs	2,584
Pensions (superannuation)	7,523
	<u>45,461</u>
The average monthly number of employees (full-time equivalent posts)	1.25

No employee had remuneration in excess of £60,000 during the year (2015 nil).

**10. STAFF PENSION COSTS**

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

*"The provision of the Principal Civil Service Pension Scheme (PCSPS) covers some present and past employees and is an unfunded, defined benefit, contributory public service occupational pension scheme. PCSPS is a multi-employer defined benefit scheme but SNH is unable to identify its share of the underlying assets and liabilities. Liability for payment of future benefits is a charge on the PCSPS which prepares its own scheme statements. The latest formal valuation of the scheme took place at 31 March 2012. Further details on this can be found at Principal Civil Service Pension Scheme Actuarial Valuation: 31 March 2012.*

*Further information on pensions, including the changes that took effect from 1 April 2015 with the creation of the Alpha Pension scheme, is contained in the remuneration and staff report.*

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

*The MFP has no legal responsibility for any deficit in this pension scheme because pension costs are borne by SNH. The in-kind benefit is recognised as restricted income and expenditure in these accounts.*



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

**NOTES TO THE ACCOUNTS (continued)  
YEAR ENDED 31 MARCH 2017**

	2017 £	2016 £
<b>11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
Trade debtors	3,076	14,437
Prepayments and accrued income	249	2,834
	<u>3,325</u>	<u>17,271</u>

	2017 £	2016 £
<b>12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
Accrued expenses	2,132	1,229
Other creditors (amount held on behalf of third party)	6,041	6,235
	<u>8,173</u>	<u>7,464</u>

	Unrestricted £	Restricted £	Total £
<b>13. ANALYSIS OF NET ASSETS BETWEEN FUNDS</b>			
Net current assets	44,856	2,418	47,274
	<u>44,856</u>	<u>2,418</u>	<u>47,274</u>

**14. RESERVES**

	Balance brought forward £	Income £	Expenditure £	Transfer between funds £	Balance carried forward £
Unrestricted funds	<u>53,527</u>	51,986	(60,657)	-	<u>44,856</u>
Restricted funds	<u>3,010</u>	16,725	(17,317)	-	<u>2,418</u>
<b>TOTAL FUNDS</b>	<u>56,537</u>	<u>68,711</u>	<u>(77,974)</u>	-	<u>47,274</u>

**Purpose of restricted funds – Moray Firth Gansey Project**

This was originally set up to find, record and conserve gansey patterns from around the Moray Firth coast. Funds are now used to maintain the website, the online database and provide a travelling exhibition.

**15. Directors' remuneration and expenses**

There were no directors' remuneration or other benefits paid for the year ended 31 March 2017 nor for the year ended 31 March 2016.

There were no directors' expenses paid for the year ended 31 March 2017 nor for the year ended 31 March 2016.

**16. Related parties**

Three of the directors are employees of an external organisation that funded the Partnership during the year – Chevron £6,500, Cromarty Firth Port Authority £5,000 and Scottish Natural Heritage £15,565. The receipt of funds or in-kind support from related organisations is not considered to have influenced the pursuance of the separate and independent interests of the MFP, but is disclosed in the interests of transparency.

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

**NOTES TO THE ACCOUNTS (*continued*)  
YEAR ENDED 31 MARCH 2017**

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**17. Taxation**

As a charity, The Moray Firth Partnership is exempt from tax on income and gains falling within sections 478-489 of the Corporation Tax Act 2010 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity. The charity is not registered for VAT.

**18. Project and Fund-raising activities – allocation of staffing and other costs**

All employed staff take part in the full range of core and project activities including fund-raising. No additional staff were employed and no volunteers engaged in fund-raising and no specific fund-raising costs were incurred. Staff and core costs have therefore not been split between the core and project activities, all of which are aimed at delivering our overall company objectives.

**19. Transition to FRS 102**

The charity has adopted Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" for the year ended 31 March 2017.

The charitable company's date of transition to FRS 102 is 1 April 2015. The charitable company's last financial statements were prepared in accordance with previous UK GAAP and the SORP FRSSE 2015.

The transition to FRS 102 has resulted in no changes in the charity's accounting policies or financial results compared to those used when applying previous UK GAAP.