Charity registration number SC045355 (Scotland)

THE SCOTTISH SUBMARINE TRUST

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

THE SCOTTISH SUBMARINE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	G A B Keating C Terris
Charity number (Scotland)	SC045355
Principal address	Scottish Submarine Centre West King Street Helensburgh Argyll & Bute G84 8TG
Independent examiner	Claire Neumann BA (Hons) CA AAB Macfarlane Gray House Castlecraig Business Park Stirling FK7 7WT

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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

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 charity's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) 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) (second edition - October 2019) (effective 1 January 2019).

Objectives and activities

1. The Trustees shall hold funds and assets as may from time to time be comprised in the Trust Property, in trust for the advancement of education and for the advancement of the arts, heritage and culture in Scotland:

1.1 by establishing, operating and promoting a world class Museum and Education Centre in Helensburgh, Scotland, to be known as "The Scottish Submarine Museum" ("the Museum"), which honours the role played by the submarine and sub mariners in securing and maintaining peace and the freedom of the United Kingdom.

1.2 by acquiring by purchase, loan or otherwise, and by exhibiting and maintaining an X51 submarine, or such other submarine or submarines as the Trustees may determine, and other exhibits relevant thereto, at the Museum.

1.3 by erecting and maintaining at the Museum a Memorial to submariners who have lost their lives since 1900.

1.4 by offering and operating high quality education and learning services to school children, community groups and the general public, in particular the inhabitants of Scotland, without distinction of sex or of political, religious or other opinions.

1.5 by stimulating public interest in the Trust Purposes by means of publications, meetings, exhibitions, appeals and other forms of publicity.

1.6 by co operating with other bodies of whatever status to promote the Trust Purposes.

Achievements and performance

The principal achievement of the Centre during the year ended 31 March 2022 was its successful reopening following the prolonged closure caused by the Covid-19 pandemic. The period represented a significant challenge, as the Centre effectively had to rebuild its operations from the ground up. Considerable effort was devoted to re-engaging volunteers, re-establishing activities and services, and reconnecting with the local community. Despite these challenges, the Trustees are pleased that the Centre was able to resume operations and maintain its presence within the community. Given the circumstances, ensuring the Centre's survival and laying the foundations for future growth represented a significant achievement during the year.

Financial review

The results for the year are detailed in the financial statements attached.

Reserves policy

At 31 March 2022, the charity had reserves of -£47,159 (2021: £16,222). During the year, the charity continued to incur deficits as it worked to rebuild its activities following the disruption caused by the Covid-19 pandemic. The charity's operations have been supported by loan funding provided by the trustee.

The trustees remain committed to improving the charity's financial position and is implementing plans to increase income and achieve a more sustainable operating model. The charity's long-term reserves policy is to maintain free reserves equivalent to between one and two months' operating expenditure. Given the current financial position, the immediate priority is to reduce the deficit and restore positive reserve levels, with the aim of achieving the reserves policy over the medium term.

Going concern
After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Risk management
The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The Trustees have identified two major risks:

1. Financial viability
The biggest risk remains the centre's financial viability. The Trustees have built a low cost financial model for the centre. The centre only requires one person (usually a volunteer) to operate it. The revenue required to cover the base costs for the centre is low, and that revenue is now in part guaranteed with coach visits.

2. Dependence on the Founder and Principal Benefactor
The Trust's dependence on its founder and principal benefactor represents a significant risk. To strengthen its long-term sustainability, the Centre needs to recruit additional trustees and share responsibility for its governance and operation with a broader group of committed individuals. The Centre also needs to appoint a full-time General Manager to focus on developing revenue generating opportunities. Achieving this appointment is a key objective for the coming year.

Plans for future periods
The charity's principal objective for 2022/23 is the recruitment of a suitably qualified General Manager with the leadership, operational and sales skills required to maximise the Centre's potential and increase revenues to a level that supports its ongoing operating costs.

In addition, the charity plans to develop a second presentation focusing on the history of submarines. This new attraction is expected to be developed over the next 18 months and will build upon the experience, skills and technology already established through the Centre's award-winning Organism presentation. While the existing show will remain the Centre's flagship attraction, the new presentation is intended to broaden the visitor experience, encourage repeat visits and support the long-term sustainability of the Centre.

Structure, governance and management
Constitution
The charity is constituted under a trust deed dated 15 March 2013, was registered as a charity from 16 January 2015 and commenced operations on that date.

The number of Trustees shall not be less than two nor more than five.

Trustees
The trustees who served during the year and up to the date of signature of the financial statements were:
G A B Keating
C Terris

Recruitment and appointment of trustees
The management of the charity is the responsibility of the Trustees who are elected and co opted under the terms of the Trust deed.

Organisational structure and decision making
The Trustees have the following powers:

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

- To appoint a Steering Committee consisting of no more than 12 members. The members of the Steering Committee shall be appointed at the sole discretion of the Trustees and for such period or periods as the Trustees may determine. The purpose of the Steering Committee will be to assist the Trustees, in any way that the Trustees in their sole discretion may determine or require, in establishing the Museum and in raising the necessary funding to allow the Museum to be established, and for any other purposes that the Trustees may determine. The Steering Committee will meet at least 4 times per year at such time and at such place as may be determined by the Trustees.
- To appoint an Advisory Group consisting of such number of members as the Trustees may determine. The members of the Advisory Group shall be appointed at the sole discretion of the Trustees and for such period or periods as the Trustees may determine. The purpose of the Advisory Group will be to assist the Trustees, in any way that the Trustees in their sole discretion may determine or require, in developing the Museum, and for any other purposes that the Trustees may determine. The Advisory Group will meet at least one time per year at such time and at such place as may be determined by the Trustees.

Related party relationships
The charity has a close relationship with The Tower Digital Arts Centre which Brian Keating is a trustee therein. Further details are disclosed in the notes to the accounts.

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

G A B Keating
Trustee

3 September 2026

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the trust deed. 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.

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INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE SCOTTISH SUBMARINE TRUST

I report on the financial statements of the charity for the year ended 31 March 2022, which are set out on pages 6 to 16.

Respective responsibilities of trustees and examiner

The charity's trustees 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)-(c) of the Charities Accounts (Scotland) Regulations 2006 does not apply.

It is my responsibility to examine the financial statements as required under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. 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 seeking 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 connection with my examination, it has come to my attention that:

- The requirement to keep accounting records in accordance with section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations has not been met; and
- In my opinion attention should be drawn to the fact proper accounting records have not been maintained during the period of these accounts which may result in the financial statements not reflecting all the income, expenditure, assets and liabilities relating to the charity.

Claire Neumann

Claire Neumann BA (Hons) CA
AAB
Macfarlane Gray House
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Stirling
FK7 7WT
3 September 2026

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STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income and endowments from:							
Donations and legacies	2	3,555	-	3,555	73,700	8,000	81,700
Charitable activities	3	3,588	-	3,588	-	-	-
Other trading activities	4	3,812	-	3,812	344	-	344
Other income	5	-	-	-	1,688	-	1,688
Total income		10,955	-	10,955	75,732	8,000	83,732
Expenditure on:							
Raising funds	6	366	-	366	-	-	-
Charitable activities	7	73,815	8,000	81,815	140,067	-	140,067
Total expenditure		74,181	8,000	82,181	140,067	-	140,067
Net income/(expenditure) and movement in funds		(63,226)	(8,000)	(71,226)	(64,335)	8,000	(56,335)
Reconciliation of funds:							
Fund balances at 1 April 2021		16,222	8,000	24,222	80,557	-	80,557
Fund balances at 31 March 2022		(47,004)	-	(47,004)	16,222	8,000	24,222

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

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BALANCE SHEET

AS AT 31 MARCH 2022

		2022		2021	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Tangible assets	**13**		370,236		416,152
Current assets					
Stocks	**14**	1,099		1,465	
Debtors	**15**	-		8,000	
Cash at bank and in hand		2,992		1,885	
		4,091		11,350	
Creditors: amounts falling due within one year	**16**	(421,331)		(403,280)	
Net current liabilities			(417,240)		(391,930)
Total assets less current liabilities			(47,004)		24,222
The funds of the charity					
Restricted income funds	**19**		-		8,000
Unrestricted funds	**18**		(47,004)		16,222
			(47,004)		24,222

The financial statements were approved by the trustees on 3 September 2026

G A B Keating
Trustee

1 Accounting policies

Charity information

The Scottish Submarine Centre is an unincorporated charity.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the charity's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) 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) (second edition - October 2019)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

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

1.2 Going concern

At the date of approving these financial statements, the trustees have considered the charity's future funding requirements and planned activities. As at 31 March 2022, the charity had net current liabilities of £42,133, primarily arising from loans provided by Brian Keating, a trustee, to support the development of the museum.

These loans are not repayable in the short term, and Mr Keating has confirmed his continued commitment to supporting the charity's activities as required. Having reviewed the charity's financial position, projected cash flows and funding arrangements, the trustees have a reasonable expectation that the charity has adequate resources to continue operating for the foreseeable future. Accordingly, the trustees consider it appropriate to prepare the financial statements on the going concern basis.

1.3 Charitable funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are subject to specific conditions by donors or grantors 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 charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Donated goods, facilities and services are recognised in the period in which it is receivable and to the extent goods have been provided or on completion of the service. The donations are recognised at the value of the gift to the charity, which is based on the open market value.

Grants receivable and sales of services are credited to the Statement of Financial Activities in the year in which they are receivable.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1 Accounting policies (Continued)

1.5 Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities.

Costs of raising funds are costs incurred in attracting voluntary income, and those incurred in activities that raise funds. Costs of raising funds are costs incurred for the management of the investment portfolio.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

1.6 Tangible fixed assets

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

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

Leasehold land and buildings	4% straight line
Plant and equipment	20% straight line
Fixtures and fittings	20% straight line
Computers	25% straight line

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 the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity 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 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Cash and cash equivalents

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

1.10 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1 Accounting policies (Continued)

1.11 Employee benefits

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

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Donations and gifts	3,555	-	3,555	48,700	-	48,700
Grants	-	-	-	25,000	8,000	33,000
	3,555	-	3,555	73,700	8,000	81,700
Donations and gifts						
The Tower Digital Arts Centre	3,555	-	3,555	48,700	-	48,700
	3,555	-	3,555	48,700	-	48,700
Grants						
Argyll and Bute Council	-	-	-	25,000	-	25,000
Visit Scotland	-	-	-	-	8,000	8,000
	-	-	-	25,000	8,000	33,000

3 Income from charitable activities

	Museum and education centre 2022 £	Museum and education centre 2021 £
Admission income	3,588	-
Analysis by fund		
Unrestricted funds	3,588	-

4 Income from other trading activities

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Shop income	3,812	344

5 Other income

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Other income	-	1,688

6 Expenditure on raising funds

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Trading costs		
Operating charity shops	366	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

7 Expenditure on charitable activities

	Museum and education centre 2022 £	Museum and education centre 2021 £
Direct costs		
Depreciation and impairment	46,887	110,464
Premises costs	10,000	10,000
Repairs & maintenance	994	200
Casual labour	20,340	16,913
	78,221	137,577
Share of support and governance costs (see note 8)		
Support	3,594	2,490
	81,815	140,067
Analysis by fund		
Unrestricted funds	73,815	140,067
Restricted funds	8,000	-
	81,815	140,067

8 Support costs allocated to activities

	2022 £	2021 £
Accountancy	3,504	2,400
Governance costs	90	90
	3,594	2,490
Analysed between:		
Museum and education centre	3,594	2,490

9 Net movement in funds

The net movement in funds is stated after charging/(crediting):

	2022 £	2021 £
Fees payable for the independent examination of the charity's financial statements	3,024	2,880
Depreciation of owned tangible fixed assets	46,887	110,464

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits or expenses from the charity during the year.

As there are no employees, the key management personnel are the trustees.

11 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	1	1

There were no employees whose annual remuneration was more than £60,000.

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

13 Tangible fixed assets

	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Total
	£	£	£	£	£
Cost					
At 1 April 2021	470,707	51,810	7,949	571,432	1,101,898
Additions	970	-	-	-	970
At 31 March 2022	471,677	51,810	7,949	571,432	1,102,868
Depreciation and impairment					
At 1 April 2021	84,184	44,395	7,949	549,217	685,745
Depreciation charged in the year	18,867	6,322	-	21,698	46,887
At 31 March 2022	103,051	50,717	7,949	570,915	732,632
Carrying amount					
At 31 March 2022	368,626	1,093	-	517	370,236
At 31 March 2021	386,524	7,414	-	22,214	416,152

14 Stocks

	2022	2021
	£	£
Finished goods and goods for resale	1,099	1,465

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

15 Debtors

Amounts falling due within one year:	**2022** £	**2021** £
Prepayments and accrued income	-	8,000

16 Creditors: amounts falling due within one year

	2022 £	**2021** £
Borrowings	411,927	394,380
Trade creditors	1,500	-
Accruals and deferred income	7,904	8,900
	421,331	403,280

17 Loans and overdrafts

	2022 £	**2021** £
Loans from related parties	411,927	394,380
Payable within one year	411,927	394,380

18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2021 £	**Incoming resources** £	**Resources expended** £	**At 31 March 2022** £
General funds	16,222	10,955	(74,181)	(47,004)

Previous year:	**At 1 April 2020** £	**Incoming resources** £	**Resources expended** £	**At 31 March 2021** £
General funds	80,557	75,732	(140,067)	16,222

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

19 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2021	Incoming resources	Resources expended	At 31 March 2022
	£	£	£	£
Visitor attraction support fund	8,000	-	(8,000)	-

Previous year:	At 1 April 2020	Incoming resources	Resources expended	At 31 March 2021
	£	£	£	£
Visitor attraction support fund	-	8,000	-	8,000

Nature and purpose of funds
The charity received funding from Visit Scotland toward the cost of continuing to operate the visitor attraction during the Covid-19 pandemic.

20 Analysis of net assets between funds

	Unrestricted funds 2022	Restricted funds 2022	Total 2022
	£	£	£
At 31 March 2022:			
Tangible assets	370,236	-	370,236
Current assets/(liabilities)	(417,240)	-	(417,240)
	(47,004)	-	(47,004)

	Unrestricted funds 2021	Restricted funds 2021	Total 2021
	£	£	£
At 31 March 2021:			
Tangible assets	416,152	-	416,152
Current assets/(liabilities)	(399,930)	8,000	(391,930)
	16,222	8,000	24,222

21 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the charity for property. The lease has a term of 20 years and the lessor company is under the control of a trustee.

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	10,000	10,000
Between two and five years	40,000	40,000
In over five years	124,167	134,167
	174,167	184,167

22 Related party transactions

The balance due to Brian Keating, Trustee, at 31 March 2022 was £346,865 (2021: £346,865) and is included within other creditors. There were no movements on the loan during the year.

During the year, the charity received a loan of £17,547 (2021: £15,500) from Visit Helensburgh Limited and repaid £Nil (2021: £14,000) of the loan. The balance due at the year end was £65,062 (2021: £47,515) and is included in other creditors.

All balances are unsecured and repayable within 30 days of a request for funds. No interest is charged on the basis that this will be reciprocated in the future if the related parties require a loan from the charity.