

Charity Registration No. SC045119 (Scotland)

Company Registration No. SC477579 (Scotland)

FISHERIES INNOVATION SCOTLAND
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

FISHERIES INNOVATION SCOTLAND

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees Mr J H Goodlad (Chairman)
Mr A W Dingwall
Mr M E Mitchell
Mr A G Gibb
Mr M Coleman
Ms H Macintyre (Farr)
Ms E M MacDonald

Secretary J&H Mitchell WS

Charity number (Scotland) SC045119

Company number SC477579

Registered office PO Box 7223
PITLOCHRY
PH16 9AF

Independent examiner Keith Macpherson
Johnston Carmichael LLP
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Perth
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FISHERIES INNOVATION SCOTLAND

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FISHERIES INNOVATION SCOTLAND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MAY 2021

The trustees present their report and financial statements for the year ended 31 May 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

FIS believes that innovation is the key to releasing untapped potential for greater prosperity and sustainability in Scotland's seafood industry.

FIS is a unique public-private collaboration between seafood experts, government and scientists to champion innovation in the Scottish fishing industry.

FIS commissions multidisciplinary research projects to support profitable, sustainable fisheries.

FIS creates a non-competitive environment for collaboration, bringing seafood experts, government and scientists together to champion innovation in the Scottish fishing industry.

FIS champions projects which will make the greatest positive change for Scotland's seafood industry and the people driving it.

Achievements and performance

- In this seventh year of operation, FIS improved its processes to identify impactful projects, by engaging in a comprehensive prioritisation exercise with an expanded group of stakeholders. FIS liaised directly with seafood leaders, managers, scientists, and innovators, to identify the most pressing innovation needs to transform the way the industry performs – environmentally, economically and socially. FIS received 129 'critical questions' from stakeholders which informed a call for proposals for new FIS projects.

- This improved process identified new work areas which FIS stakeholders believed would generate the most deliverable and meaningful projects. As this required expert knowledge of carbon emission and digitalisation issues, FIS created issue-specific expert groups, extending our stakeholder base to include specialists from outwith the seafood world. These expert groups developed calls for projects which would:
 - Meet with FIS' interpretation of innovation
 - Generate new knowledge relevant to sustainable Scottish fisheries
 - Use that knowledge to create positive change 'on the water/quayside'

- FIS also added an 'Expressions of Interest' step to its robust mechanisms for project selection, which already includes internal and external peer review, and asked applicants to explain how their approach to a project area would lead to change on the water. By widely advertising the request for Expressions of Interest in new project areas, and encouraging pre-application discussions, FIS received a greater number of applications to lead projects, many from institutions previously unaware of FIS and its research.

- This improved process resulted in three new FIS projects designed and led by the Scottish seafood industry, to help the sector build business reputation, resilience and new routes to market. The projects seek to explore new digital and space technology opportunities for the Scottish fleet, and understand greenhouse gas emissions from fishing vessels.

FISHERIES INNOVATION SCOTLAND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MAY 2021

- Responding to the need to combat greenhouse gas emissions across all industries, FIS has partnered with consultancy MarFishEco and Heriot-Watt University to explore emission issues from each fleet segment within Scottish fishing.
- FIS and Verifact - a company which empowers food industries to make better decisions using transparent and verified information - are exploring how digitalisation can add value to seafood supply chains while contributing to scientific data collection and sustainable practices.
- FIS commissioned Space Intelligence - specialists in transforming space data into actionable information - to look into the potential benefits of utilising satellite technology within the sector. A jargon-free review will explain how new and emerging satellite tech can benefit our seafood industry.
- In addition to these new work streams, FIS and partners completed a year-long project trialling real-time reporting technology to avoid unwanted catches. The Bycatch Avoidance Tool using mapping - *BATmap* - was developed by Scottish Fishermen's Organisation and the University of Aberdeen. Scottish skippers fishing on the west coast of Scotland co-designed and successfully completed trials at sea of the app. More information about the BATmap pilot is available at <https://info.batmap.co.uk/>.
- Since 2016, FIS and the University of Aberdeen have been developing a unique solution to allow fishers to avoid unwanted bycatch, a global problem which threatens the sustainability of fisheries through economic, biological and ecological losses. This year saw another important step in developing and testing Smartrawl - a highly innovative gear system which aims to allow skippers to select species and sizes in the trawl. FIS received Scottish Government grant funding to adapt and test ways to transfer data from the camera to the bridge of a trawler, and a separate project began to test the system at sea. For more details, see Smartrawl: In-water improvements in selectivity (fiscot.org).

Impacts of Covid-19

- Due to the global pandemic, this whole financial year was carried out under Covid-19 restrictions. While FIS was forced to postpone its Scottish Fisheries Conference for a further year, FIS developed novel ways to meet with and learn from stakeholders and innovators, including appearing on podcasts and sharing videos on the increasingly popular FIS social media channels. From the World Ocean Council to the Scottish Nephrops Working Group, FIS has promoted its research and shared expertise at major industry, science and policy events.
- In this period FIS held four virtual meetings of the Board of Trustees, one full meeting of the Technical Advisory Committee, and three further meetings of TAC members as part of the FIS Expert groups to design and assess the new projects.
- One FIS project experienced further delays caused by the pandemic. *FIS025 Novel approaches to fish catching and surveying using traps* was completed in Spring 2020 but the project lead - Marine Scotland Science - has committed to improve the final report with further vessel research time at sea. However, the project has yet to be allocated sea time due to ongoing restrictions and backlogs. Work to complete this project will be carried out in FIS' coming next financial year. This has no financial implications for FIS.
- New FIS projects will specifically consider stakeholder needs in the 'reset' phase following the global pandemic, focusing on practical actions that can be taken by and for the Scottish seafood industry at this difficult time.
- The trustees have considered the going concern status of the charity. The charity has unrestricted free reserves of £613,461 which would be sufficient to allow the charity to cover its ongoing recurring costs (excluding grant funding) for a period considerably in excess of 12 months from the balance sheet date and will be able to continue in operational existence for the foreseeable future.

FISHERIES INNOVATION SCOTLAND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MAY 2021

Financial review

Results for the year ended 31 May 2021 are given in the Statement of Financial Activities on page 9. The assets and liabilities are given in the Balance Sheet on page 10. The financial statements should be read in conjunction with the related notes which appear on pages 11 to 19.

In summary, income amounted to £321,492 (2020 - £521,786), expenditure totalled £109,107 (2020 - £663,823), resulting in net surplus for the year of £212,385 (2020 - net deficit - £142,037). This decrease in income and expenditure relates to the completion of a programme of five projects running simultaneously between 2018 and March 2022.

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

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

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

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

Johnston Carmichael LLP continue to independently examine the FIS accounts annually.

Reserves policy

It is the policy of the charity that unrestricted funds that have not been designated for a specific use should be maintained at a level equivalent to three months of the total expenditure excluding grants payable for the year. At 31 May 2021 this amounted to £112,873 therefore three months amounts to approximately £28,000. At the end of the reporting period the total funds held amounted to £574,655 of which £613,461 is in respect of unrestricted funds and restricted funds are overdrawn by £38,806 due to timing differences (more fully explained in note 15), therefore this level of reserves has been maintained.

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

FISHERIES INNOVATION SCOTLAND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MAY 2021

Risk Management

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

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

Future plans

For the forthcoming year, 2021/22, Fisheries Innovation Scotland will share and, where possible, implement ideas from projects completed during 2021/22, plan for the 2022 Scottish Fishing Conference, identify new opportunities to innovate sustainable and prosperous fisheries, and represent the organisation and the wider Scottish fishing community at workshops, conferences and online events.

Structure, governance and management

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

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

Mr J H Goodlad (Chairman)
Mr A W Dingwall
Mr M E Mitchell
Mr A G Gibb
Mr M Coleman
Ms H Macintyre (Farr)
Ms E M MacDonald

From our 7 Member organisations listed below, 6 trustees, together with designated alternates, have been recruited (in addition, the chairman is also an elected trustee). The exception as at 31 May 2021 is Scottish Natural Heritage, which elects not to nominate a Trustee to the Board. Trustees are also required to serve as members of the company under the Articles and are formally appointed as Company Directors.

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

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

FISHERIES INNOVATION SCOTLAND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MAY 2021

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

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

Organisational Management

FIS is operated by a Board constituted by trustees who are also Company Directors. Board members are drawn from each of FIS's Member organisations and they take overall responsibility for ensuring that FIS fulfils its stated aims and maintains the appropriate infrastructure for the effective, accountable and lawful conduct of the organisation. The Chairman is an independent appointee of the Board. The Company Secretary is J&H Mitchell Solicitors. Day to day management and administration of FIS is undertaken by the Executive Director, Kara Brydson. A Secretariat supports the Board, the Chairman and the Executive Director, a role which was undertaken by Sandra Gray on a self-employed basis. FIS accounts are independently examined by Johnston Carmichael LLP.

The Board consists of 7 trustees together with a similar number of designated alternates who may act on behalf of a specified trustee in their absence. The Board has agreed that other relevant bodies or individuals shall have observational or advisory status and be invited to participate in normal board meetings. Specifically, the Chair of the Technical Advisory Committee has been asked to be a regular attendee at board meetings during the reporting period.

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

The Board will meet at least twice each year. Sub-groups of the Board also meet on an ad hoc basis to address specific tasks agreed by the Board. Interim Board meetings also occur as required.

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

FISHERIES INNOVATION SCOTLAND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MAY 2021

Details of organisational structure

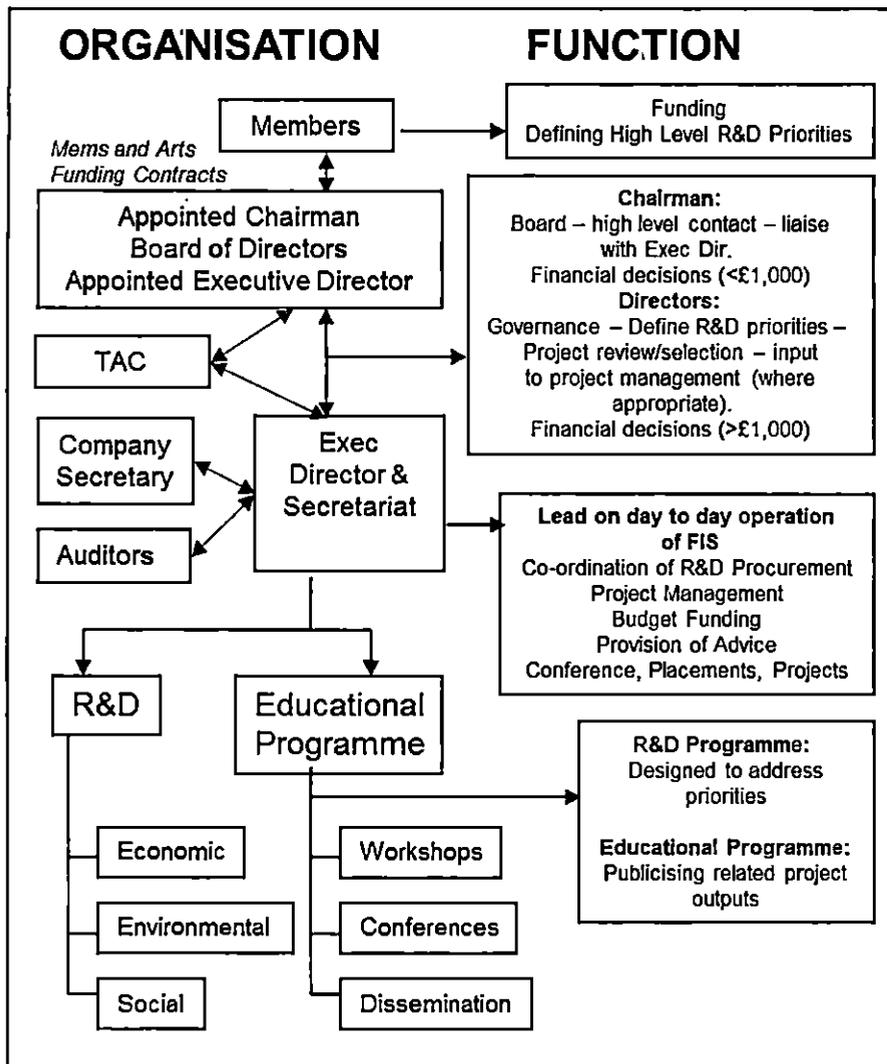


Figure 1. Organisational diagram of FIS operational structure and related functions.

FISHERIES INNOVATION SCOTLAND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MAY 2021

Trustees Induction and Training

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

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

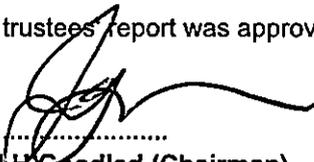
The Secretariat also provides an induction presentation providing details of the structure, function and status of FIS. Trustees are also referred to the OSCR website for guidance on Trustees Responsibilities and are encouraged to attend workshops and training events relevant to their role with FIS.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

Relationship with Related Parties

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

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

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



.....
Mr J B Goodlad (Chairman)

Trustee

Dated: 22/10/21



.....
Mr M E Mitchell

Trustee

Dated: 22/10/21

FISHERIES INNOVATION SCOTLAND

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF FISHERIES INNOVATION SCOTLAND

I report on the financial statements of the charitable company for the year ended 31 May 2021, which are set out on pages 9 to 19.

Respective responsibilities of trustees and examiner

The charitable company's trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the financial statements 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 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, 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 financial statements.

Independent examiner's statement

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

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - (ii) to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;have not been met; or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Use of our report

This report is made to the company's board of directors, as a body, in accordance with the terms of engagement. My work has been undertaken to enable me to undertake an independent examination of the charity's financial statements on behalf of the company's board of directors and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's board of directors as a body, for my work or for this report.



Keith Macpherson

Johnston Carmichael LLP
66 Tay Street
Perth
PH2 8RA

29 / 10 / 2021
Dated:

FISHERIES INNOVATION SCOTLAND

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MAY 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<u>Income and endowments from:</u>					
Donations and grants	2	250,000	71,292	321,292	521,786
Other	3	200	-	200	-
Total income		250,200	71,292	321,492	521,786
<u>Expenditure on:</u>					
Charitable activities	4	109,107	-	109,107	663,823
Net income/(expenditure) for the year/ Net movement in funds		141,093	71,292	212,385	(142,037)
Reconciliation of Funds					
Fund balances at 1 June 2020		472,368	(110,098)	362,270	504,307
Fund balances at 31 May 2021		613,461	(38,806)	574,655	362,270

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

FISHERIES INNOVATION SCOTLAND

BALANCE SHEET

AS AT 31 MAY 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	10		-		594
Current assets					
Debtors	11	8,448		117,755	
Cash at bank and in hand		918,826		696,536	
		<u>927,274</u>		<u>814,291</u>	
Creditors: amounts falling due within one year	12	<u>(202,633)</u>		<u>(302,629)</u>	
Net current assets			<u>724,641</u>		<u>511,662</u>
Total assets less current liabilities			<u>724,641</u>		<u>512,256</u>
Creditors: amounts falling due after more than one year	13		(149,986)		(149,986)
Net assets			<u>574,655</u>		<u>362,270</u>
The funds of the charity:					
Restricted funds	15	(38,806)		(110,098)	
Unrestricted funds		613,461		472,368	
		<u>574,655</u>		<u>362,270</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 May 2021.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the 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 company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 22/10/21

.....
Mr J H Goodlad (Chairman)
Trustee

.....
Mr M E Mitchell
Trustee

Company Registration No. SC477579

FISHERIES INNOVATION SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2021

1 Accounting policies

Charity information

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

1.1 Accounting convention

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

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

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

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

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

1.2 Going concern

The trustees have considered the going concern status of the charity. The charity has unrestricted free reserves of £613,461 which would be sufficient to allow the charity to cover its ongoing recurring costs (excluding grant funding) for a period considerably in excess of 12 months from the balance sheet date and will be able to continue in operational existence for the foreseeable future. The trustees have therefore continued to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

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

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

1.4 Income

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

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

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

Income from government grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

FISHERIES INNOVATION SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

1 Accounting policies (Continued)

1.5 Expenditure

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

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

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

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Computer equipment	33% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

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

Basic financial assets

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

FISHERIES INNOVATION SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Donations and grants

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Donations and gifts	250,000	-	250,000	275,000	-	275,000
Government grants	-	71,292	71,292	-	246,786	246,786
	<u>250,000</u>	<u>71,292</u>	<u>321,292</u>	<u>275,000</u>	<u>246,786</u>	<u>521,786</u>
Donations and gifts						
Marine Scotland	100,000	-	100,000	100,000	-	100,000
Heriott Watt University	-	-	-	25,000	-	25,000
Scottish Fishermen's Federation	25,000	-	25,000	25,000	-	25,000
Seafish Industry	25,000	-	25,000	25,000	-	25,000
Young's Seafood Ltd	25,000	-	25,000	25,000	-	25,000
Scottish Natural Heritage	25,000	-	25,000	25,000	-	25,000
Sainsbury's Supermarkets Ltd	25,000	-	25,000	25,000	-	25,000
Marks and Spencers	25,000	-	25,000	25,000	-	25,000
	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>275,000</u>	<u>-</u>	<u>275,000</u>

FISHERIES INNOVATION SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2021

2	Donations and grants	(Continued)			
	Grants receivable for core activities				
	European Maritime and Fisheries Fund	-	-	-	156,884
	Scottish Government	-	71,292	71,292	89,902
		<u>-</u>	<u>71,292</u>	<u>71,292</u>	<u>89,902</u>
		<u>-</u>	<u>71,292</u>	<u>71,292</u>	<u>246,786</u>
		<u>-</u>	<u>71,292</u>	<u>71,292</u>	<u>246,786</u>
3	Other				
				Unrestricted funds	Total
				2021	2020
				£	£
	Other income			200	-
				<u>200</u>	<u>-</u>
4	Charitable activities				
				Research project costs	Research project costs
				2021	2020
				£	£
	Staff costs			68,816	61,337
	Depreciation and impairment			594	595
	Secretariat costs			11,426	14,452
	Conferences and seminars			100	1,928
	Programme expenses and referee payments			525	1,102
	Chairman's honorarium			10,000	10,000
	Travelling and meeting expenses			1,855	7,262
				<u>93,316</u>	<u>96,676</u>
	Grant funding of activities (see note 5)			(3,766)	544,891
	Share of support costs (see note 6)			16,590	15,476
	Share of governance costs (see note 6)			2,967	6,780
				<u>109,107</u>	<u>663,823</u>
	Analysis by fund				
	Unrestricted funds			109,107	498,065
	Restricted funds			-	165,758
				<u>109,107</u>	<u>663,823</u>

FISHERIES INNOVATION SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

5 Grants payable

	Research project costs 2021 £	Research project costs 2020 £
Grants to institutions:		
University of Aberdeen	(3,766)	533,138
Marine Scotland Science	-	5,400
	<u>(3,766)</u>	<u>538,538</u>
Grants to individuals	-	6,353
	<u>(3,766)</u>	<u>544,891</u>

The grants payable by FIS are recognised in full in the period that they are committed and as there were no new projects committed in 2021 there were no grants to institutions to be recognised.

There was however an underspend on one of the projects that was fully committed which has resulted in a credit balance at the year end.

6 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Insurance	1,172	-	1,172	1,161	-	1,161
Postage, stationery and computer expenses	1,837	-	1,837	1,763	-	1,763
Advertising	11,940	-	11,940	10,440	-	10,440
Telephone	409	-	409	812	-	812
Payroll costs	834	-	834	810	-	810
Bank charges	358	-	358	464	-	464
Sundry expenses	40	-	40	26	-	26
Audit fees	-	-	-	-	4,140	4,140
Legal and professional	-	567	567	-	2,640	2,640
Independent examination fees	-	2,400	2,400	-	-	-
	<u>16,590</u>	<u>2,967</u>	<u>19,557</u>	<u>15,476</u>	<u>6,780</u>	<u>22,256</u>
Analysed between Charitable activities	<u>16,590</u>	<u>2,967</u>	<u>19,557</u>	<u>15,476</u>	<u>6,780</u>	<u>22,256</u>

FISHERIES INNOVATION SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

7 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the charitable company's auditor and associates:	2021	2020
	£	£
Audit of the charitable company's annual accounts	-	4,140
	<u> </u>	<u> </u>

The charity did not require an audit this year therefore no audit fees have been incurred.

8 Trustees

None of the trustees in the current or comparative year (or any persons connected with them) received any remuneration. Key management personnel remuneration is disclosed in note 9.

During the year, one of the trustees received an honorarium of £10,000 (2020 - £10,000) and no trustees were reimbursed travel and meeting expenses (2020 - 3 trustees reimbursed £2,554). The payment to trustees is permitted under clause 10.4.1 and 10.4.2 of the charity's constitution.

9 Employees

The average monthly number of employees during the year was:

	2021	2020
	Number	Number
Executive Director	1	-
	<u> </u>	<u> </u>
Employment costs	2021	2020
	£	£
Wages and salaries	57,580	54,427
Social security costs	6,836	4,462
Other pension costs	4,400	2,448
	<u> </u>	<u> </u>
	<u>68,816</u>	<u>61,337</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2021	2020
	Number	Number
£60,000 - £70,000	1	-
	<u> </u>	<u> </u>

FISHERIES INNOVATION SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

10 Tangible fixed assets

	Computer equipment £
Cost	
At 1 June 2020	1,784
At 31 May 2021	<u>1,784</u>
Depreciation and impairment	
At 1 June 2020	1,190
Depreciation charged in the year	594
At 31 May 2021	<u>1,784</u>
Carrying amount	
At 31 May 2020	<u><u>594</u></u>

11 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	-	109,307
Prepayments and accrued income	8,448	8,448
	<u>8,448</u>	<u>117,755</u>

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	2,128	1,895
Trade creditors	1,797	5,863
Other creditors	64	-
Accruals and deferred income	198,644	294,871
	<u>202,633</u>	<u>302,629</u>

13 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Accruals and deferred income	<u>149,986</u>	<u>149,986</u>

FISHERIES INNOVATION SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2021

14 Retirement benefit schemes

Defined contribution schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

The charge to statement of financial activities in respect of defined contribution schemes was £4,400 (2020 - £2,448).

15 Restricted funds

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

	Movement in funds			Balance at 1 June 2020	Movement in funds	
	Income	Expenditure	Transfers		Income	Balance at 31 May 2021
	£	£	£	£	£	£
European Maritime and Fisheries Fund (EMFF)	156,884	34,242	(191,126)	-	-	-
Scottish Government	89,902	(200,000)	-	(110,098)	71,292	(38,806)
	<u>246,786</u>	<u>(165,758)</u>	<u>(191,126)</u>	<u>(110,098)</u>	<u>71,292</u>	<u>(38,806)</u>

Scottish Government have provided a grant towards the FIS024A project and have agreed to fund 100% of the eligible costs of the project. The grants payable by FIS in relation to the project are fully recognised in the accounts in the year that they are committed, therefore full £200,000 project cost was recognised in 2020. However as the project had only had £89,902 of costs spent in relation to it at the end of last year that was the only value of the grant the charity was entitled to. This year an additional £72,292 of costs have been incurred therefore this income can now be recognised. The deficit of restricted funds is a timing difference and will be £nil once the charity is eligible to claim the remainder of the grant.

16 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Fund balances at 31 May 2021 are represented by:						
Tangible assets	-	-	-	594	-	594
Current assets/ (liabilities)	763,447	(38,806)	724,641	621,760	(110,098)	511,662
Long term liabilities	(149,986)	-	(149,986)	(149,986)	-	(149,986)
	<u>613,461</u>	<u>(38,806)</u>	<u>574,655</u>	<u>472,368</u>	<u>(110,098)</u>	<u>362,270</u>

FISHERIES INNOVATION SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 MAY 2021*

17 Related party transactions

Transactions with related parties

Some of the trustees represent the member organisations of the company and during the period income received from these organisations amounted to £250,000 (2020 - £275,000) as detailed in note 2. In instances where the organisation that a trustee represents has a vested interest in a research proposal, the trustee will remove themselves from the evaluation and voting process in relation to that proposal.