

THREE HARBOURS ASSOCIATION
UNAUDITED FINANCIAL STATEMENTS
31 MARCH 2022

RITSONS
Chartered accountants
26-30 Marine Place
Buckie
Moray
AB56 1UT

THREE HARBOURS ASSOCIATION

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

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THREE HARBOURS ASSOCIATION

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2022

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 March 2022.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Three Harbours Association
Charity registration number	SC042834
Principal office	1 Port Long Road Cullen Buckie AB56 4AG

THE TRUSTEES

Professor Ashley Mowat - Chairman	
Blair Ritchie	
Rosie Pye	
David McGubbin - Secretary & Treasurer	
Donna Findlater	(Resigned 28 October 2021)
Bert Reid	
Duncan Pockett	(Resigned 28 October 2021)
Malcolm Watt	
Adam Newlands	(Resigned 28 October 2021)
Rachel Henderson	(Appointed 28 October 2021)
Malcolm Hope	(Appointed 28 October 2021)

Independent examiner	C M McGregor C.A., M.A.A.T. 26-30 Marine Place Buckie Moray AB56 1UT
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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is a Scottish Charitable Incorporated Organisation (a SCIO). It was registered in its current legal form on 7 January 2016. The charity was previously an unincorporated association but changed its legal form to a SCIO. The assets of the unincorporated association were transferred to the SCIO on 1 April 2016. It has a single tier structure and as such the trustees are the members of the charity.

Recruitment and appointment of Trustees

All of the association's trustees are elected by the Board which shall, within a reasonable time after the meeting, notify the applicant of its decision on the application and, if the decision was to refuse admission, shall return to the applicant the remittance lodged by the organisation under clause 13 and give reasons for declining membership.

THREE HARBOURS ASSOCIATION

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2022

OBJECTIVES AND ACTIVITIES

Charitable Purposes

The Three Harbour Association main objectives are:

- The advancement of environmental protection and improvement thereof, by increasing public awareness of the environment surrounding the 3 Harbours and environs, including flora and fauna, and by increasing awareness of our unique coastal walks and coastline.
- The advancement of culture and heritage through increased awareness of and greater access to a wide range of activities and events which will be planned to showcase the unique features surrounding our 3 communities.
- The advancement of education of the youths in the local communities.
- The advancement of public participation in sports and related activities. Boat building and renovation, sailing instruction in a variety of crafts including instruction in associated skills and crafts are all significant.

THREE HARBOURS ASSOCIATION

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2022

ACHIEVEMENTS AND PERFORMANCE

Chairman's Report October 2022

An eventful year has come and gone since my last Chairman's report, an interim assessment during Covid lockdown when all activities were put on hold and in common with all charities our AGM had to be postponed. The proposed date for this year is Wednesday 2nd of November which will be conducted at Cullen Sea School. This is a summary of Cullen Sea School's progress as we slowly emerge from Covid restrictions. It will best be read as a continuation of the interim report referred to above and will follow the same order. As you all know the past year was characterised by the stop/start fluctuations of Covid which presented the same severe challenges already outlined. As with all charities our activities have been further impacted by Brexit supply chain difficulties with increasing prices, and we are now facing the challenges presented by the rapidly evolving national financial storms with cost of living increases and currently unpredictable ravages of increasing inflation.

Additional staff

CSS is very fortunate to have welcomed aboard David McCubbin as Development Officer and Marketing Co-ordinator joining Angela, (sailing instructor) and Mel (CSS co-ordinator). We have a very strong team to address the ever-changing challenges of the future.

The Harbour Building

Following a soft opening in summer 2021 for both the public toilets and kiosk, 2022 has seen the full opening of the public toilets. The toilets have been open daily from Saturday 2nd April with Cullen Sea School staff opening, closing and cleaning the facility. At present entrance is by donation via cash, text or by scanning a QR code to donate. Donations vary by day and time of year and the monies received are used to pay for the running costs of the building which includes cleaning materials, toilet rolls, electricity and broadband for the CCTV camera. Monies received are not sufficient to meet existing costs. The Board of Trustees are reviewing options for installing a payment system/gate to increase the level of income from the toilets to better cover the running costs of the building.

To comply with our lease with Moray Council requiring 24/7 access to the seasonal toilets, even when they are closed to the public, a wicket door has been installed with a key lock outside. This allows authorised harbour users (those with paid berths), Moray Council staff and the emergency services access to the toilets outside of normal public opening hours.

Feedback about the toilets from locals and visitors has been very positive and the toilets are always left clean and tidy with no vandalism or anti-social behaviour to date.

The kiosk, sub-leased by the Ice Cream Shop (Cullen), has been open on weekends and peak days serving drinks, snacks, beachwear and of course ice cream. From July to mid-October, the Ice Cream shop have had responsibility for opening, closing and cleaning the toilets.

The upstairs office space is used by the sea school as an office and has been hired out on occasion for private meetings. The room has also been used for more creative purposes. Lynda Buchan, Moray (East) Artist in Residence held a two day community bunting workshop in the room and as part of the Cullen Harbour Gala, Cullen Art Group hosted an exhibition of work they created at a 'watercolour challenge' event earlier this year in the Sea School yard.

Traditional Boat Building

This remains a unique strength of Cullen Sea School.

2022 has been an exciting year for boat building at the sea school. Our 2 retired shipwrights along with loyal volunteers have completed a St Ayles Skiff commission by the Dunbar Family in memory of

THREE HARBOURS ASSOCIATION

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2022

Bill Dunbar, our cherished friend and boat builder who passed away in 2021.

Early in 2022, the sea school was commissioned by Mrs Patricia Seligman, MBE, DL, His Majesty's Vice Lord-Lieutenant of Banffshire, to build a St Ayles Skiff in memory of the Duke of Edinburgh. In conjunction with Mrs Seligman, a highly successful fundraising coffee morning was held at the Seafield Arms Hotel in Cullen, courtesy of Charles Milne, on Saturday March 5th. The event raised significant funds towards the purchase and build of the St Ayles Skiff. The skiff will be completed in mid-October with its formal launch and naming ceremony taking place on Saturday 22nd October.

In September, Malcolm Hope has begun work on the build of Mirror Dinghy kit. Once complete, this will mean the sea school has a fleet of 4 Mirror dinghies.

In April 2022, DYW Moray (Developing the Young Workforce) met with us to discuss boat building apprenticeships and to encourage us to apply into the MERI Strand 2 (Moray employer Recruitment Incentive). Two applications were submitted worth £10,000 each and both applications were approved. The funding is to be used to employ two trainee boat builders for one year. The first trainee started with us in August and the second in September. They have both settled in very well and are busy learning lots of new skills and putting them into practice.

The importance of this grant funding cannot be underestimated as it is allowing us to build a legacy and pass on the traditional boat building and repair skills to a new generation. It has provided paid employment for two youngsters and is giving them a whole host of new skills and experiences for their CV's and future careers.

In July, 'Swift', a surplus to requirements St Ayles Skiff, was sold to Gordonstoun School and a further St Ayles Skiff 'Canty' and Wemyss skiff, yet unnamed, are for sale. The sale of these boats will provide valuable income to fund the sea school into 2023.

We have been working closely with Cullen Primary School and relished the opportunity to support them with their request for an old boat for use on their newly refurbished infant's playground. The mirror dinghy was donated to the school and in September the boat builders were invited to the school for morning tea and to see the pupils at playtime making good use of the boat.

Coastal Rowing

Thanks to the efforts of Rosie and Annie, coastal rowing has continued to grow in 2023 with many new members signing up to get out on the water. Current rowing membership stands at 42.

In order to ensure the maximum levels of safety, this Autumn will see a man-overboard training session undertaken in Cullen harbour in conjunction with RNLI Buckie, VHF Radio training and Cox training.

In June, as part of our membership of Wild Scotland, a photo shoot took place one evening with two skiffs out on the water. The images from are being used by Wild Scotland in a national UK marketing campaign and are available for use by the sea school in our marketing. Images were also captured of our paddlesports sessions.

Paddle sports and dinghy sailing

Building on our successes of 2021, we have introduced several new takes on our standard paddlesports sessions to attract more customers and generate income. New for 2022 were ladies (only) sessions, summer evening sessions and the return of beginners and intermediate paddlesports sessions.

Three new seasonal beach assistants were employed to support our watersports instructor and coordinator.

THREE HARBOURS ASSOCIATION

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2022

Sailing

A renewed focus was placed on sailing over the last winter to try to raise awareness of what we offer and to increase participant numbers. Thanks to Angela's hard work, sailing sessions re-started after the winter break in February and were scheduled for almost every operational day in the main 2022 season. A mixture of 1:1 and group sessions have been held and some special offers on bulk buying sailing sessions have proved popular.

With the addition of a fourth dingy in 2023, we will be able to further grow and develop our sailing efforts.

Membership

Membership is valid for a calendar year from the date of purchase. At the time of writing, membership numbers have grown against 2021 numbers with a high level of renewal. Membership fees were held at existing levels for 2022 post-pandemic. Membership currently stands at 69 adult members, 13 junior members, 66 family members and 2 commercial members.

Options are being looked at for 2023 to maximise opportunities to grow membership numbers.

Marketing and Website

A new Cullen Sea School A4 folded into 3 DL leaflet was designed to match the new Sea School branding. The full colour leaflet had a print run of 12,500 and has been distributed across Moray, Aberdeenshire, and Highland areas via leaflet distribution racks.

The new website and online shop continue to perform well and are the true shop face of the Sea School. Very few enquiries or bookings are received by phone with the website and email providing the customer with what they need.

In June 2022, we transferred to a new online booking system by global brand 'FareHarbor'. The system is far superior to the previous, it makes the booking process for customers easier and incorporates consent forms and wetsuit hire. Behind the scenes, the system is much easier to use with far greater capabilities to better sell and promote the Sea School.

The Sea School has featured in many news items in the Northern Scot series or papers and Press & Journal and of course in online news stories and social media.

The return of events that we can attend with a sales table has been almost non-existent. In April two of the team attended such an event at the Spey Bay Dolphin Centre and will be holding a sales table at the Cullen Christmas Craft Fayre in November.

Harbour Gala

Sunday July 31st saw the long-awaited return of the harbour gala following a 3 year break due to Covid-19. A great amount of work and effort went into bringing this event back with a bang. We were blessed with blue skies, sunshine, and temperatures in the mid 20's all day and an estimated attendance of 2,500 people. WE are again grateful for generous kipper donations.

A busy gala programme combined with perfect weather meant that visitors dwell time at the event was long. The pier was packed full of stands from local businesses, community groups and charities. The BBQ had a long queue from the moment the smells of burgers and kippers rose into the air. There was live music on the pier from a Cullen Primary School pupil playing the violin and a local singer performing traditional songs and sea shanties. At the sea school a live band played all afternoon in the yard with it being standing room only.

THREE HARBOURS ASSOCIATION

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2022

On the water there were free 15-minute paddlesports taster sessions, skiff racing and taster sessions and a visit from the RNLI Buckie Lifeboat and Wild Dookers.

Back on dry land, we welcomed the Fire Engine and crew from Cullen Fire Station and upstairs in the harbour building an exhibition by Cullen Art Group. In the Sea School there was a delightful tea and coffee and home bakes stall and display by the boat builders of the latest skiff under construction.

This event simply could not have succeeded without the invaluable help and enthusiasm of our members and volunteers.

Visitor numbers

As in 2021, visitor numbers have grown in 2022. This reflects the hard work that has gone in to better promote the Sea School and create linkages and partnerships with schools and other organisations including a Yoga company to bring new and return business to our activities. As well as watersports and boat building, our regular beach cleans (22 over the past year) have attracted good numbers as did the introduction last winter of monthly themed online talks.

To date in 2022, the Sea School has welcomed 2600 participants with that figure set to pass 3000 by the end of the year.

Finances

The monthly financial position of the sea school is reported back at the monthly Trustees meetings. These statements are used to monitor performance and cash-flow to allow the Trustees and Staff to take appropriate actions to work towards the sea school becoming financially sustainable and ease the pressure on the reliance of securing external grant funding.

These monthly statements are passed to Ritsons, our accountant, for audit and collation for OSCR submission.

In 2022 we have been able to secure the following grant funds:

1. £4,000 from the VisitScotland Days Out Incentive Fund

This fund was created to allow businesses to offer their tickets at up to a 50% discount with the objective of encouraging winter/off-peak ticket sales. Through this initiative, the sea school welcomed 395 customers on paddlesports and sailing sessions at the discounted rate to them, but 100% income to the sea school.

2. £10,000 from the Moray Communities Mental Health & Wellbeing Fund

This funding introduced by the Scottish Government comes in response to the mental health need arising from the pandemic and also to benefit the overall Mental Health Transition and Recovery Plan. The fund exists to put measures in place to support individuals with Mental Health & Wellbeing conditions. The sea school secured £10,000 to offer free watersports sessions to referrals from the NHS and mental health and wellbeing related organisations. To date 69 individuals have come on Sea School activities.

3. £20,000 from the Moray Employer Recruitment Incentive (MERI)

The fund is a key Scottish Government initiative, aimed at supporting the most disadvantaged people in Scotland to progress towards, and sustain employment. Two £10,000 grants have been secured to employ two trainee boat builders for a year. The employment will allow the skills and knowledge of our boat builders to be passed onto a new generation and provide the employees with skills, workplace experience, and knowledge to help them in their future careers. The Sea School pays the monthly

THREE HARBOURS ASSOCIATION

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2022

wage of each trainee and claims the funds back from the grant in arrears.

4. £1800 from the Adams Family Foundation

As part of a three year/instalment grant, we have received the latest £1800 grant instalment to help us pay the wages of the beach assistants for paddlesports. A yearly report is submitted to the foundation to secure the next instalment.

5. £1000 from Ocean Winds/Moray West Wind Farm

This grant was made to the sea school towards the costs of hosting the Cullen Harbour Gala. The grant meant that a great deal of the monies generated on the day from the BBQ, merchandise, coffee table and fundraising efforts could be kept as income rather than covering costs of the gala. It has been indicated that similar funding may be available for the gala in 2023 and 2024.

In common with other charities Covid lock-down posed a severe threat to our financial stability. The award of Resilience Funding, a government "bounce back" loan and subsequent awards from the Adapt and Thrive Funds allowed us to meet overheads at a time when income was negligible; and also allowed us to make the critical appointment of our Development Officer/ Marketing Co-ordinator.

In December 2021, the Trustees agreed to extend the repayment period for the Bounceback loan to help futureproof the sea school's finances in the short term. It was unclear at the start of the year how trading would be with the arrival of the Omicron variant and Covid-19 restrictions being tightened yet again.

We were in the fortunate position to be able to sell on one St Ayles Skiff and a Wemyss skiff surplus to requirements, with two other boats currently for sale. Whilst the bottom line of the financial statement looks very healthy members should remember that much of our funding is "restricted" for specific purposes and subject to audit. There remains a constant need to generate "unrestricted" funds to deal with recurring overheads. Covid restrictions still apply making usual fund-raising efforts such as the annual gala impossible, so we have to be constantly innovative to succeed. Whilst applying for appropriate funding opportunities remains imperative, we need to continue to ensure that "unrestricted" funding contributes the major part of our income.

As with all other charities we face strong head winds for which we have to be prepared. Several strategies for maintaining income and rationalising expenditure are being pursued by a working group of Trustees and will be shared with Trustees in due course for discussion and approval. One key item is the rising cost of energy. Through Visit Moray Speyside, we have now accessed support free of charge from a company called Eyebright who are reviewing our electricity and telephone contracts and look to see if we can find better deals for both the Sea School building and harbour building accounts. This is ongoing and update will be given at the trustees meeting.

New Initiatives

Online Talks

Introduction and hosting of 4 online talks between November and February. Guest speakers from Macduff Marine Aquarium, RNLI Buckie, Ocean Winds/Moray West Wind Farm and WDC Scottish Dolphin Centre gave talks followed by a Q&A session hosted by our Development Officer.

Ladies Paddlesports

Following feedback from our customers in 2021, we are proud to introduce ladies only paddlesports sessions. These sessions are a fantastic opportunity for friendship, meeting like-minded people and improve health and wellbeing in a welcoming and friendly environment.

Summer Evening Paddlesports

Traditionally our sessions run during office hours which may not suit those at work or with daytime commitments. A series of evening sessions were programmed to attract a new audience. These

THREE HARBOURS ASSOCIATION

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2022

proved popular.

Multi-Activity Group Bookings

When large size groups attend, we have to split the participants into smaller groups and take turns on the water. This year we have offered beach cleaning and water safety talks into the programme which makes the overall proposition more appealing for group organisers.

Yoga & SUP

In August we ran a trial partnership link up with 'Yoga Megs.' Meghan is a Yoga instructor and delivers a beach-based yoga session for clients before they join us for a SUP session. Two sessions have been run to date with a plan in place to run at least monthly joint sessions throughout 2023.

Schools Partnership

We have met with the Head and Deputy Head of Banff Academy to draft and agree a partnership agreement between both organisations for the delivery of watersports sessions and boat building. The school will use their minibus to bring pupils across to Cullen to participate in CSS activities. Once up and running, it is hoped that we can use this as a template for other high schools and academies.

Through Moray Active Schools, we have hosted a series of paddlesports sessions for primary aged pupils from schools in Cullen, Portknockie, Findochty, Buckie and Portgordon. As a trial in June, we always welcome some Buckie High School pupils.

There is a large market for us in collaborating with primary schools and work will be undertaken this winter to contact all primary schools within a sensible radius in Moray and Aberdeenshire to promote the Sea School. Schools are still operating under tighter rules and regulations following the pandemic which has limited the numbers coming to us this year, but this may be relaxed by 2023.

In August, we held a successful 'inset-day' event with the teachers and staff of Banff Academy. Banff Academy Head Teacher Alan Horberry wanted to run an inset day with a difference to welcome his staff back from their summer holiday and prefer for the academic year ahead. Over the course of the morning, staff rotated between different activities including kayaking and paddle boarding and walks in and around Cullen.

These activities focussed on working as a team, working with others they may not normally work with and being active and healthy. Mid-morning, all staff congregated at the sea school for drinks and a snack before heading off for the more formal part of their day.

Opportunities like this allow us to showcase the sea school, its facilities and everything we have on offer.

Developing the Young Workforce

In August 2021, CSS signed up to the Young Person's Guarantee via DYW Moray. The Young Person's Guarantee is a commitment to bring together employers, partners and young people. It aims to connect every 16 to 24 year old in Scotland to an opportunity. This could be a job, apprenticeship, further or higher education, training or volunteering. It could also be an enterprise opportunity.

Through this commitment, our development officer has worked closely with DYW Moray and high schools in Moray on mock job interviews and assessments, 'Dragons Den' style events and job application practice. Through this work we were invited to apply into the MERI fund which has led to the employment of two trainee boat builders (see above).

From November this year, our development officer will be a part of the Moray Career Ready Mentoring Programme. The programme sees the sea school linked up with a high school student who is provided with monthly mentoring sessions and then undertakes a 4-week paid placement at the sea school.

THREE HARBOURS ASSOCIATION

TRUSTEES' ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2022

The Three Harbours Association is committed to doing everything it can to help support the development of young people in the workplace.

Trustees changes

Covid has impacted on usual arrangements with Trustee meetings taking place online up until early summer. Ahead of our next AGM, Blair Ritchie has indicated that he wishes to stand down. Blair has been a key driving force behind the Sea School as our Treasurer. He has managed the day to day finances of the sea school as well as external grant awards including the six figure finances for the Harbour Building project. Malcolm Watt, Bert Reid, Rosie Pye, Rachel Henderson, Malcolm Hope and Ashley Mowat are happy to serve another year. It is hoped that members will recognise the importance of this degree of continuity. There is therefore an opportunity for recruitment of at least one new Trustee. As per usual the Chair and Vice Chair will be elected by the Board of Trustees at the conclusion of the AGM.

Thank You

Finally, I wish to thanks all members, volunteers, Trustees, employees and friends for their support over what has been a very challenging time of uncertainty. We are not yet out of the Pandemic woods, so stay safe, get your jabs and hope the various vaccines remain effective. Brewing national economic storms out with our control require constant vigilance.

We have yet to have the celebratory party we hoped for in my last report!

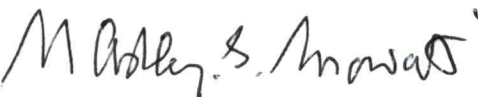
FINANCIAL REVIEW

The resulting deficit for the year was £10,609 (2021: surplus £68,448). The charity held unrestricted funds of £45,881 (2021: £21,355) and restricted funds of £438,781 (2021: £473,916).

INDEPENDENT EXAMINER

C M McGregor C. A., M.A.A.T. has been re-appointed as independent examiner for the ensuring year.

The trustees' annual report was approved on 11/02 and signed on behalf of the board of trustees by:

x 

Professor Ashley Mowat - Chairman
Trustee

THREE HARBOURS ASSOCIATION
INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THREE
HARBOURS ASSOCIATION
YEAR ENDED 31 MARCH 2022

I report on the financial statements for the year ended 31 March 2022, which comprise the statement of financial activities, statement of financial position and the related notes.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

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

BASIS OF INDEPENDENT EXAMINER'S REPORT

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

INDEPENDENT EXAMINER'S STATEMENT

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

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations
- have not been met, or

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



C M McGregor C.A., M.A.A.T.
Independent Examiner

26-30 Marine Place
Buckie
Moray
AB56 1UT

THREE HARBOURS ASSOCIATION
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2022

		2022	2021		
		Unrestricted funds	Restricted funds	Total funds	Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	4	74,841	—	74,841	141,843
Charitable activities	5	31,161	—	31,161	6,130
Other income	6	10,108	—	10,108	854
Total income		<u>116,110</u>	<u>—</u>	<u>116,110</u>	<u>148,827</u>
Expenditure					
Expenditure on charitable activities	7	126,719	—	126,719	80,379
Total expenditure		<u>126,719</u>	<u>—</u>	<u>126,719</u>	<u>80,379</u>
Net (expenditure)/income		<u>(10,609)</u>	<u>—</u>	<u>(10,609)</u>	<u>68,448</u>
Transfers between funds		35,135	(35,135)	—	—
Net movement in funds		<u>24,526</u>	<u>(35,135)</u>	<u>(10,609)</u>	<u>68,448</u>
Reconciliation of funds					
Total funds brought forward		21,355	473,916	495,271	426,823
Total funds carried forward		<u>45,881</u>	<u>438,781</u>	<u>484,662</u>	<u>495,271</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 13 to 20 form part of these financial statements.

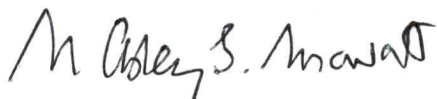
THREE HARBOURS ASSOCIATION

STATEMENT OF FINANCIAL POSITION

31 MARCH 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible fixed assets	13	450,815	485,502
CURRENT ASSETS			
Debtors	14	–	10,775
Cash at bank and in hand		57,065	46,751
		<u>57,065</u>	<u>57,526</u>
CREDITORS: amounts falling due within one year	15	6,181	27,757
NET CURRENT ASSETS		<u>50,884</u>	<u>29,769</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>501,699</u>	<u>515,271</u>
CREDITORS: amounts falling due after more than one year	16	17,037	20,000
NET ASSETS		<u>484,662</u>	<u>495,271</u>
FUNDS OF THE CHARITY			
Restricted funds		438,781	473,916
Unrestricted funds		45,881	21,355
Total charity funds	18	<u>484,662</u>	<u>495,271</u>

These financial statements were approved by the board of trustees and authorised for issue on 11/03/22, and are signed on behalf of the board by:

x 

Professor Ashley Mowat - Chairman
Trustee

The notes on pages 13 to 20 form part of these financial statements.

THREE HARBOURS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

1. GENERAL INFORMATION

The charity is a public benefit entity and a registered charity in Scotland and is unincorporated. The address of the principal office is 1 Port Long Road, Cullen, Buckie, AB56 4AG.

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)) and the Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended).

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

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.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the purposes of the charity. Unrestricted funds include a revaluation reserve representing the restatement of investment assets at market values.

Designated funds are unrestricted funds earmarked by the trustees for specific purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

THREE HARBOURS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

3. ACCOUNTING POLICIES *(continued)*

Incoming resources

All income is included in the statement of financial activities when the charity is entitled to the income, any performance related conditions attached have been met or are fully within the control of the charity, the income is considered probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Donations and legacy income is received by way of donations, legacies, grants and gifts and is included in full in the Statement of Financial Activities when receivable. Where legacies have been notified to the charity but the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity, being the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market.
- Investment income is included when receivable.
- Income from charitable trading activity is accounted for when earned.
- Income from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Costs of raising funds comprise the costs associated with attracting donations, grants and legacies and the costs of trading for fundraising purposes.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- 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 between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, as set out in the notes to the accounts.

Tangible assets

Tangible assets are initially recorded at cost.

THREE HARBOURS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

3. ACCOUNTING POLICIES *(continued)*

Depreciation

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

Property	-	5% straight line
Plant & Machinery	-	15% reducing balance
Fixtures & Fittings	-	15% reducing balance
Boats	-	10% reducing balance
Office Equipment	-	33% straight line

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
DONATIONS			
Donations	7,399	—	7,399
GRANTS			
EMFF Grant	—	—	—
HMRC JRS Grants	4,955	—	4,955
The Resilience Fund	—	—	—
Adapt & Thrive Fund	45,000	—	45,000
Visit Scotland Fund	4,000	—	4,000
Tsi Health & Wellbeing Grant	10,000	—	10,000
SUBSCRIPTIONS			
Subscriptions	3,487	—	3,487
	<u>74,841</u>	<u>—</u>	<u>74,841</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
DONATIONS			
Donations	3,048	—	3,048

THREE HARBOURS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2022

4. DONATIONS AND LEGACIES *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
GRANTS			
EMFF Grant	—	96,102	96,102
HMRC JRS Grants	9,909	—	9,909
The Resilience Fund	10,903	—	10,903
Adapt & Thrive Fund	19,500	—	19,500
Visit Scotland Fund	—	—	—
Tsi Health & Wellbeing Grant	—	—	—
SUBSCRIPTIONS			
Subscriptions	2,381	—	2,381
	<u>45,741</u>	<u>96,102</u>	<u>141,843</u>

5. CHARITABLE ACTIVITIES

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Sale of goods	657	657	730	730
Room hire	50	50	—	—
Beach sports income	23,522	23,522	5,400	5,400
Use of toilets	392	392	—	—
Fundraising events	540	540	—	—
Altens lorry park income	6,000	6,000	—	—
	<u>31,161</u>	<u>31,161</u>	<u>6,130</u>	<u>6,130</u>

6. OTHER INCOME

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Gain on disposal of tangible fixed assets held for charity's own use	10,108	10,108	854	854

7. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly £	Support costs £	Total funds 2022 £	Total fund 2021 £
Charitable activity	92,632	—	92,632	45,993
Governance costs	—	34,087	34,087	34,386
	<u>92,632</u>	<u>34,087</u>	<u>126,719</u>	<u>80,379</u>

THREE HARBOURS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2022

8. NET (EXPENDITURE)/INCOME

Net (expenditure)/income is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation of tangible fixed assets	32,912	33,375
Gains on disposal of tangible fixed assets	(10,108)	(854)

9. INDEPENDENT EXAMINATION FEES

	2022	2021
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	1,176	1,011

10. STAFF COSTS

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022	2021
	£	£
Wages and salaries	65,161	32,609
Employer contributions to pension plans	1,072	1,910
	66,233	34,519

The average head count of employees during the year was 4 (2021: 2).

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

11. TRUSTEE REMUNERATION AND EXPENSES

The trustees did not receive any remuneration and were not reimbursed for any expenses.

12. TRANSFERS BETWEEN FUNDS

Grants were received in this and previous years by the charity for the funding of fixed asset acquisitions. It is necessary for the charity to release these grants received over the useful lives of the asset to which they relate. In the year to 31 March 2022 £35,135 (2021: £39,521) was transferred from asset restricted funds to unrestricted reserves.

THREE HARBOURS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2022

13. TANGIBLE FIXED ASSETS

	Property £	Plant and machinery £	Fixtures and fittings £	Boats £	Office Equipment £	Total £
Cost						
At 1 Apr 2021	603,686	17,605	801	29,250	2,945	654,287
Additions	–	2,039	–	–	–	2,039
Disposals	–	–	–	(6,675)	–	(6,675)
At 31 Mar 2022	<u>603,686</u>	<u>19,644</u>	<u>801</u>	<u>22,575</u>	<u>2,945</u>	<u>649,651</u>
Depreciation						
At 1 Apr 2021	142,168	9,876	498	13,298	2,945	168,785
Charge for the year	30,185	1,467	46	1,214	–	32,912
Disposals	–	–	–	(2,861)	–	(2,861)
At 31 Mar 2022	<u>172,353</u>	<u>11,343</u>	<u>544</u>	<u>11,651</u>	<u>2,945</u>	<u>198,836</u>
Carrying amount						
At 31 Mar 2022	<u>431,333</u>	<u>8,301</u>	<u>257</u>	<u>10,924</u>	<u>–</u>	<u>450,815</u>
At 31 Mar 2021	<u>461,518</u>	<u>7,729</u>	<u>303</u>	<u>15,952</u>	<u>–</u>	<u>485,502</u>

14. DEBTORS

	2022 £	2021 £
Trade debtors	<u>–</u>	<u>10,775</u>

15. CREDITORS: amounts falling due within one year

	2022 £	2021 £
Bank loans and overdrafts	2,222	–
Trade creditors	2,999	26,797
Accruals and deferred income	960	960
	<u>6,181</u>	<u>27,757</u>

16. CREDITORS: amounts falling due after more than one year

	2022 £	2021 £
Bank loans and overdrafts	<u>17,037</u>	<u>20,000</u>

17. PENSIONS AND OTHER POST RETIREMENT BENEFITS

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £1,072 (2021: £1,910).

THREE HARBOURS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

18. ANALYSIS OF CHARITABLE FUNDS

Unrestricted funds

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
General funds	<u>21,355</u>	<u>116,110</u>	<u>(126,719)</u>	<u>35,135</u>	<u>45,881</u>

	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
General funds	<u>9,488</u>	<u>52,725</u>	<u>(80,379)</u>	<u>39,521</u>	<u>21,355</u>

Restricted funds

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
Coastal Communities Fund	268,050	—	—	(23,524)	244,526
Marine Scotland	66,197	—	—	(4,728)	61,469
Scottish & Southern	391	—	—	(59)	332
Beatrice fund	50,000	—	—	—	50,000
EMFF	<u>89,278</u>	<u>—</u>	<u>—</u>	<u>(6,824)</u>	<u>82,454</u>
	<u>473,916</u>	<u>—</u>	<u>—</u>	<u>(35,135)</u>	<u>438,781</u>

	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
Coastal Communities Fund	295,950	—	—	(27,900)	268,050
Marine Scotland	70,925	—	—	(4,728)	66,197
Scottish & Southern	460	—	—	(69)	391
Beatrice fund	50,000	—	—	—	50,000
EMFF	<u>—</u>	<u>96,102</u>	<u>—</u>	<u>(6,824)</u>	<u>89,278</u>
	<u>417,335</u>	<u>96,102</u>	<u>—</u>	<u>(39,521)</u>	<u>473,916</u>

Purpose of restricted funds

- Coastal Communities Fund: Big Lottery - funds to support the Cullen Small Boat Sailing Project.
- Marine Scotland: EFF via Flag - funds to support the Cullen Small Boat Sailing Project.
- Scottish & Southern - funds to aid the purchase of a defibrillator.
- Beatrice Fund - funds to aid the renovation of the Cullen Harbour Office and Public Toilets.
- EMFF - funds to aid the renovation of the Cullen Harbour Office and Public Toilets.

THREE HARBOURS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2022

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	12,034	438,781	450,815
Current assets	33,847	—	33,847
Net assets	<u>45,881</u>	<u>438,781</u>	<u>484,662</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	20,911	464,591	485,502
Current assets	9,769	—	9,769
Net assets	<u>30,680</u>	<u>464,591</u>	<u>495,271</u>

THREE HARBOURS ASSOCIATION
MANAGEMENT INFORMATION
YEAR ENDED 31 MARCH 2022

The following pages do not form part of the financial statements.

THREE HARBOURS ASSOCIATION
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Income and endowments		
Donations and legacies		
Donations	7,399	3,048
EMFF Grant	–	96,102
HMRC JRS Grants	4,955	9,909
The Resilience Fund	–	10,903
Adapt & Thrive Fund	45,000	19,500
Visit Scotland Fund	4,000	–
Tsi Health & Wellbeing Grant	10,000	–
Subscriptions	3,487	2,381
	<u>74,841</u>	<u>141,843</u>
 Charitable activities		
Sale of goods	657	730
Room hire	50	–
Beach sports income	23,522	5,400
Use of toilets	392	–
Fundraising events	540	–
Altens lorry park income	6,000	–
	<u>31,161</u>	<u>6,130</u>
 Other income		
Gain on disposal of tangible fixed assets held for charity's own use	10,108	854
	<u>116,110</u>	<u>148,827</u>
 Total income		
	<u>116,110</u>	<u>148,827</u>
 Total expenditure		
	<u>126,719</u>	<u>80,379</u>
 Net (expenditure)/income		
	<u>(10,609)</u>	<u>68,448</u>

THREE HARBOURS ASSOCIATION

NOTES TO THE DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2022

Expenditure on charitable activities

Charitable activity

Activities undertaken directly

Wages	65,161	32,609
Pension costs	1,072	1,910
Rates & water	122	—
Light & heat	1,991	733
Repairs & maintenance	7,997	2,626
Insurance	5,355	5,232
Berthing fees	2,345	1,308
Telephone	1,220	807
Office costs	239	235
Advertising	1,612	(91)
Sundries	2,453	624
Interest on bank loans and overdrafts	157	—
Charges	283	—
Fundraising costs	908	—
Subscriptions	1,649	—
Donations	68	—
	<u>92,632</u>	<u>45,993</u>

Governance costs

Independent examiners fees	1,176	1,011
Depreciation	32,911	33,375
	<u>34,087</u>	<u>34,386</u>

Expenditure on charitable activities

	<u>126,719</u>	<u>80,379</u>
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