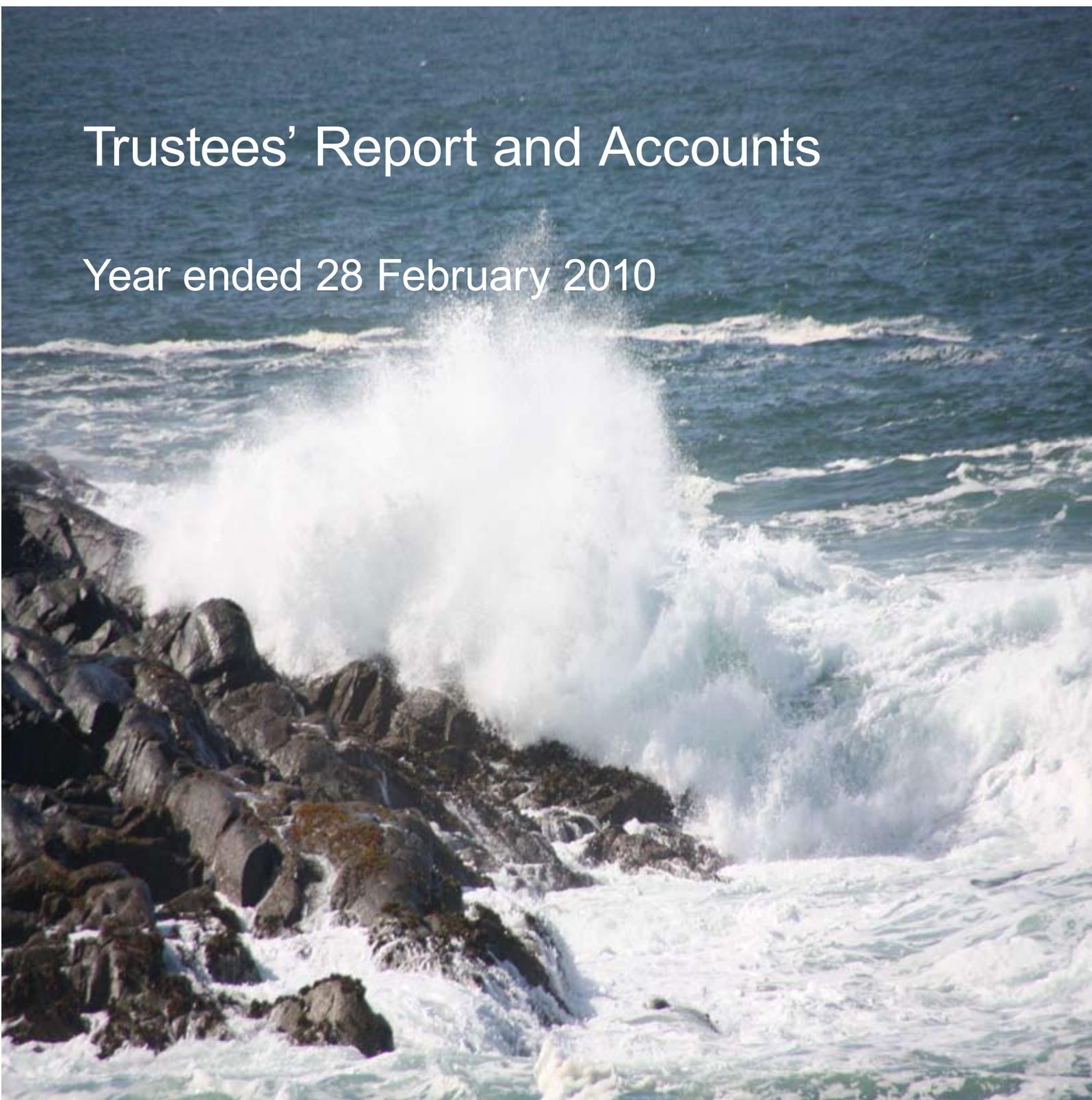




Trustees' Report and Accounts

Year ended 28 February 2010



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Trustees' Report for the year ended 28 February 2010

Scottish Aquaculture Research Forum

The trustees present their report and the audited financial statements for the year ended 28 February 2010.

Structure, Governance & Management

The charity is a company limited by guarantee.

Governing Document

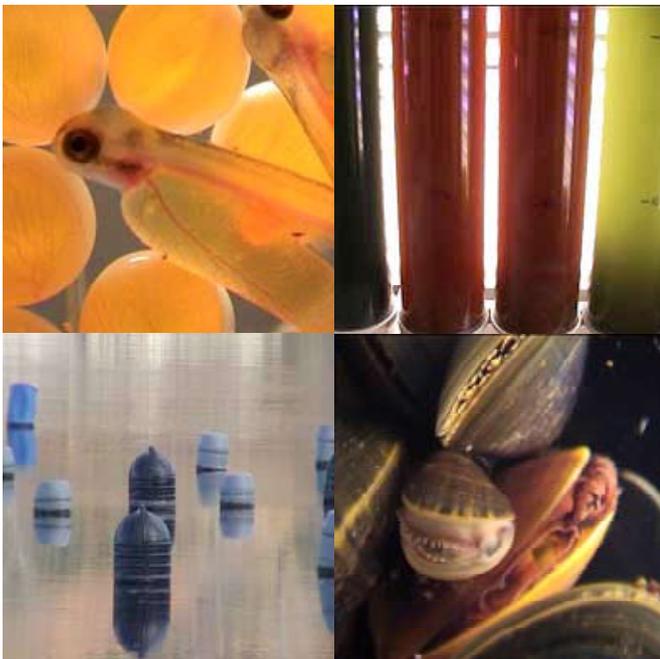
The company is governed by its Memorandum and Articles of Association, last amended 28 April 2004.

Recruitment and Appointment of Trustees

From our 16 Member organisations listed below, 14 trustees, together with designated alternates, have been recruited. Trustees are also required to serve as members of the company under the Articles and are formally appointed as Company Directors, guaranteeing to contribute £1 in the event of the company being wound up. The Member organisation is responsible for selecting and nominating the candidates it wishes to serve on the SARF 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 SARF trustees. The Chairman is an independent appointee of the Board and the position is reviewed annually.

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

- The Scottish Government – Marine Directorate
- Scottish Environment Protection Agency
- Scottish Natural Heritage
- Highlands and Islands Enterprise
- Marine Science Scotland
- Scottish Environment Link
- The Crown Estate
- Seafish Industry Authority
- British Trout Association
- Association of Salmon Fisheries Boards
- Highland Council
- Rivers and Fisheries Trusts Scotland
- Scottish Salmon Producers Organisation
- Shetland Aquaculture
- British Marine Finfish Association
- Association of Scottish Shellfish Growers





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, 2006)
- Memorandum and Articles of Association
- Standard SARF 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 SARF. Trustees are encouraged to attend workshops and training events relevant to their role with SARF. The Secretariat also provides specific advice and guidance to new trustees.

In addition to its normal cycle of Board meetings, SARF has also staged an internal workshop to encourage the development of specific areas of SARF business through designated task groups. This mechanism was found to be very effective and in future *ad hoc* workshops will take place to develop the Board's capabilities and take forward important work streams.

Liddell, C. (2006) – The Role of the Charity Trustee (Unpublished).

Organisational Management

SARF is operated by a Board constituted by trustees who are also Company Directors. Board members are drawn from each of SARF's Member organisations and take overall responsibility for ensuring that SARF 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 SARF is undertaken by the Secretariat, FRM Ltd. SARF accounts are audited by Johnston Carmichael.

The Board consists of 14 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 shall have observational status and be invited to participate in normal board meetings. Trustees are drawn from a diverse range of SARF Member organisations including Government, local authorities, regulators, industry, environmental and fisheries non-governmental organisations (NGO's). As individuals the Trustees bring a combination of policy, technical and business expertise to the Board.

The Board meets at least twice each year: an AGM and Board Meeting take place in April or May with a further Board meeting in late Autumn. The main function of the April/May Board meeting is to select the project areas that will be published as a call for proposals for research and development funding. The Autumn meeting is used to assess which of the proposals submitted should be supported by SARF. 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 Secretariat 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.



Organisational Structure and Relationships

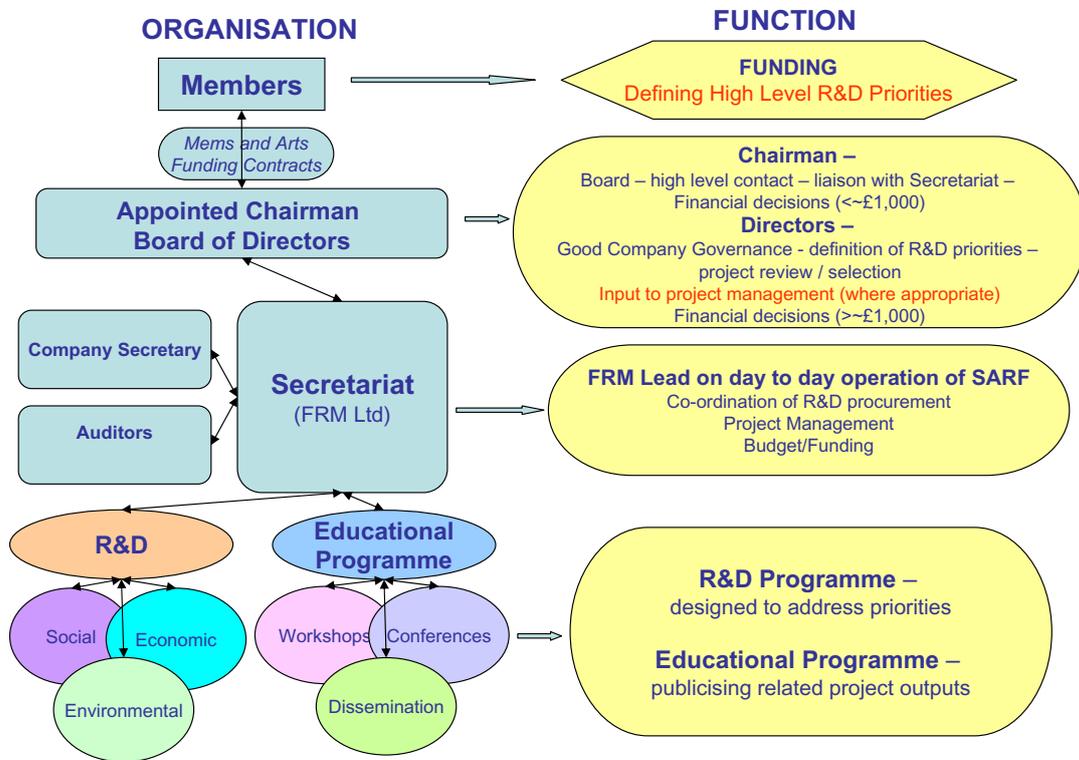


Figure 1. Organisational Diagram of SARF operational structure and related functions



Aims, Objectives and Principal Activities

The aims of SARF are:

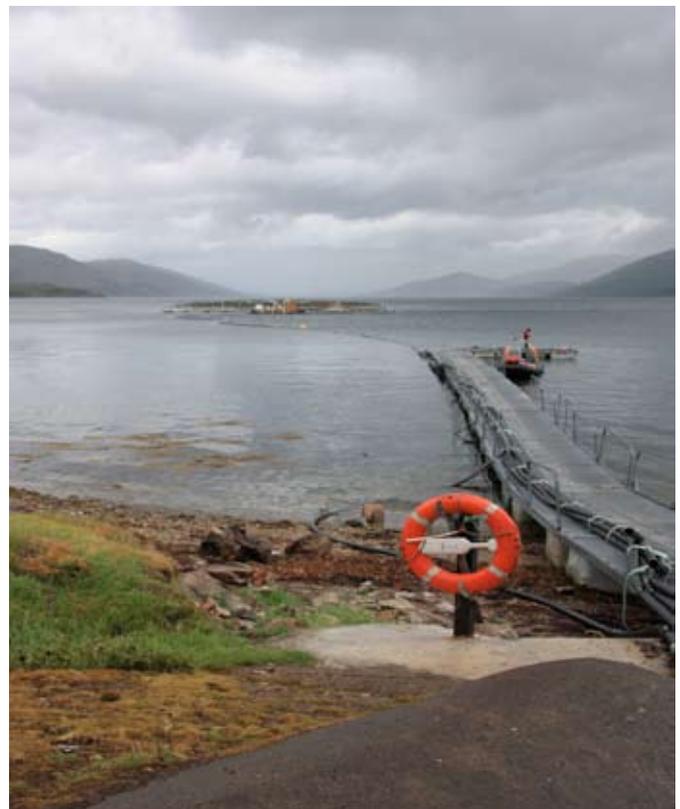
- To promote, encourage and support scientific research and development in aquaculture and related areas. This includes research in the fields of environmental, economic and social impacts, technical and biological cultivation and health and welfare science.
- To enhance public understanding of aquaculture through the dissemination of research results in the public domain. This will include research exhibitions and on-line publications of investigations and results.
- SARF has a range of members including representatives from the aquaculture industry, government organisations, wild fish groups and environmental NGO's. The research undertaken will be across a broad range of areas and will be required to meet the collective needs of its members.

Relationship with Related Parties

The trustees, who are also Directors for the purposes of company law, are each drawn from SARF 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 SARF project.

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 Secretariat and the Board is alerted to salient emerging issues. The Board retains insurance for "Professional indemnity for specific professions" and "Trustees and individual liability" with Hiscox Underwriting Limited.



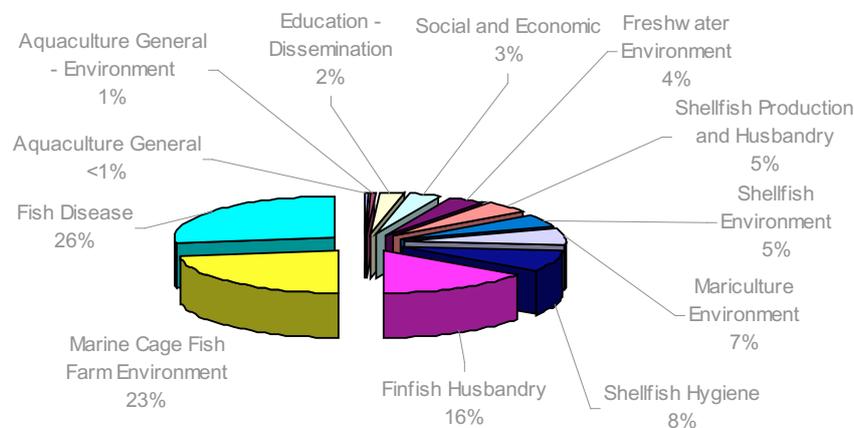


Figure 2. Breakdown of percentage total cost committed to SARF functions.

Strategic Aim

Through the support of research and the dissemination and publication thereof, promote and encourage a sustainable, diverse and economically viable aquaculture, based on the principles of stewardship, social responsibility and working within the carrying capacity of the environment, both locally and nationally and throughout its supply chain.

Objectives for the year

- Commission research and development projects prioritised and agreed by the Board.
- Ensure the delivery of objective scientific research and development outputs from ongoing projects to underpin the sustainable development of aquaculture.
- Develop the educational remit of SARF.

Strategies for achieving objectives

Commissioning research

SARF has established robust mechanisms for commissioning, managing and evaluating research and development projects. Prioritised research requirements are agreed by the Board and published as a call for proposals. Submitted

proposals are subject to internal and external peer review, before being tabled for final assessment by the Board in the Autumn when funding decisions are taken.

In addition to SARF's established grant round, exceptionally, *ad hoc* proposal procedures have been established to permit high priority projects to be taken forward through a fast track mechanism.

To encourage innovation, SARF has introduced an open concept note application process whereby brief outline proposals are invited at specific times. Concept notes deemed by the Board to be of interest to SARF will be required to provide full applications which will be subject to internal and external peer review before the Board makes a final decision on funding the proposed research.

Ensuring delivery

Successful proposals are contracted through SARF and their progress monitored according to agreed protocols.

Projects are encouraged to disseminate their results widely through appropriate media and fora. Final reports for projects are subject to internal and external peer review and, subject to commercial sensitivity, are published on the SARF website.

Developing educational remit

In addition to project dissemination activities, SARF organised an International symposium in association with the Royal Society of Edinburgh (RSE) and the Norwegian Academy of Science and Letters (NASL) which took place in April 2009 at the Edinburgh Conference Centre. An aquaculture orientation workshop was also delivered by SARF in association with the National Telford Institute at the Royal Society of Edinburgh in February 2010.

An application for European Fisheries Funding to support the development of SARF's educational role through targeted on-line dissemination actions was not successful, but it is hoped that some of what was proposed may be incorporated into a planned upgrade of the SARF website.



Review of Achievements and Performance for the Year

Operational Performance and Strategic Analysis of Commitments

All the principal objectives for 2009-10 were achieved.

Since its inception in 2004, SARF has developed a respected system for the procurement of high calibre applied research and development in the field of aquaculture. Between 2004 and the end of this reporting period, SARF in collaboration with its co-sponsors has committed a total of £4,235,765 in fulfilment of its charitable role, with direct SARF commitments (projects and operational costs) accounting for £2,757,866 (65%) of the total.

Research and Development projects are the greatest proportion (90.3%) of expenditure, with a total of £3,823,521 (£2,345,622, 61.3% from SARF). Of this total, project costs related to salmonid and finfish environment together with more general environment related projects have accounted for 39%, fish disease 26%, fish husbandry 16%, shellfish hygiene 8% and socio-economic studies 3%. A total of 55 projects have been commissioned.

Our education and dissemination role, which included the delivery of an international symposium and an aquaculture orientation workshop represented, 2.2% of total commitment including operational costs between 2008-10.

Operational expenditure as a function of total commitment over the period 2004 to the end of this reporting period is 10.77% (14.95% of the SARF commitment). The SARF Secretariat deals with all the day-to-day management of SARF and its various projects, including contractual and financial management together with all processes connected with project monitoring and evaluation. The Secretariat is also responsible for taking forward the education and dissemination role of SARF.

In 2009-10 SARF established a separate project budget line to account for the provision of advice, principally to Marine Scotland. Although this currently represents 0.14% of the total project commitment, it recognises SARF's increasingly important role in this area.

Research and Development

Table 1: provides a list of SARF sponsored research and development projects. Of the 55 projects commissioned since the inception of SARF, 39 are complete and 16 are ongoing.

Since the start of the reporting period 2009-2010, SARF has commissioned an additional 12 projects with a total value of £597K and cost to SARF of £385K (64.4% of project costs).

In the same period, 21 SARF project meetings were conducted with 12 projects ending. Six of the projects completed in this financial year have been graded by external reviewers. Five were considered satisfactory or above. Only one project was considered either satisfactory or below expectation. Five final reports are in the process of review.

Whilst overall, the quality of project outputs is good, the Secretariat and the Board are aware of the need for some contractors to improve the provision of practical guidance and recommendations based on best available evidence.

A summary of SARF projects has been compiled by the Secretariat and is available on the SARF website. The summary is updated on a regular basis to provide a rapid digest of the results of completed projects. All accepted project final reports are lodged on the SARF website.

The following SARF projects were completed during the reporting period:

SARF016 - Rainbow Trout Gastro Enteritis (RTGE).

SARF021 - The development of practical but meaningful welfare indices for cod ongrowing.

SARF026 - Evaluation of the impact of copper released to the environment from marine cage fish farms.

SARF028 - Development of a system for sentinel fish farm monitoring.

SARF036 - Establishing the effects of fish farm discharges on Biodiversity Action Plan (BAP) habitats and assessing their recoverability.

SARF038 - International Symposium

SARF040a - Review of Marine Fish Farm EIA Thresholds.

SARF041 - Developing practical strategies for reducing the spread of harmful organisms during the transportation of live fish.

SARF044 - Assessment of the impacts and utility of acoustic deterrent devices.

SARF046 - Socio-economic assessment of potential impacts of new and amended legislation on the cultivation of fish and shellfish species of current commercial importance.

SARF054 - Assessment of protocols and development of best practice contingency guidance to improve stock containment at cage and land based sites.

SARF056 - Development and delivery of a proposal for re-establishment, on a pilot scale, of a native oyster population in Scotland.

Education and Dissemination

The SARF Secretariat has developed promotional material that is available to Member organisations, outlining SARF's role, remit and progress, together with a link to the SARF website.

The SARF application form which forms the basis of our research contracts requires that contractors define their plans to disseminate the outcomes of projects in appropriate formats.

The SARF International Symposium – “Scottish Aquaculture: A sustainable future”, took place between 20th and 22nd April 2009. The event was a collaborative venture with the Royal Society of Edinburgh, and the Norwegian Academy of Science and Letters (NASL). In addition to SARF, Intervet Schering-Plough, Ewos, Skretting, Biomar, Seafish and The Crown Estate sponsored the event. Fish Farmer magazine was the principal press partner.

The event was opened by Roseanna Cunningham, Minister for Environment and attended by a total of 34 invited speakers and 240 delegates from a broad range of backgrounds, including senior international figures from Government, academia and industry. More than 130 delegates attended the symposium dinner and 16 delegates joined the field trip to a selection of aquaculture facilities including the

Institute of Aquaculture at the University of Stirling and the Scottish Association for Marine Science at Dunstaffnage.

Feedback from delegates was extremely positive with 87% of delegates claiming improved understanding of the subject area.

The Symposium proceedings will be published in early 2010 as a special addition of Aquaculture Research.

On 24th and 25th February 2010, the National Telford Institute, in collaboration with SARF, staged an Aquaculture Orientation Workshop to discuss the strategic development of aquaculture in Scotland with a view to:

- * raising awareness of the aquaculture sector amongst the engineering community;
- * enhancing Scotland's engineering capacity and expertise in the aquaculture sector;
- * identifying knowledge gaps and, where appropriate, framing recommendations for R&D.

A limited number of key players from the fields of aquaculture and civil engineering were invited to attend the workshop. Workshop delegates were provided with background information and introductory presentations on aquaculture in Scotland and elsewhere, including both food and non-food production. Nominated task groups were then asked focus on specific subject areas, defining possible knowledge gaps and opportunities for R&D. A total of 48 delegates attended the Workshop from 28 different organisations, including 11 delegates from industry, 6 Government/Regulators, 29 from the academic community and 2 from an NGO. The event met or exceeded the expectations of more



than 86% of attendees. The workshop enabled more than half of those that provided feedback to identify the need for specific research investigations in their area(s) of expertise. In addition, 93% of respondents indicated that they would attend another event or set of events dealing with specific aspects of aquaculture engineering covered by the workshop.

In addition to actively encouraging dissemination of project results, SARF submitted a proposal to secure European Fisheries Fund support to provide web-based online seminars to facilitate cost effective and more sustainable delivery of project specific information to target audiences in diverse and often remote locations. Unfortunately the application was not supported. However, a number of online presentations are now available on the SARF website and the intention is to upgrade the website over the coming year, to facilitate this form of dissemination, thus partially addressing some of the objectives of the EFF proposal.

SARF has provided the Ministerial Working Group on Aquaculture with an annual status update and continues to respond to specific requests for information related to projects that address actions being taken forward under the renewed Strategic Framework for Scottish Aquaculture.

Representational Role

The SARF Secretariat is increasingly recognised as an important source for strategic aquaculture R&D related information and is developing a representational role in fora at UK and EU level. A member of the SARF Secretariat has been appointed as a member of the Ministerial Working Group on Aquaculture.



Throughout the year, the Chairman and the Secretariat engage with senior officials within Government, academia and industry to promote the work of SARF, remain abreast of relevant initiatives and to encourage further collaboration and support.

SARF is now a member of the recently formed European Aquaculture Technology and Innovation Platform (EATIP). The objectives of EATIP are:

1. Establish a strong relationship between aquaculture and the consumer.
* including issues relating to human health, product quality, traceability.
2. Assure a sustainable aquaculture industry
* covering social, environmental and economic issues
3. Consolidate the role of aquaculture in society
* developing knowledge management, skill development, communications, networking.

Although at an early stage of its development, SARF anticipates that EATIP will influence the allocation of EU R&D resources in this sector.

Contracts

Additional clauses to the SARF standard R&D contract have been approved which will help to ensure that contractors fulfil their reporting obligations to an acceptable standard and in a timely manner. Poor quality and late reporting will result in financial penalties for the contractor.

One project was terminated in this financial year on the grounds that the final report was not of an acceptable standard.

Applicants for SARF funding are now required to agree to the terms and conditions of the Standard SARF contract prior to submitting applications. This stipulate has significantly reduced the time and cost involved in securing contractual agreements.

Finance

A corporate level risk assessment pro-forma has been developed and adopted by the Board.

Assessment of research council and other funding

source opportunities is ongoing.

Contact with Innovators Counselling and Advisory Service for Scotland (ICASS) has been established to secure advice on exploitation of Intellectual Property which may be developed through SARF projects.

SARF continues to attract funding from organisations wishing to use the SARF commissioning and management processes to deliver R&D projects.

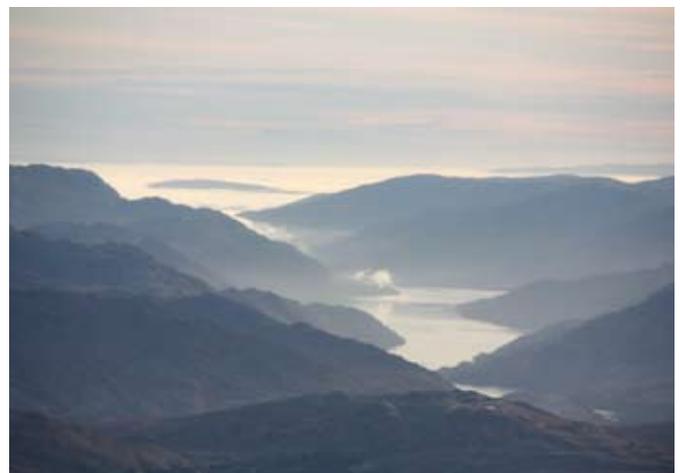
Financial Review Group

A Financial Review Group was established in this reporting year consisting of two Board members; one private sector and one public sector. The remit of the Group is to oversee and, on a periodic basis, make recommendations to the Board with respect to the operational costs of SARF including the Secretariat and Chairman.

Factors outside the charity's control affecting objectives

Securing longer term financial stability is fundamental to SARF's continued success. Contributing SARF Members are encouraged to formalise their commitments to SARF through contracts and increase their sponsorship to reflect increasing costs. Since its inception in 2004, no SARF sponsors have increased their contributions to reflect increasing costs.

There has been a trend amongst some sponsors of SARF to reduce their core funding commitments,



in favour of selective support for specific projects. This continues to be an area of concern in that it tends to reduce the flexibility with which funds can be allocated and can result in increased Secretariat costs in securing the balance of funding required to commission projects.

To a large extent, increasing resources from the Scottish Government have offset reduced contributions in funding from some sponsors, but SARF will need to continue to actively seek additional funding sources. Some sponsors have indicated that they may not be in a position to sponsor SARF at current levels in the short term, however, they are keen to remain involved as SARF Member organisations. Whilst the economic climate appears to have stabilised over the past year, there is likely to be a significant impact on public expenditure in the coming year and beyond which may impact on SARF's capacity to deliver prioritised R&D. The proportion of Government derived sponsorship for SARF has increased and it is important that the non-Government commitment of funds to SARF is augmented to maintain both a broad funding base and a balance of contributions between the public and private sectors.

Better co-ordination and management of research effort will be required at National and UK level to ensure that what limited resources are available are properly targeted, efficiently managed and focus on delivery.

In the coming year, an important role for SARF could be to facilitate better co-ordination of aquaculture relevant R&D.

The Secretariat continues to liaise with other organisations involved in sponsoring aquaculture related R&D with a view to collaboration and co-sponsorship of projects.

Financial Review and Results for the Year

Incoming funds are donations from member organisations for core funding and specific additional project funding. In total these donations have increased by a balance of £26,730 in the year to £468,764. The increase is accounted for by an additional £120,000 contribution from Marine Scotland together with additional project contributions, most notably for the Symposium. However, these gains have been offset against some reduction in income from other sponsors such



as The Crown Estate, SEPA and Seafish, together with a decrease in interest income of £27,936.

The designated funds for the reporting period are in deficit at the beginning and end of the year as contracted funding exceeds the income and resources at these dates. However, incoming resources currently confirmed for the next year amount to £483,000 and an additional £153,000 for the following two years.

It is anticipated that any reserves will be used to fund research projects in future accounting periods.

Financial management policies

FRM Ltd is responsible for the day-to-day management of SARF finance and has responsibility for ensuring that an effective system of internal financial control is maintained and operated in respect of SARF 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 FRM's financial controller and on a monthly basis all transactions of more than £1,000 are agreed by the SARF Chairman and one other designated signatory;
- contractual agreement for the allocation of SARF funds requiring the signature of two Directors;
- the Chairman also approves on a regular

basis the expenses and fees generated by the Secretariat;

- a system of continuous cash flow control;
- all contractors invoices being checked prior to settlement and, under the terms of the standard SARF Agreement, the right to secure financial audit of contractors;
- Johnston Carmichael independently audit the SARF accounts annually;
- the Directors of SARF are informed at bi-annual Board meetings of the financial status of the company;
- minimising the financial risk to SARF by, as far as possible, securing contractually agreed contributions from Member organisations and committing funds within the constraints of these confirmed allocations;

The system of internal financial control is informed by FRM Ltd's company accountants, the SARF Board and the financial administrator who has responsibility for the development and maintenance of the financial control framework.

Reserves Policy and Objectives

It is the policy of SARF not to accrue reserves. The majority of the funds committed to SARF by our sponsors are allocated on the basis that it will support research and development projects. As research projects have a life of up to three years, the majority of related funding is in place at the outset. In addition, SARF conducts an annual research prioritisation exercise with its Member organisations and the number of high priority research areas submitted for consideration is always considerably more than SARF sponsorship alone could support.

Future Plans

Over the coming year, in addition to commissioning a new tranche of research and development projects, SARF will continue to try to engage with other major sponsors of R&D in this sector to better co-ordinate research effort and make best use of scarce resources.

In addition to maintaining a close dialogue with

existing sponsors, work to develop strategic alliances with potential sponsors and co-funders will continue, together with assessments of the potential to secure grant funding for specific areas of SARF's work.

Building the capacity of the Board as a respected sponsor of scientific research will continue through encouraging their attendance at relevant project meetings and stimulating debate on key areas of research required to underpin the sustainable development of aquaculture in Scotland.

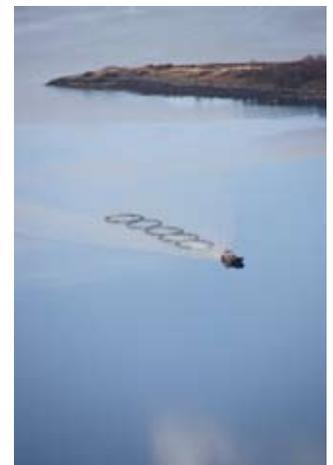
The annual report including an assessment of progress against annually agreed objectives and targets is used as an expedient and dynamic means of defining and evaluating SARF's performance.

The following strategic, medium and short term objectives were agreed for the reporting period beginning 2009. The progress made against each of these objectives during the reporting year is outlined below.

Strategic objectives

Research and Development

- Seek to measurably improve the quality of research being delivered in support of SARF's aims, by maintaining and improving appraisal, assessment, monitoring and evaluation processes.
- Take an active role in co-ordinating aquaculture relevant research in Scotland.
- Better understand and develop aquaculture knowledge and expertise in both food and non-food



production.

- Demonstrably deliver policy, regulatory and industry relevant research outcomes.

Progress –

All proposals and projects continue to be subject to internal and external peer review and the list of peer reviewed publications emerging from projects is growing steadily. All projects are formally monitored on an interim and or annual basis. Many projects involve steering groups.

SARF is taking an increasingly proactive role in providing advice and in R&D co-ordination activities at a strategic level.

The SARF Board has taken the decision to encourage a broader range of R&D to include both food and non-food aquaculture production.

The majority of SARF projects relate directly to informing policy, regulation and industry best practice.

Education and Dissemination

- Take a more prominent role in developing and promoting Scotland's reputation in aquaculture research.
- Encourage use of the results of SARF research projects to promote national and international improvements in aquaculture sustainability.
- Seek measurable improvement in targeted communication of research results to non-specialists.

Progress –

The Secretariat's involvement in a range of UK and



EU related aquaculture R&D fora helps to ensure that Scotland's reputation as an important and internationally recognised centre for research in this field is promoted.

The International Symposium – “Scottish Aquaculture: A sustainable future” brought together internationally recognised experts with the specific purpose of providing decision makers from a wide variety of backgrounds with a rounded understanding of key sustainability issues.

Medium term objectives

Research and Development

- Demonstrably promote better communication between key stakeholders and research providers to improve research focus and delivery.
- Forge links with one or more research funding bodies with a view to delivering co-ordinated research effort to address areas of work which may require multidisciplinary approaches and or resources beyond those available to SARF.
- Submit SARF to independent external evaluation every five years

Progress –

In addition to specific project dissemination activities and workshops, together with the Symposium, SARF continues to promote collaborative projects which engage key stakeholders as project partners or sponsors.

SARF has been in liaison with the National Telford Institute (NTI) in Scotland with a view to developing collaborative projects in the future.

An Aquaculture Orientation Workshop was conducted in collaboration with the NTI to raise awareness of the aquaculture sector amongst the engineering community. Such events should help to enhance Scotland's engineering capacity and expertise in the aquaculture sector identifying knowledge gaps and, where appropriate, framing recommendations for future R&D.

A proposal for the evaluation of SARF in 2010 was put before the Board at the 08-09 Annual General Meeting and the Secretariat has been charged with providing a paper outlining the way forward at the 09-10 Meeting.

Education and Dissemination

- Stage a high quality (international) symposium every three years.
- Develop the potential of SARF to disseminate audience specific educational material on line.
- Engage with other education and training bodies to facilitate the delivery of research results to appropriate target audiences.

Progress –

SARF, in association with the Royal Society of Edinburgh and the Norwegian Society of Science and Letters staged its first International Symposium in Edinburgh on 21st – 22nd April 2009.

The ground work for on-line dissemination of educational material has been undertaken, but will require additional dedicated resources to progress to full implementation.

Initial contact with LANTRA was established, and a European Fisheries Fund application submitted to secure the necessary resources for targeted online and collaborative dissemination activities. The application was not successful but the SARF website will be upgraded using in-house resources during the coming year to facilitate the online delivery of project information.

Recurrent short term objectives to be completed within the reporting period:

Research and Development

- Identify research priorities and commission research prioritised by the Board.
- Conduct at least one project monitoring meeting per project per year.
- Ensure appropriate peer review of all proposals and final reports.



- Seek to hold inaugural project meetings with all projects engaging key SARF Member organisations at an early stage to encourage good communication, early data exchange and better experimental design and execution.

Progress –

Research prioritisation, commissioning, and peer review are a fundamental and ongoing part of SARF's operational and management procedures.

For complex and or sensitive projects, inaugural meetings are standard.

Education and Dissemination

- Ensure that all SARF project final reports accepted by the Board and not subject to confidentiality are published on the SARF website.
- Ensure that all published SARF project reports are issued with an International Standard Book Number (ISBN) and lodged with the British Library.
- Seek to disseminate information on the work of SARF and its projects to appropriate audiences when ever possible.

Progress –

All SARF project reports accepted by the Board are published on the SARF website and on YUDU.

The SARF website now provides visitors with the opportunity to register and receive email updates on the most recent publications.

All SARF reports are now issued with an ISBN to ensure that they will be retained as formal references by the British Library.

A SARF project highlights document has been developed and is available on the SARF website as a download. This document and associated web pages will be updated on an ongoing basis.

Short term objectives to have been completed within the reporting period 2009-2010

Specific additional objectives under Research and Development role were:

- To progress innovative concept note proposals for novel areas of aquaculture development

- Continue to focus project groups on the timely delivery of applied, relevant and robust results

Specific additional objectives under the Education and Dissemination were:

- Successfully execute the International Symposium and publish the proceedings
- Develop, submit and hopefully secure additional funding to support SARF's educational role – specifically in the development of online dissemination activities
- Upgrade the SARF website should resources be secured/allocated
- SARF to be represented and promoted at agreed national and international fora

Changes to objectives under Education and Dissemination are:

- Organise and execute web seminars should resources be secured
- Engage with the Telford Institute to assist in the development and delivery of a high level workshop should both parties have sufficient resources and time
- Provide a digest of SARF project highlights on an ongoing basis on the website

Progress -

All of the short term objectives for the period 09-10 were achieved except the expansion of SARF's education and dissemination role on-line. An attempt to secure additional funding was not successful and alternative approaches to achieving this objective are being explored.



Short term objectives to be completed within the forthcoming reporting period 2010 - 2011

Research and Development

To commission and manage three projects on behalf of Marine Scotland related to fish containment, engineering standards and microalgae as an aquaculture feed source.

Follow up on recommendations from the National Telford Institute - SARF Aquaculture Orientation Workshop.

Education and Dissemination

Publish the proceedings of the International Symposium.

Upgrade the SARF website to facilitate access to SARF reports and deliver project information in a form that is appropriate to diverse and geographically dispersed audiences.

Consider the need for additional workshops or working groups to refine research requirements related to non-food aquaculture development.

General

To commission an evaluation of SARF and its activities.

Seek to improve co-ordination of aquaculture related R&D to ensure more efficient use of resources.

Chairman's Notes

The last year has been particularly busy and productive for SARF, beginning with an International Symposium and ending with a specialist Workshop for engineers. Both events were highly regarded and have delivered important advances in understanding by engaging audiences with a broad range of expertise.

A fundamental aspect of SARF's role is to ensure that the research we undertake is grounded by the requirements of our Member organisations. As such, SARF projects continue to deliver exceptional value for money as a result of prioritisation, rigorous assessment and on-going management and monitoring. These processes help to ensure that SARF projects provide meaningful results that inform industry, regulation and policy.

Wherever possible, SARF projects deliver practical advice, guidance and recommendations. In a regulatory context SARF projects often underpin existing regulation or inform regulatory development. Some projects deliver applied scientific understanding required for future progress. We also recognise the need to provide independent and impartial advice based on best available evidence and will continue to encourage the scientific community to deliver this interpretation.

Whilst SARF's education and dissemination role tends to focus on publishing project reports as well as co-ordinating and delivering public dissemination events, SARF is also now recognised as an authoritative source of advice.

By facilitating field visits to a range of aquaculture facilities and through presentations made by the Secretariat, SARF has been able to influence the perceptions and understanding of some decision makers and important opinion formers.

SARF's current financial status reflects prevailing economic conditions and this will inevitably impact on SARF's ability to deliver some of its objectives. However, prudent management and efficient use of resources over the coming year should allow SARF to continue to commission a modest number of priority projects as well as refining its dissemination capabilities.

In the coming year we welcome the retrospective external review of SARF's achievements over the preceding five years and we also intend to have a strategic forward- looking assessment of opportunities for adding other areas of developing research interests to our existing portfolio, albeit within our existing Terms of Reference.

On behalf of the board of trustees:



Professor William Ritchie
Chairman
April 2010



Table 1. List of Projects

Project Code	Project Title	Start Date	End Date
SARF001	Prevention and management of <i>Ichthyophthirius multifiliis</i>	01/01/2005	31/07/2005
SARF003	Development of a GIS-based tool to assist planning of aquaculture developments	01/03/2005	28/02/2006
SARF004	Vaccine performance - efficacy in gadoids measured by cell mediated immune responses	01/05/2005	30/04/2008
SARF004a	BAC Library	01/09/2006	28/02/2007
SARF005	Site optimisation for aquaculture operations	20/01/2005	19/10/2005
SARF009	Coastal assimilative capacity for amalgamated fish farm chemicals/organic pollutants	01/04/2005	31/03/2008
SARF011	Review of Environmental Quality Standards (EQS) for use in assimilative capacity model development	01/06/2005	31/05/2006
SARF012	The development of modelling techniques to improve predictions of assimilative capacity of water bodies utilised for marine caged fish farming	01/07/2005	30/09/2007
SARF012a	Development of assimilative capacity and carrying capacity models for water bodies utilised for marine bivalve and caged fish farming	01/04/2008	30/09/2010
SARF013 and SARF013a	Identification of sources of faecal pollution in Scottish coastal waters to help clarify causes of recent deterioration in the quality of Shellfish Harvesting waters (to be associated with the EU REDRISK Project)	14/11/2005	13/11/2007
SARF014	Cod broodstock nutrition, and specifically the role of essential fatty acids such as arachadonic acid.	01/10/2005	30/09/2007
SARF015	The aetiology and epidemiology of Pancreas Disease (PD) and similar pathologies - Heart and Skeletal Muscle Inflammation (HSMI) and Cardiomyopathy Syndrome (CMS) - in Scotland	01/11/2005	30/11/2007
SARF016	Rainbow Trout Gastro Enteritis	01/05/2006	31/03/2009
SARF017	A rationale for the identification of sea lochs with isolated deep water, to help assess the risk of widespread basin de-oxygenation.	01/12/2005	30/11/2006
SARF021	The development of practical but meaningful welfare indices for cod ongrowing.	01/03/2006	11/06/2009
SARF022	Novel species risk to biodiversity assessments study: as discussed within the Scottish Biodiversity Strategy Implementation plans	05/01/2006	05/07/2006
SARF023	Review of sea lice bath treatment model	12/06/2006	17/08/2007
SARF024	A Review of Fish Farm Environmental Impact Assessments	01/09/2006	31/03/2007
SARF025	Consumer attitudes to aquaculture feed sustainability	01/02/2007	30/09/2007
SARF026	Evaluation of copper concentrations around marine cage fish farms.	01/02/2007	01/11/2009
SARF027	Stock management strategies to optimise growth potential in ongrowing of marine fish.	01/02/2007	31/01/2010
SARF027a	CON008 - continuation/extension of SARF027		
SARF028	Development of a system for sentinel fish farm monitoring.	01/03/2007	01/02/2009
SARF030	Assessment of the rate of sedimentary ecosystem recovery following the removal of marine fish farm cages or the cessation of farming.	01/07/2007	30/06/2010
SARF031	Assessment of appropriate thresholds for the potential triggers for Environmental Impact Assessments (EIA) for shellfish farms.	15/01/2007	30/09/2007
SARF035	Determination of the fate of chemical/faecal material which is transported beyond the Allowable Zone of Effects (AZE).	26/02/2007	31/08/2007
SARF036	Establishing the effects of fish farm discharges on Biodiversity Action Plan (BAP) habitats and assessing their recoverability.	01/08/2007	31/12/2009
SARF037	Strategic waste management and minimisation in aquaculture – a detailed review of current status and future options.	19/02/2007	30/09/2007
SARF038	International Symposium	01/04/2007	30/03/2010
SARF039	SARF Education and Dissemination Programme	01/04/2007	On-going

Table 1. Continued

Project Code	Project Title	Start Date	End Date
SARF040	Review of Marine Fish Farm EIA Thresholds	10/03/2008	14/02/2009
SARF040a	Completion of SARF040	25/09/2009	27/11/2009
SARF040b	Review of the potential to establish Permitted Development Rights for fish and shellfish aquaculture	12/04/2010	18/06/2010
SARF041	Developing practical strategies for reducing the spread of harmful organisms during the transportation of live fish	01/04/2008	31/03/2009
SARF042	Assessment of the potential to reduce the infaunal species list required to give an indication of stress in sediments.	07/02/2008	06/06/2008
SARF043	Improving understanding of species specific requirements for marine finfish cultivation	01/03/2008	28/02/2011
SARF044	Assessment of the impacts and utility of acoustic deterrent devices	01/03/2008	31/12/2009
SARF045	Assessment of evidence that fish farming impacts on tourism.	08/02/2008	28/02/2009
SARF046	Socio-economic assessment of potential impacts of new and amended legislation on the cultivation of fish and shellfish species of current commercial importance.	08/02/2008	30/04/2009
SARF053	A systematic assessment of the environmental impact of Scottish shellfish farms, including benthos, water column and relevant special interactions	01/02/2009	28/02/2011
SARF054	Assessment of protocols and development of best practice contingency guidance to improve stock containment at cage and land based sites.	01/04/2009	01/10/2009
SARF055	Validation of OECD-model for predicted impact of freshwater cage production on inloch total phosphorus concentration	01/02/2009	31/03/2010
SARF056	Development and delivery of a proposal for re-establishment, on a pilot scale, of a native oyster population in Scotland	05/01/2009	30/09/2009
SARF057	Development of improved management strategies for Red Mark Syndrome (RMS)	01/02/2010	01/08/2011
SARF063-01	Overcoming bottlenecks in the intensive commercial production of native oyster spat	01/01/2010	31/12/2011
SARF063-02	Establishment and development of a national broodstock of the European hake, <i>Merluccius merluccius</i>	04/01/2010	30/06/2012
SARF064	<i>Mytilus trossulus</i> : Managing impact on sustainable mussel production in Scotland	01/12/2009	01/06/2011
SARF065	Trials to enhance oyster depuration with respect to norovirus	01/03/2010	31/07/2010
SARF066	Practical trials and cost-benefit analysis for industry of reduced depuration times for the mussel <i>Mytilus edulis</i>	01/04/2010	30/09/2010
SARF068	Optimising sea lice treatment regimes to minimise the development of resistance	01/03/2010	01/03/2012
SARF069	Evaluation of sensitivity to chemotherapeutants in successive generations of <i>Lepeophtheirus salmonis</i> from a resistant population	01/01/2010	31/12/2010
SARF070	Development of a risk evaluation system for the establishment of <i>Gyrodactylus salaris</i> in Scottish river systems	01/03/2010	30/09/2010
SARF071	Preliminary tests of the behavioural responses of seals to electric fields in sea water	01/01/2010	31/07/2010
SARF075	SARF/Telford Workshop	09/11/2009	28/02/2010
SARF076	Provision of Advice	01/10/2009	On-going

Scottish Aquaculture Research Forum Trustees' Report and Accounts

For The Year Ended 28 February 2010

Accounts: Legal and Administrative Information

Chairman: Professor William Ritchie

Secretary: J & H Mitchell
Charity number SC035745
Company number SC267177

Registered office:
7 Atholl Gardens
Dunkeld
Perthshire
PH8 0AY

Auditors: Johnston Carmichael
66 Tay Street
Perth
PH2 8RA

Bankers: The Royal Bank of Scotland plc
84 Atholl Road
Pitlochry
PH16 5BJ

Solicitors: J & H Mitchell W.S.
51 Atholl Road
Pitlochry
Perthshire
PH16 5BU

The trustees present their report and accounts for the year ended 28 February 2010.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Structure, governance and management

The charity is a company limited by guarantee.

The trustees, who are also the directors for the purpose of company law, who served during the year were:

Iain Sutherland
Richard Slaski (Resigned 1 May 2009)
John Webster
David Sandison
Ewan Gillespie
Paul Williams
Kara Brydson
David Bassett
Michael Cowling
Callum Sinclair
George Lees
George Hamilton
Rob Raynard
Brian Dornan
Walter Speirs

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

The trustees has 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.

Financial review

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

As disclosed in the Statement of Financial Activities, unrestricted funds are in deficit at the year end by £129,538. This is due to the recognition of grants payable outwith one year of £370,960, however the

income to fund these grants, of which £483,000 has been currently confirmed for next year, has not been recognised as the company was not entitled to these funds at the year end date. The company therefore has sufficient incoming resources to fund its grant obligations over one year.

Disclosure of information to auditors

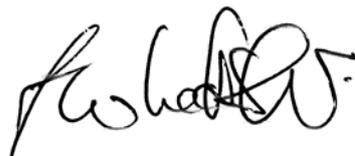
Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are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

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board of trustees

Brian Dornan - Trustee: 

Dated: 18th May 2010

John Webster - Trustee: 

Dated: 18th May 2010

Statement of Trustees' Responsibilities

The trustees, who are also the directors of Scottish Aquaculture Research Forum for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

We have audited the accounts of Scottish Aquaculture Research Forum for the year ended 28 February 2010 set out on pages 6 to 13. These accounts have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment

(Scotland) Act 2005 and the regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, its members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are the directors of the charity for the purposes of company law) for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities. We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with those Acts.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with the accounts. We also report to you if, in our opinion, the charity has not kept adequate and proper accounting records, if the charity's accounts are not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made. We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion

- the accounts give a true and fair view of the state of the charity's affairs as at 28 February 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the accounts have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006 the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the Trustees' Report is consistent with the accounts.

Ian Roy, Senior Statutory Auditor for and on behalf of Johnston Carmichael, Statutory Auditor



Dated: 24th May 2010

66 Tay Street
Perth
PH2 8RA

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

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 28 FEBRUARY 2010

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2010 £	Total 2009 £
Incoming resources						
Incoming resources from generated funds						
Donations and legacies	2	437,083	-	30,000	467,083	412,417
Investment income	3	1,681	-	-	1,681	29,617
		<u>438,764</u>	<u>-</u>	<u>30,000</u>	<u>468,764</u>	<u>442,034</u>
Incoming resources from charitable activities	4	<u>45,310</u>	<u>-</u>	<u>23,500</u>	<u>68,810</u>	<u>-</u>
Total incoming resources		<u>484,074</u>	<u>-</u>	<u>53,500</u>	<u>537,574</u>	<u>442,034</u>
Resources expended						
Costs of generating funds						
Fundraising and publicity	5	2,140	-	-	2,140	434
		<u>2,140</u>	<u>-</u>	<u>-</u>	<u>2,140</u>	<u>434</u>
Net incoming resources available		<u>481,934</u>	<u>-</u>	<u>53,500</u>	<u>535,434</u>	<u>441,600</u>
Charitable activities						
Support costs		81,929	-	-	81,929	75,164
Charitable expenditure		65,387	431,252	42,000	538,639	260,519
		<u>147,316</u>	<u>431,252</u>	<u>42,000</u>	<u>620,568</u>	<u>335,683</u>
Total charitable expenditure		<u>147,316</u>	<u>431,252</u>	<u>42,000</u>	<u>620,568</u>	<u>335,683</u>
Governance costs		<u>3,400</u>	<u>-</u>	<u>-</u>	<u>3,400</u>	<u>3,138</u>
Total resources expended		<u>152,856</u>	<u>431,252</u>	<u>42,000</u>	<u>626,108</u>	<u>339,255</u>
Net incoming/(outgoing) resources before transfers		<u>331,218</u>	<u>(431,252)</u>	<u>11,500</u>	<u>(88,534)</u>	<u>102,779</u>
Gross transfers between funds		<u>(331,218)</u>	<u>331,218</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income/(expenditure) for the year/ Net movement in funds		<u>-</u>	<u>(100,034)</u>	<u>11,500</u>	<u>(88,534)</u>	<u>102,779</u>
Fund balances at 1 March 2009		<u>-</u>	<u>(29,504)</u>	<u>33,500</u>	<u>3,996</u>	<u>(98,783)</u>
Fund balances at 28 February 2010		<u>-</u>	<u>(129,538)</u>	<u>45,000</u>	<u>(84,538)</u>	<u>3,996</u>

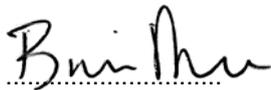
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

BALANCE SHEET AS AT 28 FEBRUARY 2010

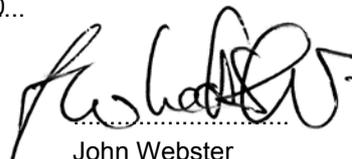
	Notes	2010		2009	
		£	£	£	£
Current assets					
Debtors	11	12,750		40,471	
Cash at bank and in hand		553,251		715,172	
		<u>566,001</u>		<u>755,643</u>	
Creditors: amounts falling due within one year	12	<u>(279,579)</u>		<u>(382,944)</u>	
Total assets less current liabilities			286,422		372,699
Creditors: amounts falling due after more than one year	13		<u>(370,960)</u>		<u>(368,703)</u>
Net (liabilities)/assets			<u>(84,538)</u>		<u>3,996</u>
Funds					
Restricted funds	14		45,000		33,500
Unrestricted funds:					
Designated funds			(129,538)		(29,504)
			<u>(84,538)</u>		<u>3,996</u>

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

The accounts were approved by the Board on 18th May 2010...



Brian Dornan
Trustee



John Webster
Trustee

Company Registration No. SC267177

Accounting Policies

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005, the Financial Reporting Standard for Smaller Entities (effective April 2008), the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

1.2 Incoming resources

Incoming resources represent grants and donations received for revenue purposes which are included when the company is legally entitled to receive them.

1.3 Resources expended

Resources expended are accounted for on an accruals basis and have been classified under headings that aggregate all costs related to that category and include irrecoverable VAT.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the period end are noted as a commitment, but not accrued as expenditure.

Governance comprises costs for the running of the charity itself as an organisation.

1.4 Accumulated funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

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

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

1.5 Taxation

The company is recognised as a charity by HM Revenue and Customs under section 505 TA 1988; no provision is made for taxation.

2 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2010 £	Total 2009 £
Donations and gifts	<u>437,083</u>	<u>30,000</u>	<u>467,083</u>	<u>412,417</u>

NOTES TO THE ACCOUNTS (CONTINUED)
FOR YEAR ENDED 28 FEBRUARY 2010

3 Investment income

	2010 £	2009 £
Interest receivable	1,681	29,617

4 Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2010 £	Total 2009 £
Symposium income	45,310	23,500	68,810	-

5 Total resources expended

	Other costs £	Grant funding £	Total 2010 £	Total 2009 £
Costs of generating funds				
Fundraising and publicity	2,140	-	2,140	434
Charitable activities				
<u>Support costs</u>				
Support costs	81,929	-	81,929	75,164
<u>Charitable expenditure</u>				
Symposium expenditure	88,887	-	88,887	-
Research	-	449,752	449,752	260,519
Grant funding of activities	88,887	449,752	538,639	260,519
	170,816	449,752	620,568	335,683
Governance costs	3,400	-	3,400	3,138
	176,356	449,752	626,108	339,255

NOTES TO THE ACCOUNTS (CONTINUED)
FOR YEAR ENDED 28 FEBRUARY 2010

6 Grants payable

	Total 2010 £	Total 2009 £
Grants to institutions:		
University of Stirling	178,707	-
Viking Fish Farms Ltd	106,425	69,949
Marine Scotland	60,000	-
University of St Andrews	47,430	-
Thistle Environmental Partnership	-	45,000
Aquafish Solutions Ltd	25,062	-
Hambrey Consulting Ltd	14,718	-
Scottish Association for Marine Science	11,000	132,969
Others under £10,000	6,410	12,601
	449,752	260,519

7 Support costs

	2010 £	2009 £
Consultancy fees	68,778	69,879
Programme expenses and referees payments	2,379	2,783
Insurance	3,255	1,733
Postage and stationery	186	131
Conferences and seminars	5,840	-
Bank charges	89	-
Dues and subscriptions	754	516
Sundry expenses	648	122
	81,929	75,164

8 Governance costs

	2010 £	2009 £
Legal and professional	-	94
Auditors' remuneration	3,400	3,044
	3,400	3,138

Governance costs includes payments to the auditors of £3400 (2009: £3044) for audit fees.

NOTES TO THE ACCOUNTS (CONTINUED)
FOR YEAR ENDED 28 FEBRUARY 2010

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year. Chairman, Professor Ritchie, who is not a trustee, received an honorarium of £2,000 (2009 - £2,000) and travel expenses reimbursed amounting to £182 (2009 - £328).

10 Employees

There were no employees during the year.

11 Debtors	2010	2009
	£	£
Trade debtors	12,694	13,750
Other debtors	56	26,721
	<hr/> 12,750 <hr/>	<hr/> 40,471 <hr/>

12 Creditors: amounts falling due within one year	2010	2009
	£	£
Trade creditors	32,276	61,276
Accruals	210,303	292,585
Deferred income	37,000	29,083
	<hr/> 279,579 <hr/>	<hr/> 382,944 <hr/>

13 Creditors: amounts falling due after more than one year	2010	2009
	£	£
Accruals	370,960	368,703
	<hr/> 370,960 <hr/>	<hr/> 368,703 <hr/>

14 Restricted funds

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

	Balance at 1 March 2009	Movement in funds		Balance at 28 February 2010
		Incoming resources	Resources expended	
	£	£	£	£
SARF 038	-	23,500	(23,500)	-
SARF 040	8,500	-	(8,500)	-
SARF 047	15,000	-	-	15,000
SARF 053	-	30,000	-	30,000
SARF 056	10,000	-	(10,000)	-
	<u>33,500</u>	<u>53,500</u>	<u>(42,000)</u>	<u>45,000</u>

15 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
Fund balances at 28 February 2010 are represented by:				
Current assets	-	521,001	45,000	566,001
Creditors: amounts falling due within one year	-	(279,579)	-	(279,579)
Creditors: amounts falling due after more than one year	-	(370,960)	-	(370,960)
	<u>-</u>	<u>(129,538)</u>	<u>45,000</u>	<u>(84,538)</u>

Designated funds represent unexpended core funding received from member organisations after expenses. The trustees have set aside the donations to fund particular research projects although no restriction was applied by the donors.

Restricted funds represent unexpended co-funders contributions to specific projects. These funds are restricted in purpose and are recorded separately.

The designated funds are in deficit at the beginning and end of the year as the contracted funding exceeds the incoming resources at these dates. However, incoming resources currently confirmed for next year amounts to £483,000 and for the next three years £636,000.

16 Related parties

The trustees, who are also the directors for the purposes of company law, each represent one of the sponsor organisations of the company.

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.

17 Control

The company is controlled by its members.

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