



## SUMMARY OF FINANCIAL REPORTS FOR THE YEAR ENDED 30 SEPTEMBER 2020



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## Summary of financial reports for the year ended 30 September 2020

The consolidated statement of financial activities and the consolidated balance sheet shown are not full annual accounts but are extracted from the audited financial statements which were approved by the Board of Trustees on 9 February 2021 and signed by the Chairman of the Board, R H Vie and the Honorary Treasurer, M Murphy.

A full set of financial statements prepared in accordance with the Charities SORP and audited by Buzzacott LLP is available on [www.imarest.org/governance](http://www.imarest.org/governance) and will be filed with the Charity Commission after the Annual General Meeting.

### Financial review

The IMarEST Group financial position has net movement of funds of (£2,265k) in the year ending 30 September 2020.

Actuarial valuation of the IMarEST Retirement Benefit Scheme (RBS) has been carried out under FRS 102 using the assumption set out on page 41 of the full annual accounts; the figure has been included these accounts. At 30 September 2020 the defined benefit pension liability had increased from £2,078k in 2019 to £3,764k in 2020.

Net income (expenditure) before gains and losses was a deficit of £788k compared to a £139k deficit in 2019. When gains on listed investments and gains on partial disposal of subsidiary undertakings are taken into account, the net expenditure was £522k compared to a £811k net income in 2019.

The total income this year of £2,600k is £596k lower than last year (2019: £3,196k). This is primarily due to learning income (2019: £333k) no longer being recognised in these accounts following the sale of 60% of Marine Learning Alliance Limited (MLA) in 2019. Also contributing to lower income were membership services income (member subscriptions and registration fees) decreasing from £1,815k to £1,689k and marine membership and partnership income decreasing from £165k to £64k. Group investments generated a total income £450k compared to £491k in 2019.

Charitable activities accounted for 100% of expenditure incurred (2019: 100%). The total expenditure of £3,123k is £212k lower than last year. Support costs (including staff costs) decreased from £2,165k to £2,048K. Direct costs for each charitable activity also decreased from £1,172K to £1,074K. Learning activities expenditure, which covers expenditure on the provision of educational and training courses, was nil because of the sale of 60% of our shareholding in MLA in the prior year (2019: £1,043k).

## Consolidated statement of financial activities Year to 30 September 2020

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2020	Total funds 2019
	£	£	£	£	£
<b>Income</b>					
Donations and legacies	590	10,000	–	<b>10,590</b>	21,573
Charitable activities	2,133,887	–	–	<b>2,133,887</b>	2,680,365
Investment income	294,734	8,739	146,643	<b>450,116</b>	491,551
Income from associates	5,564	–	–	<b>5,564</b>	2,740
<b>Total income</b>	<b>2,434,775</b>	<b>18,739</b>	<b>146,643</b>	<b>2,600,157</b>	<b>3,196,229</b>
<b>Expenditure</b>					
Charitable activities	3,103,154	19,768	–	<b>3,122,922</b>	3,335,391
<b>Total expenditure</b>	<b>3,103,154</b>	<b>19,768</b>	<b>–</b>	<b>3,122,922</b>	<b>3,335,391</b>
<b>Other Expenditure</b>					
Discounting of long term debtors	265,485	–	–	<b>265,485</b>	–
<b>Total other expenditure</b>	<b>265,485</b>	<b>–</b>	<b>–</b>	<b>265,485</b>	<b>–</b>
<b>Net (expenditure) income before investment gains and losses</b>	<b>(933,864)</b>	<b>(1,029)</b>	146,643	<b>(788,250)</b>	(139,162)
Gains on listed investments	168,241	5,296	92,644	<b>266,181</b>	524,007
Gains on partial disposal of subsidiary undertakings	–	–	–	–	425,981
<b>Net income (expenditure)</b>	<b>(765,623)</b>	<b>4,267</b>	<b>239,287</b>	<b>(522,069)</b>	<b>810,826</b>
Transfers between funds	136,875	9,768	(146,643)	–	–
<b>Net income before other recognised gains and losses</b>	<b>(628,748)</b>	<b>14,035</b>	<b>92,644</b>	<b>(522,069)</b>	<b>810,826</b>
Actuarial (losses) gains on defined benefit pension scheme	(1,726,000)	–	–	<b>(1,726,000)</b>	(573,000)
Foreign exchange gains (losses)	(16,466)	–	–	<b>(16,466)</b>	(1,910)
<b>Net movement in funds</b>	<b>(2,371,214)</b>	<b>14,035</b>	<b>92,644</b>	<b>(2,264,535)</b>	<b>235,916</b>
<b>Reconciliation of funds</b>					
Total funds brought forward at 30 September 2019	7,645,518	377,137	4,538,234	<b>12,560,889</b>	12,324,973
<b>Total funds carried forward at 30 September 2020</b>	<b>5,274,304</b>	<b>391,172</b>	<b>4,630,878</b>	<b>10,296,354</b>	<b>12,560,889</b>

The value of IMarEST reserves before the pension scheme liability at year end was £14,060,354. This comprises permanent endowment funds of £4,630,878, other restricted funds £391,172, designated funds £306,806 and general funds £8,731,498.

The reserves policy is to maintain the Institute, Memorial and Awards & Scholarship funds at the required level to provide income to support the delivery of charitable purposes and to pay into the RBS recovery plan without eroding capital value. Once financial sustainability is achieved, the target value of the reserves will be in the range £12-13m.

### Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (GAAP). In preparing these accounts the trustees have selected suitable accounting policies and applied them consistently and observed the methods and principles in accounting and reporting by charities Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the United Kingdom and Republic of Ireland (FRS102).

The full statement of trustees' responsibilities is on page 19 of the full version of the annual report and accounts.

### Independent auditor's report

The Institute's full financial statements for the year ended 30 September 2020, which includes the group statement of financial activities, group balance sheet and statement of cash flow, have been audited by Buzzacott LLP who are eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

In their opinion, the group accounts give a true and a fair view of the state of the group's and the parent charity's affairs as at 30 September 2020 and the group's incoming resources and application of resources have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (GAAP) and in accordance with the requirements of the Charities Act 2011.

A full independent auditor's report is on pages 20 - 22 of the full version of the annual report and accounts.

## Balance sheets 30 September 2020

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
<b>Fixed assets</b>				
Intangible assets				
Goodwill	81,000	91,800	–	–
Negative goodwill	(402,727)	(402,727)	–	–
Tangible assets	302,983	270,927	300,126	266,246
Investments	13,345,493	13,363,070	13,223,189	13,226,330
	<b>13,326,749</b>	13,323,070	<b>13,523,315</b>	13,492,576
<b>Current assets</b>				
Stock	4,014	12,831	4,014	12,831
Debtors	417,239	447,457	405,929	423,967
Cash at bank and in hand	74,716	176,685	60,635	168,245
	<b>495,969</b>	636,973	<b>470,578</b>	605,043
Creditors: amounts falling due within one year	(1,379,764)	(843,294)	(1,354,525)	(816,033)
<b>Net current liabilities</b>	<b>(883,795)</b>	(206,321)	<b>(883,947)</b>	(210,990)
Debtors: amounts due after one year	1,617,400	1,522,140	1,457,400	1,630,940
<b>Net assets before pension liability</b>	<b>14,060,354</b>	14,638,889	<b>14,096,768</b>	14,912,526
Defined pension scheme liability	(3,764,000)	(2,078,000)	(3,764,000)	(2,078,000)
<b>Total net assets</b>	<b>10,296,354</b>	12,560,889	<b>10,332,768</b>	12,834,526
<b>Funds and reserves</b>				
Permanent endowment funds	4,630,878	4,538,234	4,630,878	4,538,234
Restricted funds	391,172	377,137	391,172	377,136
Unrestricted funds				
Designated funds	306,806	274,750	303,949	346,863
General funds	8,731,498	9,448,768	8,770,769	9,650,293
Pension reserve	(3,764,000)	(2,078,000)	(3,764,000)	(2,078,000)
<b>Total funds</b>	<b>10,296,354</b>	12,560,889	<b>10,332,768</b>	12,834,526