

THE NAUTICAL INSTITUTE

England & Wales · Charity number 1002462

Details

Status Registered

Legal form Charitable company

Company number [02570030](#)

Registered 1991-04-08

Register [View on the Charity Commission register](#)

Contact

Address The Nautical Institute
200b Lambeth Road
London
Greater London
SE1 7JY

Phone 02079281351

Email sec@nautinst.org

Website www.nautinst.org

Activities

Objects: TO ADVANCE PUBLIC EDUCATION IN THE STUDY OF NAUTICAL SCIENCE AND SUBJECT THERETO NAUTICAL STUDIES GENERALLY

Activities: The Nautical Institute is an independent, international body promoting the standing of the maritime profession afloat and ashore. The objects of the Institute are to promote and co-ordinate in the public interest the development of nautical studies so as to: Encourage and promote a high standard of qualification, competence and knowledge among those involved in the control of sea-going craft.

Classification

- **How:** Makes Grants To Individuals, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, Other Charitable Purposes
- **Who:** Other Defined Groups

Geography

- Australia
- Bangladesh
- Belgium
- Brazil
- Bulgaria
- Burma
- Canada
- China
- Cyprus
- Denmark
- Estonia
- Germany
- Ghana
- Greece
- Hong Kong
- India
- Ireland
- Isle Of Man
- Italy
- Latvia
- Lithuania
- Maldives
- Malta
- Netherlands
- New Zealand
- Northern Ireland
- Norway
- Oman
- Pakistan
- Panama
- Philippines
- Poland
- Qatar
- Romania

- Scotland
- Singapore
- South Africa
- Spain
- Sri Lanka
- Sweden
- Trinidad And Tobago
- Ukraine
- United Arab Emirates
- United States
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£6,945,899	£5,487,922	£7,559,804	43
2024-12-31	£5,836,027	£5,371,808	£5,865,050	41
2023-12-31	£5,353,193	£4,277,142	£5,226,616	37
2022-12-31	£4,106,016	£3,488,744	£4,020,754	34
2021-12-31	£3,705,760	£3,005,426	£3,656,246	34
2020-12-31	£3,112,522	£2,802,364	£2,753,865	34

Trustees

Name	Role	Appointed
CAPTAIN DUNCAN TELFER FNI		2012-07-25
Captain DARIUSZ JACEK GOZDZIK		2023-12-07
Captain David Snider		2020-07-27
Captain Graham Cowling FNI		2017-04-06
Captain Ivor Goveas		2020-07-27
Captain Nicholas Nash		2022-07-07
Captain Yves Vandeborn		2024-03-21
Deirdre Lane		2022-07-07
Philip Henry Gordon Naylor		2024-07-25
Professor Colin David Dewey		2023-12-07
Robert David Hildebrand		2025-07-24
Stuart Duncan Edmonston		2023-12-07

THE NAUTICAL INSTITUTE

England & Wales - Charity number 1002462

Accounts

The Nautical Institute

(A Company Limited by Guarantee) Company No. 2570030; Registered Charity No: 1002462

Financial Statements for the year ended 31 December 2025

Status

The Nautical Institute is a charitable company limited by guarantee, incorporated in England & Wales on 20th December 1990.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the trustees are elected by Council to serve a period of up to 3 years and may be re-elected for a further 3 years.

Trustees

The trustees of the company were:

Captain G Cowling <i>Chair</i>	Ms D Lane
Captain D M Telfer <i>Treasurer</i>	Professor C D Dewey
Captain D Snider	Mr S D Edmonston
Captain N Nash	Mr D J Gozdzik
Captain K D Austin (resigned 24 July 2025)	Mr P Naylor
Captain I Goveas	Mr Robert Hildebrand
Captain Y Vandenberg	(appointed 24 July 2025)

Secretary Captain P J Lloyd

Chief Executive Officer Captain P J Lloyd

Registered Office 200B Lambeth Road, London, SE1 7JY

Auditors Buzzacott Audit LLP, 130 Wood Street, London EC2V 6DL

Bankers The Royal Bank of Scotland, 1 Spinningfields Square, Manchester, M3 3AP

Fund Managers Rathbones, 8 Finsbury Circus, London, EC2M 7AZ

The trustees, who are also the directors for the purposes of company law, present their report and the audited financial statements for the year ended 31st December 2025.

Principal activities

The Institute is registered as a Charity and Company limited by guarantee to promote and maintain nautical education.

Public Benefit

The trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit and that the activities carried out by the charity during the year were all undertaken in order to further the charity's aims for the benefit of the Charity's beneficiaries.

Objectives and activities

The Nautical Institute is an independent, international membership body for maritime professionals working at sea and ashore. The Institute's charitable object is to promote the standing of the maritime profession and advance public education in the study of nautical science. We are an educational charity, dedicated to promoting the highest standards of professionalism, best practice, competence and safety in the maritime industry. These objectives are achieved through providing professional development opportunities, training, publications, accreditations and research undertakings.

The work of the Institute continues to provide a public benefit to the maritime community by helping improve safety and enhancing the flow of information and knowledge in key areas of global significance. These include areas such as protections of the marine environment, the implications of the next generation of fuels and a range of safety and operational issues. Sharing lessons learned through the Mariners' Alerting and Reporting Scheme (MARS), providing updates on best practice in *Seaways*, through webinars and Branch meetings and in our publications, all form part of this programme. In the past year, this has included work on areas such as navigation safety, collision regulations, tripping hazards, cargo handling, lack of PPE, falls from height, pilot boarding and other areas where industry reports have indicated a need for improvement. This sharing of information is central to our role of raising professional standards and improving safety.

Achievements and performance

A detailed explanation of achievement and performance during the year can be found on the Annual Report published in the May 2026 issue of the Institute's Journal, *Seaways*.

Financial commentary

The continued success achieved in various areas of the Institute's operations has been reflected in the corresponding financial results for the year. Income for 2025 exceeded budget as activity levels remained strong across the entire portfolio of activities. A gross income of £7,182,676 (2024: £6,010,242) has been achieved against total expenditure of £5,487,922 (2024: £5,371,808) resulting in a surplus for the year of £1,694,754 (2024: £638,434).

The surplus reflects a very successful year across the board, especially in the areas of Publications and Qualifications. Overall expenditure for the year remained close to budget due to effective budgeting and cost control.

The management of the investment portfolio was kept under regular review in what was generally a steady market for investments. Management of the funds is delegated to external investment managers on a discretionary basis with the objective of maximising the total return from capital and income combined while maintaining a medium level of risk. The trustees review the performance of the managers against benchmarks on a regular basis. During the year, the balanced low-medium risk portfolio invested through Rathbones performed satisfactorily against market comparators. The Capital Reserve Fund value at year end was £4,629,321 (2024: £4,314,775). The investment portfolio resulted in a total return of £358,035 (2024: £266,697) for the financial year which is a return of 8.30% on the original investment (2024: 6.59%).

Reserves

The Institute holds reserves in order to ensure as far as possible that its objectives may be met in future and that it had adequate cover as a going concern. The target level of capital reserve for 2025 was £2,710,000 (2024: £2,590,000) represented by Contingency Reserve of £1,810,000 (2024: £1,730,000) and a Projects Reserve of £900,000 (2024: £860,000). The Contingency Reserve target is calculated based on 33% of annual operating budget and the Projects Reserve is calculated based on 50% of the Contingency Reserve target. The trustees recognise that the Capital Reserve Fund value at year end was in excess of the target level & are regularly reviewing the reserves policy, its position & possible use. The free reserve at year end was £2,885,464 (2024: £1,489,585). The trustees consider that this amount of free reserves is adequate to ensure that the Institute's services are not compromised in the short term. The trustees are currently considering a target level of free reserve which should be retained.

Risks and risk management

The trustees recognise their duty to anticipate, manage and mitigate the risks to which the charity's activities could be exposed. They acknowledge that risk is inherent in all activities and that its management is crucial to achieving the charity's objects. The trustees take a systematic approach to managing risk, with the executive team regularly monitoring and reporting risks to the board as well as prioritising actions.

Risks are rated by a mixture of a score for the likelihood of a risk from 1 (negligible) to 5 (major) and a score for its severity on a scale from A (very unlikely) to E (very likely). Scores before and after mitigation are calculated using a risk matrix.

The trustees review the Institute's Risk Management Policy at regular intervals. After considering the principal areas of strategic and operational risk, the trustees are confident that the appropriate means of control and mitigation have been adopted. Prudent management practices with awareness of changes in the operating environment are felt to be in place. The management of the Institute is responsible for the day to day management of risk and minimising the effect of any adverse events.

The trustees consider the following as the key risks for the organisation:

- 1 Potential lobby at IMO to move DP qualifications to STCW Part A thus becoming the responsibility of Flag States not 'industry and the Institute'. Impact likely to be loss of global market dominance of the Institute of this specialisation. This risk is mitigated by the Institute continuing to engage with IMO delegates as well as media and social media campaigns relating to the importance of industry leadership. We also monitor adoption of other qualifications.
- 2 Inability to access bank funds
The Institute's funds are kept in a diversified manner with an operational bank account held with Royal Bank of Scotland while also maintaining an active investment funds with Rathbones. In case of any banking restriction, we are allowed drawdown of funds from our investment accounts held with Rathbones within 2-3 days notice. We also continuously realign spending priorities for short and medium terms as well as regularly adjusting spending forecasts.
- 3 Loss of identity of The Nautical Institute
We mitigate this risk by having a strong governance arrangements in place including carefully managed appointment of trustees; care with branding arrangements; alignment of projects with areas of interest of the Institute; clear demonstration of Institute's ownership of project deliverables.

Future Plans

The Institute recognises the accelerated rate of change in the maritime industry, from new technologies and regulations to the new generation of seafarers who are the leaders of tomorrow. As a professional body, our role is to cooperatively share our knowledge to improve our decision-making capabilities as professional mariners. We pursue this objective by our proactive advocacy activities at the IMO and our services to our membership and the wider maritime community through our events, publications, qualifications, research undertakings and international engagement.

Our focus remains on continuous improvement, innovation, and global collaboration, ensuring the Institute remains a trusted partner in maritime safety, training and certification.

The Institute plans continuing the activities outlined above in the forthcoming years to achieve the key deliverables on the 2026-2030 Strategic Plan, which can be found on the Institute's website.

Structure, governance and management

Governing Document

The Nautical Institute is a charitable company limited by guarantee, incorporated on 20 December 1990 and registered as a charity on 8 April 1991. The Institute was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Executive Board. Under the requirements of the Memorandum and Articles of Association, the members of the Executive Board are elected to serve for a period of three years after which they may be re-elected for a period of another three years. In exceptional circumstances, the appointments may be extended at the discretion of the Council, provided that their total terms of office on the Executive Board does not exceed twelve years.

Trustee Induction and Training

Most trustees are already familiar with the practical work of the Institute having been a member themselves.

Additionally, new trustees are invited and encouraged to attend a series of short training sessions to familiarise themselves with the charity and the context within which it operates. These are jointly led by the Chair of the Executive Board and the Chief Executive of the charity and cover:

- The obligations of Executive Board members.
- The main documents which set out the operational framework for the charity including the Memorandum and Articles.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.

Organisational Structure

The Nautical Institute has an Executive Board of up to 15 members who meet at least three times a year and are responsible for the strategic direction and policy of the charity. At present, the Board has 12 members from a variety of professional backgrounds relevant to the work of the charity.

A scheme of delegation is in place and day to day responsibility for the provision of the services rest with the Chief Executive along with Head of Areas. The Chief Executive is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. The Head of Areas have responsibility for the day to day operational management of their respective areas, individual supervision of the staff team and also ensuring that the team continue to develop their skills and working practices in line with good practice.

Remuneration

The key management personnel consists of the trustees, CEO, Director of Finance and Director of Research & Relationships.

The Institute operates a remuneration policy based on salary scales by grade with annual RPI and other changes determined by the Executive Board during the budget planning process. A delegated group of trustees appraise the Chief Executive at least annually and set remuneration for CEO and other key management personnel for the forthcoming year. A non-contributory pension investment of 9% of salary, is made to staff personal pension schemes.

While trustees are reimbursed travel expenses in connection with their roles as trustees, they do not receive any remuneration for their services as a Trustee. The Institute greatly values the contribution of its trustees and members in the work of the charity which ranges from their roles in the governance structure to representation input to the industry's decision making bodies and writing for the Seaways Journal and other publications. Due to the diversity of these voluntary contributions and the large number of members involved (some 140 in council and technical committee roles), it is not feasible to assess the value in terms of time or money.

Fundraising

The Institute is aware of the requirements of the Fundraising Regulator. It does not use external fundraisers and no complaints have been received during the year. Trustees provide guidance and oversee the institute's fundraising practices, upholding the Charity Commission's fundraising principles.

Auditors

The auditors, Buzzacott Audit LLP are willing to continue in office and resolutions concerning the appointment of Auditors has been submitted to the annual general meeting.

Fixed assets

Changes in the company's fixed assets during the year are shown on the balance sheet.

Trustees

The Trustees of the Charitable Company are stated on page 30.

This report has been prepared in accordance with Statement of Recommended Practice- Accounting and Reporting by Charities and in accordance with special provisions of part 15 of the Companies Act 2006.

Approved by the trustees on 21 April 2026 and signed on their behalf by:

Captain G Cowling, Chair

Statement of Trustees' Responsibilities

Company law 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 company and of the surplus or deficit of the company for that period. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the

Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

Disclosure of information to the auditor

In accordance with company law, each of the Trustees confirm that:

- so far as they are aware, there is no relevant audit information of which the charity's auditors are unaware; and
- as the Trustees of the charity, they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Captain G Cowling, Chair

Captain D M Telfer, Treasurer

Independent Auditor's Report to the members of The Nautical Institute

Opinion

We have audited the financial statements of The Nautical Institute (the 'charitable company') for the year ended 31 December 2025 which comprise the summary income and expenditure account, the statement of financial activities, the balance sheet, the statement of cashflows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the report of the trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or

apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks

which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011) and those that relate to data protection (General Data Protection Regulation).

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual variances;
- tested journal entries to identify unusual transactions;
- tested the authorisation of expenditure and bank payments; and
- reviewed the implementation and design of controls and procedures in place around the grants payable system.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Catherine Biscoe (Senior Statutory Auditor)

For and on behalf of Buzzacott Audit LLP, Statutory Auditor
130 Wood Street, London EC2V 6DL

Summary Income and Expenditure Account for the Year Ended 31 December 2025

	2025	2024
	£	£
Income	6,945,899	5,836,027
Gain on investments	236,777	174,215
Gross income in reporting period	7,182,676	6,010,242
Expenditure	(5,487,922)	(5,371,808)
Net income before tax for the reporting period	1,694,754	638,434
Tax Payable	—	—
Net income for the financial year	1,694,754	638,434

All income is unrestricted funds.

A detailed analysis of income and expenditure by source is provided in the Statement of Financial Activities and the notes to the financial statements.

Statement of Financial Activities for the Year Ended 31 December 2025

Note	Unrestricted		Total Funds 2025	Total Funds 2024
	General Fund	Designated Fund		
Income and endowments from:	£	£	£	£
Donations and Legacies	327,603	—	327,603	403,428
Charitable activities	2 5,036,872	—	5,036,872	4,627,016
Other trading activities	4 1,443,709	—	1,443,709	669,047
Investment income	5 36,313	101,402	137,715	136,536
Total	6,844,497	101,402	6,945,899	5,836,027
Expenditure on:				
Raising funds	6 683,241	23,633	706,874	677,464
Charitable Activities	7 4,765,377	15,671	4,781,048	4,694,344
Total	5,448,618	39,304	5,487,922	5,371,808
Net gain on investments	—	236,777	236,777	174,215
Net movement in funds	1,395,879	298,875	1,694,754	638,434
Reconciliation of funds:				
Total funds brought forward at 1st January	18 1,489,585	4,375,465	5,865,050	5,226,616
Total funds carried forward at 31st December	18 2,885,464	4,674,340	7,559,804	5,865,050

The Notes to the Accounts, which form part of these financial statements, may be viewed online at www.nautinst.org

All amounts relate to continuing activities with the exception of income of £351,126 (2024: £418,923) and expenditure of £294,287 (2024: £363,734) which relate to activities discontinued with effect from 1 January 2026.

All recognised gains and losses for the year are included in the above statements of financial activities.

All amounts above relate to unrestricted funds.

Balance Sheet as at 31 December 2025

Note	£	2025	2024
		£	£
Fixed assets			
Tangible assets	13	83,975	82,768
Investments	14	3,536,635	3,263,914
Total fixed assets		3,620,610	3,346,682
Current assets			
Stocks	15	83,504	92,372
Debtors	16	897,961	761,205
Cash at bank and in hand		1,413,391	1,130,420
Short term deposits	14a	2,100,945	1,050,860
Total current assets		4,495,801	3,034,857
Liabilities:			
Creditors: amounts falling due within one year	17	(556,607)	(516,489)
Net current assets		3,939,194	2,518,368
Total net assets or liabilities		7,559,804	5,865,050
The funds of the charity:			
Unrestricted funds:			
Designated funds	18	4,674,340	4,375,465
General funds	18	2,885,464	1,489,585
Total charity funds		7,559,804	5,865,050

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

The Notes to the Accounts, which form part of these financial statements, may be viewed online at www.nautinst.org

Approved by the board of trustees on 21 April 2026 and signed on their behalf by:

Captain G Cowling, Chair

Captain D M Telfer, Treasurer

THE NAUTICAL INSTITUTE

**(A Company Limited by Guarantee)
Company No. 2570030**

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2025

Registered Charity No: 1002462

THE NAUTICAL INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2025

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THE NAUTICAL INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2025

LEGAL AND ADMINISTRATION INFORMATION

Status

The Nautical Institute is a charitable company limited by guarantee, incorporated in England & Wales on 20th December 1990.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the trustees are elected by Council to serve a period of up to 3 years and may be re-elected for a further 3 years.

Trustees

The trustees of the company were:

Captain G Cowling	Chair	Ms D Lane
Captain D M Telfer	Treasurer	Professor C D Dewey
Captain D Snider		Mr S D Edmonston
Captain N Nash		Mr D J Gozdzik
Captain K D Austin (resigned 24 July 2025)		Mr P Naylor
Captain I Goveas		Mr Robert Hildebrand (appointed 24 July 2025)
Captain Y Vandenberg		

Secretary Captain P J Lloyd

Chief Executive Officer Captain P J Lloyd

Registered Office 200B Lambeth Road
London
SE1 7JY

Auditors Buzzacott Audit LLP
130 Wood Street
London
EC2V 6DL

Bankers The Royal Bank of Scotland
1 Spinningfields Square
Manchester
M3 3AP

Fund Managers Rathbones
8 Finsbury Circus
London
EC2M 7AZ

THE NAUTICAL INSTITUTE
REPORT OF THE TRUSTEES FOR THE YEAR ENDED
31ST DECEMBER 2025
Co. No. 2570030

The trustees, who are also the directors for the purposes of company law, present their report and the audited financial statements for the year ended 31st December 2025.

Principal activities

The Institute is registered as a Charity and Company limited by guarantee to promote and maintain nautical education.

Public Benefit

The trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit and that the activities carried out by the charity during the year were all undertaken in order to further the charity's aims for the benefit of the Charity's beneficiaries.

Objectives and activities

The Nautical Institute is an independent, international membership body for maritime professionals working at sea and ashore. The Institute's charitable object is to promote the standing of the maritime profession and advance public education in the study of nautical science. We are an educational charity, dedicated to promoting the highest standards of professionalism, best practice, competence and safety in the maritime industry. These objectives are achieved through providing professional development opportunities, training, publications, accreditations and research undertakings.

The work of the Institute continues to provide a public benefit to the maritime community by helping improve safety and enhancing the flow of information and knowledge in key areas of global significance. These include areas such as protections of the marine environment, the implications of the next generation of fuels and a range of safety and operational issues. Sharing lessons learned through the Mariners' Alerting and Reporting Scheme (MARS), providing updates on best practice in Seaways, through webinars and Branch meetings and in our publications, all form part of this programme. In the past year, this has included work on areas such as navigation safety, collision regulations, tripping hazards, cargo handling, lack of PPE, falls from height, pilot boarding and other areas where industry reports have indicated a need for improvement. This sharing of information is central to our role of raising professional standards and improving safety.

Achievements and performance

• **Membership and Branches**

As the leading professional organisation in the maritime community, membership is central to our activities, priorities and engagement. Having a strong presence globally helps ensure key professional messages are shared effectively and is one reason why membership growth is important and branch activities effective.

During 2025, several initiatives were taken to boost member engagement with a particular focus on driving up levels of activity at regional and local levels. Two new branches have been launched in Montenegro & Peru. One of the new initiatives in 2025 was that of Regional Online Members' Seminar (ROMS) which is designed to provide members based in a particular geographic region with an opportunity to engage with each other and discuss topics of local interest. ROMS have been held for members in South Asia, Latin America and South East Asia. A number of branches held major events over the course of the year. As part of raising visibility, we created a number of videos that have included 'Your voice at the International Maritime Organisation (IMO)' – a series of interviews with members who have offered their expertise in meetings at the IMO.

At the end of the year, total membership stood at 14,340 of whom 5,745 were student members, increased from the 2024 membership number of 13,373 and 4,731 respectively.

• **Research and Relationships**

The Nautical Institute's technical engagement is led from the Research and Relationships area of the organisation and helps ensure that our world-leading expertise is delivered and understood in the right forums at the right time.

The Institute is committed to its role as a Non Governmental Organisation (NGO) at the International Maritime Organisation (IMO). During 2025, we have been represented at all appropriate meetings including: the main policy-making Committees; the technical Subcommittees; and working groups specialising in maritime. The Institute has submitted papers, participated actively in discussions and in correspondence groups. The commitment to the IMO and physical attendance at meetings is crucial to our impact in this forum.

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• **Research and Relationships (continued)**

Key areas of engagement at the IMO in 2025 included discussions on topics including Maritime Autonomous Surface Ship (MASS) trials safety; cargo fumigation; alternative fuel training; seafarer fatigue, lifeboat ventilation; measurement of oceanic significant wave height; electronic nautical publications and NAVTEX (Navigational Telex) / NAVDAT (Navigational Data) message prioritisation.

The Institute continues to work closely with The International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA) and we maintain a close relationship and the IALA secretariat continue to offer contributions to our publications.

In 2025, The Institute brought to a successful conclusion our partnership in the EU funded OCEAN (Operator-Centered Enhancement of Awareness in Navigation) project. Of particular note were the production of a free-to-view high-impact training videos that focus on areas where industry best practices outshine minimum requirements and will augment any training syllabus. We are especially pleased to have produced a landmark introduction to avoiding Ship/Whale strikes, becoming a member of the International Whaling Commission (IWC) working group on this issue.

The Navigator magazine, which is a free publication from The Nautical Institute that champions the role of today's professional marine navigators, continues to receive a wide range of praise from many readers. The Institute is grateful for support from International Foundation for Aids to Navigation (IFAN) and the many other financial contributors to this project. Focus areas for The Navigator in 2025 included safe anchoring; protection of the environment, particularly routing issues around marine mammals; and the increasing risk of GNSS denial. Every issue of The Navigator is centred around a single theme and makes for excellent material for CPD and to facilitate mentoring.

In 2025, we were awarded funding from Lloyds Register Foundation for a project focused on the effects of technology on seafarers. The Seafarer Technology Engagement, Empowerment and Resilience (STEER) Project is an international research and engagement initiative that explores the real-world impact of the combined introduction of new systems and working practices on seafarers at sea and ashore. The project officially started in December 2025 and over the next 2.5 years, we will focus on listening to seafarers' view and identifying tools to help seafarers make better use of technology through Human Centred Design (HCD).

• **Information and Publications**

During 2025, three key books were published. These books are Shiphandling, the beautiful game, Guidelines for Collecting Maritime Evidence Volume 1, 2nd edition and Bridge Resource Management Volume 1. Each book was launched and supported by a free-to-attend global webinar, with recordings made available to Nautical Institute members on the members portal.

Seaways magazine continues to be one of the highest-valued member benefits. 2025 saw a redesign for Seaways, refreshing the look and feel and bringing it in line with wider Nautical Institute branding. The magazine retains the mix of technical and professional articles, Branch updates and member coverage which has been its hallmark over the years. Over the course of the year, we increasingly saw the influence of AI – both as a topic for articles, and appearing in some submissions. We are keeping a close eye on developments in this direction; we want to ensure that Seaways remains the voice of the seafarer, not of the computer.

The Publications area continues to explore other ways of sharing our knowledge beyond books and magazines. The slow but steady shift from print to digital books continues. In 2025, e-books accounted for 20% of sales, up from 15% in 2024 and 8% in 2023. With this trend, we began exploring ways to digitise and monetise our content, for example meeting with platforms who can make our e-books more accessible to those who need only short-term access rather than lifetime ownership. This work will continue throughout 2026.

• **Qualifications**

The Qualifications Maritime & Offshore (M&O) area of the Institute continues to be at the heart of promoting maritime safety and professional competence worldwide, particularly through Dynamic Positioning (DP) certification and accreditation. In 2025, we focused on strengthening standards, enhancing services, and staying closely connected with the industry and regulators.

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• **Qualifications (continued)**

Our engagement with training providers and industry partners remained strong. In September 2025, the fifth Global DP Conference in Istanbul welcomed around 100 delegates, including representatives from 52 training centres. Discussions covered safe DP operations, training standards, the implementation of CPD requirements and emerging technologies. Delegates shared practical insights and real-world experiences, making it one of the most interactive conferences yet.

The mandatory CPD scheme for DPO and DPVM revalidation, introduced in 2024, continued to establish itself in 2025. By the end of the year, around 70% of DPOs had enrolled, demonstrating a strong commitment across the community to maintaining competence and promoting a culture of safety.

2025 was another strong year for certification. A total of 8,071 DP certificates were issued. The DPVM scheme also continued to grow steadily, with 2,274 certificates issued. Feedback from certificate holders helped refine our processes, while the recruitment of two additional team members strengthened our capacity to provide faster, more responsive support.

We maintained a network of 85 accredited DP training centres worldwide across America, Asia & Australasia, Europe & Africa. In 2025, we conducted 28 accreditation and reaccreditation audits of training centres, including 3 new centres.

During the year, we were also involved in schemes other than DP certification and accreditation. These includes DP Vessel Maintainer (DPVM), Ballast Control Operator (BCO), Oil Spill Response (OSR), Vessel Traffic Services (VTS) and Ice Navigation schemes.

• **The Academy**

The Academy continued to demonstrate strong and stable growth throughout 2025, building on the momentum of the previous year. Demand for high quality maritime training remains steady, with the number of both open and company specific course dates rising once again.

During 2025, the Academy launched three new programmes: Mastering Risk Management, Safety Officer, and the Maritime Search and Rescue Endorsement Scheme. These additions respond directly to emerging industry needs and further strengthen the Academy's capacity to support operational safety and specialist career development across the sector.

The Academy also completed a significant piece of work in 2025 with the review and re launch of the Certificate of Excellence accreditation scheme for maritime training providers. Originally developed in 2019 in collaboration with The Institute of Marine Engineering, Science and Technology (IMarEST), the scheme had limited uptake due to COVID and other external factors. The 2025 revision ensures that the accreditation meets internationally benchmarked standards for maritime education and training and provides a clear, credible mechanism for recognising excellence in education and training standards.

The Academy activities have been transferred from The Nautical Institute to The Nautical Institute Foundation with effect from 1 January 2026. The Foundation is a separate charity with a registration number 1190343 and the Institute is a sole member of the Foundation. During 2025, a working group made up of selected trustees from the Institute and the Foundation has been set up and the group recommended that transferring the Academy activities will provide a strong likelihood of sustainable success for the Foundation and the prospect of further growth.

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Financial commentary

The continued success achieved in various areas of the Institute's operations has been reflected in the corresponding financial results for the year. Income for 2025 exceeded budget as activity levels remained strong across the entire portfolio of activities. A gross income of £7,182,676 (2024: £6,010,242) has been achieved against total expenditure of £5,487,922 (2024: £5,371,808) resulting in a surplus for the year of £1,694,754 (2024: £638,434).

The surplus reflects a very successful year across the board, especially in the areas of Publications and Qualifications. Overall expenditure for the year remained close to budget due to effective budgeting and cost control.

The management of the investment portfolio was kept under regular review in what was generally a steady market for investments. Management of the funds is delegated to external investment managers on a discretionary basis with the objective of maximising the total return from capital and income combined while maintaining a medium level of risk. The trustees review the performance of the managers against benchmarks on a regular basis. During the year, the balanced low-medium risk portfolio invested through Rathbones performed satisfactorily against market comparators. The Capital Reserve Fund value at year end was £4,629,321 (2024: £4,314,775). The investment portfolio resulted in a total return of £358,035 (2024: £266,697) for the financial year which is a return of 8.30% on the original investment (2024: 6.59%).

Reserves

The Institute holds reserves in order to ensure as far as possible that its objectives may be met in future and that it had adequate cover as a going concern. The target level of capital reserve for 2025 was £2,710,000 (2024: £2,590,000) represented by Contingency Reserve of £1,810,000 (2024: £1,730,000) and a Projects Reserve of £900,000 (2024: £860,000). The Contingency Reserve target is calculated based on 33% of annual operating budget and the Projects Reserve is calculated based on 50% of the Contingency Reserve target. The trustees recognise that the Capital Reserve Fund value at year end was in excess of the target level & are regularly reviewing the reserves policy, its position & possible use. The free reserve at year end was £2,885,464 (2024: £1,489,585). The trustees consider that this amount of free reserves is adequate to ensure that the Institute's services are not compromised in the short term. The trustees are currently considering a target level of free reserve which should be retained.

Risks and risk management

The trustees recognise their duty to anticipate, manage and mitigate the risks to which the charity's activities could be exposed. They acknowledge that risk is inherent in all activities and that its management is crucial to achieving the charity's objects. The trustees take a systematic approach to managing risk, with the executive team regularly monitoring and reporting risks to the board as well as prioritising actions.

Risks are rated by a mixture of a score for the likelihood of a risk from 1 (negligible) to 5 (major) and a score for its severity on a scale from A (very unlikely) to E (very likely). Scores before and after mitigation are calculated using a risk matrix.

The trustees review the Institute's Risk Management Policy at regular intervals. After considering the principal areas of strategic and operational risk, the trustees are confident that the appropriate means of control and mitigation have been adopted. Prudent management practices with awareness of changes in the operating environment are felt to be in place. The management of the Institute is responsible for the day to day management of risk and minimising the effect of any adverse events.

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Risks and risk management (continued)

The trustees consider the following as the key risks for the organisation:

- 1 Potential lobby at IMO to move DP qualifications to STCW Part A thus becoming the responsibility of Flag States not 'industry and the Institute'. Impact likely to be loss of global market dominance of the Institute of this specialisation.

This risk is mitigated by the Institute continuing to engage with IMO delegates as well as media and social media campaigns relating to the importance of industry leadership. We also monitor adoption of other qualifications.

- 2 Inability to access bank funds

The Institute's funds are kept in a diversified manner with an operational bank account held with Royal Bank of Scotland while also maintaining an active investment funds with Rathbones. In case of any banking restriction, we are allowed drawdown of funds from our investment accounts held with Rathbones within 2-3 days notice. We also continuously realign spending priorities for short and medium terms as well as regularly adjusting spending forecasts.

- 3 Loss of identity of The Nautical Institute

We mitigate this risk by having a strong governance arrangements in place including carefully managed appointment of trustees; care with branding arrangements; alignment of projects with areas of interest of the Institute; clear demonstration of Institute's ownership of project deliverables.

Future Plans

The Institute recognises the accelerated rate of change in the maritime industry, from new technologies and regulations to the new generation of seafarers who are the leaders of tomorrow. As a professional body, our role is to cooperatively share our knowledge to improve our decision-making capabilities as professional mariners. We pursue this objective by our proactive advocacy activities at the IMO and our services to our membership and the wider maritime community through our events, publications, qualifications, research undertakings and

Our focus remains on continuous improvement, innovation, and global collaboration, ensuring the Institute remains a trusted partner in maritime safety, training and certification.

The Institute plans continuing the activities outlined above in the forthcoming years to achieve the key deliverables on the 2026-2030 Strategic Plan, which can be found on the Institute's website.

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Structure, governance and management

Governing Document

The Nautical Institute is a charitable company limited by guarantee, incorporated on 20 December 1990 and registered as a charity on 8 April 1991. The Institute was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Executive Board. Under the requirements of the Memorandum and Articles of Association, the members of the Executive Board are elected to serve for a period of three years after which they may be re-elected for a period of another three years. In exceptional circumstances, the appointments may be extended at the discretion of the Council, provided that their total terms of office on the Executive Board does not exceed twelve years.

Trustee Induction and Training

Most trustees are already familiar with the practical work of the Institute having been a member themselves.

Additionally, new trustees are invited and encouraged to attend a series of short training sessions to familiarise themselves with the charity and the context within which it operates. These are jointly led by the Chair of the Executive Board and the Chief Executive of the charity and cover:

- The obligations of Executive Board members.
- The main documents which set out the operational framework for the charity including the Memorandum and Articles.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.

Organisational Structure

The Nautical Institute has an Executive Board of up to 15 members who meet at least three times a year and are responsible for the strategic direction and policy of the charity. At present, the Board has 12 members from a variety of professional backgrounds relevant to the work of the charity.

A scheme of delegation is in place and day to day responsibility for the provision of the services rest with the Chief Executive along with Head of Areas. The Chief Executive is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. The Head of Areas have responsibility for the day to day operational management of their respective areas, individual supervision of the staff team and also ensuring that the team continue to develop their skills and working practices in line with good practice.

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Remuneration

The key management personnel consists of the trustees, CEO, Director of Finance and Director of Research & Relationships.

The Institute operates a remuneration policy based on salary scales by grade with annual RPI and other changes determined by the Executive Board during the budget planning process. A delegated group of trustees appraise the Chief Executive at least annually and set remuneration for CEO and other key management personnel for the forthcoming year. A non-contributory pension investment of 9% of salary, is made to staff personal pension schemes.

While trustees are reimbursed travel expenses in connection with their roles as trustees, they do not receive any remuneration for their services as a Trustee. The Institute greatly values the contribution of its trustees and members in the work of the charity which ranges from their roles in the governance structure to representation input to the industry's decision making bodies and writing for the Seaways Journal and other publications. Due to the diversity of these voluntary contributions and the large number of members involved (some 140 in council and technical committee roles), it is not feasible to assess the value in terms of time or money.

Fundraising

The Institute is aware of the requirements of the Fundraising Regulator. It does not use external fundraisers and no complaints have been received during the year. Trustees provide guidance and oversee the institute's fundraising practices, upholding the Charity Commission's fundraising principles.

Auditors

The auditors, Buzzacott Audit LLP are willing to continue in office and resolutions concerning the appointment of Auditors will be submitted to the annual general meeting.

Fixed assets

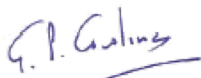
Changes in the company's fixed assets during the year are shown on the balance sheet.

Trustees

The Trustees of the Charitable Company are stated on page 1.

This report has been prepared in accordance with Statement of Recommended Practice- Accounting and Reporting by Charities and in accordance with special provisions of part 15 of the Companies Act 2006.

Approved by the trustees on 21 April 2026 and signed on their behalf by:



Captain G Cowling
Chair

THE NAUTICAL INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2025
TRUSTEES' RESPONSIBILITIES

Statement of Trustees' Responsibilities

Company law 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 company and of the surplus or deficit of the company for that period. In preparing those financial statements, the trustees are required to:

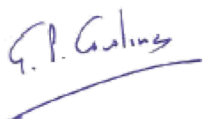
- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Disclosure of information to the auditor

In accordance with company law, each of the Trustees confirm that:

- so far as they are aware, there is no relevant audit information of which the charity's auditors are unaware; and
- as the Trustees of the charity, they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.



Captain G Cowling
Chair



Captain D M Telfer
Treasurer

Date: 21 April 2026

THE NAUTICAL INSTITUTE

Independent Auditor's Report to the members of The Nautical Institute

Opinion

We have audited the financial statements of The Nautical Institute (the 'charitable company') for the year ended 31 December 2025 which comprise the summary income and expenditure account, the statement of financial activities, the balance sheet, the statement of cashflows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the report of the trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE NAUTICAL INSTITUTE

Independent Auditor's Report to the members of The Nautical Institute (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011) and those that relate to data protection (General Data Protection Regulation).

THE NAUTICAL INSTITUTE

Independent Auditor's Report to the members of The Nautical Institute (continued)

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual variances;
- tested journal entries to identify unusual transactions;
- tested the authorisation of expenditure and bank payments; and
- reviewed the implementation and design of controls and procedures in place around the grants payable system.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott Audit LLP

Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott Audit LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 23 April 2026

THE NAUTICAL INSTITUTE
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2025

	2025 £	2024 £
Income	6,945,899	5,836,027
Gain on investments	236,777	174,215
Gross income in reporting period	<u>7,182,676</u>	<u>6,010,242</u>
Expenditure	(5,487,922)	(5,371,808)
Net income before tax for the reporting period	<u>1,694,754</u>	<u>638,434</u>
Tax Payable	-	-
Net income for the financial year	<u><u>1,694,754</u></u>	<u><u>638,434</u></u>

All income is unrestricted funds.

A detailed analysis of income and expenditure by source is provided in the Statement of Financial Activities and the notes to the financial statements.

THE NAUTICAL INSTITUTE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2025

	Note	Unrestricted General Fund £	Unrestricted Designated Fund £	Total Funds 2025 £	Total Funds 2024 £ Note 21
Income and endowments from:					
Donations and Legacies		327,603	-	327,603	403,428
Charitable activities	2	5,036,872	-	5,036,872	4,627,016
Other trading activities	4	1,443,709	-	1,443,709	669,047
Investment income	5	36,313	101,402	137,715	136,536
Total		6,844,497	101,402	6,945,899	5,836,027
Expenditure on:					
Raising funds	6	683,241	23,633	706,874	677,464
Charitable Activities	7	4,765,377	15,671	4,781,048	4,694,344
Total		5,448,618	39,304	5,487,922	5,371,808
Net gain on investments		-	236,777	236,777	174,215
Net movement in funds		1,395,879	298,875	1,694,754	638,434
Reconciliation of funds:					
Total funds brought forward at 1st January	18	1,489,585	4,375,465	5,865,050	5,226,616
Total funds carried forward at 31st December	18	2,885,464	4,674,340	7,559,804	5,865,050

All amounts relate to continuing activities with the exception of income of £351,126 (2024: £418,923) and expenditure of £294,287 (2024: £363,734) which relate to activities discontinued with effect from 1 January 2026.

All recognised gains and losses for the year are included in the above statements of financial activities:

Comparative information by fund class for the year ended 31 December 2024 is given in note 21

All amounts above relate to unrestricted funds

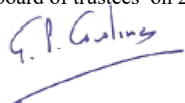
The notes on pages 17 to 25 form part of these financial statements

THE NAUTICAL INSTITUTE
BALANCE SHEET AS AT 31ST DECEMBER 2025
Company No. 2570030

	Note	2025		2024	
		£	£	£	£
Fixed assets					
Tangible assets	13		83,975		82,768
Investments	14		3,536,635		3,263,914
Total fixed assets			3,620,610		3,346,682
Current assets					
Stocks	15	83,504		92,372	
Debtors	16	897,961		761,205	
Cash at bank and in hand		1,413,391		1,130,420	
Short term deposits	14a	2,100,945		1,050,860	
Total current assets		4,495,801		3,034,857	
Liabilities:					
Creditors: amounts falling due within one year	17	(556,607)		(516,489)	
Net current assets			3,939,194		2,518,368
Total net assets or liabilities			7,559,804		5,865,050
The funds of the charity:					
Unrestricted funds:					
Designated funds	18		4,674,340		4,375,465
General funds	18		2,885,464		1,489,585
Total charity funds			7,559,804		5,865,050

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

Approved by the board of trustees on 21 April 2026 and signed on their behalf by



Captain G Cowling
Chair



Captain D M Telfer
Treasurer

The notes on pages 17 to 25 form part of these financial statements

THE NAUTICAL INSTITUTE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2025

<u>Statement of cash flows</u>	Total 2025 £	Total 2024 £
Cash flows from operating activities:		
<i>Net cash provided by operating activities</i>	1,308,171	535,420
Cash flows from investing activities:		
Dividends, interest and rents from investment:	137,715	136,536
Purchase of property, plant and equipment	(76,886)	(91,330)
Proceeds from sale of investments	232,127	370,131
Purchase of investments	(213,563)	(420,850)
<i>Net cash provided by (used in) investing activities</i>	<u>79,392</u>	<u>(5,513)</u>
Cash flows from financing activities:		
Purchase of short term deposits	(1,050,085)	(50,860)
<i>Net cash (used in) financing activities</i>	<u>(1,050,085)</u>	<u>(50,860)</u>
 <i>Change in cash and cash equivalents in the reporting period</i>	 337,478	 479,047
Cash and cash equivalents at the beginning of the reporting period	1,258,648	779,601
Cash and cash equivalents at the end of the reporting period	<u>1,596,126</u>	<u>1,258,648</u>
 <u>Reconciliation of net income to net cash flow from operating activities</u>		
Net income for the reporting period (as per the statement of financial activities)	1,694,754	638,434
Adjustments for:		
Depreciation charges	75,679	78,699
(Gains) on investments	(236,777)	(174,215)
Dividends, interest and rent from investment:	(137,715)	(136,536)
(Increase) in stocks	8,868	(6,658)
Decrease/(Increase) in debtors:	(136,756)	298,014
(Decrease)/Increase in creditor:	40,118	(162,318)
<i>Net cash provided by operating activities</i>	<u>1,308,171</u>	<u>535,420</u>
 <u>Analysis of cash and cash equivalents</u>		
Cash in hand	1,413,391	1,130,420
Investment capital reserve account	182,736	128,228
Total cash and cash equivalents	<u>1,596,127</u>	<u>1,258,648</u>

The notes on pages 17 to 25 form part of these financial statements

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation of uncertainty in the preparation of the financial statements are laid out below.

a) Basis of accounting

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with the Companies Act 2006 and follow the recommendations of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

b) Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements. Given the level of liquid assets held in relation to planned expenditure, the Trustees are of the opinion that the charity has sufficient reserves to be able to meet its liabilities as they fall due.

c) Reclassification of comparatives

The Trustees continually review allocation of income and expenditure categories and may make some changes which result in some comparative figures being reclassified while the total amounts remains unchanged. Such reclassification is made to facilitate a like for like comparison of prior year figures with current year figures. There was no such reclassification during the year.

d) Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it.

Income comprises donations and legacies, membership subscriptions, publications, training, certification and accreditation income as well as investment income.

Donations and legacies are included as voluntary income; all amounts are unrestricted in the current and prior year. Income is recognised when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Membership subscriptions are recognised in the financial year to which the subscription relates and deferred if received in advance of that financial year.

Publications, training and accreditation income is recognised as the related goods or services are provided.

Investment income is recognised on a receivable basis

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

1. Accounting policies (continued)

e) Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes the direct costs and support costs associated with generating publication income, together with the fees paid to investment managers in connection with the management of the charity's listed investments.
- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs (including governance costs).

f) Allocation of support costs

50% of travelling and meeting expenses have been allocated to support cost of the Institute, which reflects the proportion incurred in this activity.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

g) Corporation tax

The company has taken advantage of the tax exemption allowed due to its charitable status.

h) Tangible fixed assets

The charity's policy is to capitalise asset purchases over £1,000. Depreciation is provided on tangible fixed assets so as to write down the cost over the expected useful life.

Furniture and office equipment is depreciated on the straight line basis at cost over its estimated useful life at the rate of 10% per annum. Computer equipment is depreciated at a rate of 33 1/3% per annum on cost.

i) Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise. The charity does not acquire put options, derivatives or other complex financial instruments.

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

1. Accounting policies (continued)

j) Stock

The stock held is the stock of books, both historical and current, and are valued at the lower of cost or net reliable value. The stock of books is reviewed periodically for the professional content and current relevance and a provision is calculated on this basis.

k) Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

l) Cash at bank and short term deposits

Cash at bank represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Cash placed on term deposit with a maturity of greater than three months but not more than twelve months is disclosed as a short term deposit.

m) Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it would pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

n) Funds

The charity has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

Unrestricted General Funds

General funds arise from all the accumulated surpluses and deficits in the provision of general charitable activities.

Unrestricted Designated Funds

Designated funds are funds set aside out of general funds by the Trustees and designated for a particular purpose. See note 18 for details of specific designated funds.

o) Operating leases

Rental payments under operating leases are charged as expenditure as incurred over the life of the lease.

p) Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- determining the basis for allocating support costs across expenditure categories;
- the estimation of future income and expenditure for the purposes of assessing going concern.

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

2 Charitable activities	General Fund £	Designated Fund £	Total 2025 £	Total 2024 £
Seminars/Conferences & Journals	257,279	-	257,279	177,940
Entrance fees, transfer fees and subscriptions	829,966	-	829,966	856,560
Training and courses	351,126	-	351,126	418,923
Accreditation and Certification	3,598,501	-	3,598,501	3,173,593
	<u>5,036,872</u>	<u>-</u>	<u>5,036,872</u>	<u>4,627,016</u>
3 Seminars/Conferences & Journals	Seminar/ Conferences £	Seaways Journals £	2025 £	2024 £
Income				
Conferences and seminars	85,173	-	85,173	89,741
Seaways income (subscribers & Affiliates)	-	153,848	153,848	77,776
Seaways advertising income	-	18,258	18,258	10,423
	<u>85,173</u>	<u>172,106</u>	<u>257,279</u>	<u>177,940</u>
Expenditure				
Conferences/seminars	62,167	-	62,167	75,435
Seaways publications	-	226,126	226,126	204,602
Mars	-	7,000	7,000	7,000
Seaways advertising cost	-	5,155	5,155	2,564
	<u>62,167</u>	<u>238,281</u>	<u>300,448</u>	<u>289,601</u>
Surplus/(deficit) on Seminars/Conferences & Journals	<u>23,006</u>	<u>(66,175)</u>	<u>(43,169)</u>	<u>(111,661)</u>
4 Other trading activities	Books	Services	2025	2024
Sales	1,441,343	2,366	1,443,709	669,047
Costs of sales				
Opening stocks	88,553	3,819	92,372	85,714
Purchases	603,881	13,824	617,705	594,430
	<u>692,434</u>	<u>17,643</u>	<u>710,077</u>	<u>680,144</u>
Less: closing stocks	(74,809)	(8,695)	(83,504)	(92,372)
Costs of sales	<u>617,625</u>	<u>8,948</u>	<u>626,573</u>	<u>587,772</u>
Surplus/(deficit) on other trading activities	<u>823,718</u>	<u>(6,582)</u>	<u>817,136</u>	<u>81,275</u>
5 Investments income	General Fund £	Designated Fund £	2025 £	2024 £
Bank interest	36,313	50,171	86,484	80,486
Dividends	-	51,231	51,231	56,050
	<u>36,313</u>	<u>101,402</u>	<u>137,715</u>	<u>136,536</u>

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

	Note	General Fund £	Designated Fund £	Total 2025 £	Total 2024 £
6 Raising funds					
Cost of generating funds	4	626,573	-	626,573	587,771
Investment management fees:		-	23,633	23,633	22,658
Publicity		56,668	-	56,668	67,034
		<u>683,241</u>	<u>23,633</u>	<u>706,874</u>	<u>677,464</u>
7 Charitable activities					
Cost of activities in furtherance of the Institute's objectives	3	300,448	-	300,448	289,601
Support costs	8	922,269	-	922,269	792,329
Administration & Governance costs	9	622,303	-	622,303	628,002
Projects		498,293	-	498,293	455,448
Training & Courses		294,287	-	294,287	363,734
Membership		381,538	-	381,538	346,938
Accreditation and Certification		1,761,910	-	1,761,910	1,611,014
Grant to The Nautical Institute Foundation		-	-	-	207,278
		<u>4,781,048</u>	<u>-</u>	<u>4,781,048</u>	<u>4,694,344</u>
8 Support costs				2025 £	2024 £
Staff costs	11			859,960	710,559
Travelling and meetings				<u>62,309</u>	<u>81,770</u>
				<u>922,269</u>	<u>792,329</u>
9 Administration & Governance costs				2025 £	2024 £
Postage and telephone				20,557	22,293
Printing and stationery				10,759	7,169
Computer expenses				104,752	105,528
Auditors fees				20,850	19,900
Credit Card & Bank Charges				112,663	96,956
Rent, rates and service charges				107,399	105,477
Insurance				7,960	8,548
Office equipment rental				4,801	5,466
General expenses				46,960	32,212
Travelling, meetings and AGM expenses				62,309	81,770
Legal & Professional fees				28,212	27,770
Training Costs				13,032	7,149
Staff recruitment costs				6,370	29,065
Depreciation				<u>75,679</u>	<u>78,699</u>
				<u>622,303</u>	<u>628,002</u>
The total amount of Governance costs included above is £111,371 (2024: £129,440) which is made up of auditors fees, travelling and legal & professional fees.					
10 Net movement in funds for the year				2025 £	2024 £
This is stated after charging:					
Depreciation of fixed assets				75,679	78,699
Amounts paid in respect of operating leases				84,170	84,170
Auditors remuneration (audit services)				20,850	19,900
Auditors remuneration (non audit services)				<u>3,500</u>	<u>-</u>

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

11 Staff costs	2025	2024
	£	£
Salaries & wages	2,124,224	1,918,419
Social security costs	260,962	210,135
Pension	173,906	157,142
<i>Total staff cost including benefits</i>	<u>2,559,092</u>	<u>2,285,696</u>
Less: allocated to cost centres	<u>(1,699,132)</u>	<u>(1,575,137)</u>
<i>Staff costs included within overhead cost.</i>	<u><u>859,960</u></u>	<u><u>710,559</u></u>
No. of employees earning £60,001 to £70,000	4	4
No. of employees earning £70,001 to £80,000	2	2
No. of employees earning £80,001 to £90,000	2	1
No. of employees earning £100,001 to £110,000	-	2
No. of employees earning £110,001 to £120,000	2	-
No. of employees earning £120,001 to £130,000	-	1
No. of employees earning £130,001 to £140,000	<u>1</u>	<u>-</u>
Average number of employees	<u>43</u>	<u>41</u>

The chairman and trustees did not receive any remuneration during the year.

The key management personnel consists of the CEO, Director of Finance and Director of Research & Relationships; their total remuneration was £446,848 for the year ended 31 December 2025 (2024: £414,082). Remuneration of key management personnel is set by the remunerations committee.

12 Taxation

The charitable company is exempt from corporation tax on its charitable activities.

13 Tangible fixed assets	Office furniture & Equipment		
Cost	£	Computers	Total
	£	£	£
At 1st January 2025	81,526	1,040,178	1,121,704
Additions	-	76,886	76,886
At 31st December 2025	<u>81,526</u>	<u>1,117,064</u>	<u>1,198,590</u>
Accumulated depreciation			
At 1st January 2025	77,741	961,195	1,038,936
Charge for the year	925	74,754	75,679
At 31st December 2025	<u>78,666</u>	<u>1,035,949</u>	<u>1,114,615</u>
Net book values:			
As at 31st December 2025	<u>2,860</u>	<u>81,115</u>	<u>83,975</u>
As at 31st December 2024	<u>3,785</u>	<u>78,983</u>	<u>82,768</u>

14 Investments	2025	2024
	£	£
Market value at 1 January	3,135,686	2,910,752
Acquisition at cost	213,563	420,850
Sales proceeds at market value	(232,127)	(370,131)
Gain in the year	<u>236,777</u>	<u>174,215</u>
Market value at 31 December	3,353,899	3,135,686
Other Holdings		
Cash	<u>182,736</u>	<u>128,228</u>
Market value at 31 December	<u><u>3,536,635</u></u>	<u><u>3,263,914</u></u>
Market value at 1 January	<u>3,263,914</u>	<u>3,048,077</u>
Historic cost at 31 December	<u><u>2,935,108</u></u>	<u><u>2,919,278</u></u>

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

14 Investments (continued)

The following investments represent more than 5% of the total portfolio value at 31 December 2025:

	Balance £	% holding
UK Government Bonds	318,573	9.0%
Edgewood Select Fund	290,885	8.2%
Findlay Park Funds	290,037	8.2%
SPDR Series Trust	465,410	13.2%

14a Short term deposits

	2025 £	2024 £
Designated funds		
At 1 January	1,050,860	1,000,000
Purchase of short term deposits	41,825	50,860
At 31 December	<u>1,092,685</u>	<u>1,050,860</u>
General funds		
At 1 January	-	-
Purchase of short term deposits	1,008,260	-
At 31 December	<u>1,008,260</u>	<u>-</u>
Total short term deposits	<u>2,100,945</u>	<u>1,050,860</u>

15 Stocks

	2025 £	2024 £
Books	74,809	88,553
Member services	8,695	3,819
	<u>83,504</u>	<u>92,372</u>

16 Debtors

Trade debtors	267,606	223,092
Prepayments	245,892	220,118
Other debtors	306,924	232,820
VAT	77,539	85,175
	<u>897,961</u>	<u>761,205</u>

17 Liabilities: Creditors: Amounts falling due within one year:

Trade creditors	160,147	236,192
Accruals	206,594	88,714
PAYE & other creditors	81,868	85,159
Deferred income	107,998	106,424
	<u>556,607</u>	<u>516,489</u>

Deferred income includes project and membership income received in advance which is being released to income in the period the income relates to. It also includes a premium from surrendering old office lease which is being recognised over the 5 years term of the current office lease.

	£
Balance brought forward at 1 January 2025	106,424
Release of deferred income in year	(71,424)
New deferrals	72,998
Balance carried forward at 31 December 2025	<u>107,998</u>

18 Funds

	Balance 01.01.2025 £	Income £	Expenditure £	Gains £	Transferred £	Balance 31.12.2025 £
Designated funds						
Capital Reserve Fund	4,314,775	101,402	(23,633)	236,777	-	4,629,321
Education fund	60,690	-	(15,671)	-	-	45,019
	<u>4,375,465</u>	101,402	(39,304)	236,777	-	<u>4,674,340</u>

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

18 Funds (continued)

The Capital Reserve Fund has been set up to create a Contingency Reserve and a Projects Reserve. The Contingency Reserve is to ensure that the Institute's services are not compromised in the short term. The target level of Contingency Reserve is calculated based on 33% of annual operating budget. The Projects Reserve is to enable the Institute to fund specific projects with the approval of the Executive Board of Trustees. The target level of Projects Reserve is calculated based on 50% of the Contingency Reserve target. The level of Capital Reserve Fund is reviewed on a regular basis. During the year, there was no transfer of funds from the General Fund to the Capital Reserve Fund (2024: £0).

The Education Fund is generated from authors choosing to donate royalties due to them from book sales and from other sources. During 2024, a donation of £55,589 has been received from Maritime Industry Foundation with aim of enhancing awareness in maritime industries. The Trustees therefore decided to allocate the donation to the Education Fund. The fund is being used to develop careers area of the Institute's website and to provide financial support to junior officers in the maritime sector towards advancing their career. The award of financial support from the Education Fund is made after applications are considered by the nominations committee.

General Fund	Balance 01.01.2025	Unrestricted	Transferred	Balance 31.12.2025
Brought forward	1,489,585	-	-	1,489,585
Transfer in year	-	-	-	-
Surplus for year	-	1,395,879	-	1,395,879
	<u>1,489,585</u>	<u>1,395,879</u>	<u>-</u>	<u>2,885,464</u>

19 Related Party Transactions

No Trustee received any remuneration for services as a Trustee. The amount of £18,775 (2024: £22,686) was reimbursed to 10 Trustees (2024: 11 Trustees) to cover miscellaneous travel expenses in connection with their roles as Trustees. During the year, no Trustee received payment for a service provided to the Institute in a capacity different from being a Trustee (2024: £2,259 one Trustee). The Institute received a total financial support of £12,800 from 3 entities where the Institute's Trustees are a Director or Employee of the entity (2024: £11,600 from 3 entities).

During the year the charity paid net expenses of £23,914 (2024: £48,286) on behalf of the Nautical Institute Foundation, a charity with trustees in common with the the Nautical Institute. The balance due from the Nautical Institute Foundation before provisions at 31 December 2025 was £231,191 (2024: £207,278). During 2024, as there was a doubt in respect of recoverability of the £207,278 balance, the Institute's Trustees had decided to make a provision against the balance as Grant to the Foundation. This provision has remained unchanged at 31 December 2025. The Foundation's role is to be supportive of Nautical Institute programmes and ethos, but it plays a unique role in being able to support educational needs for the wider maritime community, not just the Institute's members. It aims to raise funds from industry participants and other maritime NGOs to develop and deliver its programmes and has no recourse to permanent funding from the Institute itself.

Trustees and Council members use the Institute's services on the same terms as other members. Because of the nature of the Institute's trades it is not practical to quantify the total of transactions with these members during the year. However, only minor balances were owed to and from these members as at 31st December 2025 and any fees paid to these members are shown separately in the Revenue Account. Trustees and Council members are required to be full voting members of the Institute.

Due to the nature of the Institute's trade, a number of the Trustees and Council members are also either directors or trustees or employees of entities with which the Institute trades. During the year, the Institute neither received nor made payment from/to any entity where the Institute's Trustee is a Company Director or Trustee of the entity.

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025

20 Lease commitments

At 31 December 2025, the Institute had the following future lease payments under non-cancellable operating leases:

Land and buildings

	2025	2024
	£	£
Not later than one year	84,170	84,170
Later than one year and not later than five years	-	84,170
	84,170	168,340

21 Comparative Statement of Financial Activities

	Unrestricted Fund	Designated Fund	Total Funds 2024
	£	£	£
Income and endowments from:			
Donations and Legacies	347,839	55,589	403,428
Charitable activities	4,627,016	-	4,627,016
Other trading activities	669,047	-	669,047
Investment income	21,396	115,140	136,536
Total	5,665,298	170,729	5,836,027
Expenditure on:			
Raising funds	654,806	22,658	677,464
Charitable Activities	4,693,583	761	4,694,344
Total	5,348,389	23,419	5,371,808
Net gain on investments	-	174,215	174,215
Net income	316,909	321,525	638,434
Transfers between funds	-	-	-
Net movement in funds	316,909	321,525	638,434
Reconciliation of funds:			
Total funds brought forward at 1st January	1,172,676	4,053,940	5,226,616
Total funds carried forward at 31st December	1,489,585	4,375,465	5,865,050

THE NAUTICAL INSTITUTE

England & Wales - Charity number 1002462

Accounts

The Nautical Institute Annual Report 2024

FINANCE

The significant success achieved in various areas of the Institute's operations has been reflected in the corresponding financial results for the year. Income for 2024 exceeded budget as activity levels remained strong across the entire portfolio of activities. An operating income of £5.7 million has been achieved against expenditure of £5.3 million resulting in an operational surplus of £316,000.

The operating surplus reflects a successful year across the board, especially in the areas of Qualifications, Membership and the NI Academy. Overall expenditure for the year remained close to budget due to effective budgeting and cost control.

The management of the investment portfolio was kept under regular review in what was generally a steady market for investments. The balanced low to medium risk portfolio invested through Rathbones performed satisfactorily against market comparators. The Capital Reserve Fund value at year end was £4.3 million, which includes £1 million on fixed-term deposit, and resulted in a total return of £267,000 for the financial year; a return of 6.59% on the original investment.

The Reserves policy has proved to be effective and ensures The Nautical Institute has adequate cover as a going concern.

STAFFING

The Nautical Institute continued to take its responsibilities as an employer seriously, investing in staff training and development needs and offering benchmarked pay and flexible working arrangements whenever feasible.

In addition to regular staff engagement activities, the management team had an away day in September reflecting on the Institute's five-year strategy at its mid-point. All-staff events took place in July and December to further enhance inter-departmental staff engagement and collaboration and celebrate mid-year and end of year achievements.

Staff retention remained satisfactory during 2024 with the total number of employees increasing from 36 full

time equivalent (FTE) employees at the beginning of the year to 43 FTE at the end of the year. New appointments in 2024 included a full time office receptionist, senior communications officer, publications manager, senior technical adviser and events coordinator. Our operational and financial success in 2024 and our continued ambition to grow further means we will continue to invest in our workforce with our headcount expected to reach around 45 FTE in 2025.

ISO AUDIT

The ISO 9001:2015 Quality Management Systems (QMS) certification surveillance audit was once again held on site with no non-conformities reported. The ISO auditor's report concluded that the system provides the required level of control, the organisation's context is well defined, leadership has been effectively demonstrated, and commitment levels are fully evident. The documented information to demonstrate that the system is well implemented and well understood throughout the organisation is acceptable. Our internal audit process and effective member and customer engagement continue to be key factors in the positive report from the ISO auditor.



NI staff at the summer barbecue

MEMBERSHIP AND BRANCHES

During 2024, several initiatives were introduced to boost member engagement, such as the new Dynamic Positioning (DP) Bulletin for DP professionals, enhanced recognition of Member Champions, exclusive competitions, discounts on MBA and MSc qualifications through MLA College and free MSSC Learn@Shore courses. The latter has been particularly beneficial for sea-going members exploring shore-based maritime careers.

As of the end of 2024, The Nautical Institute's membership stood at 13,373, including 4,731 student members. This marks a significant increase from the 2023 figures of 11,258 and 2,915 respectively.

This year saw the creation of a new Member Engagement Manager role, with James Luetchford leading efforts to strengthen the Institute's global network of 60+ branches. Senior Administrator Charly Coldrey assumed responsibility for membership administration, while Caetano Sato transitioned to a role focused on streamlining operations and expanding digital media.

While the free student membership introduced in late 2022 has driven strong growth, retention remains a challenge, and we continue to strive for improvement in this area. We will be paying particular attention to the President's member survey to be undertaken during 2025 for indications of what is most important to members and how we can help their career progression.

Events focusing on management, growth and the future of the industry were held in the Philippines, Indonesia and in London, UK, including the International Maritime Human Factors Symposium at the IMO, in association with the University of Strathclyde and Chalmers University. In the USA, the biennial seminar focused on how the industry can adapt to emerging technologies.

Joint Governance Meeting (JGM)

Following the success of the inaugural Joint Governance Meeting (JGM) in late 2023, another was held in October



Cruise on the Thames during the Joint Governance Meeting (JGM)



The IMO Secretary General meets NI members during the JGM



Launching the Türkiye Branch



Celebrating the launch of the Egypt Branch



The Younger Members' Council

2024. Attendees from across the maritime industry shared insights and ideas to shape the Institute's future. A Younger Member Ambassador noted: "I was pleased to find an environment that not only welcomed younger voices but truly valued them. I left feeling motivated, grateful, and eager to encourage other young mariners to get involved."

Branch Developments

Three new branches were launched in 2024:

- Ecuador (Guayaquil)
- Turkey (Istanbul)
- Egypt (Alexandria)

Branches in Italy, Mexico, Thailand, Myanmar, and Montenegro are set to launch, with ongoing developments in Nigeria, Peru, Venezuela, Georgia, and South Korea. Efforts are also underway to revive branches in Indonesia, the US South East Coast, and Scandinavia.

In 2025, branches will play a key role in a new series of Regional Online Member Seminars (ROMS), fostering discussions on industry issues across geographically clustered branches.

Younger Members Council (YMC) & Younger Member Ambassadors (YMA)

The Younger Members' Council (YMC) remains highly active, contributing to webinars, articles, book launches, surveys, and career days. February 2025 saw three new members, including a new Chair and Vice Chair, with a focus on integrating Younger Member Ambassadors (YMA) into outreach efforts.

The YMA initiative has significantly enhanced engagement with maritime students, particularly in India, Portugal, and Brazil. Many YMA collaborate regionally to strengthen student involvement with local branches, boosting retention and conversion from student to full membership. Several branches, including the US Gulf Branch and multiple locations across India, have established Youth Forums to further these efforts.

Chartered Master Mariner (CMMar) Awards

The Nautical Institute continues to support the Honourable Company of Master Mariners (HCMM) in administering the CMMar program. In 2024, awardees included The Nautical Institute's President Captain Trevor Bailey and US West Coast Branch Chair Captain Greg Tylawsky, the first US recipient. Since inception, 73 awards have been granted from 106 applications, with re-applicants showing a high success rate.



This years' CMMar awardees

INFORMATION AND PUBLICATIONS

Two new staff members joined in 2024 to enhance book production and communications: Publications Manager Bridget Giles and Senior Communications Adviser Katerina Sfaellou. Despite some project delays, four books were published during the year:

- *Shipmaster's Business Self Examiner* (11th edition);
- *Simulation Instructor's Handbook* (2nd edition);
- *Mentoring at Sea* (2nd edition);
- *Developing Soft Skills in Mariners*.

Each book launch was supported by a webinar or author interview, with recordings available on The Nautical Institute's YouTube channel.



Publications released in 2025



Digital shift

The enthusiasm particularly of younger generation seafarers for eLearning, video and serious games prompts the publications area to explore other ways of sharing our knowledge beyond books and magazines. In 2025 we will be investigating new ways to deliver digital learning content and seek to increase our sales to individuals, who make a small but not insignificant contribution to our income. We will also embark on benchmarking exercises to ensure our print and distribution contracts continue to offer good value for money, quality and reliability for our members and customers.

E-book sales rose to 15% during 2024, and are expected to reach 20% in 2025 as a new platform agreement is secured.



Some of the videos released by the OCEAN project this year

Seaways

Seaways continues to cover a wide range of topics, reflecting the diversity of professional experience and interest among our members. From practical seamanship advice on developing and maintaining skills, to understanding the complexity of systems afloat and ashore, to cutting edge developments in AI, and regular and detailed updates on the work of IMO, *Seaways* entertains and informs. It remains at its heart a members' magazine, and sharing personal experience and branch news is a key way of establishing and maintaining our worldwide network.

In a reflection of changing reading habits, we have introduced the option for members to read *Seaways* as a series of standalone HTML articles, in addition to the digital facsimile of the magazine available both online and on the app. The digital edition is now available on host platforms for non-member subscribers.

MARS

The Mariners' Alerting and Reporting Scheme (MARS) continues to thrive by bringing confidential incident reporting enable the sharing of information and the ability to learn lessons from both incidents and particularly near misses. The Nautical Institute is very grateful to our Nautical Affiliates for their support, both financially and in the knowledge they offer. Some of the key lessons learned in 2024 are about navigation safety, Colregs, tripping hazards, cargo handling, lack of PPE, falls from height, pilot boarding, etc. This is an invaluable service to seafarers and we are pleased to know that many of these reports are the focus of onboard safety meetings.

The Navigator

The Council of The Nautical Institute is very grateful to the International Foundation for Aids to Navigation (IFAN) and other organisations for their continued support for *The Navigator*, with particular thanks to IFAN for an agreement in 2024 to maintain their funding for another three years. We also thank all those volunteers who distribute the magazine to vessels around the world.

In 2024 we focused on the art and science of dynamic positioning (DP); navigation in restricted visibility and how visual navigation is essential to standing a good watch 'by all available means'. We are particularly grateful for contributions from Qasim Masood AFNI, the UK MCA, Capt Tuuli Messer-Bookman AFNI, Capt Marso Law AFNI and Capt Aly Elsayed AFNI. Members are reminded that all copies of *The Navigator* are available online and also as an app with full search facilities throughout the 13 years of publications. Every issue of *The Navigator* is themed and makes for excellent material for CPD and to facilitate mentoring.

The Nautical Institute at IMO

Under the leadership of Captain Robert McCabe FNI (NI IMO Committee Chair) and Captain Chris O'Flaherty AFNI (Permanent IMO Representative), The Nautical Institute maintained strong representation at the International Maritime Organization (IMO) in 2024. Key areas of focus included:

- STCW review;
- Navigation safety;
- Maritime Autonomous Surface Shipping (MASS);
- Life-saving appliances;
- Cargo and alternative fuel safety;
- Workload concerns from increased reporting requirements.

We were very pleased that our President Capt Trevor Bailey FNI was invited to meet privately with the new IMO Secretary General Mr Arsenio Dominguez in his office at IMO HQ, and that Mr Dominguez then honoured The Nautical Institute by personally visiting NIHQ to meet with our Executive Board, Council and Younger Members' Council. Mr Dominguez reiterated the importance of The Nautical Institute's involvement at the IMO and our joint objectives of diversity.

The Nautical Institute's CEO Captain John Lloyd continues to chair the Human Element Industry Group (HEIG), which has reported to the IMO on issues including enclosed space entry, fatigue and Human Centred Design (HCD).



IMO Secretary General Mr Arsenio Dominguez engages with The Nautical Institute

IALA

The Nautical Institute is very proud to work with a range of other international organisations, not least of which is the International Association of Lighthouse Authorities (IALA). David Patraiko FNI, Director of Projects, was able to meet with IALA Secretary General Francis Zachariae to congratulate IALA on upgrading to International Governmental Organisation status at the IMO (rather than Non-Governmental Organisation) and review our organisations' MOUs. Among a number of members of The Nautical Institute who attend IALA meetings, we are very pleased that Past President Jillian Carson-Jackson FNI formally represents The Nautical Institute as Chair of the Digital Technologies (DTEC) working group on Emerging Digital Technologies and Chair of the VTS committee working group on VTS Training.

OCEAN Project

2024 was a significant year for The Nautical Institute's impact through the OCEAN Project (ocean-navigation-awareness.eu), resulting in the production of seven key free training videos. Although this EU and UK co-funded project focuses on how new technologies can enhance safety of navigation, The Nautical Institute was specifically tasked with

identifying key gaps between areas of minimum standards and best practices from organisations dedicated to high performance. After more than a year of international research led by Capt Aly Elsayed AFNI, the following areas were identified and confirmed through peer review:

- Leadership;
- Avoiding ship/whale strikes;
- Looking seeing and observing;
- Over-reliance on AIS;
- Maritime situational awareness;
- Effective communication;
- The benefits of Human Centred Design.

Thanks to funding from the EU and UK Research and Innovation (UKRI), short training videos on all these subjects are now freely available to all in the maritime industry. All maritime education and training organisations, shipping companies and individuals are urged to familiarise themselves with these free resources and embed them into their existing syllabus. The Nautical Institute is also pleased that, through this work, Capt Elsayed, Senior Technical Advisor has been elected as a member of the International Whaling Commission to further the joint industry work to prevent ship/whale strikes.

Technology/automation

The Nautical Institute recognises the growing impact of autonomous technologies and is at the forefront of discussions on safe and effective implementation. In particular we are grateful to the members of the NI ATAG (Autonomous Technologies Advisory Group) chaired by Capt John Owen AFNI. ATAG members Capt Jaquelyn Burton AFNI; Capt Nic Gardner AFNI and Capt Ann Pletschke FNI have made significant contributions to *Seaways* and in webinars.

The Nautical Institute will continue to focus on how technology and automation can add value and be implemented to best effect. Of particular interest might be the webinars and articles on the 'digital shipmate' and the ITF/WMU report on the impact of technology on seafarers.

SAFETY & ENVIRONMENT

Fishing safety

In association with The Seafarers' Charity, The Nautical Institute launched the Thrive in Fishing project, aimed at encouraging young professionals into the UK fishing sector. The project received £30,000 in funding and is expected to inspire similar global initiatives. The Fishing Safety Advisory Group, made up of members of the fishing community under the chair of Robert Greenwood, looked at measures to improve and develop safety in fishing and attended relevant IMO meetings.

The Green Curriculum

November 2024 saw the release of the Training Standard for Handling Alternative Fuels, one of the first of its kind. The Nautical Institute actively participated in global initiatives like the Maritime Technologies Forum (MTF) and the UN Global Compact Maritime Just Transition Task Force, contributing to IMO reports and discussions on future fuels.

Supporting our people

The Nautical Institute has increased engagement in seafarer welfare and career development, ensuring that the perspectives of its 47% seagoing membership are represented at high levels, including IMO meetings. The Institute continues efforts to improve cadet sea-time opportunities, and encourages greater involvement from women maritime professionals.

Looking ahead

This report highlights The Nautical Institute's ongoing contributions toward improving maritime safety, knowledge sharing, and professional development. Our initiatives in membership engagement, branch expansion, publications, advocacy at IMO, and digital transformation are driving tangible benefits for the industry. Moving into 2025, we remain committed to enhancing professional standards and supporting the next generation of maritime leaders.



Past President Andre Le Goubin with cadets in Manila



Qasim Masood addresses the DP Regional Training Providers event



Six new DP training centres were accredited in 2024

QUALIFICATIONS MARINE AND OFFSHORE (M&O)

The Nautical Institute's Qualifications M&O department plays a crucial role in enhancing maritime safety and professional development. By setting and maintaining high standards for maritime professionals worldwide, we support safer operations through Dynamic Positioning (DP) accreditation and certification. In close cooperation with our stakeholders, we continuously review and improve our processes.

Regional Training Provider engagement

In September 2024, we hosted our fourth Regional Training Providers event in Bali, Indonesia. This two-day conference gathered approximately 100 delegates, including 51 training centre representatives, fostering valuable discussions on:

- Safe DP operations;
- Training standard improvements;
- The successful implementation of The Nautical Institute mandatory CPD Scheme.

Continuing Professional Development (CPD) for DPO revalidation

A significant milestone in 2024 was the implementation of mandatory CPD for the revalidation of NI DPO and Dynamic Positioning Vessel Maintainer (DPVM) certificates, effective 1 January 2024.

DPOs and DPVM certificate holders renewing their certificates must now:

1. Demonstrate NI-approved CPD or
2. Complete the DP Refresher and Competency Assessment Course
3. Fulfil the mandatory 150 days of DP sea time.

DP certification and accreditation

In 2024, we received 5,288 online applications for DP certification and issued 5137 certificates. While our Key Performance Indicator (KPI) for processing DP certification applications is ten working days, we exceeded this target, achieving an average processing time of seven days.

To further improve our services, we hosted a DPO workshop with our CRM provider OOMI in November 2024, gathering NI Certified DPOs from across Europe. Key outcomes included improvements to the DPO online application process, now implemented in our new website and NI Alexis platform.

Approved Training Centres

We maintain 83 accredited DP training centres worldwide:

- 19 in the Americas;
- 30 in Asia & Australasia;
- 34 in Europe & Africa.

In 2024, we conducted 40 accreditation and reaccreditation audits, successfully completing 38, including the accreditation of six new training centres.

DP Vessel Maintainer Training and Certification (Engineers)

The DP Vessel Maintainer (DPVM) Scheme continues to grow. Since inception of the scheme in 2021, we have issued:

- 4,502 DPVM logbooks;
- 1,287 DPVM certificates.

In 2024 alone, we received 917 DPVM applications and issued 854 certificates.

Ballast Control Operator Accreditation Scheme

The Nautical Institute also offers Ballast Control Operator (BCO) Accreditation and Certification services. Twelve BCO certificates were issued in 2024, making a total of 65 since scheme launch. One BCO training centre (Poland) was approved.

Vessel Traffic Services (VTS) Accreditation Scheme

The VTS Standard was reviewed and re-released in August 2024. We have one approved training provider in Finland.

Ice Navigation Scheme

The Nautical Institute continues to offer the leading globally recognised qualification for those responsible for navigating in ice conditions and registrations continue to grow. To date nearly 250 Ice Navigator Certificates have been issued, including 26 new certificates in 2024.

Oil Spill Response Accreditation Scheme

2024 saw an increase in the membership of the International Scheme for Oil Spill Response Training Providers. There are now an additional three companies fully enrolled and a further three who are progressing towards accreditation. New areas include Israel, Canada, Angola and Malta.

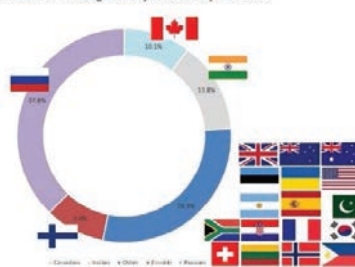
The UK scheme accredits eight companies, a figure which has not changed over the year. The Nautical



DP training centre locations



Certified Ice Navigators by nationality Jan 2021



Locations of Certified Ice Navigators



Presenting a certificate of course completion

Institute remains the only company authorised to carry out Training Accreditation in the United Kingdom on behalf of the MCA.

There are now 52 active companies across both schemes, maintaining the gradual increase we have seen over the last few years.

In 2024 ADNOC, in the United Arab Emirates, became the first non-UK Nautical Institute accredited Oil Spill Removal Organisation.

There remains a significant opportunity to develop the oil spill removal organisation accreditation

service, and it is expected that the training schemes will continue to offer opportunities for growth at similar levels.

Client feedback and regulator engagement indicates there is a need to develop a scheme to qualify individuals as trainers in Oil Spill Response. This will be developed in 2025.

THE ACADEMY

The Academy has enjoyed another successful year and continues to grow steadily. The number of course dates, both open and company-specific, has increased, reflecting customer confidence and demand.

The Academy's courses continue to consistently enhance the professional development of both seafarers and shore-based employees. Feedback remains overwhelmingly positive, with an overall satisfaction rating of 4.7/5.0.

In 2024, the Academy was awarded a £30,000 grant by The Seafarers Charity to support the training of seafarers in leadership and management and psychological safety. This has enabled the Academy to offer 38 fully funded course seats for seafarers from less economically developed countries. The grant underscores confidence in the Academy's commitment to enhancing leadership and management skills in the maritime industry.

The Academy developed and extended several programmes in 2024, including courses in RightShip Inspections, Introduction to Alternative Fuels and Alternative Fuels, Technical Insights. It conducted several reviews and successfully extended the Navigation Assessors Course to include mooring and cargo assessments.

There was continued high demand for courses that help participants develop employment pathways, with the ISM Lead Auditor and Navigation Mooring and Cargo Assessors courses being particularly popular.

In 2023, The Nautical Institute gained approved status as a training centre of the Institute of Leadership and Management (ILM) with the Command Diploma Scheme (at Level 7). Approval has now been extended to include the Leadership and Management Maritime Operations courses (at Levels 3 and 5).

THE NAUTICAL INSTITUTE

(A Company Limited by Guarantee)

Company No. 2570030

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2024

Registered Charity No: 1002462

THE NAUTICAL INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2024

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THE NAUTICAL INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2024

LEGAL AND ADMINISTRATION INFORMATION

Status

The Nautical Institute is a charitable company limited by guarantee, incorporated in England & Wales on 20th December 1990.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the trustees are elected by Council to serve a period of up to 3 years and may be re-elected for a further 3 years.

Trustees

The trustees of the company were:

Captain G Cowling	Chair	Ms D Lane
Captain D M Telfer	Treasurer	Mr G Lang (resigned 21 March 2024)
Mr P B Hinchliffe (resigned 27 June 2024)		Captain N Nash
Captain M Ahmed (resigned 21 March 2024)		Captain D Snider
Captain K D Austin		Professor C D Dewey
Captain A Brink (resigned 21 March 2024)		Mr S D Edmonston
Captain I Goveas		Mr D J Gozdzik
Captain Y Vandeborn (appointed 21 March 2024)		Mr P Naylor (appointed 25 July 2024)

Secretary Captain P J Lloyd

Chief Executive Officer Captain P J Lloyd

Registered Office 200B Lambeth Road
London
SE1 7JY

Auditors Buzzacott Audit LLP
130 Wood Street
London
EC2V 6DL

Bankers The Royal Bank of Scotland
1 Spinningfields Square
Manchester
M3 3AP

Fund Managers Rathbones
8 Finsbury Circus
London
EC2M 7AZ

THE NAUTICAL INSTITUTE
REPORT OF THE TRUSTEES FOR THE YEAR ENDED
31ST DECEMBER 2024
Co. No. 2570030

The trustees, who are also the directors for the purposes of company law, present their report and the audited financial statements for the year ended 31st December 2024.

Principal activities

The Institute is registered as a Charity and Company limited by guarantee to promote and maintain nautical education.

Public Benefit

The trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit and that the activities carried out by the charity during the year were all undertaken in order to further the charity's aims for the benefit of the Charity's beneficiaries.

Objectives and activities

The Nautical Institute is an independent, international membership body for maritime professionals working at sea and ashore. The Institute's charitable object is to promote the standing of the maritime profession and advance public education in the study of nautical science. We are an educational charity, dedicated to promoting the highest standards of professionalism, best practice, competence and safety in the maritime industry. These objectives are achieved through providing professional development opportunities, training, publications, accreditations and research undertakings.

The work of the Institute continues to provide a public benefit to the maritime community by helping improve safety and enhancing the flow of information and knowledge in key areas of global significance. These include areas such as protections of the marine environment, the implications of the next generation of fuels and a range of safety and operational issues. Sharing lessons learned through the Mariners' Alerting and Reporting Scheme (MARS), providing updates on best practice in Seaways, through webinars and Branch meetings and in our publications, all form part of this programme. In the past year, this has included work on areas such as navigation safety, collision regulations, tripping hazards, cargo handling, lack of PPE, falls from height, pilot boarding and other areas where industry reports have indicated a need for improvement. This sharing of information is central to our role of raising professional standards and improving safety.

Achievements and performance

• **Membership and Branches**

As the leading professional organisation in the maritime community, membership is central to our activities, priorities and engagement. Having a strong presence globally helps ensure key professional messages are shared effectively and is one reason why membership growth is important and branch activities effective.

During 2024, several initiatives were introduced to boost member engagement, such as the new Dynamic Positioning (DP) Bulletin for DP professionals, enhanced recognition of 'Member Champions', exclusive competitions, discounts on MBA and MSc qualifications through MLA College, and free MSSC Learn@Shore courses. The latter has been particularly beneficial for sea-going members exploring shore-based maritime careers.

At the end of the year, total membership stood at 13,373 of whom 4,731 were student members, marking a significant increase from the 2023 membership number of 11,258 and 2,915 respectively.

• **Research and Relationships**

The Nautical Institute's technical engagement is led from the Research and Relationships area of the organisation and helps ensure that our world-leading expertise is delivered and understood in the right forums at the right time.

The Institute is committed to its role as a Non Governmental Organisation (NGO) at the International Maritime Organisation (IMO). During 2024, we have been represented at all appropriate meetings including: the main policy-making Committees; the technical Subcommittees; and working groups specialising in maritime. The Institute has submitted papers, participated actively in discussions and in correspondence groups. The commitment to the IMO and physical attendance at meetings is crucial to our impact in this forum.

Key areas of focus at the IMO in 2024 included review of International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW), Navigation safety, Maritime Autonomous Surface Shipping (MASS), Life-saving appliances, Cargo and alternative fuel safety, and Workload concerns from increased reporting requirements.

THE NAUTICAL INSTITUTE
REPORT OF THE TRUSTEES FOR THE YEAR ENDED
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• **Research and Relationships (continued)**

The Institute continues to work closely with The International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA) and we maintain a close relationship and the IALA secretariat continue to offer contributions to our publications.

The Institute continued its involvement in OCEAN (Operator-Centered Enhancement of Awareness in Navigation) Project which is a three year EU Horizon project to improve navigational safety (<https://ocean-navigation-awareness.eu>). It leads on two work packages in this project. One focuses on 'Enhanced Professional Standards for Situation Awareness' and will result in a report on improved professional standards, a series of videos highlighting improved training standards, and research into improved operator decision making. Another one focuses on dissemination, communication and exploitation of the project findings, making use of a range of media including reports, press releases, website hosting, webinars, social media, and policy papers.

The Navigator magazine, which is a free publication from The Nautical Institute that champions the role of today's professional marine navigators, continues to receive a wide range of praise from many readers, principally from the target audience of junior officers but also from more senior officers, Masters and shore management. The Council is grateful for support from International Foundation for Aids to Navigation (IFAN) and the many other financial contributors to this project. Focus areas for The Navigator in 2024 included the art and science of DP, a focus on navigation in restricted visibility and how visual navigation is essential to standing a good watch 'by all available means'. Every issue of The Navigator is themed and makes for excellent material for CPD and to facilitate mentoring.

The Institute continues the drive to engage our members and the wider community to share ideas and learn from each other. Webinars in 2024 attracted 8,000 participants and the feedback from Q&A and engagement polls feed into areas like Seaways articles and IMO input.

• **Information and Publications**

During 2024, four books were published. These books are Shipmaster's Business Self Examiner (11th edition), Simulation Instructor's Handbook (2nd edition), Mentoring at Sea (2nd edition) and Developing Soft Skills in Mariners.

Seaways continues to cover a wide range of topics, reflecting the diversity of professional experience and interest among our members. From practical seamanship advice on developing and maintaining skills, to understanding the complexity of systems afloat and ashore, to cutting edge developments in AI, and with regular and detailed updates on the work of the International Maritime Organization, Seaways entertains and informs. It remains at its heart a members' magazine, and sharing personal experience and branch news is a key way of establishing and maintaining our worldwide network.

The enthusiasm particularly of younger generation seafarers for eLearning, video and serious games prompts the Publications area to explore other ways of sharing our knowledge beyond books and magazines. E-book sales rose to 15% of all book sales during 2024, with expectations to reach 20% in 2025 as a new platform agreement is secured. The digital edition of Seaways is now available on host platforms for non-member subscribers.

• **Qualifications**

Our Dynamic Positioning (DP) accreditation and certification activities remain central to our contribution to wider maritime safety, and the process is kept under continual review.

THE NAUTICAL INSTITUTE
REPORT OF THE TRUSTEES FOR THE YEAR ENDED
31ST DECEMBER 2024
Co. No. 2570030

• **Qualifications (continued)**

Close cooperation with our stakeholders is a key stage in this process, and we were delighted to host our fourth face-to-face Regional Training Providers event in Bali, Indonesia, in September 2024. The two-day conference discussed safe DP operations, improvement in training standards, and the successful implementation of the Institute's mandatory Continuing Professional Development (CPD) scheme. Approximately 100 delegates attended the conference, including 51 training centre representatives.

A significant milestone in 2024 was the implementation of mandatory CPD for the revalidation of Dynamic Positioning Operator (DPO) and Dynamic Positioning Vessel Maintainer (DPVM) certificates, effective 1 January 2024. DPOs and DPVM certificate holders renewing their certificates must now demonstrate either NI-approved CPD or complete the DP Refresher and Competency Assessment Course. This is in addition to fulfilling the mandatory 150 days of DP sea time.

In 2024, we received 5,288 online applications for DP certification and issued 5137 certificates. To further improve our services, we hosted a DPO workshop with our CRM provider OOMI in November 2024, gathering NI Certified DPOs from across Europe. Key outcomes included improvements to the DPO online application process.

We maintain 83 accredited DP training centres worldwide: 19 in the Americas, 30 in Asia & Australasia, and 34 in Europe & Africa. In 2024, we conducted 40 accreditation and reaccreditation audits, successfully completing 38, including the accreditation of 6 new training centres.

During the year, we were also involved in schemes other than DP certification and accreditation. These includes DP Vessel Maintainer (DPVM), Ballast Control Operator (BCO), Oil Spill Response (OSR), Vessel Traffic Services (VTS) and Ice Navigation schemes.

• **The Academy**

The Academy has enjoyed another successful year and continues to grow steadily. The number of course dates, both open and company-specific, has increased, reflecting customer confidence and demand. The Academy's courses continue to consistently enhance the professional development of both seafarers and shore-based employees through focused training programmes.

The Academy developed and extended several programmes in 2024, including the RightShip Inspections, Introduction to Alternative Fuels and Technical Insights Courses. The Academy conducted several reviews and successfully extended the Navigation Assessors Course to include mooring and cargo assessments.

There was continued high demand for courses that help participants develop employment pathways, with the ISM Lead Auditor and Navigation Mooring and Cargo Assessors courses being particularly popular.

In 2023, The Nautical Institute gained approved status as a training centre of the Institute of Leadership and Management (ILM) with the Command Diploma Scheme (at Level 7). Approval has now been extended to include the Leadership and Management Maritime Operations courses (at Levels 3 and 5).

• **Safety and Environment**

The safety of people, ships and the protection of the environment are at the heart of everything we do as an Institute.

During 2024, the Institute launched the Thrive in Fishing project in association with The Seafarers' Charity. The project aimed at encouraging young professionals into the UK fishing sector. The Fishing Safety Advisory Group made up of members of the fishing community, looked at measures to improve and develop safety in fishing and attended relevant IMO meetings.

November 2024 saw the release of the Training Standard for Handling Alternative Fuels, one of the first of its kind. The Nautical Institute actively participated in global initiatives like the Maritime Technologies Forum (MTF) and the UN Global Compact Maritime Just Transition Task Force, contributing to IMO reports and discussions on future fuels.

THE NAUTICAL INSTITUTE
REPORT OF THE TRUSTEES FOR THE YEAR ENDED
31ST DECEMBER 2024
Co. No. 2570030

Financial commentary

The significant success achieved in various areas of the Institute's operations has been reflected in the corresponding financial results for the year. Income for 2024 exceeded budget as activity levels remained strong across the entire portfolio of activities. A gross income of £6,010,242 (2023: £5,483,004) has been achieved against total expenditure of £5,371,808 (2023: £4,277,142) resulting in a surplus for the year of £638,434 (2023: £1,205,862).

The surplus reflects a very successful year across the board, especially in the areas of Qualifications, Membership and the Academy. Overall expenditure for the year remained close to budget due to effective budgeting and cost control.

The management of the investment portfolio was kept under regular review in what was generally a steady market for investments. Management of the funds is delegated to external investment managers on a discretionary basis with the objective of maximising the total return from capital and income combined while maintaining a medium level of risk. The trustees review the performance of the managers against benchmarks on a regular basis. During the year, the balanced low-medium risk portfolio invested through Rathbones performed satisfactorily against market comparators. The Capital Reserve Fund value at year end was £4,263,914 (2023: £4,048,078) which includes an additional £1 million invested in December 2023 following a very successful year. The investment portfolio resulted in a total return of £266,697 (2023: £180,019) for the financial year which is a return of 6.59% on the original investment (2023: 6.28%).

Reserves

The Institute holds reserves in order to ensure as far as possible that its objectives may be met in future and that it had adequate cover as a going concern. The target level of total reserve for 2024 was £2,590,000 (2023: £2,070,000) represented by Contingency Reserve of £1,730,000 (2023: £1,380,000) and a Projects Reserve of £860,000 (2023: £690,000). The Contingency Reserve target is calculated based on 33% of annual operating budget and the Projects Reserve is calculated based on 50% of the Contingency Reserve target. The free reserve at year end was £1,489,585 (2023: £1,172,676). The trustees consider that this amount of free reserves is adequate to ensure that the Institute's services are not compromised in the short term. The trustees recognise that the Capital Reserve Fund value at year end was in excess of the target level & are regularly reviewing the reserves policy, its position & possible use.

Risks and risk management

The trustees recognise their duty to anticipate, manage and mitigate the risks to which the charity's activities could be exposed. They acknowledge that risk is inherent in all activities and that its management is crucial to achieving the charity's objects. The trustees take a systematic approach to managing risk, with the executive team regularly monitoring and reporting risks to the board as well as prioritising actions.

Risks are rated by a mixture of a score for the likelihood of a risk from 1 (negligible) to 5 (major) and a score for its severity on a scale from A (very unlikely) to E (very likely). Scores before and after mitigation are calculated using a risk matrix.

The trustees review the Institute's Risk Management Policy at regular intervals. After considering the principal areas of strategic and operational risk, the trustees are confident that the appropriate means of control and mitigation have been adopted. Prudent management practices with awareness of changes in the operating environment are felt to be in place. The management of the Institute is responsible for the day to day management of risk and minimising the effect of any adverse events.

THE NAUTICAL INSTITUTE
REPORT OF THE TRUSTEES FOR THE YEAR ENDED
31ST DECEMBER 2024
Co. No. 2570030

Risks and risk management (continued)

The trustees consider the following as the key risks for the organisation:

- 1 Potential lobby at IMO to move DP qualifications to STCW Part A thus becoming the responsibility of Flag States not 'industry and the Institute'. Impact likely to be loss of global market dominance of the Institute of this specialisation.

This risk is mitigated by the Institute continuing to engage with IMO delegates as well as media and social media campaigns relating to the importance of industry leadership. We also monitor adoption of other qualifications.

- 2 Inability to access bank funds

The Institute's funds are kept in a diversified manner with an operational bank account held with Royal Bank of Scotland while also maintaining an active investment funds with Rathbones. In case of any banking restriction, we are allowed drawdown of funds from our investment accounts held with Rathbones within 2-3 days notice. We also continuously realign spending priorities for short and medium terms as well as regularly adjusting spending forecasts.

- 3 Loss of identity of The Nautical Institute

We mitigate this risk by having a strong governance arrangements in place including carefully managed appointment of trustees; care with branding arrangements; alignment of projects with areas of interest of the Institute; clear demonstration of Institute's ownership of project deliverables.

Future Plans

The Institute plans continuing the activities outlined above in the forthcoming years to achieve the key deliverables on the 2021-2026 Strategic Plan, which can be found on the NI website. Review of the Strategic Plan is due in 2025.

THE NAUTICAL INSTITUTE
REPORT OF THE TRUSTEES FOR THE YEAR ENDED
31ST DECEMBER 2024
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Structure, governance and management

Governing Document

The Nautical Institute is a charitable company limited by guarantee, incorporated on 20 December 1990 and registered as a charity on 8 April 1991. The Institute was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Executive Board. Under the requirements of the Memorandum and Articles of Association, the members of the Executive Board are elected to serve for a period of three years after which they may be re-elected for a period of another three years. In exceptional circumstances, the appointments may be extended at the discretion of the Council, provided that their total terms of office on the Executive Board does not exceed twelve years.

Trustee Induction and Training

Most trustees are already familiar with the practical work of the Institute having been a member themselves.

Additionally, new trustees are invited and encouraged to attend a series of short training sessions to familiarise themselves with the charity and the context within which it operates. These are jointly led by the Chair of the Executive Board and the Chief Executive of the charity and cover:

- The obligations of Executive Board members.
- The main documents which set out the operational framework for the charity including the Memorandum and Articles.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.

Organisational Structure

The Nautical Institute has an Executive Board of up to 15 members who meet at least three times a year and are responsible for the strategic direction and policy of the charity. At present, the Board has 12 members from a variety of professional backgrounds relevant to the work of the charity.

A scheme of delegation is in place and day to day responsibility for the provision of the services rest with the Chief Executive along with Head of Areas. The Chief Executive is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. The Head of Areas have responsibility for the day to day operational management of their respective areas, individual supervision of the staff team and also ensuring that the team continue to develop their skills and working practices in line with good practice.

THE NAUTICAL INSTITUTE
REPORT OF THE TRUSTEES FOR THE YEAR ENDED
31ST DECEMBER 2024
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Remuneration

The key management personnel consists of the CEO, Director of Finance and Director of Research & Relationships.

The Institute operates a remuneration policy based on salary scales by grade with annual RPI and other changes determined by the Executive Board during the budget planning process. A delegated group of trustees appraise the Chief Executive at least annually and set remuneration for CEO and other key management personnel for the forthcoming year. A non-contributory pension investment of 9% of salary, is made to staff personal pension schemes.

While trustees are reimbursed travel expenses in connection with their roles as trustees, they do not receive any remuneration for their services as a Trustee. The Institute greatly values the contribution of its trustees and members in the work of the charity which ranges from their roles in the governance structure to representation input to the industry's decision making bodies and writing for the Seaways Journal and other publications. Due to the diversity of these voluntary contributions and the large number of members involved (some 140 in council and technical committee roles), it is not feasible to assess the value in terms of time or money.

Fundraising

The Institute is aware of the requirements of the Fundraising Regulator. It does not use external fundraisers and no complaints have been received during the year. Trustees provide guidance and oversee the institute's fundraising practices, upholding the Charity Commission's fundraising principles.

Auditors

The auditors, Buzzacott Audit LLP are willing to continue in office and resolutions concerning the appointment of Auditors will be submitted to the annual general meeting.

Fixed assets


Changes in the company's fixed assets during the year are shown on the balance sheet.

Trustees

The Trustees of the Charitable Company are stated on page 1.

This report has been prepared in accordance with Statement of Recommended Practice- Accounting and Reporting by Charities and in accordance with special provisions of part 15 of the Companies Act 2006.

Approved by the trustees on 22 April 2025 and signed on their behalf by:



Captain G Cowling
Chair

THE NAUTICAL INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2024
TRUSTEES' RESPONSIBILITIES

Statement of Trustees' Responsibilities

Company law 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 company and of the surplus or deficit of the company for that period. In preparing those financial statements, the trustees are required to:

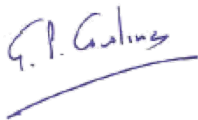
- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Disclosure of information to the auditor

In accordance with company law, each of the Trustees confirm that:

- so far as they are aware, there is no relevant audit information of which the charity's auditors are unaware; and
- as the Trustees of the charity, they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.



Captain G Cowling
Chair



Captain D M Telfer
Treasurer

Date: 22 April 2025

THE NAUTICAL INSTITUTE

Independent Auditor's Report to the members of The Nautical Institute

Opinion

We have audited the financial statements of The Nautical Institute (the 'charitable company') for the year ended 31 December 2024 which comprise the summary income and expenditure account, the statement of financial activities, the balance sheet, the statement of cashflows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the report of the trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE NAUTICAL INSTITUTE

Independent Auditor's Report to the members of The Nautical Institute (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011) and those that relate to data protection (General Data Protection Regulation).

THE NAUTICAL INSTITUTE

Independent Auditor's Report to the members of The Nautical Institute (continued)

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual variances;
- tested journal entries to identify unusual transactions;
- tested the authorisation of expenditure and bank payments; and
- reviewed the implementation and design of controls and procedures in place around the grants payable system.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott Audit LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 24 April 2025

THE NAUTICAL INSTITUTE
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2024

	2024 £	2023 £
Income	5,836,027	5,353,193
Gain on investments	174,215	129,811
Gross income in reporting period	<u>6,010,242</u>	<u>5,483,004</u>
Expenditure	(5,371,808)	(4,277,142)
Net income before tax for the reporting period	<u>638,434</u>	<u>1,205,862</u>
Tax Payable	-	-
Net income for the financial year	<u><u>638,434</u></u>	<u><u>1,205,862</u></u>

All income is unrestricted funds.

A detailed analysis of income and expenditure by source is provided in the Statement of Financial Activities and the notes to the financial statements.

THE NAUTICAL INSTITUTE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2024

	Note	Unrestricted General Fund £	Unrestricted Designated Fund £	Total Funds 2024 £	Total Funds 2023 £ Note 21
Income and endowments from:					
Donations and Legacies		347,839	55,589	403,428	353,296
Charitable activities	2	4,627,016	-	4,627,016	4,153,526
Other trading activities	4	669,047	-	669,047	755,953
Investment income	5	21,396	115,140	136,536	90,418
Total		5,665,298	170,729	5,836,027	5,353,193
Expenditure on:					
Raising funds	6	654,806	22,658	677,464	585,782
Charitable Activities	7	4,693,583	761	4,694,344	3,691,360
Total		5,348,389	23,419	5,371,808	4,277,142
Net gain on investments		-	174,215	174,215	129,811
Net movement in funds		316,909	321,525	638,434	1,205,862
Reconciliation of funds:					
Total funds brought forward at 1st January	18	1,172,676	4,053,940	5,226,616	4,020,754
Total funds carried forward at 31st December	18	1,489,585	4,375,465	5,865,050	5,226,616

All amounts relate to continuing activities.

All recognised gains and losses for the year are included in the above statements of financial activities.

Comparative information by fund class for the year ended 31 December 2023 is given in note 21.

All amounts above relate to unrestricted funds.

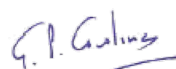
The notes on pages 17 to 25 form part of these financial statements.

THE NAUTICAL INSTITUTE
BALANCE SHEET AS AT 31ST DECEMBER 2024
Company No. 2570030

	Note	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	13		82,768		70,137
Investments	14		3,263,914		3,048,077
Total fixed assets			<u>3,346,682</u>		<u>3,118,214</u>
Current assets					
Stocks	15	92,372		85,714	
Debtors	16	761,205		1,059,219	
Cash at bank and in hand		1,130,420		642,276	
Short term deposits	14a	1,050,860		1,000,000	
Total current assets		<u>3,034,857</u>		<u>2,787,209</u>	
Liabilities:					
Creditors: amounts falling due within one year	17	<u>(516,489)</u>		<u>(678,807)</u>	
Net current assets			2,518,368		2,108,402
Total net assets or liabilities			<u>5,865,050</u>		<u>5,226,616</u>
The funds of the charity:					
Unrestricted funds:					
Designated funds	18		4,375,465		4,053,940
General funds	18		1,489,585		1,172,676
Total charity funds			<u>5,865,050</u>		<u>5,226,616</u>

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

Approved by the board of trustees on 22 April 2025 and signed on their behalf by:



Captain G Cowling
Chair



Captain D M Telfer
Treasurer

The notes on pages 17 to 25 form part of these financial statements.

THE NAUTICAL INSTITUTE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2024

<u>Statement of cash flows</u>	Total 2024 £	Total 2023 £
Cash flows from operating activities:		
<i>Net cash provided by operating activities</i>	535,420	477,674
Cash flows from investing activities:		
Dividends, interest and rents from investments	136,536	90,418
Purchase of property, plant and equipment	(91,330)	(57,804)
Proceeds from sale of investments	370,131	252,393
Purchase of investments	(420,850)	(556,463)
<i>Net cash (used in) investing activities</i>	<u>(5,513)</u>	<u>(271,456)</u>
Cash flows from financing activities:		
Purchase of short term deposits	(50,860)	(1,000,000)
<i>Net cash (used in) financing activities</i>	<u>(50,860)</u>	<u>(1,000,000)</u>
 <i>Change in cash and cash equivalents in the reporting period</i>	 479,047	 (793,782)
Cash and cash equivalents at the beginning of the reporting period	<u>779,601</u>	<u>1,573,383</u>
Cash and cash equivalents at the end of the reporting period	<u><u>1,258,648</u></u>	<u><u>779,601</u></u>
 <u>Reconciliation of net income to net cash flow from operating activities</u>		
Net income for the reporting period (as per the statement of financial activities)	638,434	1,205,862
Adjustments for:		
Depreciation charges	78,699	92,057
(Gains) on investments	(174,215)	(129,811)
Dividends, interest and rent from investments	(136,536)	(90,418)
(Increase) in stocks	(6,658)	(33,412)
Decrease/(Increase) in debtors	298,014	(655,194)
(Decrease)/Increase in creditors	(162,318)	88,590
<i>Net cash provided by operating activities</i>	<u><u>535,420</u></u>	<u><u>477,674</u></u>
 <u>Analysis of cash and cash equivalents</u>		
Cash in hand	1,130,420	642,276
Investment capital reserve account	128,228	137,325
Total cash and cash equivalents	<u><u>1,258,648</u></u>	<u><u>779,601</u></u>

The notes on pages 17 to 25 form part of these financial statements.

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation of uncertainty in the preparation of the financial statements are laid out below.

a) Basis of accounting

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with the Companies Act 2006 and follow the recommendations of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

b) Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements. Given the level of liquid assets held in relation to planned expenditure, the Trustees are of the opinion that the charity has sufficient reserves to be able to meet its liabilities as they fall due.

c) Reclassification of comparatives

During the year, the Trustees reviewed allocation of income and expenditure categories and made some changes which resulted in some comparative figures being reclassified while the total amounts remained unchanged. The reclassification has been made to facilitate a like for like comparison of prior year figures with current year figures. The income and expenditure lines where such changes have been made to comparative figures are under notes 2, 7, 8, and 9 of the financial statements.

d) Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it.

Income comprises donations and legacies, membership subscriptions, publications, training, certification and accreditation income as well as investment income.

Donations and legacies are included as voluntary income; all amounts are unrestricted in the current and prior year. Income is recognised when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Membership subscriptions are recognised in the financial year to which the subscription relates and deferred if received in advance of that financial year.

Publications, training and accreditation income is recognised as the related goods or services are provided.

Investment income is recognised on a receivable basis

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024

1. Accounting policies (continued)

e) Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes the direct costs and support costs associated with generating publication income, together with the fees paid to investment managers in connection with the management of the charity's listed investments.
- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs (including governance costs).

f) Allocation of support costs

50% of travelling and meeting expenses have been allocated to support cost of the Institute, which reflects the proportion incurred in this activity.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

g) Corporation tax

The company has taken advantage of the tax exemption allowed due to its charitable status.

h) Tangible fixed assets

The charity's policy is to capitalise asset purchases over £1,000. Depreciation is provided on tangible fixed assets so as to write down the cost over the expected useful life.

Furniture and office equipment is depreciated on the straight line basis at cost over its estimated useful life at the rate of 10% per annum. Computer equipment is depreciated at a rate of 33 1/3% per annum on cost.

i) Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise. The charity does not acquire put options, derivatives or other complex financial instruments.

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024

1. Accounting policies (continued)

j) Stock

The stock held is the stock of books, both historical and current, and are valued at the lower of cost or net reliable value. The stock of books is reviewed periodically for the professional content and current relevance and a provision is calculated on this basis.

k) Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

l) Cash at bank and short term deposits

Cash at bank represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Cash placed on term deposit with a maturity of greater than three months but not more than twelve months is disclosed as a short term deposit.

m) Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it would pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

n) Funds

The charity has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

Unrestricted General Funds

General funds arise from all the accumulated surpluses and deficits in the provision of general charitable activities.

Unrestricted Designated Funds

Designated funds are funds set aside out of general funds by the Trustees and designated for a particular purpose. See note 18 for details of specific designated funds.

o) Operating leases

Rental payments under operating leases are charged as expenditure as incurred over the life of the lease.

p) Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- determining the basis for allocating support costs across expenditure categories;
- the estimation of future income and expenditure for the purposes of assessing going concern.

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024

	General Fund £	Designated Fund £	Total 2024 £	Total 2023 £
2 Charitable activities				
Seminars/Conferences & Journals 3	177,940	-	177,940	195,841
Entrance fees, transfer fees and subscriptions	856,560	-	856,560	750,862
Training and courses	418,923	-	418,923	428,341
Accreditation and Certification	3,173,593	-	3,173,593	2,778,482
	<u>4,627,016</u>	<u>-</u>	<u>4,627,016</u>	<u>4,153,526</u>
3 Seminars/Conferences & Journals	Seminar/ Conferences	Seaways Journals	2024	2023
	£	£	£	£
Income				
Conferences and seminars	89,741	-	89,741	69,079
Seaways income (subscribers & Affiliates)	-	77,776	77,776	109,467
Seaways advertising income	-	10,423	10,423	17,295
	<u>89,741</u>	<u>88,199</u>	<u>177,940</u>	<u>195,841</u>
Expenditure				
Conferences/seminars	75,435	-	75,435	83,991
Seaways publications	-	204,602	204,602	173,325
Mars	-	7,000	7,000	7,000
Seaways advertising cost	-	2,564	2,564	3,191
	<u>75,435</u>	<u>214,166</u>	<u>289,601</u>	<u>267,507</u>
Surplus/(deficit) on Seminars/Conferences & Journals	<u>14,306</u>	<u>(125,967)</u>	<u>(111,661)</u>	<u>(71,666)</u>
4 Other trading activities	Books	Services	2024	2023
Sales	667,310	1,737	669,047	755,953
Costs of sales				
Opening stocks	82,948	2,766	85,714	52,302
Purchases	592,836	1,594	594,430	523,857
	<u>675,784</u>	<u>4,360</u>	<u>680,144</u>	<u>576,159</u>
Less: closing stocks	(88,553)	(3,819)	(92,372)	(85,714)
Costs of sales	<u>587,231</u>	<u>541</u>	<u>587,772</u>	<u>490,445</u>
Surplus on other trading activities	<u>80,079</u>	<u>1,196</u>	<u>81,275</u>	<u>265,508</u>
5 Investments income	General Fund £	Designated Fund £	2024 £	2023 £
Bank interest	21,396	59,090	80,486	30,334
Dividends	-	56,050	56,050	60,084
	<u>21,396</u>	<u>115,140</u>	<u>136,536</u>	<u>90,418</u>

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024

	Note	General Fund £	Designated Fund £	Total 2024 £	Total 2023 £
6 Raising funds					
Cost of generating funds	4	587,772	-	587,772	490,445
Investment management fees		-	22,658	22,658	20,331
Publicity		67,034	-	67,034	75,006
		<u>654,806</u>	<u>22,658</u>	<u>677,464</u>	<u>585,782</u>
7 Charitable activities					
Cost of activities in furtherance of the Institute's objectives	3	289,601	-	289,601	267,507
Support costs	8	792,329	-	792,329	793,824
Administration & Governance costs	9	628,002	-	628,002	574,066
Projects		455,448	-	455,448	425,999
Training & Courses		363,734	-	363,734	361,351
Membership		346,938	-	346,938	222,322
Accreditation and Certification		1,611,014	-	1,611,014	1,046,291
Grant to The Nautical Institute Foundation		207,278	-	207,278	-
		<u>4,694,344</u>	<u>-</u>	<u>4,694,344</u>	<u>3,691,360</u>
8 Support costs				2024 £	2023 £
Staff costs	11			710,559	726,220
Travelling and meetings				<u>81,770</u>	<u>67,604</u>
				<u>792,329</u>	<u>793,824</u>
9 Administration & Governance costs				2024 £	2023 £
Postage and telephone				22,293	59,876
Printing and stationery				7,169	8,123
Computer expenses				105,528	68,323
Auditors fees				19,900	19,500
Credit Card & Bank Charges				96,956	82,525
Rent, rates and service charges				105,477	80,995
Insurance				8,548	9,101
Office equipment rental				5,466	2,677
General expenses				32,212	45,341
Travelling, meetings and AGM expenses				81,770	67,604
Legal & Professional fees				27,770	29,540
Training Costs				7,149	2,954
Staff recruitment costs				29,065	5,450
Depreciation				<u>78,699</u>	<u>92,057</u>
				<u>628,002</u>	<u>574,066</u>
The total amount of Governance costs included above is £129,440 (2023: £116,643) which is made up of auditors fees, travelling and legal & professional fees.					
10 Net movement in funds for the year				2024 £	2023 £
This is stated after charging:					
Depreciation of fixed assets				78,699	92,057
Amounts paid in respect of operating leases				84,170	84,170
Auditors remuneration (audit services)				<u>19,900</u>	<u>19,500</u>

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024

11 Staff costs	2024	2023
	£	£
Salaries & wages	1,918,419	1,675,028
Social security costs	210,135	181,833
Pension	157,142	135,006
<i>Total staff cost including benefits</i>	<u>2,285,696</u>	<u>1,991,867</u>
Less: allocated to cost centres	<u>(1,575,137)</u>	<u>(1,265,647)</u>
<i>Staff costs included within overhead cost.</i>	<u>710,559</u>	<u>726,220</u>
No. of employees earning £60,001 to £70,000	4	4
No. of employees earning £70,001 to £80,000	2	1
No. of employees earning £80,001 to £90,000	1	1
No. of employees earning £90,001 to £100,000	1	1
No. of employees earning £100,001 +	<u>2</u>	<u>1</u>
Average number of employees	<u>41</u>	<u>37</u>

The chairman and trustees did not receive any remuneration during the year.

The key management personnel consists of the CEO, Director of Finance and Director of Research & Relationships; their total remuneration was £414,082 for the year ended 31 December 2024 (2023: £384,807). Remuneration of key management personnel is set by the remunerations committee.

12 Taxation

The charitable company is exempt from corporation tax on its charitable activities.

13 Tangible fixed assets	Office furniture & Equipment		
Cost	£	Computers	Total
	£	£	£
At 1st January 2024	79,769	950,605	1,030,374
Additions	1,757	89,573	91,330
Disposals	-	-	-
At 31st December 2024	<u>81,526</u>	<u>1,040,178</u>	<u>1,121,704</u>
Accumulated depreciation			
At 1st January 2024	76,722	883,515	960,237
Charge for the year	1,019	77,680	78,699
Disposals	-	-	-
At 31st December 2024	<u>77,741</u>	<u>961,195</u>	<u>1,038,936</u>
Net book values:			
As at 31st December 2024	<u>3,785</u>	<u>78,983</u>	<u>82,768</u>
As at 31st December 2023	<u>3,047</u>	<u>67,090</u>	<u>70,137</u>

14 Investments	2024	2023
	£	£
Market value at 1 January	2,910,752	2,476,871
Acquisition at cost	420,850	556,463
Sales proceeds at market value	(370,131)	(252,393)
Gain in the year	<u>174,215</u>	<u>129,811</u>
Market value at 31 December	3,135,686	2,910,752
Other Holdings		
Cash	<u>128,228</u>	<u>137,325</u>
Market value at 31 December	<u><u>3,263,914</u></u>	<u><u>3,048,077</u></u>
Market value at 1 January	<u>3,048,077</u>	<u>2,868,058</u>
Historic cost at 31 December	<u><u>2,919,278</u></u>	<u><u>2,843,117</u></u>

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024

14 Investments (continued)

The following investments represent more than 5% of the total portfolio value at 31 December 2024:

	Balance	% holding
	£	
UK Government Bonds	402,126	12.3%
Edgewood Select Fund	220,226	6.7%
Findlay Park Funds	215,334	6.6%
SPDR Series Trust	430,239	13.2%

14a Short term deposits

	2024	2023
	£	£
At 1 January	1,000,000	-
Purchase of short term deposits	50,860	1,000,000
At 31 December	<u>1,050,860</u>	<u>1,000,000</u>

15 Stocks

	2024	2023
	£	£
Books	88,553	82,948
Member services	3,819	2,766
	<u>92,372</u>	<u>85,714</u>

16 Debtors

Trade debtors	223,092	424,018
Prepayments	220,118	159,923
Other debtors	232,820	428,605
VAT	85,175	46,673
	<u>761,205</u>	<u>1,059,219</u>

17 Liabilities: Creditors: Amounts falling due within one year:

Trade creditors	236,192	276,496
Accruals	88,714	157,194
PAYE & other creditors	85,159	69,033
Deferred income	106,424	176,084
	<u>516,489</u>	<u>678,807</u>

Deferred income includes project and membership income received in advance which is being released to income in the period the income relates to. It also includes a premium from surrendering old office lease which is being recognised over the 5 years term of the current office lease.

	£
Balance brought forward at 1 January 2024	176,084
Release of deferred income in year	(68,333)
New deferrals	(1,327)
Balance carried forward at 31 December 2024	<u>106,424</u>

18 Funds

	Balance					Balance
	01.01.2024	Income	Expenditure	Gains	Transferred	31.12.2024
Designated funds	£	£	£	£	£	£
Capital Reserve Fund	4,048,078	115,140	(22,658)	174,215	-	4,314,775
Education fund	5,862	55,589	(761)	-	-	60,690
	<u>4,053,940</u>	<u>170,729</u>	<u>(23,419)</u>	<u>174,215</u>	<u>-</u>	<u>4,375,465</u>

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024

18 Funds (continued)

The Capital Reserve Fund has been set up to create a Contingency Reserve and a Projects Reserve. The Contingency Reserve is to ensure that the Institute's services are not compromised in the short term. The target level of Contingency Reserve is calculated based on 33% of annual operating budget. The Projects Reserve is to enable the Institute to fund specific projects with the approval of the Executive Board of Trustees. The target level of Projects Reserve is calculated based on 50% of the Contingency Reserve target. The level of Capital Reserve Fund is reviewed on a regular basis. During the year, there was no transfer of funds from the General Fund to the Capital Reserve Fund (2023: £1,000,000).

The Education Fund is generated from authors choosing to donate royalties due to them from book sales and from other sources. During the year, a donation of £55,589 has been received from Maritime Industry Foundation with aim of enhancing awareness in maritime industries. The Trustees therefore decided to allocate the donation to the Education Fund. The fund is being used to develop careers area of the Institute's website and to provide financial support to junior officers in the maritime sector towards advancing their career. The award of financial support from the Education Fund is made after applications are considered by the nominations committee.

General Fund	Balance 01.01.2024	Unrestricted	Transferred	Balance 31.12.2024
Brought forward	1,172,676	-	-	1,172,676
Transfer in year	-	-	-	-
Surplus for year	-	316,909	-	316,909
	<u>1,172,676</u>	<u>316,909</u>	<u>-</u>	<u>1,489,585</u>

19 Related Party Transactions

No Trustee received any remuneration for services as a Trustee. The amount of £22,686 (2023: £12,523) was reimbursed to 11 Trustees (2023: 10 Trustees) to cover miscellaneous travel expenses in connection with their roles as Trustees. During the year, one Trustee received payment of £2,259 (2023: £0) for a service provided to the Institute in a capacity different from being a Trustee.

During the year the charity paid net expenses of £48,286 (2023: £86,793) on behalf of the Nautical Institute Foundation, a charity with trustees in common with the the Nautical Institute. The balance due from the Nautical Institute Foundation at 31 December 2024 was £207,278 (2023: £158,992). As there is a doubt in respect of recoverability of the £207,278 balance, the Institute's Trustees have decided to make a provision against the balance as Grant to the Foundation. The Foundation's role is to be supportive of Nautical Institute programmes and ethos, but it plays a unique role in being able to support educational needs for the wider maritime community, not just the Institute's members. It aims to raise funds from industry participants and other maritime NGOs to develop and deliver its programmes and has no recourse to permanent funding from the Institute itself.

Trustees and Council members use the Institute's services on the same terms as other members. Because of the nature of the Institute's trades it is not practical to quantify the total of transactions with these members during the year. However, only minor balances were owed to and from these members as at 31st December 2024 and any fees paid to these members are shown separately in the Revenue Account. Trustees and Council members are required to be full voting members of the Institute.

Due to the nature of the Institute's trade, a number of the Trustees and Council members are also either directors or trustees or employees of entities with which the Institute trades. During the year, the Institute neither received nor made payment from/to any entity where the Institute's Trustee is a Company Director or Trustee of the entity.

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2024

20 Lease commitments

At 31 December 2024, the Institute had the following future lease payments under non-cancellable operating leases:

Land and buildings

	2024	2023
	£	£
Not later than one year	84,170	84,170
Later than one year and not later than five years	84,170	168,340

21 Comparative Statement of Financial Activities

	Unrestricted Fund	Designated Fund	2022
	£	£	£
Income and endowments from:			
Donations and Legacies	353,296	-	353,296
Charitable activities	4,153,320	206	4,153,526
Other trading activities	755,953	-	755,953
Investment income	19,879	70,539	90,418
Total	5,282,448	70,745	5,353,193
Expenditure on:			
Raising funds	565,451	20,331	585,782
Charitable Activities	3,691,360	-	3,691,360
Total	4,256,811	20,331	4,277,142
Net gain on investments	-	129,811	129,811
Net income	1,025,637	180,225	1,205,862
Transfers between funds	(1,000,000)	1,000,000	-
Net movement in funds	25,637	1,180,225	1,205,862
Reconciliation of funds:			
Total funds brought forward at 1st January	1,147,039	2,873,715	4,020,754
Total funds carried forward at 31st December	1,172,676	4,053,940	5,226,616

THE NAUTICAL INSTITUTE

England & Wales - Charity number 1002462

Accounts

The Nautical Institute Annual Report – 2023



John Lloyd FNI
Chief Executive and Company
Secretary on behalf of the
Executive Board

The Nautical Institute maintained the momentum of events and activities generated throughout our Golden Anniversary Year with signature events hosted in Antwerp, Cape Town, London, Hamburg, Singapore, Sharm el-Sheik and many other locations thanks to the commitment and leadership from our branches. Many meetings were in person with the added value of wider engagement through hybrid meetings being exploited where possible.

One particularly prominent event was held during London International Shipping week in collaboration with the UK's Merchant Navy Training Board and Trinity House. During this event the UK's Maritime Minister announced a package of training support for seafarers from Ukraine which helped raise the profile and status of this industry engagement.

Objectives and activities

This report identifies the key activities and developments at the NI during 2023 and serves as a useful reference of progress against the Strategic Plan.

The work of the Institute continues to provide a public benefit to the maritime community by helping improve safety and enhancing the flow of information and knowledge in key areas of global significance. These include areas such as protections of the marine environment, the implications of the next generation of fuels and a range of safety and operational issues. Sharing lessons learned through MARS, providing updates on best practice in *Seaways*, through webinars and Branch meetings and in our publications, all form part of this programme. In the past year, this has included work on areas such as maintaining lookout, reducing the need for entry into enclosed spaces, the risks of gantry cranes, bridge procedures, use of AIS and other areas where industry reports have indicated a need for improvement. This sharing of information is central to our role of raising professional standards and improving safety.



Human element

The Nautical Institute has always maintained a highly technical focus but in 2023 we have engaged much more closely in the 'human side' of discussions, conscious that approximately 47% of our membership (2020 figures) are full or part time seagoing seafarers, including our current President and Senior Vice President. The views of our seagoing members have been represented at all levels, at IMO and at various high level global speaking opportunities, and through strong collaboration with seafarers' charities.

Our future as an Institute (and that of the maritime industry) rests primarily with our ability to attract and retain high quality, professional, younger members. We can achieve this through a number of means but our greatest success in 2023 has been the over 2500 students that have joined us, enjoying free membership through their studies and the first year of their employment, helping us surpass our strategic plan target of 10,000 members, which many thought unachievable.

Throughout our many conferences and social functions cadets have played a great part and are always encouraged to engage and speak up on their needs, expectations, and concerns. Gaining sea time after academic studies remains a challenge for cadets in many parts of the world. Our President has gained first-hand experience of this by visiting academic training establishments globally and at every opportunity. By understanding the real world situation, The Nautical Institute can develop and advise on strategies to ensure that every cadet who wants to sail can do so.

The NI continues to encourage active participation from all sectors of our maritime community and encourages women maritime professionals to be a key part of our success story. This includes contributions to publications, articles in *Seaways* and appointments to Council, YMC and speaking panellists at conferences and webinars.

MEMBERSHIP AND BRANCHES

As the leading professional organisation in the maritime community, membership is central to our activities, priorities and engagement. Having a strong presence globally helps ensure key professional messages are shared effectively and is one reason why membership growth is important and branch activities effective.

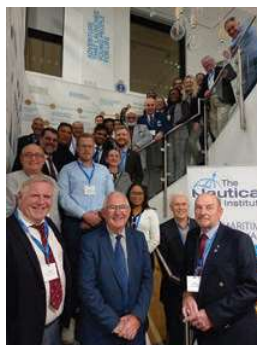
Membership during 2023 reaped the benefit of significant exposure during the year and at the end of the year, total membership stood at 11,258, of whom 2,915 were student members.

The decision to offer free student membership from late 2022 has been a key driver of growth, while special promotions such as offers to Dynamic Positioning Operators (DPOs) and specific branch promotions have helped to deliver significant numbers of new paid memberships.

Improving retention is a key priority. In late 2023 the membership team issued the first Dynamic Positioning (DP) Bulletin e-newsletter, designed to support members of the NI who are also DPOs. This



NI President Andre LeGoubin FNI at sea



First ever joint meeting of the Executive Board, Council and Younger Members' Council



The Younger Members' Council



CMMar presentation ceremony 2023

was extremely well received, and we are confident future issues will play a key role in convincing DPOs of the value of continued NI membership.

We continue to seek ways of enhancing the value of membership through our member benefit offers. New developments in this area include:

- An exclusive discount of 15% for members opting to study for an MSc or MBA qualification with MLA College.
- Free access to the Marine Society's Learn@Shore courses.

2023 also saw the broadening of the NI's membership criteria to welcome mariners from the fishing and inland waterway communities. We are delighted to have been given the opportunity to provide mariners working in these fields with access to professional body membership.

As well as our traditional seagoing membership base, the NI continues to attract members from maritime shore management positions, Vessel Traffic Service Operators (VTSOs), academics and others from our professional community.

A joint meeting of the Executive Board, Council and Younger Members' Council at NI HQ in December 2023, the first such meeting the NI has ever held, offered immense value in terms of the chance to learn from each other and exchange and develop ideas for the future of the Institute.

NI Branches

A new Baltic Branch was launched in Riga in June, bringing together delegates from Latvia, Lithuania, Estonia and Finland for a lively conference in the heart of the old city. The branch committee is now busying themselves for a programme of events and activities in 2024.

Key activities included revitalising branches such as The Netherlands, which hosted a packed re-launch event in September to much local industry acclaim. A similar effort in Indonesia continues to gain traction following a set of physical meetings in the second half of the year, putting the branch on track to re-launch in 2024. With one of the fastest growing memberships, it is now among the five largest branches by member count.

Work into 2024 will include supporting the launch of brand new branches in Turkey and Georgia in the late Spring, as well as Italy later in the year. Other focus areas include Mexico, Egypt and South America.

Younger Members' Council

The Younger Members' Council (YMC) had a strong year in 2023. Activities included:

- Designing and hosting a series of webinars;
- Creating video content;
- Writing articles for *Seaways*;
- Engaging more closely with branches and local colleges and events;
- Raising the profile of individual members.

The YMC's main priority for 2024 will be the formation and support of a global base of Younger Member Ambassadors (YMAS) tasked with engaging students and cadets at the local level. These YMAS will be key drivers of recruitment and central players

in the retention and conversion to full members of the existing student member cohort.

Chartered Master Mariner (CMMar)

We continue to support the Honourable Company of Master Mariners (HCMM) in this programme, indicating the highest levels of achievement in the seagoing profession. Many awards of CMMar are made to our senior members from around the world.

Armillary Club

This alumni group for long-term members and supporters of The Nautical Institute continues with its successful programme of light-touch technical meetings with an opportunity for engagement and networking. Meetings are held 3-4 times per year, and key presentations are repeated at different times of day to ensure members have a chance to attend no matter which time zone they are in. The Club remains open to new members, and we are grateful for their ongoing support of NI initiatives, particularly in the field of training and education.

RESEARCH AND RELATIONSHIPS

The Nautical Institute's technical engagement is led from the Research and Relationships area of the organisation and helps ensure that our world-leading expertise is delivered and understood in the right forums at the right time.

IMO

The NI remains committed to its role as a Non Governmental Organisation (NGO) at the IMO. During 2023 we have been represented at all appropriate meetings including:

- The main policy-making Committees:
 - FAL (Facilitation);
 - LEG (Legal);
 - MEPC (Marine Environment Protection);
 - MSC (Maritime Safety Committee).
- The technical Subcommittees:
 - SDC (Ship Design and Construction);
 - HTW (Human Element, Training and Watchkeeping);
 - SSE (Ship Systems and Equipment);
 - PPR (Pollution Prevention and Response);
 - NCSR (Navigation, Radiocommunications and Search and Rescue);
 - III (Implementation of IMO Instruments); and
 - (Carriage of Cargoes and Containers).
- Working groups specialising in Maritime. Autonomous Surface Ships, Greenhouse Gas reduction and the revision of STCW.

The Institute has submitted papers, participated actively in discussions and in correspondence groups. The commitment to the IMO and physical attendance at meetings is crucial to our impact in this forum. Huge thanks must be given to Captain Robert McCabe FNI (Past President) for his commitment to this work as Chairman of our IMO Committee.

We share regular reports of our activities in *Seaways* and through webinars. Our newest Vice President Neil Dulling, FNI gave a video interview updating our members on changes in regulations governing



Neil Dulling (right) presents a video with David Patraiko



Aly Elsayed and Ericsson Kwan preparing to demonstrate VR training aids at the IMO Maritime Safety Committee in June 2023



Navigator readers at sea

Green House Gas (GHG) emissions (<https://tinyurl.com/NIGHGintro>)

The NI also formed a special focus group to support our involvement in the STCW review, led by Dr Malek Pourzanjani FNI.

IALA

The NI continues to work closely with IALA and is represented by Jillian Carson-Jackson FNI (Past President) who chairs working groups in the VTS Committee and Digital Technology Committee. We maintain a close relationship and the IALA secretariat continue to offer contributions to NI publications.

OCEAN Project

The OCEAN (Operator-Centered Enhancement of Awareness in Navigation) Project is a three year EU Horizon project to improve navigational safety (<https://ocean-navigation-awareness.eu>). The NI leads two work packages in this project. One focuses on 'Enhanced Professional Standards for Situation Awareness' and will result in a report on improved professional standards, a series of videos highlighting improved training standards, and research into improved operator decision making.

The Nautical Institute is taking the lead on dissemination, communication and exploitation of the project findings, making use of a range of media including reports, press releases, website hosting, webinars, social media, and policy papers.

Progress this year included a report on identification of the root causes of navigational accidents, a report on improved operator decision making, and numerous activities to try to reduce whale strikes. The website <https://ocean-navigation-awareness.eu> contains many resources including reports, videos and news about the project.

As part of the project, work related to reducing whale strikes has resulted in the Institute's Senior Technical Adviser, Capt Aly Elsayed AFNI being elected by the International Whaling Commission (IWC) to represent shipping issues at their forums.

The Navigator

The Navigator continues to receive a wide range of praise from many readers, principally from the target audience of junior officers but also from more senior officers, Masters and shore management. The Council are grateful for the support from IFAN and the many other financial contributors to this project.

Focus areas for *The Navigator* in 2023 included risk management, shipping and the environment and the hot topic of AIS, with contributions from the IALA and International Chamber of Shipping (ICS) secretariats. Council thanks all those who contributed to *The Navigator* with articles, letters, distribution, funding and not least the steady stream of 'NavSnap' contributors who constantly amaze us with the creative photos sent in from the readers.

Membership and industry engagement

The NI continues the drive to engage our members and the wider community to share ideas and learn from each other. Webinars in 2023 attracted 5,000

participants and the feedback from Q&A and engagement polls feed into areas like *Seaways* articles and IMO input.

The Institute's Technical LinkedIn Group is managed by Capt Elsayed, and now has over 30,000 members who debate areas of interest from a wide range of subjects. Regular written surveys help shape our thinking on topics such as (in 2023) the use of simulation, shiphandling training and leadership issues, and we would like to thank all who take part.

INFORMATION AND PUBLICATIONS

In the first half of 2023, interim cover was provided by the Chief Executive who oversaw several book reprints and the launch on 1 June of the 13th edition of *The Admiralty Manual of Seamanship* (AMOS) – a signature title authored by The Royal Navy, with whom the Institute holds a close association.

A webinar supporting the launch was attended by more than 450 people, far more than would be expected at a physical book launch. Further webinars are planned for each new book to launch in 2024.

A new Head of Information and Publications joined the Institute on 1 June 2023, and has spent the first six months setting the department's priorities and developing an ambitious work plan to the end of 2024.

A new quarterly publications newsletter featuring new and existing titles was established in August, targeting the businesses that account for more than 90% of NI book sales. Already this has been instrumental in driving pre-orders and bulk purchases.

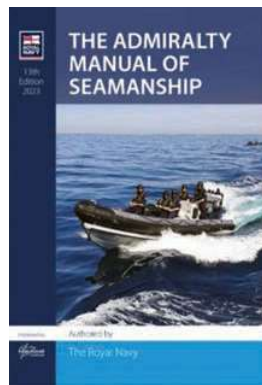
In October 2023, the Institute was pleased to launch the 3rd edition of *Bulk Carrier Practice* (BCP). A new publication *Maritime Security – A Practical Guide for Mariners* (Marsec) was published in December 2023.

Together these books, along with our existing titles, delivered the highest annual gross sales of publications in the Institute's publishing history.

In 2023, we entered into a second agreement with a provider of maritime e-books who will host NI digital publications on their platform. At least two further agreements are planned for 2024 upon which we expect to witness a slow but steady increase in e-book sales. Currently e-books account for 5% of NI book sales but this is likely to be closer to 10% in 2024.

Seaways

Over the years, *Seaways* has reflected the lives and concerns of our members, and is closely integrated with the wider concerns of the Institute. In 2023,



this has inevitably meant a focus on topics such as decarbonisation, digitisation, shipboard operations, safety of navigation and autonomous shipping. In all that we do, we aim to share and amplify the voice and concerns of seafarers especially when key conventions such as STCW are under review.

From cadet to Master, all NI members have access to *Seaways*, both as a means of professional development and as a platform to be heard. From first person interviews sharing what it is like to be at sea – or coming ashore – today to detailed reporting from IMO meetings, technical articles on DP drive-offs and tug manoeuvres, updates on NI initiatives such as the green curriculum, discussion on the risks and responsibilities of autonomous shipping, and studies of management onboard and off, *Seaways* gives a voice to our members, and expresses the depth of knowledge and diversity of opinion to be found within The Nautical Institute.

Every month, the Focus article and one other major feature are shared free on The Nautical Institute's website. Articles are selected to promote discussion, share important safety information, and highlight the range of topics covered in this magazine.

In 2024, we will be embarking on a programme to refresh the appearance of *Seaways* to take us through the next decade of delivering this widely respected, authoritative and learned industry journal.

MARS 2023

The NI's Mariners Accident Reporting Scheme (MARS) published a total of 58 reports in 2023. Of these, 20 reports were from private individuals; a further 38 reports were edited from National Investigative Agencies.

This is an increase of private source reports over 2022, and the trend toward fewer reports from private sources seems to have now stabilised, although it is still lower than we would wish. We do have some 'super-contributors' supplying us with reports, but our goal is to broaden the report source pool further. The important goal for MARS of sharing lessons learned with mariners is nonetheless well served.

The MARS Nautical Affiliates sponsorship scheme remains strong, with 52 sponsors at the end of 2023. These sponsors represent a truly global group that is a reflection of our membership.

QUALIFICATIONS

Our Dynamic Positioning (DP) accreditation and certification activities remain central to our contribution to wider maritime safety, and the process is kept under continual review.



Attendees at the DP Regional Training Providers event

Close cooperation with our stakeholders is a key stage in this process, and we were delighted to host our third face-to-face Regional Training Providers event in Sharm-El-Sheikh, Egypt, in September 2023. The two-day conference discussed safe DP operations, improvement in training standards, and the NI mandatory CPD Scheme (see below) and its implementation. Approximately 100 delegates attended the conference, including 43 training centre representatives.

Introducing CPD for DPO revalidation

As part of the ongoing review of the DP qualification process, The Nautical Institute is changing the requirements for revalidation of the NI DPO and Dynamic Positioning Vessel Maintainer (DPVM) certificates. To make sure that DP operators keep pace with developing standards in a fast-changing industry, DPOs and DPVM certificate holders renewing their certificates as of 1 January 2024 will now be asked to demonstrate either NI-approved Continuing Professional Development (CPD) or to complete the DP Refresher and Competency Assessment Course. This is in addition to the mandatory 150 days of DP sea time. The website has been updated with all the required information and FAQs.

The NI has approved two CPD Suppliers, IMCA & Keelson, and six further applications from CPD suppliers are in progress.

DP certification and accreditation

Over the course of 2023, we received 7,167 online applications for DP certification, of which 2,606 were new applications, 4,533 were for revalidation, and 28 were for conversion.

The Key Performance Indicator (KPI) for processing DP certification applications is ten working days from receiving the application. The team is performing above this, at six working days from date of receipt.

Approved training centres

We currently have:

- 80 accredited DP training centres worldwide (Americas 19, Asia & Australasia 28, Europe and Africa 33);
- 50 training centres approved for the Revalidation Course;
- 21 training centres approved for the DP Vessel Maintainer (DPVM) Scheme;
- 26 training centres approved for the Sea Time Reduction (STR) Course;
- 26 training centres approved for the DP Refresher and Competency Assessment Course;
- 5 training centres approved for the Shuttle Tanker Course;
- 4 training centres approved for the DP Emergency Ship Handling Recognition Course.

26 Accreditation and reaccreditation audits were scheduled for 2023, of which 21 were completed.

DP Vessel Maintainer Training and Certificate Scheme (Engineers)

The DP Vessel Maintainer Scheme for engineers was introduced in 2021 and continues to progress well. By



Sharing DP expertise in Seaways



the end of 2023, 2,500 DPVM logbooks have been issued, and 433 DPVM certificates have been issued. The grandfathering process for experienced engineers closed on 31 December 2023.

Ballast Control Operator Accreditation Scheme

The Nautical Institute's Ballast Control Operator (BCO) Scheme is stable, and we have issued 38 BCO certificates this year. One approved training centre in Poland was reaccredited in February 2023.

Oil Spill Response Accreditation Scheme

The Oil Spill Response Accreditation Scheme now covers companies providing training and/or responder services. In 2023, we accredited the first oil response company outside the UK, and our expertise in responder accreditation was sought out by regulators in Australia looking to establish their own scheme. A series of fact finding meetings was held with regulators and peers to review options for the development of the services going forward.

In 2023, 51 companies were accredited to provide training, and four to provide oil spill response services. Over the course of the year, 17 training companies were re-accredited and two new members joined the scheme.

The Nautical Institute Vessel Traffic Services (VTS) Accreditation Scheme (IALA R0103)

The IALA VTS accreditation scheme is stable with one approved training provider in Finland. We are in communication with a training centre in Thailand for the accreditation process.

The Nautical Institute Ice Navigation Scheme

The NI Ice Navigation Scheme continues to offer qualifications to officers who meet the standard. An additional training centre in Canada was approved in 2023.

Captain Duke Snider FNI (Past President) represented the NI at the IMO Polar Code Workshop meeting in Argentina. The IMO Circular HTW/10/6, November 2023, section 6, recognised The Nautical Institute Ice Navigation Scheme.

NAUTICAL INSTITUTE ACADEMY

The Nautical Institute Academy (NIA) has had a busy year, with several key milestones achieved on the path to creating a portfolio of courses designed to develop and nurture both seafarers and those employed ashore through focused professional development.

Maintaining the impetus to identify training needs, the Academy has widened the course portfolio. Additionally, the number of course dates (both open and company courses) continues to grow in response to customer confidence and market demand.

Some courses are proving more popular than others, with those courses that enable the student to develop employment pathways being in the highest demand (the ISM Lead Auditor, Designated Person Ashore, and Navigation Assessor courses leading the way).

All new instructors have been through a NIA 'Train the Trainer' Course, equipping them to teach our students effectively and in line with our specific mode and style of delivery. The vast majority of courses are delivered virtually and student feedback across the year has confirmed that this is the preferred mode of delivery. However, we have conducted company courses on a face-to-face basis this year, in accordance with client preference. Moving into 2024, one new client has requested face-to-face training at their Greek and Croatian offices and we are well placed to deliver this training due to the increase in the lecturer pool.

The NIA developed and ran a diploma course based on behavioural competency for the British Marine Aggregate Producers Association (BMAPA). The course received high praise from Cemex and Tarmac delegates and BMAPA is keen for it to be extended to European operators.

The Nautical Institute gained approved status in February 23 as a training centre of the Institute of Leadership and Management (ILM). The Command Diploma Scheme was used as the assessment vehicle and successful students on the scheme now get an OfQual Level 7 (post-graduate) vocational qualification (RQF).

The Seafarers Charity (TSC) funded the development of a Leadership and Management Course portfolio during 2023. The courses require the application of theory to practice and involve reflective thinking, thereby driving the student to think about their work environment in their current and future ranks.

Activities in 2023 have created a solid base for further development in 2024. In particular, the Academy will be working to develop courses on alternative fuels and bulk cargo vetting (Rightship), while also developing more human element focused courses.

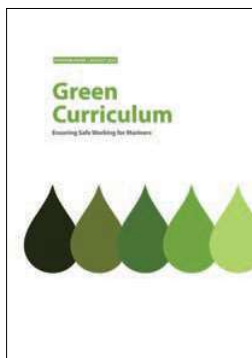
SAFETY AND ENVIRONMENT

The safety of people, ships and the protection of the environment are at the heart of everything we do as an Institute. During 2023, there was again a particular focus on improving safety in the fishing sector and in areas related to the introduction of new fuels. Numerous articles on fishing and the green curriculum were contributed to *Seaways* and *The Navigator*. Social media activities included a number of podcasts.

Fishing safety

On the fishing side, we were delighted that the fishing safety initiative was embraced by the NI Board. In January 2023 the NI opened membership to all professional fishers on an equal basis. An NI Fishing Safety Advisory Group (FSAG) made up of NI fishing safety experts held its inaugural meeting in November. This group coordinates NI fishing initiatives such as IMO representation and safety initiatives and promotes the profession of fishing.

The NI proposed a recommendation to the IMO to endorse the UK Fishing Safety Management (FSM) Code, which was warmly received.



The ISM Lead Auditor (Fishing) course was successfully drafted and implemented for the international fishing industry and the commercial sector. The Seafarers' Charity is generously funding four of these courses, and gave a £30,000 grant to the NI Academy.

The Green Curriculum

We continue to work towards the introduction of a common, recognised training programme to ensure crews have the knowledge and skills to handle innovative fuels safely. A revised position paper setting out the thinking behind our 'Green Curriculum' was published in January 2023.

The initiative gained momentum throughout 2023, and the NI was invited to contribute to several high-level global groups concerned with seafarer training in these fuels. This included the Maritime Technologies Forum (MTF) and the UN Global Compact Just Transition (UNGC). Our CEO was invited to the MTF conference as a panellist during Singapore Maritime Week in May 2023. We remain engaged with both groups, taking part in workshops that will produce reports to be submitted to the IMO.

FINANCE

The significant success achieved in various areas of the Institute's operations has been reflected in the corresponding financial results for the year. Income for 2023 significantly exceeded budget as activity levels remained strong across the entire portfolio of activities. An operating income of £5.3 million has been achieved against expenditure of £4.3 million resulting in an operational surplus of £1 million.

The operating surplus reflects a very successful year across the board, especially in the areas of Qualifications and Information & Publications. Although the return to physical meetings for the Executive Board, Council and various committees resulted in greatly increased travel costs during 2023, overall expenditure for the year remained close to budget due to effective cost control.

The management of the investment portfolio was kept under regular review in what was generally a steady market for investments. The balanced low-medium risk portfolio invested through Rathbones performed satisfactorily against market comparators. The Capital Reserve Fund value at year end was £4.0 million, which includes an additional £1 million invested in December 2023, and resulted in a total return of £180,000 for the financial year which is a return of 6.28% on the original investment.

The Reserves policy has proved to be effective and ensures the NI has adequate cover as a going concern.

STAFFING

The NI continued to take its responsibilities as an employer to its workforce seriously, investing in staff training and development needs, and offering benchmarked pay and flexible working arrangements whenever feasible.

In addition to regular staff engagement activities, the management team had an away day in August reflecting on the Institute's five-year strategy at its



The Nautical Institute HQ summer barbecue 2023



Staff development event 2023

mid-point. All-staff events took place in July and December to further enhance inter-departmental staff engagement and collaboration and celebrate mid-year and end of year achievements.

Staff retention remained satisfactory during 2023 with the total number of employees increasing from 35 at the beginning of the year to 36 at the end of the year. The major new appointment in 2023 was the new Head of Information and Publications in June. Our significant operational and financial success in 2023 and our continued ambition to grow further means we will continue to invest in our workforce with our headcount expected to reach around 40 in 2024.

The ISO 9002:2015 QM certification audit was once again held on site with no non-conformities reported. The internal audit process and clear evidence of member and customer engagement seem to be key factors in the positive report from the auditor.

NAUTICAL INSTITUTE FOUNDATION

The Nautical Institute Foundation is an independent charity governed by five trustees, three of whom are independent trustees and two who are officials of The Nautical Institute (the CEO and the Hon Treasurer). The Foundation CEO is currently the only employee.

The Foundation's role is to be supportive of Nautical Institute programmes and ethos, but it plays a unique role in being able to support educational needs for the wider maritime community, not just NI members. It aims to raise funds from industry participants and other maritime NGOs to develop and deliver its programmes and has no recourse to permanent funding from the NI itself.

The NI Foundation seeks to engage with industry leaders/partners to identify educational needs and develop learning solutions to meet these needs. Of particular interest at this time is a programme of activities designed to understand and provide visibility of the challenges of leadership today, both at sea and in the office.

The NI Foundation aims to conduct a large cross-industry research study this year to understand the challenges more clearly. On the back of that data, it will develop tools to prepare the industry to thrive once again. The work will lead to improved work styles and reduce the stress being levied on senior leaders, including Masters and Chief Engineers, energising them for this new world of disruption and change, and helping to address employee attrition in the industry.

The industry survey will open many other opportunities for the NIF and NI to develop tools for the shipping community. Working with the wider community is the only way to understand the challenges and opportunities that lie ahead.

Understanding the values of the Foundation is important and readers should read last year's report to remind themselves of those values. 🚢

THE NAUTICAL INSTITUTE

**(A Company Limited by Guarantee)
Company No. 2570030**

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2023

Registered Charity No: 1002462

THE NAUTICAL INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2023

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THE NAUTICAL INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED
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LEGAL AND ADMINISTRATION INFORMATION

Status

The Nautical Institute is a charitable company limited by guarantee, incorporated in England & Wales on 20th December 1990.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the trustees are elected by Council to serve a period of up to 3 years and may be re-elected for a further 3 years.

Trustees

The trustees of the company were:

Mr P B Hinchliffe	Chair	Ms D Lane
Captain D M Telfer	Treasurer	Mr G Lang (resigned 21 March 2024)
Captain M Ahmed (resigned 21 March 2024)		Captain N Nash
Captain K D Austin		Captain D Snider
Captain A Brink (resigned 21 March 2024)		Professor C D Dewey (appointed 7 December 2023)
Captain G Cowling		Mr S D Edmonston (appointed 7 December 2023)
Captain I Goveas		Mr D J Gozdzik (appointed 7 December 2023)
Captain Y Vandeborn (appointed 21 March 2024)		

Secretary Captain P J Lloyd

Chief Executive Officer Captain P J Lloyd

Registered Office 200B Lambeth Road
London
SE1 7JY

Auditors Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers The Royal Bank of Scotland
1 Spinningfields Square
Manchester
M3 3AP

Fund Managers Rathbones
8 Finsbury Circus
London
EC2M 7AZ

THE NAUTICAL INSTITUTE
REPORT OF THE TRUSTEES FOR THE YEAR ENDED
31ST DECEMBER 2023
Co. No. 2570030

The trustees, who are also the directors for the purposes of company law, present their report and the audited financial statements for the year ended 31st December 2023.

Principal activities

The Institute is registered as a Company limited by guarantee to promote and maintain nautical education.

Public Benefit

The trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit and that the activities carried out by the charity during the year were all undertaken in order to further the charity's aims for the benefit of the Charity's beneficiaries.

Objectives and activities

A detailed explanation is shown under Objectives and Activities on the Annual Report published in the June issue of the Institute's Journal, Seaways.

The work of the Institute continues to provide a public benefit to the maritime community by helping improve safety and enhancing the flow of information and knowledge in key areas of global significance. These include areas such as protections of the marine environment, the implications of the next generation of fuels and a range of safety and operational issues. Sharing lessons learned through MARS, providing updates on best practice in Seaways, through webinars and Branch meetings and in our publications, all form part of this programme. In the past year, this has included work on areas such as maintaining lookout, reducing the need for entry into enclosed spaces, the risks of gantry cranes, bridge procedures, use of AIS and other areas where industry reports have indicated a need for improvement. This sharing of information is central to our role of raising professional standards and improving safety.

Achievements and performance

• **Membership and Branches**

As the leading professional organisation in the maritime community, membership is central to our activities, priorities and engagement. Having a strong presence globally helps ensure key professional messages are shared effectively and is one reason why membership growth is important and branch activities effective.

Membership during 2023 reaped the benefit of significant exposure during the year and at the end of the year, total membership stood at 11,258, of whom 2,915 were student members. The decision to offer free student membership from late 2022 has been a key driver of growth, while special promotions such as offers to Dynamic Positioning Operators (DPOs) and specific branch promotions have helped to deliver significant numbers of new paid memberships.

• **Research and Relationships**

The Nautical Institute's technical engagement is led from the Research and Relationships area of the organisation and helps ensure that our world-leading expertise is delivered and understood in the right forums at the right time.

The NI remains committed to its role as a Non Governmental Organisation (NGO) at the IMO. During 2023, we have been represented at all appropriate meetings including: the main policy-making Committees; the technical Subcommittees; and working groups specialising in maritime. The Institute has submitted papers, participated actively in discussions and in correspondence groups. The commitment to the IMO and physical attendance at meetings is crucial to our impact in this forum.

The NI continues to work closely with IALA and we maintain a close relationship and the IALA secretariat continue to offer contributions to NI publications.

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• **Research and Relationships (continued)**

The NI is also involved in OCEAN (Operator-Centered Enhancement of Awareness in Navigation) Project which is a three year EU Horizon project to improve navigational safety (<https://ocean-navigation-awareness.eu>). The NI leads on two work packages in this project. One focuses on ‘Enhanced Professional Standards for Situation Awareness’ and will result in a report on improved professional standards, a series of videos highlighting improved training standards, and research into improved operator decision making. Another one focuses on dissemination, communication and exploitation of the project findings, making use of a range of media including reports, press releases, website hosting, webinars, social media, and policy papers.

The Navigator magazine, which is a free publication from The Nautical Institute that champions the role of today's professional marine navigators, continues to receive a wide range of praise from many readers, principally from the target audience of junior officers but also from more senior officers, Masters and shore management. The Council is grateful for support from IFAN and the many other financial contributors to this project. Focus areas for The Navigator in 2023 included risk management, shipping and the environment and the hot topic of AIS, with contributions from the IALA and International Chamber of Shipping (ICS) secretariats.

The NI continues the drive to engage our members and the wider community to share ideas and learn from each other. Webinars in 2023 attracted 5,000 participants and the feedback from Q&A and engagement polls feed into areas like Seaways articles and IMO input.

• **Information and Publications**

In the first half of 2023, interim cover was provided by the Chief Executive who oversaw several book reprints and the launch on 1 June of the 13th edition of The Admiralty Manual of Seamanship (AMOS) – a signature title authored by The Royal Navy, with whom the Institute holds a close association.

A new Head of Information and Publications joined the Institute on 1 June 2023, and has spent the first six months setting the department's priorities and developing an ambitious work plan to the end of 2024.

In October 2023, the Institute was pleased to launch the 3rd edition of Bulk Carrier Practice (BCP). A new publication Maritime Security – A Practical Guide for Mariners (Marsec) was published in December 2023. These books, along with our existing titles, delivered the highest annual gross sales of publications in the Institute's publishing history.

• **Qualifications**

Our Dynamic Positioning (DP) accreditation and certification activities remain central to our contribution to wider maritime safety, and the process is kept under continual review.

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• **Qualifications (continued)**

Close cooperation with our stakeholders is a key stage in this process, and we were delighted to host our third face-to-face Regional Training Providers event in Sharm-El-Sheikh, Egypt, in September 2023. The two-day conference discussed safe DP operations, improvement in training standards, and the NI mandatory CPD Scheme (see below) and its implementation. Approximately 100 delegates attended the conference, including 43 training centre representatives.

As part of the ongoing review of the DP qualification process, The Nautical Institute is changing the requirements for revalidation of the NI DPO and Dynamic Positioning Vessel Maintainer (DPVM) certificates. To make sure that DP operators keep pace with developing standards in a fast-changing industry, DPOs and DPVM certificate holders renewing their certificates as of 1 January 2024 will now be asked to demonstrate either NI-approved Continuing Professional Development (CPD) or to complete the DP Refresher and Competency Assessment Course. This is in addition to the mandatory 150 days of DP sea time. The NI website has been updated with all the required information and FAQs.

Over the course of 2023, we received 7,167 online applications for DP certification, of which 2,606 were new applications, 4,533 were for revalidation, and 28 were for conversion.

During the year, NI was also involved in schemes other than DP certification and accreditation. These includes DP Vessel Maintainer (DPVM), Ballast Control Operator (BCO), Oil Spill Response (OSR), Vessel Traffic Services (VTS) and Ice Navigation schemes.

• **NI Academy**

The Nautical Institute Academy (NIA) has had a busy year, with several key milestones achieved on the path to creating a portfolio of courses designed to develop and nurture both seafarers and those employed ashore through focused professional development.

Maintaining the impetus to identify training needs, the Academy has widened the course portfolio. Additionally, the number of course dates (both open and company courses) continues to grow in response to customer confidence and market demand.

Some courses are proving more popular than others, with those courses that enable the student to develop employment pathways being in the highest demand (the ISM Lead Auditor, Designated Person Ashore, and Navigation Assessor courses leading the way).

Activities in 2023 have created a solid base for further development in 2024. In particular, the Academy will be working to develop courses on alternative fuels and bulk cargo vetting (Rightship), while also developing more human element focused courses.

• **Safety and Environment**

The safety of people, ships and the protection of the environment are at the heart of everything we do as an Institute. During 2023, there was again a particular focus on improving safety in the fishing sector and in areas related to the introduction of new fuels. Numerous articles on fishing and the green curriculum were contributed to Seaways and The Navigator. Social media activities included a number of podcasts.

THE NAUTICAL INSTITUTE
REPORT OF THE TRUSTEES FOR THE YEAR ENDED
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Financial commentary

The significant success achieved in various areas of the Institute's operations has been reflected in the corresponding financial results for the year. Income for 2023 significantly exceeded budget as activity levels remained strong across the entire portfolio of activities. A gross income of £5,483,004 (2022: £3,855,119) has been achieved against total expenditure of £4,277,142 (2022: £3,490,611) resulting in a surplus for the year of £1,205,862 (2022: £364,508).

The surplus reflects a very successful year across the board, especially in the areas of Qualifications and Information & Publications. Although the return to physical meetings for the Executive Board, Council and various committees resulted in greatly increased travel costs during 2023, overall expenditure for the year remained close to budget due to effective cost control.

The management of the investment portfolio was kept under regular review in what was generally a steady market for investments. Management of the funds is delegated to external investment managers on a discretionary basis with the objective of maximising the total return from capital and income combined while maintaining a medium level of risk. The trustees review the performance of the managers against benchmarks on a regular basis. During the year, the balanced low-medium risk portfolio invested through Rathbones performed satisfactorily against market comparators. The Capital Reserve Fund value at year end was £4,048,078 (2022: £2,868,059) which includes an additional £1 million invested in December 2023 following a very successful year. The investment portfolio resulted in a total return of £180,019 (2022: total loss of £206,530) for the financial year which is a return of 6.28% on the original investment.

Reserves

The Institute holds reserves in order to ensure as far as possible that its objectives may be met in future and that it had adequate cover as a going concern. The target level of total reserve for 2023 was £2,070,000 (2022: £1,680,000) represented by Contingency Reserve of £1,380,000 (2022: £1,120,000) and a Projects Reserve of £690,000 (2022: £560,000). The Contingency Reserve target is calculated based on 33% of annual operating budget and the Projects Reserve is calculated based on 50% of the Contingency Reserve target. The free reserve at year end was £1,172,676 (2022: £1,147,039). The trustees consider that this amount of free reserves is adequate to ensure that the Institute's services are not compromised in the short term. The trustees recognise that the Capital Reserve Fund value at year end was in excess of the target level & are regularly reviewing the reserves policy, its position & possible use.

Risks and risk management

The trustees recognise their duty to anticipate, manage and mitigate the risks to which the charity's activities could be exposed. They acknowledge that risk is inherent in all activities and that its management is crucial to achieving the charity's objects. The trustees take a systematic approach to managing risk, with the executive team regularly monitoring and reporting risks to the board as well as prioritising actions.

Risks are rated by a mixture of a score for the likelihood of a risk from 1 (negligible) to 5 (major) and a score for its severity on a scale from A (very unlikely) to E (very likely). Scores before and after mitigation are calculated using a risk matrix.

The trustees review the Institute's Risk Management Policy at regular intervals. After considering the principal areas of strategic and operational risk, the trustees are confident that the appropriate means of control and mitigation have been adopted. Prudent management practices with awareness of changes in the operating environment are felt to be in place. The management of the Institute is responsible for the day to day management of risk and minimising the effect of any adverse events.

THE NAUTICAL INSTITUTE
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Risks and risk management

The trustees consider the following as the key risks for the organisation:

- 1 Potential lobby at IMO to move DP qualifications to STCW Part A thus becoming the responsibility of Flag States not 'industry and the NI'. Impact likely to be loss of global market dominance of the NI of this specialisation.

This risk is mitigated by the NI continuing to engage with IMO delegates as well as media and social media campaigns relating to the importance of industry leadership. We also monitor adoption of other qualifications.

- 2 Inability to access bank funds

The Institute's funds are kept in a diversified manner with an operational bank account held with Royal Bank of Scotland while also maintaining an active investment funds with Rathbones. In case of any banking restriction, we are allowed drawdown of funds from our investment accounts held with Rathbones within 2-3 days notice. We also continuously realign spending priorities for short and medium terms as well as regularly adjusting spending forecasts.

- 3 Loss of identity of The Nautical Institute

We mitigate this risk by having a strong governance arrangements in place including carefully managed appointment of trustees; care with branding arrangements; alignment of projects with areas of interest of the NI; clear demonstration of NI ownership of project deliverables.

Future Plans

The Institute plans continuing the activities outlined above in the forthcoming years to achieve the key deliverables on the 2021-2026 Strategic Plan, which can be found on the NI website. Review of the Strategic Plan is due in 2025.

THE NAUTICAL INSTITUTE
REPORT OF THE TRUSTEES FOR THE YEAR ENDED
31ST DECEMBER 2023
Co. No. 2570030

Structure, governance and management

Governing Document

The Nautical Institute is a charitable company limited by guarantee, incorporated on 20 December 1990 and registered as a charity on 8 April 1991. The Institute was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Executive Board. Under the requirements of the Memorandum and Articles of Association, the members of the Executive Board are elected to serve for a period of three years after which they may be re-elected for a period of another three years. In exceptional circumstances, the appointments may be extended at the discretion of the Council, provided that their total terms of office on the Executive Board does not exceed twelve years.

Trustee Induction and Training

Most trustees are already familiar with the practical work of the Institute having been a member themselves.

Additionally, new trustees are invited and encouraged to attend a series of short training sessions to familiarise themselves with the charity and the context within which it operates. These are jointly led by the Chair of the Executive Board and the Chief Executive of the charity and cover:

- The obligations of Executive Board members.
- The main documents which set out the operational framework for the charity including the Memorandum and Articles.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.

Organisational Structure

The Nautical Institute has an Executive Board of up to 15 members who meet at least three times a year and are responsible for the strategic direction and policy of the charity. At present, the Board has 12 members from a variety of professional backgrounds relevant to the work of the charity.

A scheme of delegation is in place and day to day responsibility for the provision of the services rest with the Chief Executive along with Head of Areas. The Chief Executive is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. The Head of Areas have responsibility for the day to day operational management of their respective areas, individual supervision of the staff team and also ensuring that the team continue to develop their skills and working practices in line with good practice.

THE NAUTICAL INSTITUTE
REPORT OF THE TRUSTEES FOR THE YEAR ENDED
31ST DECEMBER 2023
Co. No. 2570030

Remuneration

The key management personnel consists of the CEO, Director of Finance and Director of Research & Relationships.

The Institute operates a remuneration policy based on salary scales by grade with annual RPI and other changes determined by the Executive Board during the budget planning process. A delegated group of trustees appraise the Chief Executive at least annually and set remuneration for CEO and other key management personnel for the forthcoming year. A non-contributory pension investment of 9% of salary, is made to staff personal pension schemes.

While trustees are reimbursed travel expenses in connection with their roles as trustees, they do not receive any remuneration for their services as a Trustee. The Institute greatly values the contribution of its trustees and members in the work of the charity which ranges from their roles in the governance structure to representation input to the industry's decision making bodies and writing for the Seaways Journal and other publications. Due to the diversity of these voluntary contributions and the large number of members involved (some 140 in central governance roles), it is not feasible to assess the value in terms of time or money.

Fundraising

The Institute is aware of the requirements of the Fundraising Regulator. It does not use external fundraisers and no complaints have been received during the year. Trustees provide guidance and oversee the institute's fundraising practices, upholding the Charity Commission's fundraising principles.

Auditors

The auditors, Buzzacott LLP are willing to continue in office and resolutions concerning the appointment of Auditors will be submitted to the annual general meeting.

Fixed assets

Changes in the company's fixed assets during the year are shown on the balance sheet.

Trustees

The Trustees of the Charitable Company are stated on page 1.

This report has been prepared in accordance with Statement of Recommended Practice- Accounting and Reporting by Charities and in accordance with special provisions of part 15 of the Companies Act 2006.

Approved by the trustees and signed on their behalf by:



Mr P B Hinchliffe
Chair of Trustees

13 June 2024

THE NAUTICAL INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2023
TRUSTEES' RESPONSIBILITIES

Statement of Trustees' Responsibilities

Company law 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 company and of the surplus or deficit of the company for that period. In preparing those financial statements, the trustees are required to:

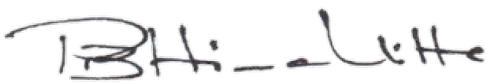
- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

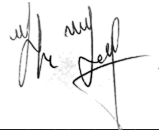
Disclosure of information to the auditor

In accordance with company law, each of the Trustees confirm that:

- so far as they are aware, there is no relevant audit information of which the charity's auditors are unaware; and
- as the Trustees of the charity, they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.



Mr P B Hinchliffe
Chair of Trustees



Captain D M Telfer
Treasurer

Date: 13 June 2024

THE NAUTICAL INSTITUTE

Independent Auditor's Report to the members of The Nautical Institute

Opinion

We have audited the financial statements of The Nautical Institute (the 'charitable company') for the year ended 31 December 2023 which comprise the summary income and expenditure account, the statement of financial activities, the balance sheet, the statement of cashflows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice)

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report published in the June issue of the Institute's journal, Seaways, the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE NAUTICAL INSTITUTE

Independent Auditor's Report to the members of The Nautical Institute (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial
- the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011) and those that relate to data protection (General Data Protection Regulation).

THE NAUTICAL INSTITUTE

Independent Auditor's Report to the members of The Nautical Institute (continued)

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual variances;
- tested journal entries to identify unusual transactions;
- tested the authorisation of expenditure and bank payments; and
- reviewed the implementation and design of controls and procedures in place around the grants payable system.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date 14 June 2024

THE NAUTICAL INSTITUTE
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2023

	2023	2022
	£	£
Income	5,353,193	4,106,016
Gain/(loss) on investments	129,811	(250,897)
Gross income in reporting period	<u>5,483,004</u>	<u>3,855,119</u>
Expenditure	(4,277,142)	(3,490,611)
Net income before tax for the reporting period	<u>1,205,862</u>	<u>364,508</u>
Tax Payable	-	-
Net income for the financial year	<u><u>1,205,862</u></u>	<u><u>364,508</u></u>

All income is unrestricted funds.

A detailed analysis of income and expenditure by source is provided in the Statement of Financial Activities and the notes to the financial statements.

THE NAUTICAL INSTITUTE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2023

	Note	Unrestricted Fund £	Designated Fund £	Total Funds 2023 £	Total Funds 2022 £ Note 21
Income and endowments from:					
Donations and Legacies		353,296	-	353,296	138,580
Charitable activities	2	4,153,320	206	4,153,526	3,420,568
Other trading activities	4	755,953	-	755,953	481,158
Investment income	5	19,879	70,539	90,418	65,710
Total		5,282,448	70,745	5,353,193	4,106,016
Expenditure on:					
Raising funds	6	565,451	20,331	585,782	439,943
Charitable Activities	7	3,691,360	-	3,691,360	3,050,668
Total		4,256,811	20,331	4,277,142	3,490,611
Net gain / (loss) on investments		-	129,811	129,811	(250,897)
Net income		1,025,637	180,225	1,205,862	364,508
Transfers between funds	18	(1,000,000)	1,000,000	-	-
Net movement in funds		25,637	1,180,225	1,205,862	364,508
Reconciliation of funds:					
Total funds brought forward at 1st January	18	1,147,039	2,873,715	4,020,754	3,656,246
Total funds carried forward at 31st December	18	1,172,676	4,053,940	5,226,616	4,020,754

All amounts relate to continuing activities.

All recognised gains and losses for the year are included in the above statements of financial activities.

Comparative information by fund class for the year ended 31 December 2022 is given in note 21.

All amounts above relate to unrestricted funds.

The notes on pages 17 to 25 form part of these financial statements.

THE NAUTICAL INSTITUTE
BALANCE SHEET AS AT 31ST DECEMBER 2023
Company No. 2570030

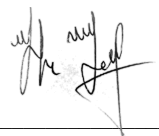
	Note	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	13		70,137		104,389
Investments	14		<u>3,048,077</u>		<u>2,868,058</u>
Total fixed assets			<u>3,118,214</u>		<u>2,972,447</u>
Current assets					
Stocks	15	85,714		52,302	
Debtors	16	1,059,219		404,025	
Cash at bank and in hand		642,276		1,182,196	
Short term deposits	14a	<u>1,000,000</u>		-	
Total current assets			<u>2,787,209</u>		<u>1,638,523</u>
Liabilities:					
Creditors: amounts falling due within one year	17	<u>(678,807)</u>		<u>(590,217)</u>	
Net current assets			2,108,402		1,048,306
Total net assets or liabilities			<u>5,226,616</u>		<u>4,020,753</u>
The funds of the charity:					
Unrestricted funds:					
Designated funds	18		4,053,940		2,873,715
General funds	18		1,172,676		1,147,039
Total charity funds			<u>5,226,616</u>		<u>4,020,754</u>

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

Approved by the board of trustees on 13 June 2024 and signed on their behalf by:



Mr P B Hinchliffe
Chair of Trustees



Captain D M Telfer
Treasurer

The notes on pages 17 to 25 form part of these financial statements.

THE NAUTICAL INSTITUTE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2023

<u>Statement of cash flows</u>	Total 2023 £	Total 2022 £
Cash flows from operating activities:		
<i>Net cash provided by (used in) operating activities</i>	477,674	550,665
Cash flows from investing activities:		
Dividends, interest and rents from investments	90,418	65,710
Purchase of property, plant and equipment	(57,804)	(85,664)
Proceeds from sale of investments	252,393	439,874
Purchase of investments	(556,463)	(694,360)
<i>Net cash (used in) investing activities</i>	<u>(271,456)</u>	<u>(274,440)</u>
Cash flows from financing activities:		
Purchase of short term deposits	(1,000,000)	-
<i>Net cash provided by (used in) financing activities</i>	<u>(1,000,000)</u>	<u>-</u>
 <i>Change in cash and cash equivalents in the reporting period</i>	 (793,782)	 276,225
Cash and cash equivalents at the beginning of the reporting period	<u>1,573,383</u>	<u>1,297,158</u>
Cash and cash equivalents at the end of the reporting period	<u><u>779,601</u></u>	<u><u>1,573,383</u></u>

Reconciliation of net income/(expenditure) to net cash flow from operating activities

Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,205,862	364,508
Adjustments for:		
Depreciation charges	92,057	86,868
(Gains)/Losses on investments	(129,811)	250,897
Dividends, interest and rent from investments	(90,418)	(65,710)
(Increase) in stocks	(33,412)	(12,361)
(Increase) in debtors	(655,194)	(197,605)
Increase in creditors	88,590	124,068
<i>Net cash provided by operating activities</i>	<u><u>477,674</u></u>	<u><u>550,665</u></u>

Analysis of cash and cash equivalents

Cash in hand	642,276	1,182,196
Investment capital reserve account	137,325	391,187
Total cash and cash equivalents	<u><u>779,601</u></u>	<u><u>1,573,383</u></u>

The notes on pages 17 to 25 form part of these financial statements.

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation of uncertainty in the preparation of the financial statements are laid out below.

a) Basis of accounting

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with the Companies Act 2006 and follow the recommendations of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

b) Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements. Given the level of liquid assets held in relation to planned expenditure, the Trustees are of the opinion that the charity has sufficient reserves to be able to meet its liabilities as they fall due.

c) Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it.

Income comprises donations and legacies, membership subscriptions, publications, training, certification and accreditation income as well as investment income.

Donations and legacies are included as voluntary income; all amounts are unrestricted in the current and prior year. Income is recognised when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Membership subscriptions are recognised in the financial year to which the subscription relates and deferred if received in advance of that financial year.

Publications, training and accreditation income is recognised as the related goods or services are provided.

Investment income is recognised on a receivable basis

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

1. Accounting policies (continued)

d) Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes the direct costs and support costs associated with generating publication income, together with the fees paid to investment managers in connection with the management of the charity's listed investments.
- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs (including governance costs).

e) Allocation of support costs

50% of travelling and meeting expenses have been allocated to management and administration of the Institute, which reflects the proportion incurred in this activity.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

f) Corporation tax

The company has taken advantage of the tax exemption allowed due to its charitable status.

g) Tangible fixed assets

The charity's policy is to capitalise asset purchases over £1,000. Depreciation is provided on tangible fixed assets so as to write down the cost over the expected useful life.

Furniture and office equipment is depreciated on the straight line basis at cost over its estimated useful life at the rate of 10% per annum. Computer equipment is depreciated at a rate of 33 1/3% per annum on cost.

h) Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise. The charity does not acquire put options, derivatives or other complex financial instruments.

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

1. Accounting policies (continued)

i) Stock

The stock held is the stock of books, both historical and current, and are valued at the lower of cost or net reliable value. The stock of books is reviewed periodically for the professional content and current relevance and a provision is calculated on this basis.

j) Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

k) Cash at bank and short term deposits

Cash at bank represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Cash placed on term deposit with a maturity of greater than three months but not more than twelve months is disclosed as a short term deposit.

l) Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it would pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

m) Funds

The charity has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

Unrestricted funds

Unrestricted funds arise from all the accumulated surpluses and deficits in the provision of general charitable activities.

Designated funds

Designated funds are funds set aside out of general funds by the Trustees and designated for a particular purpose. See note 18 for details of specific designated funds.

n) Operating leases

Rental payments under operating leases are charged as expenditure as incurred over the life of the lease.

n) Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- determining the basis for allocating support costs across expenditure categories;
- the estimation of future income and expenditure for the purposes of assessing going concern.

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

	General Fund	Designated Fund	Total 2023	Total 2022
	£	£	£	£
2 Charitable activities				
Seminars/Conferences & Journals	195,841	-	195,841	337,962
Entrance fees, transfer fees and subscriptions	750,862	-	750,862	766,073
Training and courses	380,318	206	380,524	362,051
Accreditation and Certification	2,826,299	-	2,826,299	1,954,482
	<u>4,153,320</u>	<u>206</u>	<u>4,153,526</u>	<u>3,420,568</u>
3 Seminars/Conferences & Journals				
	Seminar/ Conferences	Seaways Journals	2023	2022
	£	£	£	£
Income				
Conferences and seminars	69,079	-	69,079	178,701
Seaways income (subscribers & Affiliates)	-	109,467	109,467	124,865
Seaways advertising income	-	17,295	17,295	34,396
	<u>69,079</u>	<u>126,762</u>	<u>195,841</u>	<u>337,962</u>
Expenditure				
Conferences/seminars	83,991	-	83,991	142,685
Seaways publications	-	173,325	173,325	169,720
Mars	-	7,000	7,000	6,000
Seaways advertising cost	-	3,191	3,191	7,421
	<u>83,991</u>	<u>183,516</u>	<u>267,507</u>	<u>325,826</u>
Surplus/(deficit) on Seminars/Conferences & Journals	<u>(14,912)</u>	<u>(56,754)</u>	<u>(71,666)</u>	<u>12,136</u>
4 Other trading activities				
	Books	Services	2023	2022
Sales	751,723	4,230	755,953	481,158
Costs of sales				
Opening stocks	49,590	2,712	52,302	39,941
Purchases	520,910	2,947	523,857	371,407
	<u>570,500</u>	<u>5,659</u>	<u>576,159</u>	<u>411,348</u>
Less: closing stocks	(82,948)	(2,766)	(85,714)	(52,302)
Costs of sales	<u>487,552</u>	<u>2,893</u>	<u>490,445</u>	<u>359,046</u>
Surplus on other trading activities	<u>264,172</u>	<u>1,337</u>	<u>265,508</u>	<u>122,112</u>
5 Investments income				
	General Fund	Designated Fund	2023	2022
	£	£	£	£
Bank interest	19,879	10,455	30,334	11,058
Dividends	-	60,084	60,084	54,652
	<u>19,879</u>	<u>70,539</u>	<u>90,418</u>	<u>65,710</u>

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

	Note	General Fund £	Designated Fund £	Total 2023 £	Total 2022 £
6 Raising funds					
Cost of generating funds	4	490,445	-	490,445	359,046
Investment management fees		-	20,331	20,331	17,539
Publicity		75,006	-	75,006	63,358
		<u>565,451</u>	<u>20,331</u>	<u>585,782</u>	<u>439,943</u>
7 Charitable activities					
Cost of activities in furtherance of the Institute's objectives	3	267,507	-	267,507	325,826
Support costs	8	811,687	-	811,687	652,014
Administration & Governance costs	9	582,494	-	582,494	495,228
Projects		425,999	-	425,999	389,368
Training & Courses		193,566	-	193,566	123,540
Membership		196,031	-	196,031	145,480
Accreditation and Certification		1,214,076	-	1,214,076	919,213
		<u>3,691,360</u>	<u>-</u>	<u>3,691,360</u>	<u>3,050,668</u>
8 Support costs				2023 £	2022 £
Branch subventions & chartership costs				17,863	21,808
Staff costs	11			726,220	612,809
Travelling and meetings				67,604	17,397
				<u>811,687</u>	<u>652,014</u>
9 Administration & Governance costs				2023 £	2022 £
Postage and telephone				59,876	58,287
Printing and stationery				8,123	5,551
Computer expenses				68,323	58,082
Auditors fees				19,500	5,900
Credit Card & Bank Charges				82,525	50,541
Rent, rates and service charges				80,995	29,573
Insurance				9,101	9,238
Insurance - Members Benefit				8,428	7,600
Office equipment rental				2,677	5,765
General expenses				45,341	22,914
Travelling, meetings and AGM expenses				67,604	17,397
Legal & Professional fees				29,540	40,557
Training Costs				2,954	786
Staff recruitment costs				5,450	64,004
Depreciation				92,057	86,868
Office move				-	32,165
				<u>582,494</u>	<u>495,228</u>
10 Net movement in funds for the year				2023 £	2022 £
This is stated after charging:					
Depreciation of fixed assets				92,057	86,868
Amounts paid in respect of operating leases				84,170	-
Auditors remuneration (audit services)				<u>19,500</u>	<u>5,900</u>

THE NAUTICAL INSTITUTE
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FOR THE YEAR ENDED 31ST DECEMBER 2023

11 Staff costs	2023	2022
	£	£
Salaries & wages	1,675,028	1,441,380
Social security costs	181,833	161,787
Pension	135,006	108,523
<i>Total staff cost including benefits</i>	<u>1,991,867</u>	<u>1,711,690</u>
Less: allocated to cost centres	<u>(1,265,647)</u>	<u>(1,098,881)</u>
<i>Staff costs included within overhead cost.</i>	<u><u>726,220</u></u>	<u><u>612,809</u></u>
No. of employees earning £60,000 to £70,000	4	3
No. of employees earning £70,001 to £80,000	1	-
No. of employees earning £80,001 to £90,000	1	-
No. of employees earning £90,001 to £100,000	1	2
No. of employees earning £100,000 +	<u>1</u>	<u>1</u>
Average number of employees	<u>37</u>	<u>34</u>

The chairman and trustees did not receive any remuneration during the year.

The key management personnel consists of the CEO, Director of Finance and Director of Research & Relationships; their total remuneration was £384,807 for the year ended 31 December 2023 (2022: £376,892). Remuneration of key management personnel is set by the remunerations committee.

12 Taxation

The charitable company is exempt from corporation tax on its charitable activities.

13 Tangible fixed assets	Office furniture & Equipment			Computers	Total
Cost	£	£	£	£	£
At 1st January 2023	79,769	892,801	972,570		
Additions	-	57,804	57,804		
Disposals	-	-	-		
At 31st December 2023	<u>79,769</u>	<u>950,605</u>	<u>1,030,374</u>		
Accumulated depreciation					
At 1st January 2023	70,710	797,470	868,180		
Charge for the year	6,012	86,045	92,057		
Disposals	-	-	-		
At 31st December 2023	<u>76,722</u>	<u>883,515</u>	<u>960,237</u>		
Net book values:					
As at 31st December 2023	<u>3,047</u>	<u>67,090</u>	<u>70,137</u>		
As at 31st December 2022	<u>9,059</u>	<u>95,331</u>	<u>104,390</u>		

14 Investments	2023	2022
	£	£
Market value at 1 January	2,476,871	2,473,282
Acquisition at cost	556,463	694,360
Sales proceeds at market value	(252,393)	(439,874)
Surplus / Loss in the year	<u>129,811</u>	<u>(250,897)</u>
Market value at 31 December	2,910,752	2,476,871
Other Holdings		
Cash	<u>137,325</u>	<u>391,187</u>
Market value at 31 December	<u><u>3,048,077</u></u>	<u><u>2,868,058</u></u>
Market value at 1 January	<u>2,868,058</u>	<u>2,574,588</u>
Historic cost at 31 December	<u><u>2,843,117</u></u>	<u><u>2,556,052</u></u>

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

14 Investments (continued)

The following investments represent more than 5% of the total portfolio value at 31 December 2023:

	Balance	% holding
	£	
SPDR Series Trust	341,373	11.7%
Treasury 4.25% Stock 2032	167,644	5.8%

14a Short term deposits

	2023	2022
	£	£
At 1 January	-	-
Purchase of short term deposits	1,000,000	-
At 31 December	<u>1,000,000</u>	<u>-</u>

	2023	2022
	£	£
15 Stocks		
Books	82,948	49,590
Member services	2,766	2,712
	<u>85,714</u>	<u>52,302</u>

16 Debtors

Trade debtors	424,018	199,668
Prepayments	159,923	85,446
Other debtors	428,605	102,556
VAT	46,673	16,355
	<u>1,059,219</u>	<u>404,025</u>

17 Liabilities: Creditors: Amounts falling due within one year:

Trade creditors	276,496	199,630
Accruals	157,194	108,031
PAYE & other creditors	69,033	76,290
Deferred income	176,084	206,266
	<u>678,807</u>	<u>590,217</u>

Deferred income includes project and membership income received in advance which is being released to income in the period the income relates to. It also includes a premium from surrendering old office lease which is being recognised over the 5 years term of the current office lease.

	£
Balance brought forward at 1 January 2023	206,266
Release of deferred income in year	(68,333)
New deferrals	38,151
Balance carried forward at 31 December 2023	<u>176,084</u>

18 Funds

	Balance 01.01.2023	New Designated	Utilised/ Realised	Transferred	Balance 31.12.2023
	£	£	£	£	£
Designated funds					
Capital Reserve Fund	2,868,059	50,208	129,811	1,000,000	4,048,078
Education fund	5,656	206	-	-	5,862
	<u>2,873,715</u>	<u>50,414</u>	<u>129,811</u>	<u>1,000,000</u>	<u>4,053,940</u>

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

18 Funds (continued)

The Capital Reserve Fund has been set up to create a Contingency Reserve and a Projects Reserve. The Contingency Reserve is to ensure that the Institute's services are not compromised in the short term. The target level of Contingency Reserve is calculated based on 33% of annual operating budget. The Projects Reserve is to enable the Institute to fund specific projects with the approval of the Executive Board of Trustees. The target level of Projects Reserve is calculated based on 50% of the Contingency Reserve target. The level of Capital Reserve Fund is reviewed on a regular basis. During the year a transfer of £1m (2022: £500,000) has been made from the General Fund to the Capital Reserve Fund.

The Education Fund is generated from authors choosing to donate royalties due to them from book sales. The fund is used to provide financial support to junior officers in the maritime sector towards advancing their career. The award of financial support from the Education Fund is made after applications are considered by the nominations committee.

General Fund	Balance 01.01.2023	Unrestricted	Utilised/ Realised	Transferred	Balance 31.12.2023
Brought forward	1,147,039	-	-	-	1,147,039
Transfer in year	-	-	-	(1,000,000)	(1,000,000)
Surplus for year	-	1,025,637	-	-	1,025,637
	<u>1,147,039</u>	<u>1,025,637</u>	<u>-</u>	<u>(1,000,000)</u>	<u>1,172,676</u>

19 Related Party Transactions

No Trustee received any remuneration for services as a Trustee. The amount of £12,523 (2022: £2,944) was reimbursed to Trustees to cover miscellaneous travel expenses in connection with their roles as Trustees.

During the year the charity paid net expenses of £86,793 (2022: £55,986) on behalf of the Nautical Institute Foundation, a charity with trustees in common with the the Nautical Institute. The balance due from the Nautical Institute Foundation at 31 December 2023 was £158,992 (2022: £72,199). There are no concerns in respect of recoverability of this balance. The Foundation's role is to be supportive of Nautical Institute programmes and ethos, but it plays a unique role in being able to support educational needs for the wider maritime community, not just NI members. It aims to raise funds from industry participants and other maritime NGOs to develop and deliver its programmes and has no recourse to permanent funding from the NI itself.

Trustees and Council members use the Institute's services on the same terms as other members. Because of the nature of the Institute's trades it is not practical to quantify the total of transactions with these members during the year. However, only minor balances were owed to and from these members as at 31st December 2023 and any fees paid to these members are shown separately in the Revenue Account. Trustees and Council members are required to be full voting members of the Institute.

Due to the nature of the Institute's trade, a number of the Trustees and Council are also directors/trustees/employees of entities with which the Institute trades, and due to the nature of the trade, it would not be practical to quantify the total of transactions in the period.

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

20 Lease commitments

At 31 December 2023, the Institute had the following future lease payments under non-cancellable operating leases:

Land and buildings

	2023 £	2022 £
Not later than one year	84,170	84,170
Later than one year and not later than five years	168,340	252,510

21 Comparative Statement of Financial Activities

	Unrestricted Fund £	Designated Fund £	Total Funds £
Income and endowments from:			
Donations and Legacies	138,580	-	138,580
Charitable activities	3,420,568	-	3,420,568
Other trading activities	481,158	-	481,158
Investment income	3,804	61,906	65,710
Total	<u>4,044,110</u>	<u>61,906</u>	<u>4,106,016</u>
Expenditure on:			
Raising funds	422,404	17,539	439,943
Charitable Activities	3,048,801	1,867	3,050,668
Total	<u>3,471,205</u>	<u>19,406</u>	<u>3,490,611</u>
Net loss on investments	-	(250,897)	(250,897)
Net income	<u>572,905</u>	<u>(208,397)</u>	<u>364,508</u>
Transfers between funds	<u>(501,510)</u>	<u>501,510</u>	<u>-</u>
Net movement in funds	<u>71,395</u>	<u>293,113</u>	<u>364,508</u>
Reconciliation of funds:			
Total funds brought forward at 1st January	1,075,644	2,580,602	3,656,246
Total funds carried forward at 31st December	<u>1,147,039</u>	<u>2,873,715</u>	<u>4,020,754</u>

THE NAUTICAL INSTITUTE

England & Wales - Charity number 1002462

Accounts

The Nautical Institute Annual Report – 2022



John Lloyd FNI
 Chief Executive and Company
 Secretary on behalf of the
 Executive Board



Objectives and activities

This report provides an insight into the activities of the NI during 2022 and provides a key operational and performance review.

The work of the Institute is not only a service to members but also a public benefit to maritime professionals, the industry and society in general worldwide, by improving safety and the protection of the marine environment through the sharing of knowledge in nautical science and the raising of professional standards.

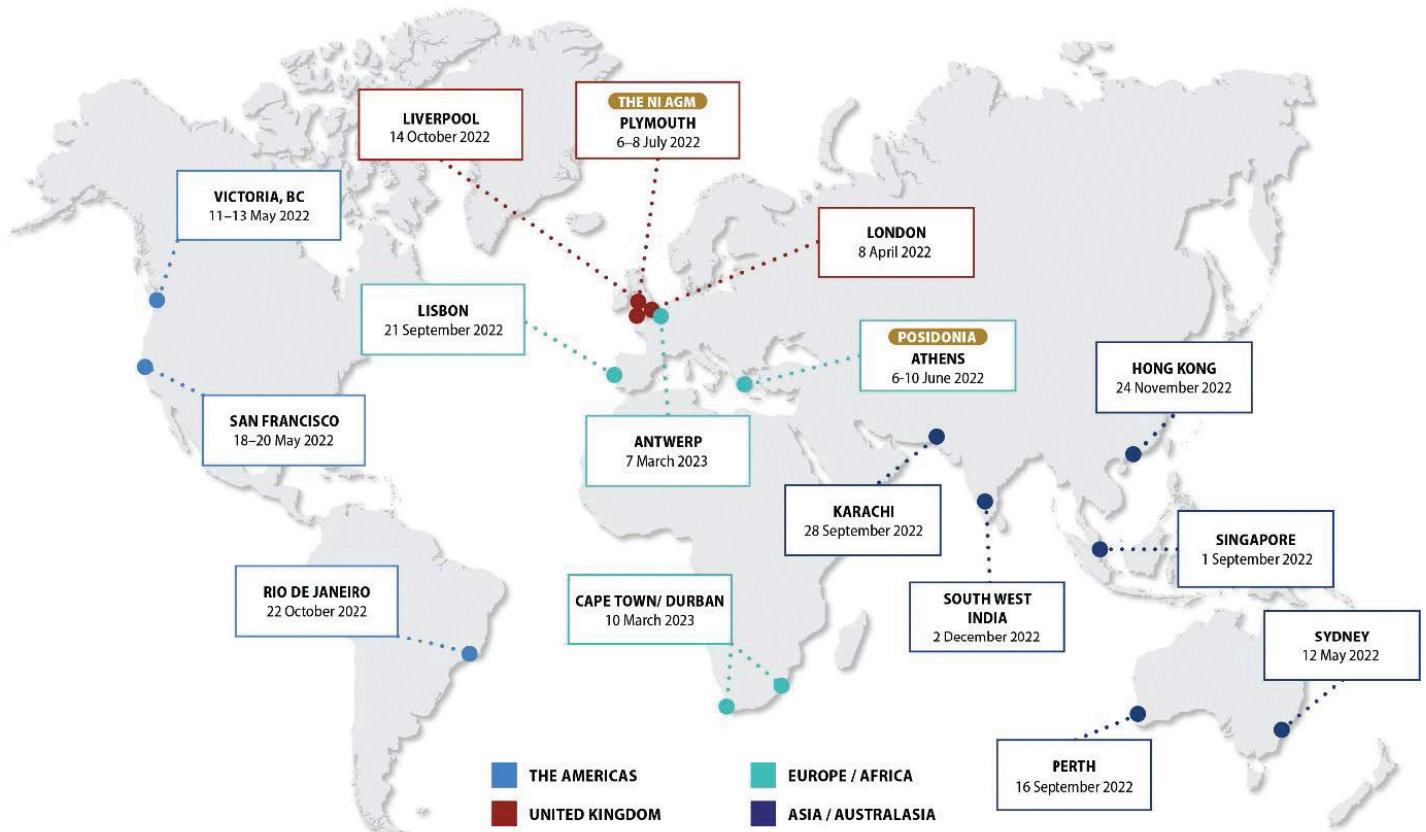
MEMBERSHIP & BRANCHES

Total membership at the end of 2022 stood at 8,321 – up from 7,230 the previous year. Key factors behind this growth were the introduction of free student membership in late 2022 and the continuing success of the DPO conversion programme. It is believed the introduction of new member benefits has also contributed.

The Nautical Institute profile in 2022 was dominated by 50th Anniversary engagement on a global scale. The lifting of Covid restrictions enabled physical meetings to take place almost unimpeded by previous restrictions.

In all 16 events were held (see map below), and the regional nature of the engagement allowed matters of local importance to be addressed in a global context.

The leading highlight for the year was the Annual General Meeting event hosted in Plymouth. With Royal patronage and an exciting programme the event drew attention worldwide and helped confirm The Nautical Institute as a world-class organisation committed to leading the professional debate.



Free student membership

In October 2022, the NI introduced free digital-only membership for those in initial maritime training or education. Following completion of their studies, students have a grace period of up to a year in which to establish their career. Towards the end of this period they are actively encouraged to upgrade to full membership of the NI, initially at half price. Uptake has been brisk, with 674 student members at the end of 2022, compared with approximately 200 immediately before the launch of the scheme.

Learn@Sea courses from MSSC

In mid 2022 The Nautical Institute partnered with leading seafarer charity MSSC, with the generous support of the International Foundation for Aids to Navigation (IFAN), to offer NI members free access to a range of practical online courses. Topics covered range from core English to leadership skills, meteorology and environmental protection. So far over 100 NI members have taken advantage of this new membership benefit.

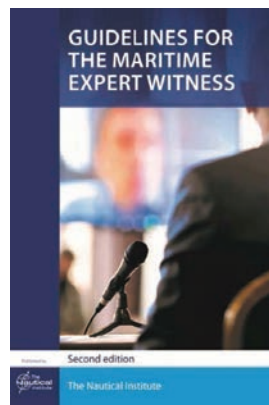
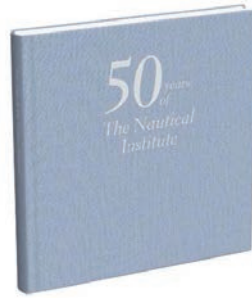
New app for members

A new app introduced in July last year has provided members with a handy way of accessing a range of useful content. Members can use the app to catch up on the Institute's latest news, view upcoming events, read MARS reports, watch NI webinars, record their CPD and read *Seaways* and *The Navigator*.

NI Branches

NI branches around the world played a leading role in helping The Nautical Institute mark its 50th anniversary. Highlights included the attendance of HRH the Princess Royal at the afternoon session of the Institute's 50th anniversary event in Plymouth, a two-day conference in British Columbia bringing together an array of experts to discuss the challenges and opportunities of the Maritime Arctic and a truly global gathering in Singapore with an audience of close to 200.

The majority of branches continued member engagement activities, including technical and social events. A new branch was launched in Germany, the Malta Branch was given HQ support for 're-establishing' an annual conference in Valletta, and additional effort was placed on developing new or re-developing dormant branches in the Netherlands, Turkey, Georgia, the Baltic region, Indonesia and others.



Regular contact with branches via telephone and video calls was prioritised in 2022 to re-engage members post-Covid, and to encourage more engagement and reporting from branches.

Younger Members' Council (YMC)

New members were appointed to the YMC in February 2022 as some founding members stood down due to age or other commitments.

Much of the year was spent re-establishing priorities and working arrangements following the Covid hiatus. The group otherwise focussed on technical outputs in the form of *Seaways* articles, social media content and support for branch activities, with many engaged in independent outreach to schools and colleges and through other maritime associations. Over the year, every single member of the group contributed tangibly to its aims.

The group re-established a quarterly meeting schedule and revived its WhatsApp group.

INFORMATION and PUBLICATIONS

The Information and Publications area underwent quite some change during 2022 with a new Head of area introducing ideas for a revised organisational structure and arrangements for the development of publications. One key milestone was the release of our celebratory publication. The 50th Anniversary book reflected on half-a-century of development in the NI; a publication widely welcomed by our members.

Other books did not progress in the way we had hoped, with titles under development now deferred until 2023. An organisational review has been undertaken for this area to enable us to build for the future. New arrangements will include a dedicated sales executive and a revision of the book development process.

The other significant launch in 2022 was *The Guidelines for the Maritime Expert Witness* publication brought to the community in March 2022.

Development work on other key publications has progressed and will result in three significant book launches in the first half of 2023.

Seaways



Seaways continues to cover a wide range of topics, reflecting both new and long-standing concerns of our members, from the emerging risks of lithium-ion battery carriage to the training implications of new technologies. A particular highlight in 2022 was the chance to showcase the technical and social highlights of the Golden Anniversary events.

In 2022, for the first time, we have begun regularly sharing selected articles from *Seaways* online to help the industry at large benefit from NI technical expertise and promote the work of the Institute. Work is ongoing to improve the online search facility and make the archive fully accessible.

RESEARCH AND RELATIONSHIPS

The Navigator Magazine

The Navigator magazine continues to inspire professionalism in marine navigators. Its impact is evident from testimonials illustrating changes of behaviour, improved teamwork and a focus on mentoring.

With generous funding from IFAN, Ocean Technologies Group, Excelerate and Skuld P&I Club, we were able to deliver thousands of paper copies of *The Navigator* and many thousands more copies through the app and free downloads. Users particularly appreciate that the app is fully searchable across all issues.

During this year we were able to catch up on the gap in mass paper distribution caused by Covid (NI Members continued to get their copies with *Seaways*). In a very special edition we bundled six issues together (issues 25-30) to meet the demand for paper copies internationally without overwhelming distributors with individual copies. Topics covered in 2022 included:

- Pilots and pilot safety;
- Fatigue and fatigue management;
- Ship/shore collaboration.

Virtual Reality and Shiphandling

During 2022 the NI concluded a collaboration with Lloyds Register SafetyTech Accelerator (STA) programme on the use of Virtual Reality to provide low cost easily accessible training in shiphandling.

The proof of concept showed huge potential but also some weaknesses and limitations. Bearing in mind the costs of building and using full mission simulators in maritime training, tetherless VR will be a very affordable and credible gap filler pitched between 2D digital training packages and the ultimate full mission simulators – and increasingly available both at home and on board ship.

A report in May 2022 *Seaways* concluded that this particular project showed huge potential but that the hydrodynamic model needed more development to be credible. The NI will keep an active watch on the potential for VR and its role in the use of simulation for maritime training and education.

OCEAN Project

The NI became partners in an EC funded project for Operator-Centred Enhancement of Awareness in



Navigation (OCEAN). The OCEAN project is focused on enhancing operator awareness in navigation to:

- Reduce the frequency of severe accidents like collision and grounding;
- Mitigate ship-strike risks to marine mammals;
- Mitigate the risk presented by floating obstacles to ships.

This will be a three year project working with leading maritime partners coordinated by the Western Norway University of Applied Sciences. The funding from this project will allow the NI to focus on defining good navigation practices and offering practical feedback into the design of new navigation technology for improving decision making.

ATAG

The Autonomous Technology Advisory Group (ATAG) is a group of NI members who are familiar with evolving technology as developers and users, and who wish to share that knowledge and experience.

In 2022 this group met many times and produced a range of CPD materials, including articles in *Seaways*, a Round Table discussion in July at the AGM and a webinar in October (the latter two events are recorded on the NI website). Further learning material is planned for 2023.

Industry engagement/IMO

The NI continues its involvement with the IMO as a non-governmental organisation (NGO), attending a broad spectrum of meetings to address the wide range of our Members' interests. 2022 saw a return to physical meetings at the IMO in London returning to an increased capacity for meeting content. For at least a year these meetings will be available in hybrid format while the IMO assesses the value of this way of operating. For the NI, the hybrid format has increased ability to participate and network while retaining the option of engaging remote members with specialist technical knowledge.

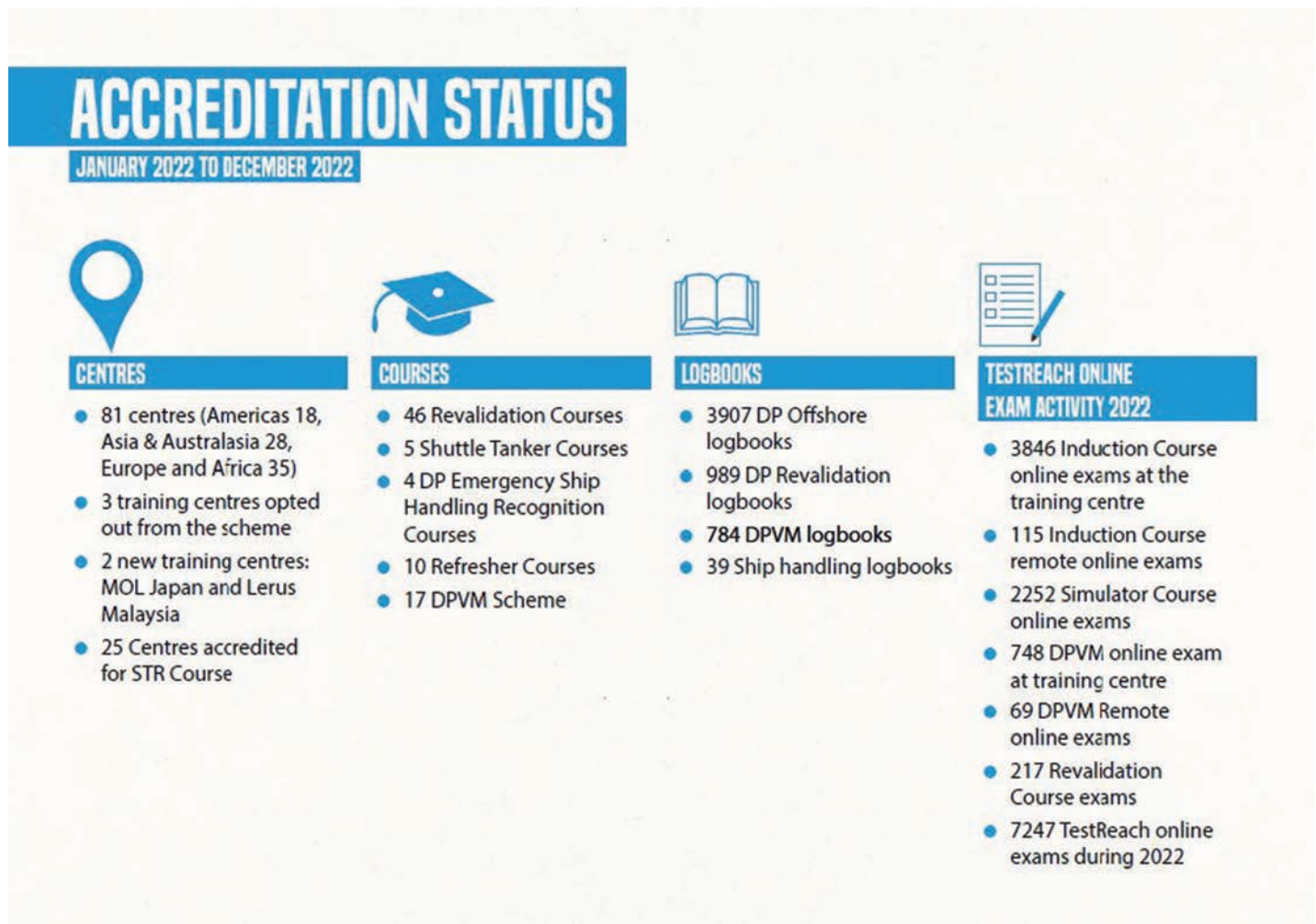
We attended the meetings of 10 different IMO Committees in 2022. Issues of priority were safety of navigation, the human element, marine autonomous surface ships (MASS), greenhouse gas emissions, training, fatigue, and of course the welfare of seafarers. These issues and meeting notes have been regularly reported in *Seaways*. The Executive Board particularly thanks our IMO Committee Chair Capt Robert McCabe, FNI for his commitment to this work.

The Board also thanks our Immediate Past President Jillian Carson-Jackson, FNI for her commitment to IALA, in particular on the subjects of eNavigation and VTS. The NI continues to engage with many other international organisations with staff and volunteers, operating remotely and in person.

Webinars

During 2022, NIHQ webinars attracted over 10,000 registrants and many thousands more took advantage of the recordings. The most popular subjects were pilot ladder safety, mooring safety and Augmented Reality (AR).

QUALIFICATIONS



Dynamic Positioning (DP) Accreditation

Since travel restrictions eased in the second quarter of 2022, the NI accreditation audit team has resumed onsite audits. The team completed 36 audits, including nine online audits where travel was restricted. We approved 12 new DP instructors in 2022, bringing the total number to 174 worldwide. All new instructors were interviewed before issuing the approval to ensure the maintenance of high-quality DP training. Regional Training Providers and Dynamic Positioning Training Executive Group (DPTEG) meetings were conducted online without disruption.

The NI introduced temporary measures to deliver a 'blended' induction course during the global Covid pandemic. A number of training centres requested that the blended solution should remain available when Covid restrictions were lifted. Following working group meetings with our stakeholders, provision for this course is available in the 2022 standards with DPTEG approval.

The Nautical Institute hosted its second face-to-face global regional training providers' meeting in Rio de Janeiro, Brazil. The two-day conference discussed safe DP operations, improvements in training standards and the NI's mandatory CPD Scheme.

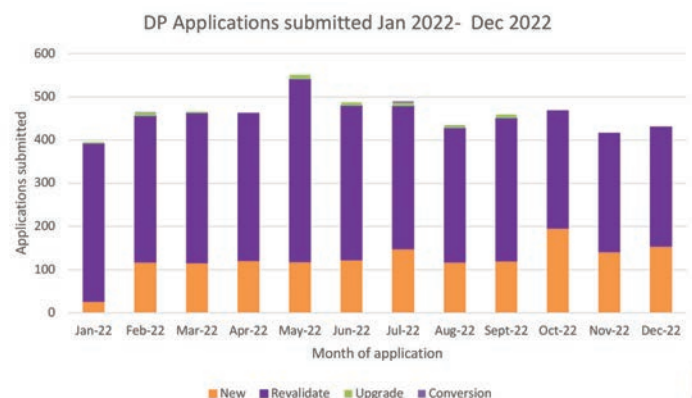
A total of 5,942 DPO applications were processed, including new applications, upgrades and renewals.

The DP Vessel Maintainer Training and Certificate Scheme (Engineers), introduced in 2021, progressed very well in 2022. 1450

DPVM logbooks have been issued since the launch of the scheme, demonstrating its popularity in the industry.

The NI works closely with the Marine Autonomous Systems Regulatory Working Group (MASRWG). A qualification for remote DP station-keeping operations was developed and published in our training and certification standards 2022.

The Nautical Institute's Ballast Control Operator (BCO) Scheme is stable, and we have issued 38 BCO certificates this year.



Recognition and accreditation

The NI provides recognition and accreditation for courses by third party providers delivering maritime professional development programmes in our areas of expertise. In 2022 we:

- Approved 11 new recognised courses;
- Renewed recognition for 59 existing courses;
- Renewed recognition for 2 existing services.

Oil Spill Response

The Oil Spill Response training accreditation scheme continues its growth with three new companies added in 2022. The NI is the only company providing this service internationally and is recognised by the IMO.

Some 5000 certificates were issued in 2022 by NI accredited providers.

2022 saw a return to site visits as Covid restrictions came to an end. Attendance at the 2022 international oil spill conference provided an opportunity to meet with many accredited providers.

The delivery of the NI's Oil Spill Response Organisation services was successfully audited by the MCA in November 2022

Three oil spill responder companies were re-accredited in 2022 to the MCA Standards. This scheme provides an opportunity for growth into 2023 and beyond.



Location of NI accredited Oil Spill Response training companies

EDUCATION AND TRAINING

The short courses developed and delivered by The Nautical Institute continue to be offered under the 'NI Academy' logo and branding.

During the year, the course subjects and the number of course dates continued to grow. This has had a positive effect in terms of income generation. Popularity of the courses is such that it remains a challenge to meet demand with capacity. All courses continue to be delivered virtually and student feedback across the year has confirmed that this is the preferred mode of delivery. Continuous review and development cycles are in place to ensure the NI Academy remains responsive to industry and student needs.

We now deliver the following courses:

- Navigation Assessor Part A & B;
- Onboard Competency Assessment;
- Marine Incident Investigation;
- Blockchain for Maritime Professionals – The Fundamentals;
- Introduction to Shipping;
- Behavioural Competency Assessor;
- Casualty Management Course;
- ISM Lead Auditor;
- ISM Lead Auditor Fishing;

- Marine Insurance;
- Marine Salvage;
- Criminalisation of the Mariner.

Additionally, the following courses are scheduled to reach market by the end of Q2/23:

- DPA;
- DPA (Fish).

To reinforce the credentials of the NI Academy, an application was made to become an accredited Institute of Leadership and Management (ILM) Training Centre. The aim is to gain Level 7 accreditation for the Command and Harbourmaster Schemes, with further rollout to the 'career orientated' courses such as ISM Lead Auditor and DPA. Final approval from the ILM is due in March 23. The development of the Academy will be further enhanced with the creation of post-graduate academic courses, in partnership with an appropriate Higher Education organisation (to be confirmed).

Another key objective for the year was to improve the experience from enrolment to delivery, streamlining the process for students. Maintaining a holistic approach remains key in championing learning and ensuring the NI Academy maintains its high-quality output. Considerable efforts continue to be made in ensuring customer feedback is closely monitored and improvements made where necessary.

These developments included workshop-style interactions, videos and quizzes to complement traditional delivery and the implementation of on-line assessments and exams.

The Self-Study Command Scheme:

The Command Diploma Scheme saw a 24% increase in student numbers in 2022. Significant work has been undertaken in 2022 to accredit the Command Diploma Scheme with an ILM Level 7 – Leadership and Management Qualification. The NI Academy aims to 're-launch' The Command Diploma Scheme with the ILM Accreditation in March 2023.

FINANCE AND STAFFING

In early 2022, the NI re-located its headquarters to an adjacent property at 200B Lambeth Road, while remaining tenants of the Marine Society and Sea Cadets. The physical move was undertaken without incident although the migration of technology, specifically effective internet connections delayed routine occupation until the middle of the year.

Blended working arrangements were introduced to reflect common working principles and while largely successful are being kept under close watch with some adjustments planned from 2023.

The Executive Board maintained its pattern of regular meetings providing close oversight to operational and financial matters as well as progress with the Strategic Plan.

Revenue for 2022 was above budget as activity levels post-Covid remained strong. This was made possible through the diverse range of activities undertaken by the NI and by the huge support given by event sponsors to support our 50th Anniversary engagement. This sponsorship was sometimes in kind, technical and very often financial. The NI is extremely grateful for the confidence key industry leaders have shown in this regard and we look forward to continuing these strong relationships.

The management of the investment portfolio was kept under regular review in what was generally a good market for growth after some uncertainty in the early part of the year. The balanced low-medium risk portfolio invested through Rathbones performed well against market comparators. The solid financial performance enabled a further investment to be made in savings. Careful consideration was given to the investment profile, mindful that the NI has strong cash flow and an ongoing healthy bank balance.

The surplus of £366,375 is a reflection of these circumstances,

though it is expected that a return to physical meetings will result in greatly increased travel costs during 2023 and beyond.

The Reserves policy has proved to be effective and ensures the NI has adequate cover as a going concern.

The Capital Reserve Fund value at year end was £2,868,059, reflecting a total return of -£206,530 for the financial year. During the financial year an additional £500,000 was invested.

The ISO 9002:2015 QM certification audit was held on site. The auditor was impressed by the new premises and the smooth transfer of operations. He noted the ambitious profile of events planned for 2022 and wished the NI every success for the 50th anniversary. No non-conformances were identified, and the auditor was highly appreciative of the running of the quality management processes during the pandemic.

THE NAUTICAL INSTITUTE FOUNDATION

The Nautical Institute Foundation is independent of The Nautical Institute. It is governed by five trustees, three of whom are independent trustees and two who are officials of The Nautical Institute [CEO and the Hon Treasurer]. The Foundation CEO is the only employee currently.

The Foundation's role is to be supportive of Nautical Institute programmes and ethos but plays a unique role in being able to support educational needs for the wider maritime community, not just the needs of NI members. It aims to raise funds from industry participants and other maritime NGOs to develop and deliver its programmes. It has no recourse to permanent funding from the NI itself.

The NI Foundation seeks to engage with industry leaders/partners to identify educational needs and develop learning solutions to meet these needs. Of particular interest at this time is a programme of activities designed to understand and provide visibility of the challenges of leadership today, both at sea and in the office.

The NI Foundation aims to conduct a large cross-industry research study this year to understand the challenges more clearly and on the back of that data develop tools to prepare the industry to thrive once again. The work will lead to improved work styles and reduce the stress being levied on senior leaders, including Masters and Chief Engineers,

energising them for this new world of disruption and change, and helping to address employee attrition in the industry.

The industry survey will throw up many other opportunities for the NIF and NI to develop tools for the shipping community. Working with the wider community is the only way to understand the challenges and opportunities that lie ahead.

Understanding the values of the Foundation is important and readers should read last year's report to remind themselves of those values.

LOOKING AHEAD

The Nautical Institute has developed an exciting and challenging Strategic Plan for the period 2021 to 2026.

Development of membership and increasing our technical contributions to the industry will remain central to our activities and we look forward to the ongoing support and engagement from our community.

List of Trustees:

Mr Peter Hinchliffe FNI (Chair)
 Capt Duncan Telfer FNI (Hon Treasurer)
 Capt Graham Cowling FNI
 Mr Frank Coles FNI
 Capt Zillur Bhuiyan FNI
 Capt John Menezes FNI
 Capt Kuba Szymanski FNI
 Capt Ian Mathison FNI
 Mr Allen Brink FNI
 Mr George Lang FNI
 Mr Moin Ahmed FNI
 Capt Karl Austin FNI
 Capt Ivor Goveas MNI
 Capt Duke Snider FNI
 Ms Deirdre Lane FNI
 Capt Nicholas Nash FNI

All financial results are provisional pending final approval of the accounts.



THE NAUTICAL INSTITUTE

(A Company Limited by Guarantee)
Company No. 2570030

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2022

Registered Charity No: 1002462

THE NAUTICAL INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2022

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THE NAUTICAL INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2022

LEGAL AND ADMINISTRATION INFORMATION

Status

The Nautical Institute is a charitable company limited by guarantee, incorporated on 20th December 1990.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the trustees are elected by Council to serve a period of up to 3 years and may be re-elected for a further 3 years.

Trustees

The trustees of the company at the financial year end were:

Mr P B Hinchliffe	Chair	Ms D Lane
Captain D M Telfer	Treasurer	Mr G Lang
Captain M Ahmed		Captain I Mathison
Captain K D Austin		Captain N Nash
Captain A Brink		Captain D Snider
Captain G Cowling		Captain J P Szymanski
Captain I Goveas		

Secretary	Captain P J Lloyd
Registered Office	200B Lambeth Road London SE1 7JY
Auditors	Appleby & Wood (London) Limited 40 The Lock Building 72 High Street Stratford London E15 2QB
Bankers	The Royal Bank of Scotland 62-63 The Threadneedle Street London EC2R 8LA
Fund Managers	Rathbones 8 Finsbury Circus London EC2M 7AZ

THE NAUTICAL INSTITUTE
REPORT OF THE TRUSTEES FOR THE YEAR ENDED
31ST DECEMBER 2022
Co. No. 2570030

The trustees present their report and the audited financial statements for the year ended 31st December 2022.

Principal activities

The Institute is registered as a Company limited by guarantee to promote and maintain nautical education.

Public Benefit

The trustees confirm that they have complied with the duty in Section 4 of the Companies Act 2006 to have due regard to the Charity Commission's general guidance on public benefit and that the activities carried out by the charity during the year were all undertaken in order to further the charity's aims for the benefit of the Charity's beneficiaries. A detailed explanation is shown under Objectives and Activities on the Trustees report published in the May issue of the Institute's Journal, Seaways.

State of affairs and business review

The company made an operating surplus on the General Fund of £572,905 for the current year (2021: £668,202). After taking into account investment activities, designated funds movements and unrealised surplus the company made a surplus of £366,375 (2021: £903,492).

The trustees keep the Reserves Policy under regular review. The Institute holds reserves in order to ensure as far as possible that its objects may be met in future. Total Capital Reserves at year end was £2,868,059 (2021: £2,573,079), which is comprised of the Contingency Reserve and the Projects Reserve. The target level of Contingency Reserve for the year was £1,120,000 (2021: £1,100,000) which is calculated based on 33% of annual operating budget. The target level of Projects Reserve for the year was £560,000 (2021: £550,000) which is calculated based on 50% of the Contingency Reserve target. The trustees consider that this amount of free reserves is adequate to ensure that the Institute's services are not compromised in the short term. The investment policy of the Institute is to maximise the total return from capital and income combined while maintaining a medium level of risk. Management of the funds is delegated to external investment managers on a discretionary basis and the trustees review the performance of the managers against benchmarks on a regular basis.

The trustees review the Institute's Risk Management Policy at regular intervals. After considering the principal areas of strategic and operational risk, the trustees are confident that the appropriate means of control and mitigation have been adopted. Prudent management practices with awareness of changes in the operating environment are felt to be in place. The management of the Institute are responsible for the day to day management of risk and minimising the effect of any adverse events. The trustees decided to maintain staffing levels through the year due to the demand for Institute services, so authorised cash drawdown to sustain operations, which was not actually required.

The Institute operates a remuneration policy based on salary scales by grade with annual RPI and other changes determined by the Executive Board during the budget planning process. A delegated group of trustees appraise the Chief Executive at least annually and set his remuneration for the forthcoming year. A non-contributory pension investment of 9% of salary, is made to staff personal pension schemes.

The Institute greatly values the contribution of its trustees and members in the work of the charity which ranges from their roles in the governance structure to representation input to the industry's decision making bodies and writing for the Journal and other publications. Due to the diversity of these voluntary contributions and the large number of members involved (some 140 in central governance roles) it is not feasible to assess the value in terms of time or money.

THE NAUTICAL INSTITUTE
REPORT OF THE TRUSTEES FOR THE YEAR ENDED
31ST DECEMBER 2022
Co. No. 2570030

Auditors

The auditors, Appleby & Wood (London) Limited are willing to continue in office and resolutions concerning the appointment of Auditors will be submitted to the annual general meeting.

Fixed assets

Changes in the company's fixed assets during the year are shown on the balance sheet.

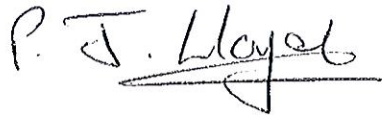
Trustees

The Trustees of the Charitable Company are stated on page 1.

This report has been prepared in accordance with Statement of Recommended Practice- Accounting and Reporting by Charities and in accordance with special provisions of part 15 of the Companies Act 2006.

Approved by the trustees and signed on their behalf by:

Captain P J Lloyd
Secretary



27-JULY-2023

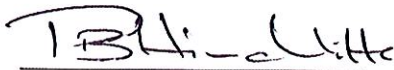
THE NAUTICAL INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2022
TRUSTEES' RESPONSIBILITIES

Statement of Trustees' Responsibilities

Company law 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 company and of the surplus or deficit of the company for that period. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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



Mr P B Hinchliffe
Chair



Captain D M Telfer
Treasurer

Date: 27- JUL - 2023

THE NAUTICAL INSTITUTE

Independent Auditor's Report to the members of The Nautical Institute

Opinion

We have audited the financial statements of The Nautical Institute (the 'charitable company') for the year ended 31st December 2022 which comprise the Summary Income and Expenditure Account, Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE NAUTICAL INSTITUTE

Independent Auditor's Report to the members of The Nautical Institute (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are FRS102, the Companies Act 2006 with the supervisory requirements of Companies House and the Charities Commission.

THE NAUTICAL INSTITUTE

Independent Auditor's Report to the members of The Nautical Institute (continued)

- The charitable company operates internationally and is significantly impacted by international law and regulations. Taxation law and regulation apply to the charitable company but the charitable company is not involved in any complex matters that increase the risk of non compliance.
- We understood how the charitable company is complying with those frameworks through discussions with the trustees and review of the trustees' minutes and the charitable company's documented policies and procedures.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the trustee's reporting to the charitable company with respect of the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the charitable company.
- Our pre-audit review specifically makes reference to fraud and this is supported by audit documentation. We also review board minutes to identify any matters of concern or risk. None was identified.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the charitable company and management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

R W Williams

R W Williams FCCA
(Senior Statutory Auditor)
For and on behalf of Appleby & Wood (London) Limited
40 The Lock Building
72 High Street
Stratford
London E15 2QB

Date *18 September 2017*

THE NAUTICAL INSTITUTE
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2022

	2022	2021
	£	£
Income	4,106,016	3,705,760
Gain/(loss) on investments	(250,897)	203,158
Gross income in reporting period	<u>3,855,119</u>	<u>3,908,918</u>
Expenditure	(3,488,744)	(3,005,426)
Net income before tax for the reporting period	<u>366,375</u>	<u>903,492</u>
Tax Payable	-	-
Net income for the financial year	<u><u>366,375</u></u>	<u><u>903,492</u></u>

All income is unrestricted funds.

A detailed analysis of income and expenditure by source is provided in the Statement of Financial Activities and the notes to the financial statements.

THE NAUTICAL INSTITUTE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2022

	Note	Unrestricted Fund £	Designated Fund £	Total Funds 2022 £	Total Funds 2021 £
Income and endowments from:					
Donations and Legacies		138,580	-	138,580	102,325
Charitable activities	2	3,420,568	-	3,420,568	2,953,666
Other trading activities	4	481,158	-	481,158	612,206
Investment income	5	3,804	61,906	65,710	46,049
Other		-	-	-	1,537
Total		4,044,110	61,906	4,106,016	3,715,783
Expenditure on:					
Raising funds	6	422,404	-	422,404	406,676
Charitable Activities	7	3,048,801	-	3,048,801	2,594,908
Other		-	17,539	17,539	13,865
Total		3,471,205	17,539	3,488,744	3,015,449
Net gain / (loss) on investments		-	(250,897)	(250,897)	203,158
Net income		572,905	(206,530)	366,375	903,492
Transfers between funds		(501,510)	501,510	-	-
Movement on education fund		-	(1,867)	(1,867)	(1,111)
Net movement in funds		71,395	293,113	364,508	902,381
Reconciliation of funds:					
Total funds brought forward		1,075,644	2,580,602	3,656,246	2,753,865
Total funds carried forward at 31st December 2022	18	1,147,039	2,873,715	4,020,754	3,656,246

Movements in funds are disclosed in Note 18 to the financial statements.

All amounts above relate to unrestricted funds.

The notes on pages 12 to 16 form part of these financial statements.

THE NAUTICAL INSTITUTE
BALANCE SHEET AS AT 31ST DECEMBER 2022
Company No. 2570030

	Note	Total funds 2022		Total funds 2021	
		£	£	£	£
Fixed assets					
Tangible assets	13		104,390		105,595
Investments	14		<u>2,868,058</u>		<u>2,574,588</u>
Total fixed assets			<u>2,972,448</u>		<u>2,680,183</u>
Current assets					
Stocks	15	52,302		39,941	
Debtors	16	404,025		206,420	
Cash at bank and in hand		<u>1,182,196</u>		<u>1,195,852</u>	
Total current assets		<u>1,638,523</u>		<u>1,442,213</u>	
Liabilities:					
Creditors: amounts falling due within one year	17		<u>(590,217)</u>		<u>(466,150)</u>
Net current assets			1,048,306		976,063
Total net assets or liabilities			<u>4,020,754</u>		<u>3,656,246</u>
The funds of the charity:					
Unrestricted funds:					
Designated funds	18		2,873,715		2,580,602
General funds			1,147,039		1,075,644
Total charity funds			<u>4,020,754</u>		<u>3,656,246</u>

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

Approved by the board of trustees on 27/07/2023 and signed on their behalf by:

P B Hinchliffe

Mr P B Hinchliffe
Chair

Captain D M Telfer

Captain D M Telfer
Treasurer

The notes on pages 12 to 16 form part of these financial statements.

THE NAUTICAL INSTITUTE
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST DECEMBER 2022

<u>Statement of cash flows</u>	Total 2022 £	Total 2021 £
Cash flows from operating activities:		
<i>Net cash provided by (used in) operating activities</i>	550,665	919,985
Cash flows from investing activities:		
Dividends, interest and rents from investments	65,710	46,049
Proceeds from the sale of property, plant and equipment	-	-
Purchase of property, plant and equipment	(85,664)	(114,668)
Proceeds from sale of investments	439,874	203,301
Purchase of investments	(694,360)	(1,192,062)
<i>Net cash provided by (used in) investing activities</i>	<u>(274,440)</u>	<u>(1,057,380)</u>
Cash flows from financing activities:		
Repayments of borrowing	-	-
Cash inflow from new borrowing	-	-
Receipt of endowment	-	-
<i>Net cash provided by (used in) financing activities</i>	<u>-</u>	<u>-</u>
<i>Change in cash and cash equivalents in the reporting period</i>	276,225	(137,395)
Cash and cash equivalents at the beginning of the reporting period	1,297,158	1,434,553
Change in cash and cash equivalents due to exchange rate movements	-	-
Cash and cash equivalents at the end of the reporting period	<u>1,573,383</u>	<u>1,297,158</u>

Reconciliation of net income/(expenditure) to net cash flow from operating activities

<i>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</i>	366,375	903,492
Adjustments for:		
Depreciation charges	86,868	80,665
Movement on education fund	(1,867)	(1,111)
(Gains)/Losses on investments	250,897	(203,158)
Dividends, interest and rent from investments	(65,710)	(46,049)
Loss/(profit) on the sale of fixed assets	-	-
(Increase)/decrease in stocks	(12,361)	1,312
(Increase)/decrease in debtors	(197,605)	63,502
Increase/(decrease) in creditors	124,068	121,332
<i>Net cash provided by (used in) operating activities</i>	<u>550,665</u>	<u>919,985</u>

	Total	Total
<u>Analysis of cash and cash equivalents</u>		
Cash in hand	1,182,196	1,195,852
Investment capital reserve account	391,187	101,306
Notice deposits (less than 3 months)	-	-
Overdraft facility repayable on demand	-	-
Total cash and cash equivalents	<u>1,573,383</u>	<u>1,297,158</u>

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

I. Accounting policies

a) Basis of accounting

The financial statements have been prepared in accordance with the Companies Act 2006 and follow the recommendations of the 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).

b) Depreciation of fixed assets

Furniture and office equipment is depreciated on the straight line basis at cost over its estimated useful life at the rate of 10% per annum. Computer equipment is depreciated at a rate of 33 1/3% per annum on cost.

c) Revaluation of investments

The investment assets have been shown at market value for the year ending 31st December 2022 with the comparatives for the year ending 31st December 2021 also shown at their market value. The revaluation surplus has been shown on the statement of financial activities as net realised and unrealised gain on investment assets.

d) Corporation tax

The company has taken advantage of the tax exemption allowed due to its charitable status.

e) Allocation of expenditure

10% of salaries and 50% of travelling and meeting expenses have been allocated to management and administration of the Institute, which reflects the proportion incurred in this activity.

f) Capital reserve fund

This has been set up to create a Contingency Reserve and a Projects Reserve. The Contingency Reserve is to ensure that the Institute's services are not compromised in the short term. The target level of Contingency Reserve is calculated based on 33% of annual operating budget. The Projects Reserve is to enable the Institute to fund specific projects with the approval of the Executive Board of Trustees. The target level of Projects Reserve is calculated based on 50% of the Contingency Reserve target. The level of Capital Reserve Fund is reviewed on a regular basis.

g) Stock

The stock held is the stock of books, both historical and current, and are valued at the lower of cost or net reliable value. The stock of books is reviewed periodically for the professional content and current relevance and a bad debt provision is calculated on this basis.

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

	Unrestricted Fund £	Designated Fund £	Total 2022 £	Total 2021 £
2 Charitable activities				
Seminars/Conferences & Journals	337,962	-	337,962	128,030
Entrance fees, transfer fees and subscriptions	766,073	-	766,073	744,307
Training and courses	362,051	-	362,051	230,036
Accreditation and Certification	1,954,482	-	1,954,482	1,851,293
	<u>3,420,568</u>	<u>-</u>	<u>3,420,568</u>	<u>2,953,666</u>
3 Seminars/Conferences & Journals				
	Seminar/ Conferences £	Seaways Journals £	2022 £	2021 £
Income				
Conferences and seminars	178,701	-	178,701	5,250
Seaways income (subscribers & Affiliates)	-	124,865	124,865	101,670
Seaways advertising income	-	34,396	34,396	21,110
	<u>178,701</u>	<u>159,261</u>	<u>337,962</u>	<u>128,030</u>
Expenditure				
Conferences/seminars	142,685	-	142,685	20,989
Seaways publications	-	169,720	169,720	224,114
Mars	-	6,000	6,000	6,000
Seaways advertising cost	-	7,421	7,421	5,076
	<u>142,685</u>	<u>183,141</u>	<u>325,826</u>	<u>256,179</u>
Surplus/(deficit) on Seminars/Conferences & Journals	<u>36,016</u>	<u>(23,880)</u>	<u>12,136</u>	<u>(128,149)</u>
4 Other trading activities				
	Books	Services	2022	2021
Sales	471,485	9,673	481,158	612,206
Costs of sales				
Opening stocks	37,077	2,864	39,941	41,253
Purchases	358,289	13,118	371,407	363,097
	<u>395,366</u>	<u>15,982</u>	<u>411,348</u>	<u>404,350</u>
Less: closing stocks	(49,590)	(2,712)	(52,302)	(39,941)
Costs of sales	<u>345,776</u>	<u>13,270</u>	<u>359,046</u>	<u>364,409</u>
Surplus on other trading activities	<u>125,709</u>	<u>(3,597)</u>	<u>122,112</u>	<u>247,797</u>
5 Investments income				
	General Fund £	Designated Fund £	2022 £	2021 £
Bank interest	3,804	7,254	11,058	6,233
Dividends	-	54,652	54,652	39,816
	<u>3,804</u>	<u>61,906</u>	<u>65,710</u>	<u>46,049</u>

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

	Note	Unrestricted Fund £	Designated Fund £	Total 2022 £	Total 2021 £
6 Raising funds					
Cost of generating funds	4	359,046	-	359,046	364,409
Publicity		63,358	-	63,358	42,267
		<u>422,404</u>	<u>-</u>	<u>422,404</u>	<u>406,676</u>
7 Charitable activities					
Cost of activities in furtherance of the Institute's objectives	3	325,826	-	325,826	256,179
Support costs	8	652,014	-	652,014	565,587
Administration & Governance costs	9	495,228	-	495,228	573,520
Projects		389,368	-	389,368	288,221
Training & Courses		121,673	-	121,673	67,657
Membership		145,480	-	145,480	69,874
Accreditation and Certification		919,213	-	919,213	773,870
		<u>3,048,801</u>	<u>-</u>	<u>3,048,801</u>	<u>2,594,908</u>
8 Support costs				2022	2021
				£	£
Branch subventions & chartership costs				21,808	25,750
Staff costs	11			612,809	537,503
Travelling and meetings				17,397	2,335
				<u>652,014</u>	<u>565,587</u>
9 Administration & Governance costs				2022	2021
				£	£
Postage and telephone				58,287	52,278
Printing and stationery				5,551	8,437
Computer expenses				58,082	51,338
Auditors fees				5,900	5,800
Credit Card & Bank Charges				50,541	48,626
Rent, rates and service charges				29,573	176,710
Insurance				9,238	7,165
Insurance - Members Benefit				7,600	31,197
Office equipment rental				5,765	6,418
General expenses				22,914	11,568
Travelling, meetings and AGM expenses				17,397	2,335
Overhead Recovery				-	(18,000)
Legal & Professional fees				40,557	38,834
Training Costs				786	10,427
Staff costs	11			64,004	59,723
Depreciation				86,868	80,665
Office move				32,165	-
				<u>495,228</u>	<u>573,520</u>
10 Net movement in funds for the year				2022	2021
This is stated after charging:				£	£
Depreciation of fixed assets				86,868	80,665
Auditors remuneration (audit services)				5,900	5,800

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

11	Staff costs	2022	2021
		£	£
	Salaries & wages	1,505,384	1,339,943
	Social security costs	161,787	144,954
	Pension	108,523	119,578
	<i>Total staff cost including benefits</i>	1,775,694	1,604,475
	Less: allocated to cost centres	(1,098,881)	(1,007,250)
	<i>Staff costs included within overhead cost.</i>	676,813	597,225
	No. of employees earning £60,000 to £70,000	3	4
	No. of employees earning £70,001 to £80,000	-	1
	No. of employees earning £80,001 to £90,000	-	-
	No. of employees earning £90,001 to £100,000	2	3
	No. of employees earning £100,000 +	1	1
	Average number of employees	34	34

The chairman and trustees did not receive any remuneration during the year.

12 Taxation

The charitable company is exempt from corporation tax on its charitable activities.

13	Tangible fixed assets	Office furniture & Equipment	Computers	Total
	Cost	£	£	£
	At 1st January 2022	79,768	807,138	886,906
	Additions	-	85,664	85,664
	Disposals	-	-	-
	At 31st December 2022	79,769	892,802	972,570
	Accumulated depreciation			
	At 1st January 2022	65,293	716,018	781,311
	Charge for the year	5,417	81,452	86,869
	Disposals	-	-	-
	At 31st December 2022	70,710	797,470	868,180
	Net book values:			
	As at 31st December 2022	9,059	95,332	104,390
	As at 31st December 2021	14,476	91,119	105,595

14	Investments	2022	2021
		£	£
	Market value at 1 January 2022	2,473,282	1,281,363
	Acquisition at cost	694,360	1,192,062
	Sales proceeds at market value	(439,874)	(203,301)
	Surplus / Loss in the year	(250,897)	203,158
	Market value at 31 December 2022	2,476,871	2,473,282
	Other Holdings		
	Cash	391,187	101,306
	Market value at 31 December 2022	2,868,058	2,574,588
	Market value at 1 January 2022	2,574,588	1,339,384

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

	2022				2021
	£				£
15 Stocks					
Books	49,590				37,077
Member services	2,712				2,864
	<u>52,302</u>				<u>39,941</u>
16 Debtors					
Trade debtors	199,668				42,079
Prepayments	85,446				42,649
Other debtors	102,556				95,306
VAT	16,355				26,386
	<u>404,025</u>				<u>206,420</u>
17 Liabilities: Creditors: Amounts falling due within one year:					
Trade creditors	199,630				63,669
Accruals	108,031				228,454
PAYE & other creditors	76,290				95,690
Deferred income	206,266				78,337
	<u>590,217</u>				<u>466,150</u>
18 Designated funds					
	Balance	New	Utilised/		Balance
	01.01.2022	Designated	Realised	Transferred	31.12.2022
	£	£	£	£	£
Capital Reserve Fund	2,573,079	44,367	(250,897)	501,510	2,868,059
Educational fund	7,523	-	-	(1,867)	5,656
	<u>2,580,602</u>	<u>44,367</u>	<u>(250,897)</u>	<u>499,643</u>	<u>2,873,715</u>
General Fund					
	Balance	Unrestricted	Utilised/		Balance
	01.01.2022	Unrestricted	Realised	Transferred	31.12.2022
Bfvd	1,075,644	-	-	-	1,075,644
Transfer in year	-	-	-	(501,510)	(501,510)
Surplus for year	-	572,905	-	-	572,905
	<u>1,075,644</u>	<u>572,905</u>	<u>-</u>	<u>(501,510)</u>	<u>1,147,039</u>

19 Related Party Transactions

No Trustee received any remuneration for services as a Trustee. The amount of £2,944 (2021: £Nil) was reimbursed to Trustees to cover miscellaneous travel expenses in connection with their roles as Trustees.

Trustees and Council members use the Institute's services on the same terms as other members. Because of the nature of the Institute's trades it is not practical to quantify the total of transactions with these members during the year. However, only minor balances were owed to and from these members as at 31st December 2022 and any fees paid to these members are shown separately in the Revenue Account. Trustees and Council members are required to be full voting members of the Institute.

Due to the nature of the Institute's trade, a number of the Trustees and Council are also directors/trustees/employees of entities with which the Institute trades, and due to the nature of the trade, it would not be practical to quantify the total of transactions in the period.

THE NAUTICAL INSTITUTE

England & Wales - Charity number 1002462

Accounts

The Nautical Institute Annual Report – 2021



John Lloyd FNI
Chief Executive and Company
Secretary on behalf of the
Executive Board



NI HQ Staff outside
the old office

The Nautical Institute continued its positive engagement across a full range of activities during 2021, despite the ongoing challenges brought about by Covid-19, with resulting limitations on travel and personal interactions.

Specific operational challenges through the year were handled effectively, including the processing of record numbers of DPO Certificate applications. These numbers were particularly high in the first quarter of the year due to the extension granted for revalidation.

The NI also continued to expand its connections with the wider maritime community through its webinar series, reaching out to over 12,000 on-line delegates during the year.

Key meetings were held on-line for the whole of the year. Managers met regularly to discuss day-to-day issues, while the Executive Board maintained the increased frequency of its meetings, continuing its close support and monitoring of the organisation. These meetings were especially important as we adopted the new structures required under the new Strategic Plan. In some areas staff responsibilities were re-defined and opportunities taken for cross-discipline working where possible.

Objectives and Activities

This report provides an insight into the activities of the NI during 2021 and provides key performance and financial highlights.

The work of the Institute is not only a service to members but also a public benefit to maritime professionals, the industry and society in general worldwide, by improving safety and the protection of the marine environment through the sharing of knowledge in nautical science and the raising of professional standards.

The ISO 9002:2015 QM certification audit was held remotely. No non-conformances were identified, and the auditor was highly appreciative of the running of the quality management processes during the pandemic.

Finance and Staffing

The Trustees met throughout the year on a regular basis and continued their close support of the HQ executive team.

The drop in revenue experienced during 2020 was reversed somewhat during the early part of 2021 due to the high level of certificate processing. The improved situation continued throughout the year, leaving the NI in a good position financially.

The management of the investment portfolio was kept under regular review in what was generally a good market for growth after some uncertainty in the early part of the year. The balanced low-medium risk portfolio invested through Rathbones performed well against market comparators.

The Institute continued to carry a healthy bank balance throughout the year as revenues improved and strong expenditure controls continued.

The surplus of £630,455 is a reflection of these circumstances, though it should be noted that there are likely to be some additional costs incurred in the coming years for events and activities that have been deferred due to Covid limitations.

The Reserves policy has proved to be effective and ensures the NI has adequate cover as a going concern.

The Capital Reserve Fund value at year end was £2,574,579, reflecting a total return of £235,000 for the financial year. During the financial year an additional £1 million was invested. The like for like return on the original investment was 11.78%.

Staff continued to work both in the office and remotely as dictated by UK Covid policies during the year.

In the later months, significant preparation went into preparing for an office move into a building adjacent to the existing premises. The office move will be reported on more fully in the next Annual Report.

MEMBERSHIP & BRANCHES

Conscious of the difficulties many members have faced during the pandemic, membership fees for 2021 were frozen at the 2020 level. Fees have again been frozen for 2022 and will next be reviewed at the beginning of 2023.

Total membership at the end of 2021 stood at 7,230 – up from 6,869 the previous year. Much of this growth has been driven by the Institute's success in convincing those holding a DP Operator's certificate of the merits of becoming a member of The Nautical

Institute. In the latter six months of 2021 no fewer than 388 members joined via this route.

In addition, personal recommendations from current members to their colleagues and friends continue to prove an important source of member recruitment. New members have also been attracted to the Institute through our highly acclaimed webinars and through our LinkedIn technical group.

Skillshub – a new member benefit

In February 2021 the Institute launched Skillshub, an online learning platform giving members free access to an exceptional range of work and business related courses.

Members can choose from more than 500 programmes that cover topics such as management and leadership, project management, communication skills, health and wellbeing and equality and diversity.

The courses feature videos, audio, infographics, blogs and images, making them informative and engaging. After completing a course, members can opt to receive a Continuing Professional Development certificate.

Introductory video for new members

In addition to introducing new benefits, the Institute has also improved the welcome process for its newest members. A new introductory video explains how members can make the most of the many benefits their membership provides and complements an upgraded membership certificate and welcome pack.

New app for members

Much of the groundwork for a new member app was completed during 2021. Incorporating a range of useful features and scheduled for a Q3, 2022 launch, the app will enable members to catch up on the Institute's latest news, view upcoming events, read MARS reports, watch webinars, record CPD and read (and download) their monthly membership magazine *Seaways*.

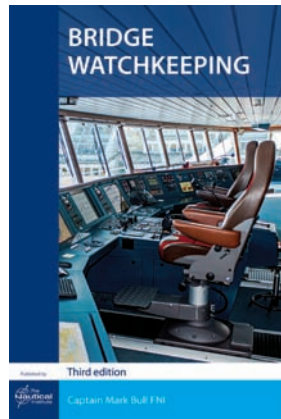
NI Branches

In 2021 we were delighted to support a number of the Institute's branches in promoting technical seminars. We were particularly honoured to provide extensive help to the Institute's London Branch which in November hosted an in-person conference on board *HQS Wellington* on the subject of container fires. It was pleasing to see the excitement among attendees at once again being able to network with colleagues face-to-face.

Support was also provided to those branches planning to hold NI 50th anniversary events in 2022. This included advising on the nature of the event they might wish to hold and providing marketing support to help in raising sponsorship at the local level.

Welcoming new Nautical Affiliate partners

We are indebted to our Nautical Affiliate partners whose annual donations fund the Institute's Mariners' Alerting & Reporting Scheme (MARS). The scheme provides a free online database of marine accidents and near misses stretching back over 25 years.



Armillary News



In 2021 we were delighted to welcome the following organisations as new Nautical Affiliate partners and thank them for their contribution in helping to make shipping a safer industry: Blue Orange Wave, Nautical Science Academy, Green Bow Maritime Ltd, Octant Marine Limited, SQLearn, Fundacion Avante, Intership Navigation Co. Ltd. and Iridium Maritime.

Launch of the Armillary Club

On 11 February 2021 we were honoured to host the inaugural meeting of the Armillary Club, a new and exclusive community for alumni and friends of The Nautical Institute. The Club provides its members with a forum through which they can stay in touch with developments at the Institute and also with each other. Members of the Club also provide generous and valuable support to the Institute's newly introduced legacy programme which aims to help those at the start of their maritime careers.

Speakers at the event included the Institute's current President Ms Jillian Carson-Jackson together with past Presidents Captain Nick Nash and Captain Duke Snider.

PUBLICATIONS

The pandemic continued to impact on the publications schedule, with authors unable to provide planned contributions for personal as well as work-related reasons. We are very grateful to all our volunteer authors and peer reviewers for the support and dedication they show to the task. The efforts they put in last year were second to none.

We published a new edition of *Bridge Watchkeeping*. This edition has been completely revised and fully updated for the electronic bridge era. The practical manual gives advice on avoiding potential pitfalls, for example by not relying on a single source of information, and utilising a combine and compare strategy rather than either/or. Captain Yves Vandenberg FNI, Director of Loss Prevention at the Standard Club says in his Foreword that many accidents 'could have been prevented if the bridge teams had embraced the best practices set out in this book'.

The launch webinar attracted some 897 participants.

Staying on the bridge, a fully revised and updated edition of *Bridge Team Management* is in planning. Taking into consideration the new IMO Bridge Resource Management model course, this update will include assessment tools and broaden the scope of the book to resource management in line with current practice. The book is intended for practical use on the bridge as well as by students. Publication is likely to be Q1 2023.

With support from bulk carrier fleet personnel, Intercargo carried out a major review of the second edition of the industry standard work *Bulk Carrier Practice* which will publish in Q3 2022.

A revised and updated edition of *The Shipmaster's Self Examiner* is near completion and will publish in Q2 2022. We are looking at a more sustainable way to update this practical guide. We are considering an

annual update model with a dated edition each year.

Finally, we will be publishing a 50th anniversary book in April, a lavish hardback bound in water resistant cloth to celebrate this anniversary year.

In line with the growth in digital content, we are proposing to expand the channels that NI publications are sold through. In line with our strategic aim to grow book sales, we will look at creating a bespoke Amazon store, initially on the .uk and .com domains, which would give us increased visibility through Amazon Marketing Services and allow us to create NI books in the epub and other formats, which will mitigate ongoing supply chain issues.

As part of this digital strategy, we are proposing to update the Publications pages on the website, publishing free content in html on the website to improve search and discoverability, especially for *The Navigator*. This will allow us to reach the younger navigator community in print and online. We are also investigating *The Navigator* branded podcasts and videos to strengthen our reach into these areas and help us in fundraising.

Book sales remained solid in 2021 built on a strong performance from the new edition of *Bridge Watchkeeping*. Total book sales were 13,515 copies with a total value of £577,683. We maintained good relations with resellers. These account for the majority of the market. Many resellers have undergone strategic changes during the year with ownership and emphasis changing for some.

Seaways

Seaways continues to reflect the evolving concerns of our members, with an increasing focus on issues surrounding mental health and wellness on board and on environmental issues, particularly those surrounding the reduction of greenhouse gases. Cooperation with the research and relationships team through webinars, articles and surveys has resulted in member input on EEDI and power limitation which have been taken into account at international level.

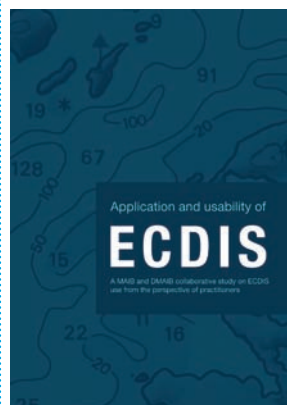
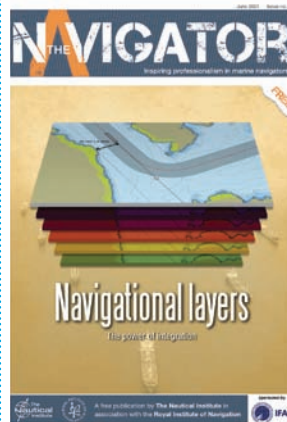
A close cooperation with the IMO committee, chaired by Capt Robert McCabe, keeps members updated on decisions and the work the NI does to represent our views there.

The magazine continues to be a forum for discussion, debate and the development of new ideas, as well as the reinforcement of current best practice. As always, a lot of productive and informative discussion takes place in Branch meetings and seminars, and *Seaways* allows us to share these events across the wider institute.

RESEARCH AND RELATIONSHIPS PROJECTS

The Navigator Magazine

The Navigator magazine continues to inspire professionalism in marine navigators. Its impact is evident from testimonials illustrating changes of behaviour, improved teamwork and a focus on mentoring.



With generous funding from IFAN and Ocean Technologies Group, the UK P&I Club, Rightship, and the PTC Group, we were able to deliver thousands of paper copies of *The Navigator* and many thousands more copies by the app and free downloads. Although some of the paper copies have been delayed due to flight restrictions imposed due to the pandemic, the electronic copies have come into their own. Users particularly appreciate that the app is fully searchable across all issues. We do recognise the value of the paper copies, and please be assured that all back copies are in the system and will be delivered eventually.

Issue 26 in February 2021 focused on Under Keel Clearance (UKC) and the complexities of managing what is regularly the closest navigational hazard – the seabed. Issue 27 in June 2021 focused on the management of navigational layers and how the integration of ECDIS, Radar and AIS can improve situational awareness and positional integrity. Issue 28 in October 2021 focused on data quality and how to ask the right questions to get the correct information. This is an important issue in an age of digitalisation and increasingly complex data streams.

A focus on ECDIS

During 2021 the UK MAIB and the Danish MAIB published a major report on the use of ECDIS identifying benefits, but also significant challenges, for the industry. This report was the result of years of investigation, and many interviews and ship visits. The NI technical committee was consulted on the draft and the NI was instrumental in the promotion of the report, not least with a webinar attracting more than 1,000 participants with insightful debate. This webinar was followed with an NI organised industry stakeholder workshop in October. The NI continues to focus on improving navigational safety and identifying 'what good practice and design looks like'.

Virtual Reality and Shiphandling

In 2021 the NI started a collaboration with Lloyds Register SafetyTech Accelerator (STA) programme, the first fully dedicated technology accelerator focused on safety and risk in industrial sectors and critical infrastructure. The NI has identified significant risk from poor shiphandling, arising from the challenge of gaining inexpensive and accessible experience. Further, onboard mentoring can be rare and simulation and manned models were too expensive for personal professional development. This issue has been repeatedly raised by NI members in many membership surveys and events.

Kilo Solutions was selected by the Safetytech Accelerator to develop VR training that helps users understand how to use controllable ship capabilities to counter external forces.

The training will be accessed via Oculus Quest and will allow the user to experience wind, tide, drift and momentum while manoeuvring a vessel in a restricted space. VR technology has come on in leaps and bounds over recent years, allowing a fully immersive learning experience.

In collaboration with the NI a short term ‘proof of concept’ project was started and by the end of 2021 the results were promising. Full results will be shared with the membership early in 2022.

Technology Register

Our current Strategic Plan reflects our members’ desire to keep pace with emerging technology, how to best use it and to understand the skills needed to remain competent. In 2021 the NI surveyed our members to identify which technologies were of most interest to them. A dedicated group of members has now been assembled to review this technology register and will start advising the membership on the issues of greatest concern, starting in 2022.

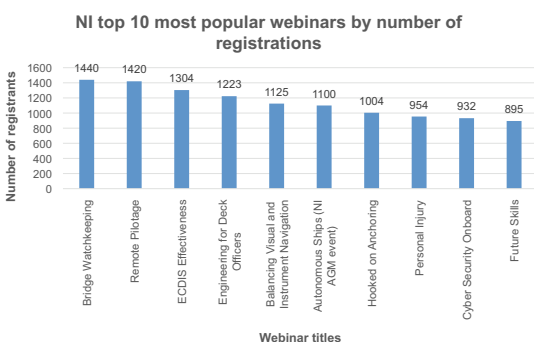
IMO and IALA

The NI continues its involvement with the IMO as a non-governmental organisation (NGO), attending a broad spectrum of meetings to address the wide range of our Members’ interests. Throughout 2021 all IMO meetings have been virtual. Although there are certainly limitations from e-meetings due to the loss of personal networking and time constraints, this does allow us to involve delegates from around the world at little cost. Meetings attended in 2021 included MSC, MEPC, HTW, STC, LEG, PPR, FAL, NCSR, III, and CCC. Issues of priority were safety of navigation, the Human Element, life saving appliances, marine autonomous surface ships (MASS), greenhouse gas emissions, training, fatigue, and of course the welfare of seafarers and issues of repatriation due to Covid. These issues and meeting notes have been regularly reported in *Seaways*. The Executive Board particularly thanks our IMO Committee Chair Capt Robert McCabe, FNI for his commitment to this work.

The Board also thanks our President Jillian Carson-Jackson, FNI for her commitment to IALA, in particular on the subjects of eNavigation and VTS. The NI continues to engage with many other international organisations with staff and volunteers, operating remotely (in 2021) both from ashore and on occasion while at sea.

Webinars

The Nautical Institute and its Branches produced a series of webinars on many issues including technical and welfare matters. These webinars were first introduced many years ago as ‘virtual Branch meetings,’ but became more popular during the challenging times of Covid.



Trialling the VR headset



Members were encouraged to use the webinars as part of their Continuous Professional Development (CPD) with certificates provided to those who attend the live events.

During 2021, the NIHQ webinars attracted over 20,000 registrants and many thousands more took advantage of the recordings.

QUALIFICATIONS

Accreditation Updates 2021

Due to the pandemic, NI Accreditation audits were postponed from March 2020 and remained in abeyance throughout that year. 2021 remained very challenging due to the Covid-19 restrictions. Travelling was one of the biggest concerns, and maintaining the accreditation of our worldwide approved training centres without physically attending them was a key challenge.

In response, we introduced remote online accreditation audits, with the results subject to physical site visits when travelling is possible. The remote audit solution was well received by all our training providers, and we completed 37 audits, of which 34 were remote online audits and three were onsite.

Perhaps the greatest difficulty was timing, as our training providers are located in time zones around the world and we have to conduct the audit from 9 to 5 local time – often the middle of the night in the UK. Internet connectivity was another challenge in some locations, particularly when inspecting the simulator equipment.

Accredited Training Centre Worldwide Map



Accreditation Status

From January 2021 to December 2021:

- 83 centres registered (Americas 20, Asia & Australasia 28, Europe and Africa 35).
- 4 Training centres opted out from the scheme.
- 3 New training centres added (CAL Maritime – May; Solent University – July; Estonian Maritime – November).
- 26 Centres accredited for STR Course.
- 46 Revalidation Courses.
- 6 Tanker Courses.
- 4 DP Emergency Ship Handling Recognition Courses.
- 9 Refresher Courses.
- 16 DPVM Scheme.

NI DP Instructors

We have approved nine new DP instructors and 17 instructors for multiple training centres. All new instructors were interviewed before issuing the approval, in order to ensure the continued high quality of training. There are now 206 DP instructors worldwide, including new appointments.

Blended Induction Course delivery support

In March 2020, The Nautical Institute introduced temporary measures to deliver a 'blended' DP Induction course for an initial period of three months. 48 training centres benefited from the online delivery solution, which kept our DP training in good order. As the blended learning solution was well-received by the industry, we subsequently introduced a blended induction course where the theory part is taken online, followed by two days of practical training at the training centre. The changes have been published in the 2022 Accreditation and Certification Standards.

Regional Training Providers and DPTEG Meetings

Our regional training providers meeting and our steering committee (DPTEG) meetings were conducted online without disruption. However, the Global Regional 'Training Providers' face to face meeting was postponed until mid-2022.

DP Vessel Maintainer Training and Certificate Scheme (Engineers)

The DP Vessel Maintainer Scheme was launched in 2021. It has been promoted throughout the year on various platforms including webinars, social media, and DP Conferences, and has been well received by the industry.

By the end of 2021, 677 DPVM logbooks had been issued, indicating a positive response from the industry.

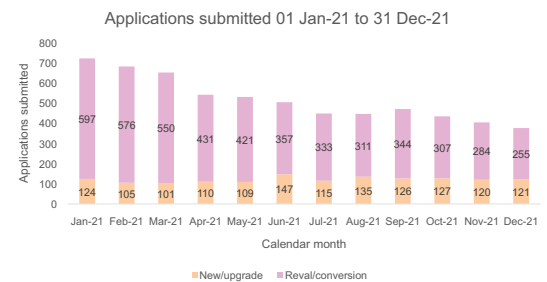
On-line assessments with remote invigilation were introduced allowing new entrants to this scheme to make good progress and proceed with recording the necessary practical experience.

Training Scheme for DP Station Keeping Systems for Remote Operation

Throughout 2021 The Nautical Institute worked closely with the Marine Autonomous Surface Ship Regulatory Working Group (MASSRWG). A sub-working group was established with industry experts to introduce a new NI Scheme and model course for Remote DP Station Keeping Vessels. This course was approved by our industry steering committee and will be published in the 2022 Accreditation and Certification Standards.

DP Certification Status

The Qualifications team processes all DP applications remotely using data and scanned documents uploaded to individual accounts. Paper and electronic certificates are sent to successful applicants. First-time and upgrading DPOs are still required to mail their



documents to our office for final verification checks before the physical card certificate can be despatched.

- 2920 DP Offshore logbooks issued in 2021.
- 1112 DP Revalidation logbooks issued in 2021.
- 34 Ship handling logbooks issued in 2021.
- 677 DPVM logbooks issued in 2021.

TestReach online exam activity 2021:

- 2951 Induction Course online exams at training centres.
- 90 Induction Course remote online exams.
- 1678 Simulator Course online exams.
- 358 DPVM online exams at training centre.
- 22 DPVM remote online exams.
- 201 Revalidation Courses.
- 5300 Total TestReach online exams during 2021.

Non-DP Recognised courses activity 2021

The Recognition Scheme remains popular. The total number of Recognitions in 2021, including Recognition of Services and Ice Navigation is:

- 20 New recognitions.
- 28 Recognition renewals.
- 1 Recognition of services.
- 1 Renewal of recognition of services.
- 1 Ice Navigation recognition.

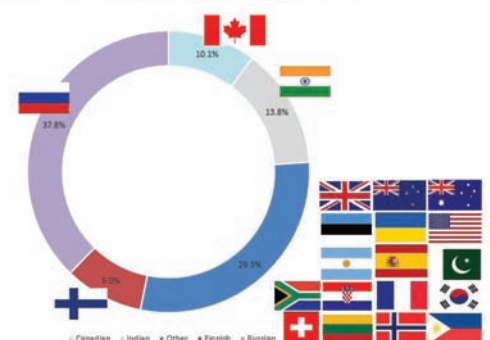
Ice Navigation Scheme

The Ice Navigation Scheme has continued to demonstrate global appeal, with the NI now having certificated 188 competent navigators of ships in a range of ice conditions at sea hailing from over 20 nations.

As before, all applicants to the scheme applied via the 'grandfather' route, using a mixture of sea time and simulator training to qualify.

We are committed to improving awareness of the Scheme, and to promoting the value of this certificate in a world where ice navigation is likely to increase. The nationality distribution of Ice Navigators is:

Certificated Ice Navigators by nationality Jan 2021



Ballast Control Operator Accreditation Scheme

The Nautical Institute's ballast control operator (BCO) Scheme and accreditation standard, developed with the International Association of Drilling Contractors (IADC), was reviewed in 2021, and substantial updates have been introduced. These are under final scrutiny and will be released in 2022.

The Nautical Institute Vessel Traffic Services (VTS) Accreditation Scheme (IALA R0103)

The Nautical Institute received a request for an IALA VTS accreditation audit from the Finnish Transport and Communications Agency (Traficom). This was the first audit of its nature, and there were many milestones and challenges on the way, requiring a number of consultation meetings throughout the year. The first online audit meeting was on 24th September 2021, and the final closing meeting was online on 20th December 2021.

Oil Spill Response

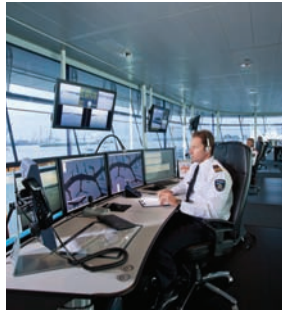
The provision of oil spill response training by blended learning techniques continued to expand considerably in 2021, the catalyst being the introduction of travel restrictions due to the global pandemic.

The NI worked with UK regulators to authorise blended learning packages that would meet UK regulatory requirements. Providers had to submit revised packages for approval to the NI before endorsements to current certificates could be issued. The strategy was extended to international scheme members.

As the year developed, applications for the use of blended learning techniques were authorised free of charge on a temporary basis. As new accreditation and re-accreditation visits were not possible the use of video meetings and observations of courses via remote means permitted the work to continue. As restrictions, particularly in the UK, were lifted during 2021 it became possible to charge for the addition of blended learning courses.

Certificate issue income continued its upward trend.

Four new centres were added in 2021; two in Nigeria and two in the UK. There are good prospects for further growth in 2022 and we also expect to resume on-site accreditation visits.



A VTS Accreditation scheme was launched



EDUCATION AND TRAINING

Short Courses

The short courses developed and delivered by The Nautical Institute are now offered under the 'NI Academy' logo and branding, helping to define our contribution in this important professional development sector.

During the year, the number of short courses continued to grow. Popularity of the courses is such that it remains a challenge to find enough suitable instructors to maintain the quality of delivery, even after inducting new instructors.

We now deliver the following courses online using the Zoom platform:

- Navigation Assessor.
- Add-on course to Navigation Assessor.
- Onboard Competency Assessment.
- Rethinking Investigations and Audits modules.
- Blockchain for Maritime Professionals – The Fundamentals.
- Introduction to Shipping.
- Human Element Modules.
- Casualty Management Course.
- Bespoke Onboard Competency Assessment Course for shipping companies.
- Bespoke Behaviour assessment course.

One key objective for the year was improving student learning experience in the virtual classroom used for all course delivery.

Maintaining quality of delivery is key to the reputation of these courses. Considerable efforts were made in ensuring customer feedback was closely monitored and improvements made where necessary.

These developments included increasing the amount of workshop-style interactions to complement traditional delivery and the implementation of on-line assessments.

Research continues to identify future skills gaps and prepare new courses using new technology such as cloud-based simulation for ship handling training.

The Self Study Command Scheme:

The Command Scheme is continuing to grow and is now attracting candidates globally.

The Scheme has seen an increase of almost 37% in student numbers, leading us to increase the total number of mentors/assessors to six (from three last year) in preparation for further increases in student numbers due to the uptake by shipping companies and the Scheme Scholarship.

During 2021 we reserved 25% of the scholarships for women seafarers. We continue to offer this incentive in 2022.

The Nautical Institute Foundation

The Nautical Institute Foundation is a wholly owned subsidiary of The Nautical Institute, governed by a team of trustees with industry expertise and experience. It aims to be self-sufficient and cover its costs through revenue from courses produced and offered to the wider maritime community. It aims to be financially independent of The Nautical Institute yet it draws from the needs of the community which the Institute serves.



It has a vision that no loss or injury to people or the environment need happen worldwide for the want of adequate access to awareness and training in the maritime community.

In order to work towards this vision, The Nautical Institute Foundation's mission is to work globally with maritime communities to identify, address, research and develop effective educational solutions for industry challenges, delivered in the most effective and cost-effective manner.

It operates to a defined set of values:

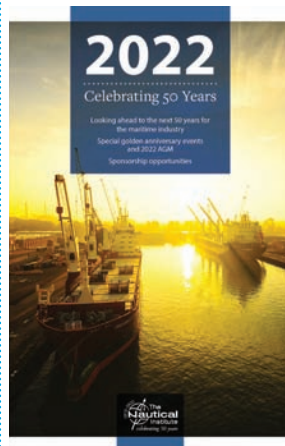
- Resilience – providing tools to build resilience to tackle the growing needs of maritime actors today, and empowering them to be the best they can.
- Partnerships – An integral part of the maritime community, looked upon as dependable. Partners with a shared vision of need.
- Integrity – working to high personal and professional standards, delivering effective programmes and content that meet end user expectations within time and cost considerations.
- Evolution and Innovation – Understanding that every assignment is different, and that stakeholder needs, and values, change, along with public awareness. Utilising the most effective methods and latest neuroscience to ensure learning is robust and embedded effectively for long term value.
- Excellence – Always open to being challenged by the maritime community and committed to being the partner of choice in developing meaningful training materials.
- Person Centric – Recognising that people are at the core of everything we do – both within and outside the foundation. Helping people thrive despite apparent adversity.
- Equity – Delivering educational solutions to those who need it most, without fear or favour.

Perhaps most importantly The Foundation was established to work with the wider maritime community in identifying today's challenges and thus its educational offerings are not confined to members of The Nautical Institute.

To date the Foundation has built a cyber training course for seafarers in conjunction with leading cyber risk management company Hudson Cyber. The course meets all the objectives of the IMO circular MSC-FAL 1/Circ3. With the increasing threats and incidences of cyber-attacks by threat actors, this course is a must have in trying to stay ahead of costly breaches.

The Foundation has also started work on improving education and awareness of incidents of liquefaction of solid bulk cargoes. This is an issue that continues to contribute to the loss of life and assets at sea.

Currently in development is a course to understand the leadership competencies and skills needed to manage a modern ship today along with the ever-changing demands on today's seafarer, including the need for resilience training. This is a massive topic that the Foundation aims to deliver to interested parties online and in small communities over approximately 12 weeks. Technical skills will always be needed but leadership skills can be learned



and practised to empower the ship's crew to take on a more productive role as a highly professional component of the shipping company. In today's work environment we need to give the modern seafarer the skills and practical leadership knowledge to advance despite adversity.

The Foundation aims to deliver compelling practical short courses online at the most cost-effective rates. According to information scientists we take in five times more information today than we did in 1986. While we have the ability to take it in, we have trouble separating the trivial from the important. Well-designed training can help us filter and preserve resources freeing us up to manage the information and make good decisions without feeling overwhelmed.

The foundation is open to discuss with all maritime stakeholders how it might research and develop solutions for training needs where they are not readily available elsewhere. Suggestions can be made direct to the CEO, Colin Payne at colin.payne@nautinst.org.

Looking Ahead

The Nautical Institute has developed an exciting and challenging Strategic Plan for the period 2021 to 2026. One key milestone will be the celebration of 50 years since the founding of the Institute.

Development of membership and increasing our technical contributions to the industry will remain central to our activities and we look forward to the ongoing support and engagement from our community.

List of Trustees

Mr Peter Hinchliffe FNI (Chair)
 Capt Duncan Telfer FNI (Hon Treasurer)
 Capt Graham Cowling FNI
 Mr Frank Coles FNI
 Capt Zillur Bhuiyan FNI
 Capt John Menezes FNI
 Capt Kuba Szymanski FNI
 Capt Ian Mathison FNI
 Mr Allen Brink FNI
 Mr George Lang FNI
 Mr Moin Ahmed FNI
 Capt Karl Austin FNI
 Capt Ivor Goveas MNI
 Capt Duke Snider FNI

All financial results are provisional pending final approval of the accounts.

THE NAUTICAL INSTITUTE

(A Company Limited by Guarantee)
Company No. 2570030

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2021

Registered Charity No: 1002462

THE NAUTICAL INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2021

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THE NAUTICAL INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2021

LEGAL AND ADMINISTRATION INFORMATION

Status

The Nautical Institute is a charitable company limited by guarantee, incorporated on 20th December 1990.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the trustees are elected by Council to serve a period of up to 3 years and may be re-elected for a further 3 years.

Trustees

The trustees of the company at the financial year end were:

Mr P B Hinchliffe	Chair	Mr G Lang
Captain D M Telfer	Treasurer	Captain I Mathison
Mr Moin Ahmed		Captain JP Menezes
Captain K D Austin		Captain D Snider
Captain Z Bhuiyan		Captain JP Szymanski
Mr A Brink		
Mr F Coles		
Captain G Cowling		
Captain I Goveas		

Secretary Mr. P J Lloyd

Registered Office	202 Lambeth Road	200B Lambeth Road
	London SE1 7LQ	London SE1 7JY from 1st February 2022

Auditors Appleby & Wood (London) Limited
40 The Lock Building
72 High Street
Stratford
London
E15 2QB

Bankers The Royal Bank of Scotland
62-63 The Threadneedle Street
London
EC2R 8LA

Fund Managers Rathbones
1 Curzon Street
London
W1J 5FB

THE NAUTICAL INSTITUTE
REPORT OF THE TRUSTEES
31ST DECEMBER 2021
Co. No. 2570030

The trustees present their report and the audited financial statements for the year ended 31st December 2021.

Principal activities

The Institute is registered as a Company limited by guarantee to promote and maintain nautical education.

Public Benefit

The trustees confirm that they have complied with the duty in Section 4 of the Companies Act 2006 to have due regard to the Charity Commission's general guidance on public benefit and that the activities carried out by the charity during the year were all undertaken in order to further the charity's aims for the benefit of the Charity's beneficiaries. A detailed explanation is shown under Objectives and Activities on the Trustees report published in the May issue of the Institute's Journal, Seaways.

State of affairs and business review

The company made an operating surplus on the General Fund of £668,287 for the current year (2020: £289,250). After taking into account investment activities, designated funds movements and unrealised surplus the company made a surplus of £903,492 (2020: £279,347).

The trustees keep the Reserves Policy under regular review. The Institute holds reserves in order to ensure as far as possible that its Objects may be met in future. Total Capital reserves at present stand at £2,573,079 (2020: £1,337,874) which is comprised of the Contingency Reserve £644,000 (2020: £663,000) calculated as shown on page 13 and the remainder acting as a Projects Reserve. The trustees consider that this amount of free reserves is adequate to ensure that the Institute's services are not compromised in the short term. The investment policy of the Institute is to maximise the total return from capital and income combined while maintaining a medium level of risk. Management of the funds is delegated to external investment managers on a discretionary basis and the trustees review the performance of the managers against benchmarks on a regular basis.

The trustees review the Institute's Risk Management Policy at regular intervals. After considering the principal areas of strategic and operational risk, the trustees are confident that the appropriate means of control and mitigation have been adopted. Prudent management practices with awareness of changes in the operating environment are felt to be in place. The management of the Institute are responsible for the day to day management of risk and minimising the effect of any adverse events. The trustees decided to maintain staffing levels through the year due to the demand for Institute services, so authorised cash drawdown to sustain operations, which was not actually required.

The Institute operates a remuneration policy based on salary scales by grade with annual RPI and other changes determined by the Executive Board during the budget planning process. A delegated group of trustees appraise the Chief Executive at least annually and set his remuneration for the forthcoming year. A non-contributory pension investment of 9% of salary, is made to staff personal pension schemes.

The Institute greatly values the contribution of its trustees and members in the work of the charity which ranges from their roles in the governance structure to representation input to the industry's decision making bodies and writing for the Journal and other publications. Due to the diversity of these voluntary contributions and the large number of members involved (some 140 in central governance roles) it is not feasible to assess the value in terms of time or money.

Auditors

The auditors, Appleby & Wood (London) Limited are willing to continue in office and resolutions concerning the appointment of Auditors will be submitted to the annual general meeting.

Fixed assets

Changes in the company's fixed assets during the year are shown on the balance sheet.

Trustees

The Trustees of the Charitable Company are stated on page 1.

This report has been prepared in accordance with Statement of Recommended Practice- Accounting and Reporting by Charities and in accordance with special provisions of part 15 of the Companies Act 2006.

Approved by the trustees and signed on their behalf by :

Mr P J Lloyd
Secretary



Date:07/07/2022

THE NAUTICAL INSTITUTE
TRUSTEES' RESPONSIBILITIES

Statement of Trustees' Responsibilities

Company law 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 company and of the surplus or deficit of the company for that period. In preparing those financial statements, the trustees are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

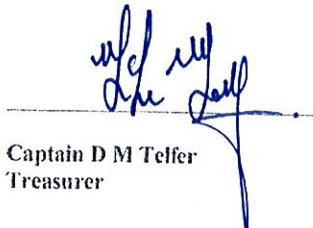
State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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



Mr P B Hinchliffe
Chair



Captain D M Telfer
Treasurer

Date: 07/07/2022

THE NAUTICAL INSTITUTE
Independent Auditor's Report to the members of The Nautical Institute

Opinion

We have audited the financial statements of The Nautical Institute (the 'charitable company') for the year ended 31st December 2021 which comprise the Statement of Financial Activities and the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

THE NAUTICAL INSTITUTE

Independent Auditor's Report to the members of The Nautical Institute (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are FRS102, the Companies Act 2006 with the supervisory requirements of Companies House.
- The charitable company operates internationally and is significantly impacted by international law and regulations. Taxation law and regulation apply to the charitable company but it is not involved in any complex matters that increase the risk of non compliance.

THE NAUTICAL INSTITUTE

Independent Auditor's Report to the members of The Nautical Institute (continued)

- We understood how the charitable company is complying with those frameworks through discussions with the Trustees and review of the Trustees' minutes and the charitable company's documented policies and procedures.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the Trustee's reporting to the charitable company with respect of the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the charitable company.
- Our pre-audit review specifically makes reference to fraud and this is supported by audit documentation. We also review board minutes to identify any matters of concern or risk. None was identified.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the charitable company and management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



R W Williams FCCA
(Senior Statutory Auditor)
For and on behalf of Appleby & Wood (London) Limited
40 The Lock Building
72 High Street
Stratford
London E15 2QB

Date 27th September 2022

THE NAUTICAL INSTITUTE
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2021

	2021	2020
Income	3,705,760	3,112,522
Gain/(loss) on investments	203,158	(30,811)
Gross income in reporting period	3,908,918	3,081,711
Expenditure	(3,005,426)	(2,802,364)
Net income before tax for the reporting period	903,492	279,347
Tax Payable	-	-
Net income for the financial year	903,492	279,347

All income is unrestricted funds.

A detailed analysis of income and expenditure by source is provided in the Statement of Financial Activities and the notes to the financial statements.

THE NAUTICAL INSTITUTE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2021

	Note	Unrestricted Fund £	Designated Fund £	Total Funds 2021 £	Total Funds 2020 £
Income and endowments from:					
Donations and Legacies		102,132	-	102,132	92,297
Charitable activities	2	2,943,836	-	2,943,836	2,411,084
Other trading activities	4	612,206	-	612,206	575,819
Investment income	5	137	45,912	46,049	33,322
Other		1,537	-	1,537	-
Total		3,659,848	45,912	3,705,760	3,112,522
Expenditure on:					
Raising funds	6	406,676	-	406,676	410,556
Charitable Activities	7	2,584,885	-	2,584,885	2,391,808
Other		-	13,865	13,865	-
Total		2,991,561	13,865	3,005,426	2,802,364
Net gain / (loss) on investments		-	203,158	203,158	(30,811)
Net income		668,287	235,205	903,492	279,347
Transfers between general funds		(1,000,000)	1,000,000	-	-
Movement on education fund		-	(1,111)	(1,111)	-
Net movement in funds		(331,713)	1,234,094	902,381	279,347
Reconciliation of funds:					
Total funds brought forward		1,407,357	1,346,508	2,753,865	2,474,518
Total funds carried forward at 31st December 2021	18	1,075,644	2,580,602	3,656,246	2,753,865

Movements in funds are disclosed in Note 18 to the financial statements.

All amounts above relate to unrestricted funds.

The notes on pages 10 to 15 form part of these financial statements.

THE NAUTICAL INSTITUTE
BALANCE SHEET AS AT 31ST DECEMBER 2021
Company No. 2570030

	Note	Total funds 2021		Total funds 2020	
		£	£	£	£
Fixed assets					
Tangible assets	13		105,595		71,592
Investments	14		<u>2,574,588</u>		<u>1,339,384</u>
Total fixed assets			<u>2,680,183</u>		<u>1,410,976</u>
Current assets					
Stocks	15	39,941		41,253	
Debtors	16	206,420		269,922	
Cash at bank and in hand		<u>1,195,852</u>		<u>1,376,532</u>	
Total current assets		<u>1,442,213</u>		<u>1,687,707</u>	
Liabilities:					
Creditors: amounts falling due within one year	17	<u>(466,150)</u>		<u>(344,818)</u>	
Net current assets			976,063		1,342,889
Total net assets or liabilities			<u>3,656,246</u>		<u>2,753,865</u>
The funds of the charity:					
Unrestricted funds:					
Designated funds	18		2,580,602		1,346,508
General funds			<u>1,075,644</u>		<u>1,407,357</u>
Total charity funds			<u>3,656,246</u>		<u>2,753,865</u>

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

Approved by the board of trustees on 07/07/2022 and signed on their behalf by:



Mr P B Hinchliffe
Chair



Captain D M Telfer
Treasurer

The notes on pages 10 to 15 form part of these financial statements.

THE NAUTICAL INSTITUTE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

1. Accounting policies

a) Basis of accounting

The financial statements have been prepared in accordance with the Companies Act 2006 and follow the recommendations of the 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).

b) Depreciation of fixed assets

Furniture and office equipment is depreciated on the straight line basis at cost over its estimated useful life at the rate of 10% per annum. Computer equipment is depreciated at a rate of 33 1/3% per annum on cost.

c) Revaluation of investments

The investment assets have been shown at market value for the year ending 31st December 2021 with the comparatives for the year ending 31st December 2020 also shown at their market value. The revaluation surplus has been shown on the statement of financial activities as net realised and unrealised gain on investment assets.

d) Corporation tax

The company has taken advantage of the tax exemption allowed due to its charitable status.

e) Allocation of expenditure

10% of salaries and 50% of travelling and meeting expenses have been allocated to management and administration of the Institute, which reflects the proportion incurred in this activity.

f) Capital reserve fund

This has been set up to create a Contingency Reserve and a Projects Reserve. The Contingency Reserve should be based on 3 months staff costs, 6 months rent and services and the average trade creditors. The Projects Reserve is to enable the Institute to fund specific projects with the approval of the Executive Board of Trustees. This Fund would be reviewed annually.

g) Stock

The stock held is the stock of books, both historical and current, and are valued at the lower of cost or net reliable value. The stock of books is reviewed periodically for the professional content and current relevance and a bad debt provision is calculated on this basis.

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

	Unrestricted Fund £	Designated Fund £	Total 2021 £	Total 2020 £
2 Charitable activities				
Charitable activities event & journals	128,030	-	128,030	152,618
Entrance fees, transfer fees and subscriptions	735,227	-	735,227	671,236
Training and courses	230,036	-	230,036	201,224
Accreditation Certification and training	1,850,543	-	1,850,543	1,386,006
Educational Fund grants	-	-	-	-
	<u>2,943,836</u>	<u>-</u>	<u>2,943,836</u>	<u>2,411,084</u>
3 Seminars, Conferences, events & journals				
	Seminar/ Conferences £	Seaways Journals £	2021 £	2020 £
Income				
Conferences and seminars	5,250	-	5,250	21,500
Seaways income (subscribers & Affiliates)	-	101,670	101,670	103,700
Seaways advertising income	-	21,110	21,110	27,418
	<u>5,250</u>	<u>122,780</u>	<u>128,030</u>	<u>152,618</u>
Expenditure				
Conferences/seminars	20,989	-	20,989	19,005
Seaways publications	-	224,114	224,114	215,814
Mars	-	6,000	6,000	6,000
Seaways advertising cost	-	5,076	5,076	6,068
	<u>20,989</u>	<u>235,190</u>	<u>256,179</u>	<u>246,887</u>
(Deficit) on Seaways, conferences, event & journals	<u>(15,739)</u>	<u>(112,410)</u>	<u>(128,149)</u>	<u>(94,269)</u>
4 Other trading activities				
	Books	Services	2021	2020
Sales	610,596	1,610	612,206	575,819
Costs of sales				
Opening stocks	35,540	5,713	41,253	51,083
Purchases	362,110	987	363,097	373,583
	<u>397,650</u>	<u>6,700</u>	<u>404,350</u>	<u>424,666</u>
Less: closing stocks	<u>(37,077)</u>	<u>(2,864)</u>	<u>(39,941)</u>	<u>(41,253)</u>
Costs of sales	<u>360,573</u>	<u>3,836</u>	<u>364,409</u>	<u>383,413</u>
Surplus/(Deficit) on other trading activities	250,023	(2,226)	247,797	192,406
5 Investments income				
	General Fund £	Designated Fund £	2021 £	2020 £
Bank interest	137	6,096	6,233	7,108
Dividends	-	39,816	39,816	26,214
	<u>137</u>	<u>45,912</u>	<u>46,049</u>	<u>33,322</u>

THE NAUTICAL INSTITUTE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

	Note	Unrestricted Fund £	Designated Fund £	Total 2021 £	Total 2020 £
6 Raising funds					
Cost of generating funds	4	364,409	-	364,409	383,413
Publicity		42,267	-	42,267	27,143
		<u>406,676</u>	<u>-</u>	<u>406,676</u>	<u>410,556</u>
7 Charitable activities					
Cost of activities in furtherance of the Institute's objectives	3	256,179	-	256,179	246,887
Support costs	8	556,507	-	556,507	612,218
Administration & Governance costs	9	573,327	-	573,327	532,838
Project & Training		425,752	-	425,752	377,371
Training and Courses		-	-	-	-
Accreditation and Certification		773,120	-	773,120	620,494
Prizes and scholarships		-	-	-	2,000
		<u>2,584,885</u>	<u>-</u>	<u>2,584,885</u>	<u>2,391,808</u>
8 Support costs					
				2021	2020
				£	£
Branch subventions				16,670	10,984
Staff costs	11			537,503	590,525
Travelling and meetings				2,335	10,709
				<u>556,507</u>	<u>612,218</u>
9 Administration & Governance costs				2021	2020
				£	£
Postage and telephone				52,278	40,803
Printing and stationery				8,437	10,759
Computer expenses				51,338	57,825
Auditors fees				5,800	6,600
Credit Card & Bank Charges				48,626	41,928
Rent, rates and service charges				176,710	155,806
Insurance				7,165	7,074
Insurance - Members Benefit				31,197	41,976
Office equipment rental				6,418	6,252
General expenses				11,375	9,826
Travelling, meetings and AGM expenses				2,335	10,709
Overhead Recovery				(18,000)	(17,170)
Legal & Professional fees				38,834	20,380
Training Costs				10,427	2,073
Staff costs	11			59,723	65,614
Depreciation				80,665	72,383
				<u>573,327</u>	<u>532,838</u>
10 Net movement in funds for the year				2021	2020
This is stated after charging:				£	£
Depreciation of fixed assets				80,665	72,383
Auditors remuneration (audit services)				5,800	6,600

THE NAUTICAL INSTITUTE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

11 Staff costs	2021	2020	
	£	£	
Salaries & wages	1,339,943	1,208,892	
Social security costs	144,954	134,249	
Pension	119,578	119,452	
<i>Total staff cost including benefits</i>	<u>1,604,475</u>	<u>1,462,593</u>	
Less: allocated to cost centres (excluding membership)	(1,007,250)	(806,454)	
<i>Staff costs included within overhead cost.</i>	<u><u>597,225</u></u>	<u><u>656,139</u></u>	
No. of employees earning £60,000 to £70,000	4	2	
No. of employees earning £70,001 to £80,000	1	-	
No. of employees earning £80,001 to £90,000	-	-	
No. of employees earning £90,001 to £100,000	3	3	
No. of employees earning £100,000 +	<u>1</u>	<u>1</u>	
Average number of employees	<u>34</u>	<u>35</u>	
 The chairman and trustees did not receive any remuneration during the year.			
12 Taxation			
The charitable company is exempt from corporation tax on its charitable activities.			
13 Tangible fixed assets	Office furniture & Equipment	Computers	Total
Cost	£	£	£
At 1st January 2021	79,768	692,470	772,238
Additions	-	114,668	114,668
Disposals	-	-	-
At 31st December 2021	<u>79,768</u>	<u>807,138</u>	<u>886,906</u>
 Accumulated depreciation			
At 1st January 2021	59,260	641,386	700,646
Charge for the year	6,033	74,632	80,665
Disposals	-	-	-
At 31st December 2021	<u>65,293</u>	<u>716,018</u>	<u>781,311</u>
 Net book values:			
As at 31st December 2021	<u>14,475</u>	<u>91,120</u>	<u>105,595</u>
As at 31st December 2020	<u>20,509</u>	<u>51,083</u>	<u>71,592</u>
14 Investments	2021	2020	
	£	£	
Market value at 1 January 2021	1,281,363	1,290,332	
Acquisition at cost	1,192,062	62,167	
Sales proceeds at market value	(203,301)	(40,325)	
Surplus / Loss in the year	<u>203,158</u>	<u>(30,811)</u>	
Market value at 31 December 2021	2,473,282	1,281,363	
 Other Holdings			
Cash	<u>101,306</u>	<u>58,021</u>	
Market value at 31 December 2021	<u><u>2,574,588</u></u>	<u><u>1,339,384</u></u>	
Market value at 1 January 2021	<u><u>1,339,384</u></u>	<u><u>1,347,287</u></u>	

THE NAUTICAL INSTITUTE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

	2021			2020	
	£			£	
15 Stocks					
Books	37,077			35,540	
Member services	2,864			5,713	
	<u>39,941</u>			<u>41,253</u>	
16 Debtors					
Trade debtors	42,079			109,831	
Prepayments	42,649			81,264	
Other debtors	95,306			75,511	
VAT	26,386			3,316	
	<u>206,420</u>			<u>269,922</u>	
17 Liabilities: Creditors: Amounts falling due within one year:					
Trade creditors	63,669			78,323	
Accruals	306,791			210,842	
PAYE & other creditors	95,690			55,653	
	<u>466,150</u>			<u>344,818</u>	
18 Designated funds	Balance 01.01.2021	New Designated	Utilised/ Realised	Transferred	Balance 31.12.2021
	£	£	£	£	£
Capital Reserve Fund	1,337,874	32,047	203,158	1,000,000	2,573,079
Educational fund	8,634	-	-	(1,111)	7,523
	<u>1,346,508</u>	<u>32,047</u>	<u>203,158</u>	<u>998,889</u>	<u>2,580,602</u>
General Fund	Balance 01.01.2021	New Designated	Utilised/ Realised	Transferred	Balance 31.12.2021
	£	£	£	£	£
Bfwd	1,407,357	-	-	-	1,407,357
Transfer in year	-	-	-	(1,000,000)	(1,000,000)
Surplus for year	-	668,287	-	-	668,287
	<u>1,407,357</u>	<u>668,287</u>	<u>-</u>	<u>(1,000,000)</u>	<u>1,075,644</u>

19 Related Party Transactions

No Trustee received any remuneration for services as a Trustee. The amount of £Nil (2020: £1,710) was reimbursed to Trustees to cover miscellaneous travel expenses in connection with their roles as Trustees.

Trustees and Council members use the Institute's services on the same terms as other members. Because of the nature of the Institute's trades it is not practical to quantify the total of transactions with these members during the year. However, only minor balances were owed to and from these members as at 31st December 2021 and any fees paid to these members are shown separately in the Revenue Account. Trustees and Council members are required to be full voting members of the Institute.

Due to the nature of the Institute's trade, a number of the Trustees and Council are also directors/trustees/employees of entities with which the Institute trades, and due to the nature of the trade, it would not be practical to quantify the total of transactions in the period.

THE NAUTICAL INSTITUTE
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST DECEMBER 2021

<u>Statement of cash flows</u>	Total 2021 £	Total 2020 £
Cash flows from operating activities:		
<i>Net cash provided by (used in) operating activities</i>	919,985	467,215
Cash flows from investing activities:		
Dividends, interest and rents from investments	46,049	33,322
Proceeds from the sale of property, plant and equipment	-	-
Purchase of property, plant and equipment	(114,668)	(42,588)
Proceeds from sale of investments	203,301	40,325
Purchase of investments	(1,192,062)	(60,167)
<i>Net cash provided by (used in) investing activities</i>	-	436,107
Cash flows from financing activities:		
Repayments of borrowing	-	-
Cash inflow from new borrowing	-	-
Receipt of endowment	-	-
<i>Net cash provided by (used in) financing activities</i>	(137,395)	436,107
<i>Change in cash and cash equivalents in the reporting period</i>	(137,395)	436,107
Cash and cash equivalents at the beginning of the reporting period	1,434,553	998,446
Change in cash and cash equivalents due to exchange rate movements	-	-
Cash and cash equivalents at the end of the reporting period	1,297,158	1,434,553
<u>Reconciliation of net income/(expenditure) to net cash flow from operating activities</u>		
<i>Net income/(expenditure) for the reporting period</i> <i>(as per the statement of financial activities)</i>	903,492	279,347
Adjustments for:		
Depreciation charges	80,665	72,383
Movement on education fund	(1,111)	-
(Gains)/Losses on investments	(203,158)	30,811
Dividends, interest and rent from investments	(46,049)	(33,322)
Loss/(profit) on the sale of fixed assets	-	-
(Increase)/decrease in stocks	1,312	9,830
(Increase)/decrease in debtors	63,502	89,989
Increase/(decrease) in creditors	121,332	18,177
<i>Net cash provided by (used in) operating activities</i>	919,985	467,215
<u>Analysis of cash and cash equivalents</u>	Total	Total
Cash in hand	1,195,852	1,376,532
Investment capital reserve account	101,306	58,021
Notice deposits (less than 3 months)	-	-
Overdraft facility repayable on demand	-	-
Total cash and cash equivalents	1,297,158	1,434,553

THE NAUTICAL INSTITUTE

England & Wales - Charity number 1002462

Accounts

The Nautical Institute Annual Report – 2020



John Lloyd FNI
Chief Executive and Company
Secretary on behalf of the
Executive Board

After a very positive start to 2020, The Nautical Institute experienced a significant reduction in activity associated with the Covid-19 pandemic. A global re-adjustment in priorities was reflected across all areas, especially in accreditation and delivery of the professional development courses. Significant interventions were made to ensure the safety and security of staff and the day-to-day operations of the office. Previous exercises addressing business continuity ensured a smooth transition to partial home working.

In consideration of potential difficulties in the ability of our DPOs to send documentation and in courier operations, The Nautical Institute extended the validity of all DPO certificates by a period of six months. This action aimed to provide confidence and reassurance to the market and appears to have been warmly welcomed by the whole sector.

The NI moved its key meetings online and increased the frequency of management meetings (initially to three times per week). The level of oversight from the Finance and Audit Committee and Executive Board was increased by introducing monthly meetings; these were later reduced to every two months.

The Annual General Meeting was, for the first time ever, held online. The AGM saw the transition of the Presidency from Captain Nick Nash to Jillian Carson-Jackson, the Institute's first female President. Jillian delivered an inauguration speech focusing on equality and diversity. Since taking office she has been particularly active engaging with Vice-Presidents and online meetings of branches.

Events planned to take place in Plymouth in tandem with the AGM were postponed due to travel restrictions. It is hoped the technical and other events can be rescheduled for another date, perhaps to coincide with rearranged Mayflower 400 celebrations.

The Navigator was once again one of the world's leading free journals to the maritime sector thanks to the longstanding and generous support of International Foundation for Aids to Navigation (IFAN) (£100,000) and other donors including Ocean Technologies Group, Rightship, the UK P&I Club and the PTC Group.



Outgoing President
Cdre Nick Nash FNI



Jillian Carson-Jackson
FNI, President, The
Nautical Institute



Objectives and activities

The aim of this report is to provide a resumé of the work of the Institute during the year. The Trustees are grateful to the many members and the staff whose dedication and professionalism continue to contribute to an effective and well-respected organisation.

The work of the Institute is not only a service to members but also a public benefit to maritime professionals, the industry and society in general worldwide, by improving safety and the protection of the marine environment through the sharing of knowledge in nautical science and the raising of professional standards.

The ISO 9001:2015 quality management standard was successfully maintained. The audit in February 2020 resulted in constructive feedback and ongoing approval from the certifying body.

Finance and staffing

The Trustees meet on a regular basis. Mindful of the particularly challenging conditions and the enhanced risk to operations and finances, meetings this year were held more frequently than has hitherto been felt necessary. The additional meetings of the Executive Board and the Finance and Audit Committee ensured the correct level of governance and oversight was provided throughout the year.

The impact of Covid-19 resulted in a significant drop in revenue-generating activities in some areas, most notably accreditation services and short course delivery.

Extensive mitigation strategies were put in place, including the use of government-supported funding for job retention schemes. Nevertheless, some staffing adjustments were necessary, and three posts were identified as no longer required by the organisation. Individual members of staff were not very adversely affected as one member of staff was re-deployed internally and a further two secured employment with new employers. Recruitment to existing vacancies was deferred indefinitely.

The management of the investment portfolio was kept under regular review in what was a very unpredictable market. The balanced low-medium risk portfolio invested through Rathbones performed rather better than had been expected.

The Institute continued to carry a healthy bank balance throughout the year. The extensive operational savings made during the year more than offset the reduction in revenue and a surplus of £289,250 was recorded for the year.

The Reserve policy was reviewed towards the end of the year and it was agreed to invest further in the capital reserve fund to take advantage of the potential for growth in stock markets globally.

As part of this review, the Reserves policy has now been brought into line with charity-sector averages, holding the equivalent of four months operational expenditure in contingency reserve. An amount equivalent to 50% of this figure should also be held as an operational reserve to support projects and other activities should the need arise.

The Capital Reserve Fund value at year end was £1,339,384, reflecting a total return of -0.6% (-£8,000) in unprecedented conditions.

PUBLICATIONS

The pandemic inevitably had an effect on publications. Some authors were unable to provide planned contributions, others were very busy organising work around the new circumstances and others had health issues. We are very grateful to all our volunteer authors and peer reviewers for the support and dedication they show to the task. The efforts they put in last year were second to none.

We did manage to launch some books as planned. *A Guide to Bulk Carrier Operations*, a new publication aimed at STCW certificate-holders on bulk carriers, was a big success. The launch webinar attracted some 800 participants. Thanks to the support of those in the industry – notably Intercargo – the book is gaining fleet sales and will help to support safer operations on those vessels. In further support of the bulk carrier fleet a major review of the second edition of the industry standard work *Bulk Carrier Practice* is now underway.

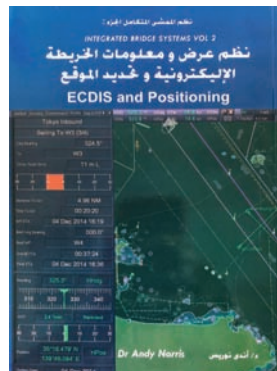
A new edition of *Stowaways by Sea* included an enlarged section on migrant rescue to help those facing these challenges. There was certainly no let-up in migrant activity in 2020 and the book has been well received.

An Arabic translation of *ECDIS and Positioning* was launched in Egypt. Translations of other books are being developed.

A major advance was the development of ebooks for some titles and more are being added all the time. Demand for ebooks is slow but we want to make sure they are available. There will be more developments in the coming months as we get more sophisticated in our offering.

Another major project was the development of a trial taskbook for IMEC (International Maritime Employers Council) members. This is aimed at recording and validating training above minimum regulations and is set to be reviewed this year.

There are still some 16 projects in various states of completion, and more are being added when proposals are considered worthwhile. A completely revised and updated edition of *Bridge Watchkeeping* is ready, aimed at those who are taking on this task for the first time. Now, attention turns to the bridge team. An editorial board is working to see what support can be given to this cohort, which is so often criticised in casualty reports.



Last year proved to be a good one for book sales despite the pandemic. We maintained good relations with resellers. These make up most of the market and many have undergone some strategic changes during the year with ownership and emphasis changing for some. The NI is holding book prices for 2021 as we know people will be facing a tough year. It is hoped this will help people to continue to benefit from the advice we give on best practice at a difficult time.

Seaways

In the President's Questionnaire of 2020, *Seaways* was once again considered to be the top membership benefit of the NI. Over the years, *Seaways* has reflected the lives and concerns of our members, and is closely integrated with the wider concerns of the Institute. In 2020, this has inevitably meant a focus on what it is like working in a world affected by the pandemic, and how the industry has adapted to deal with this, both at sea and on shore. In addition, we have shared and amplified the voices of those campaigning for an end to the unjust treatment of seafarers prevented from travelling home.

The magazine continues to be a forum for discussion, debate and the development of new ideas, as well as the reinforcement of current best practice. Technical concerns have included increasing digitalisation and the need for increasing co-ordination between ship and port; the emerging shape of maritime training, the development of Colregs and the perennial issue of mooring safety.

At the end of 2020, we carried out a major update of the online archive. All copies of *Seaways* back to June 2006 are now available for members to view online, with each copy individually searchable. This represents the entire digital archive.

MEMBERSHIP

The pandemic posed a key challenge for the Institute in maintaining services to members. With careful planning and a flexible approach, however, all membership processes were successfully transitioned to remote management. The appointment of a new mailing house has helped to streamline membership administration, including the implementation of a much improved new member welcome pack.

Total membership of the Institute stood at 6,869 at 31 December 2020, slightly down on last year (6,947). While this is disappointing, it is set against a period in which many members lost employment and during which funding for 193 South African student members came to an end.



Geographical distribution and branch update

Africa	235 (236)
Asia	1,377 (1,382)
Europe	3,700 (3,713)
Latin America	251 (252)
Middle East	136 (137)
North America	595 (597)
Oceania	575 (577)

Membership in 2020 (2019)

President's Questionnaire

Every five years a President's Questionnaire is issued to canvass the views of members and ensure the Institute's goals remain in line with what members want. This, in turn, helps shape the Institute's next Strategic Plan. A record 34% of members responded to the 2020 NI Questionnaire in which questions ranged from exploring how recipients felt about membership benefits to much broader themes such as the areas of the industry that they believed the Institute should be placing most emphasis on. Emerging as a dominant theme was the desire for the Institute to focus on seamanship. This has duly been included as a central element within the Institute's Strategic Plan for 2021-2026.

First Sapphire Affiliate

Leading global learning company Ocean Technologies Group become The Nautical Institute's first Sapphire Affiliate partner. Affiliate partners are dedicated supporters who undertake to donate a certain sum to the NI every year, providing much needed support for the Institute's Mariners' Alerting and Reporting Scheme (MARS) as well as its free magazine *The Navigator*, which this year celebrated its 25th edition. Raal Harris, Creative Director of the Ocean Technologies' Group, said: "We have enjoyed a great working relationship with The Nautical Institute over many years using its members' expertise and knowledge to help us design and develop our training solutions. We passionately believe in the professional development of seafarers and so it was a natural progression for us to help support the Institute's work by becoming the first Sapphire Affiliate member."

Member benefits

Members continue to appreciate being able to take one free online Videotel course every 12 months. Over 381 courses were taken in 2020. The Institute's partnership with the CV & Interview Advisors is also proving popular. In 2020 members had the opportunity to attend four free webinars focused on helping them to polish their CV, improve their online profile and hone their interview skills.

Certificates of Appreciation

Our Institute's global network of branches play a vital role in promoting the message of professionalism, best practice and safety and in providing constructive input to decision-makers.

In 2020 many branches participated in a programme of awarding Certificates of Appreciation



The Nautical Institute would like to thank all the Nautical Affiliates and sponsors who support our work



Nautical Institute members present Certificates of Appreciation to serving seafarers

in recognition of the sacrifices made by seafarers during the pandemic. The initiative was started by Walter Vervloesem FNI, Chairman of the NI Belgian branch, but grew to involve the rest of The Nautical Institute's global branch network. Foremost among these was the Institute's South West India Branch which held no less than 12 online Certificate of Appreciation events, subsequently celebrated in a special souvenir brochure. To paraphrase the words of one recipient...

All Masters were very very grateful to receive this certificate and it means a lot for the entire crew for such a kind and noble gesture. It's a way to tap the shoulders of all seafarers to say 'many thanks for doing such a wonderful and great job for all citizens of this world'.

Branch meetings move online

The Institute's branches have proved hugely adaptable in the face of the pandemic with many holding online meetings, both social and technical.

While members have missed the interaction that comes with physical meetings, many have welcomed the opportunity to participate online, especially those who, for reasons of geography or work commitments, might not otherwise have been able to engage with fellow members in their region. The Iberia, London, Hellenic, South West India, Ireland and Singapore branches are just some of those leading the way in using online meeting technology to bring together members from their respective regions and beyond.

Younger Members' Council

In seeking to encourage younger seafarers to become members of The Nautical Institute, the Younger Members' Council launched an NI Instagram account in late 2020.

The account already has more than 600 followers and is serving to highlight the breadth of the Institute's activities to a section of the maritime community that may previously have been unfamiliar with the work of The Nautical Institute.

RESOURCES AND COMMUNICATIONS

Targeted Coronavirus resource

The pandemic threw up many challenges for the maritime community, not least the difficulty in accessing reliable and accurate information. The vital work undertaken by seafarers lies at the heart of the world's battle to beat the Coronavirus, so it is important they are able to stay abreast of how best to meet the specific challenges posed by Covid-19 to the maritime community.

To help address this need The Nautical Institute established a dedicated welfare and support page on its website, featuring a range of valuable resources. This includes updates and guidance from organisations such as the IMO, International Chamber of Shipping, Steamship Mutual, the World Health Organization and the European Commission.

Navigating the future

The Nautical Institute joined forces with ITN Productions to produce *Navigating the Future*, a film that aims to raise awareness and understanding of the

vital role played by the maritime sector.

Launched at the CrewConnect Global virtual conference by Nautical Institute CEO Captain John Lloyd, the film begins with an overview of the ways that technology is transforming the industry – particularly by making shipping greener. As the industry undergoes rapid change, the Institute is there to provide support through its publications, global network of maritime experts and its CPD programme, Captain Lloyd explains.

PROJECTS

The Navigator magazine

The Navigator magazine continues to inspire professionalism in marine navigators. Its impact is evident from the hundreds of testimonials sent in throughout the year (mostly through Facebook).

With generous funding from IFAN and Ocean Technologies Group, the UK P&I Club, Rightship, and the PTC Group, we were able to deliver thousands of paper copies of The Navigator and many thousands more copies by the app and free downloads. Although some of the paper copies have been delayed around the world as a result of flight restrictions being imposed in many countries, the electronic copies have come into their own. Users particularly appreciate that the app is fully searchable across all issues. We do recognise the value of the paper copies, and please be assured that all back copies are in the system and will be delivered eventually.

Issue 23, issued in February 2020, focused on the vital issue of Situational Awareness. Issue 24 looked forward into the future to outline some evolving technologies and their likely impact on the professional navigators who will need to use them. Issue 25 summarises the vast range of issues raised since 2012 – all of which we were pleased to note are still every bit as current now as they were then!

Issue 25 also gave us a chance to thank all the sponsors and authors over the years as well as the wonderful volunteers who have distributed 2.5 million copies on a global basis to aid the professional development of navigators.

Mentoring Project – Learning the Ropes

When the pandemic started significantly disrupting seafarers' lives due to crew change restrictions and increased isolation aboard ships, Capt LeGoubin, an NI Vice President and active maritime STS Pilot, observed how vulnerable seafarers could become and how an encouraging word, through the process of mentoring, could improve the welfare of the individual and crew as a whole.

Given the need to act fast, Capt LeGoubin spearheaded a project to address this issue immediately. The TK Foundation offered to sponsor a dedicated campaign to promote mentoring on board. With global restrictions limiting traditional options, the NI approached multi-media company LUMA to create a project using online video technology and the power of social media.

With the support of volunteer NI members, five



short videos were produced using an innovative approach to mixing real interviews with animation. These videos were then promoted over Facebook, Twitter, Instagram, LinkedIn and YouTube, attracting thousands of interactions from around the world and further supported by webinars attracting over 1,000 participants. Our thanks to the TK Foundation for their quick reaction and dedication to supporting seafarers. The video campaign continues and can be accessed through the Institute's YouTube channel and website.

Short courses

The year started on a positive note, but in March 2020 we were forced to take the decision to cancel all our classroom courses for the safety of students and instructors.

Demand for the courses in another form remained, particularly as clients were concerned that safety standards would fall in the absence of a training programme. The challenge for the NI was to deliver courses online to meet this need.

The immediate focus was on selecting a suitable platform for training, converting our course presentations, notes, materials and certificates to be effective and suitable for online delivery. We retrained our instructors to ensure we maintained training effectiveness, measured by retention and engagement.

An online training standard was developed, specifying a maximum of eight students per group to maintain instructor-student engagement time. To combat screen fatigue, online teaching was restricted to a maximum of three hours per day, with a comfort break once an hour.

We were able to make a smooth transition from classroom to synchronous online training thanks to the co-operation of our corporate customers in carrying out online pilot courses. This also allowed us to experiment with having two specialist instructors delivering the same course to two diverse groups (navigators and engineers) simultaneously, improving the students' engagement and learning.

We now deliver the following courses online using the ZOOM training platform:

- Navigation Assessor (3 hours × 4 days)
- Onboard Competency Assessment (3 hours × 4 days)
- Add-on course – Onboard Assessment (3 hours × 2 days)
- Rethinking Investigations and Audits modules (3 hours × 3 sessions)
- Reducing Risk Through the Human Element (3 hours × 4 days)
- Blockchain for Maritime Professionals – The Fundamentals (3 hours × 3 days)
- Introduction to Shipping (3 hours × 2 days)
- Human Element modules (each module is 3 hours × 1 day)
- Bespoke Onboard Competency Assessment course for shipping companies (3 hours × 5 days).

The transition from classroom to online training was successful. Feedback from students and corporate clients again confirmed that expectations were met

and the quality of our instructors is very good. We have trained more instructors and will continue to do so in areas where demand is growing.

In the current restricted environment, marketing options were limited to webinars, e-newsletter, social media and online meetings with shipping companies. In addition to converting the existing portfolio for online delivery and maintaining course quality, we have carried out surveys to identify skill gaps and demand for future training.

Looking ahead, blended learning is here to stay. Developing and delivering training programmes by adapting new and developing technology is the future.

Industry engagement

The NI continues its involvement with the IMO as a non-governmental organisation, attending a broad spectrum of meetings to address the full range of our Members' interests. From January to March 2020 the NI delegation physically attended IMO meetings of the committees on Navigation, Communications and Search and Rescue (NCSR7), Ship Design and Construction (SDC7), Pollution Prevention and Response (PPR7) and Ship Systems and Equipment (SSE7) in London. Issues discussed included navigation and communications; damage stability and non-SOLAS ships operating in polar waters; pollution; life-saving appliances and fire protection.

From April, IMO meetings were disrupted by Covid and were resumed online only later in the year. From September, the NI attended virtual meetings including the Facilitations Committee (FAL44), Maritime Safety Committee (MSC 102), Marine Environment Protection Committee (MEPC75) and Legal Committee (LEG107). The NI made prepared interventions on the fair treatment of seafarers and provided operational input into the impact of shaftpower limitations for greenhouse gas (GHG) reduction. Although the adoption of virtual IMO meetings is limiting to some extent, it does offer the NI greater opportunities for engaging disparate members at these meetings.

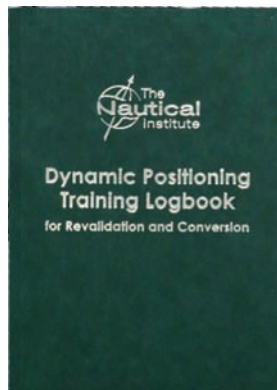
Webinars

The Nautical Institute produced a series of webinars on technical issues. These webinars were actually introduced many years ago as 'virtual branch meetings', but became more popular during the challenging times of Covid.

The live webinars were open to all, but recordings are available only to NI Members. Most webinars ran for about an hour and comprised a presentation followed by Q&A. The wide range of topics reflects our members' interests, including Hatch Cover Inspections, Blockchain, Mindfulness in Shipping and Modern Weather Forecasting just as examples.

Members were encouraged to use the webinars as part of their continuous professional development (CPD), with certificates provided to those who attend the live events.

During 2020, the NI webinars attracted over 15,000 registrants and 10,000 attendees and many thousands more took advantage of the recordings.



Recognition Scheme

The Recognition Scheme did not grow as expected in 2020, as the majority of training institutes were shut down or delivered training at reduced capacity in response to the pandemic. By year end, 43 courses had been granted the NI Approved for CPD logo and five specialist courses recognised for CPD in the offshore sector.

Recognition is defined by The Nautical Institute as the process of evaluating and endorsing a maritime training product or service that aligns with the constitutional aim of The Nautical Institute of raising professional standards and supporting professional development. Normally, recognition is valid for a period of not more than one year. Understanding the difficult times faced by training providers, renewal fees for 2021 were reduced by 20% on the forecasted 2021 rates.

	2020	2021
Recognition:	£475.00	£500.00
Renewal:	£475.00	£400.00

Accreditation and certification

Dynamic Positioning (DP) Scheme

Operationally, Accreditation and Certification Services remain in good condition. The forecast activity in the Accreditation area developed as expected, though there was a reduction of some 7% in the number of approved centres, as a number of centres found trading conditions too difficult.

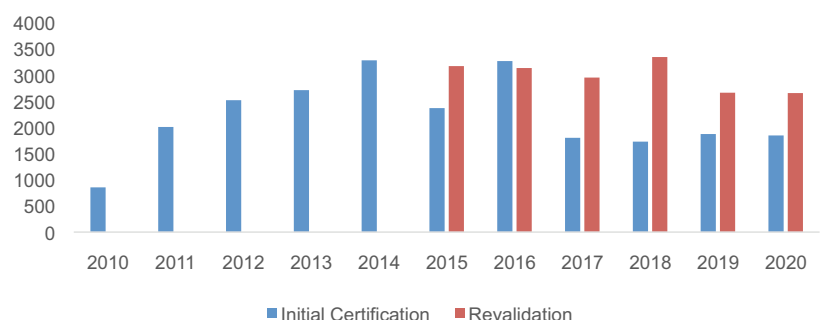
A similar number of centres are expected to be lost in the coming year, with a corresponding reduction in revenue.

Accreditation requirements in 2021 will require a fresh approach to inspecting facilities, probably by remote means. The number of potential audits in 2021 will be around 50 centres because of the backlog accrued from lack of activity in 2020.

Sales of the *DP Offshore Logbook* dipped in consequence of fewer courses being run in 2020 due to Covid-19, but sales of the *Revalidation Logbook* have remained steady.

Processing time has mostly hovered between one and two weeks, with three weeks being the longest time taken this year for compliant applications. This is usually associated with staff leave periods.

Certification Numbers - The Nautical Institute



During 2020, a substantial amount of work was undertaken in collaboration with IMCA on the development of a CPD app designed to support DPOs. The developed programme will be realised in the first quarter of 2021.

As of 1 January 2020 the total number of certificates in date and ready for use was 24,423.

The Nautical Institute continued to process large volumes of applications for both initial certification and revalidation, totalling 4,499 for the year.

Accreditation updates 2020

The accreditation team completed one physical audit in Nigeria and one relocation audit in the Netherlands just before the lockdown in March 2020. Since then, all accreditation/reaccreditation audits for 2020 have been postponed because of the pandemic. Those training centres that are currently due for audit by the NI accreditation team were given an extension to 30 April 2021. All other training centres have been granted a three-month extension to their current accreditation certification.

The NI Accreditation team has provided full support to all our training providers throughout the year to keep the DP training running.

The Accreditation team has held regional training provider (RTPs) and Dynamic Positioning Training Executive Group (DPTEG) meetings remotely in line with the yearly schedule and improved the accreditation standards for 2021.

Three training centres have opted out from the scheme this year. However, one training centre in India has requested reinstatement of its accreditation. We received 14 new enquiries for DP accreditation.

Status: 1 January 2020 to 31 December 2020

- Current number of centres 84 (Americas 19, Asia and Australasia 30, Europe and Africa 35)
- Training centres opted out from the scheme: 3
- Total audit schedule for 2020: 26
- Total audits completed: 2
- Centres accredited for STR Course: 28
- Revalidation Course: 48
- Shuttle Tanker Course: 7
- DP Technical Knowledge Part A Recognition Course: 16
- DP Technical Knowledge Part B Recognition Course: 4
- DP Emergency Ship Handling Recognition Course: 5
- Refresher Course: 9

DP instructor status

- New instructors approved in 2020: 14
- Total approved instructors: 194

Online DP Induction Course delivery support

The Nautical Institute established temporary measures to approve an online induction course (theory only) for an initial period of three months from March 2020. This was subsequently extended until 31 March 2021, subject to review.



Of the 84 approved training centres, 47 applied and were approved to deliver the online induction course.

As the pandemic continued, the NI Accreditation team established parameters with simulator manufacturers, enabling us to approve remote simulator training induction courses. These were scrutinised and approved by the DPTEG steering committee.

DP Vessel Maintainer Training and Certificate Scheme (Engineers)

A DP Engineering Scheme has been developed in consultation with the industry working group and NI-approved training providers, with further approval from the DPTEG steering committee. The scheme was published in the NI 2021 Accreditation Standards and it will be effective from March 2021. The potential numbers if the scheme is successful could be close to those of the DP Offshore Scheme.

Training Scheme for DP Station Keeping Systems for Remote Operation

The Nautical Institute Accreditation team has worked with the Marine Autonomous Surface ship Regulatory Working Group (MASWRG) to establish a DP training scheme for remote operating vessels. The scheme has received preliminary approval from DPTEG. Work to finalise the parameters with the extended industry working group is in progress.

Ballast Control Operator Accreditation Scheme

The Nautical Institute's Ballast Control Operator (BCO) Accreditation Standard, developed in association with the International Association of Drilling Contractors (IADC), has received approval from several flag states. The NI Accreditation team audited and accredited the first training establishment to request approval to offer the BCO stability courses in Gdynia, Poland, in February 2020.

The Nautical Institute Vessel Traffic Services (VTS) Accreditation Scheme (IALA R0103)

A training provider in Finland has submitted an application for accreditation and approval to provide training under this scheme. The documentation is currently under review and we are in consultation with the training provider to undertake a remote audit. A physical audit will be carried out when possible.

TestReach online exam activity during the year

- Induction Course online exam taken: 665; paper exam: 9
- Simulator Course Online exam taken: 447; paper exam: 18
- DP Knowledge for Tech Staff: 91
- Revalidation Course: 42; paper exam: 3
- Total TestReach online exams during 2020: 1,245

Accredited DP training centres worldwide



Accredited OSR training centres worldwide



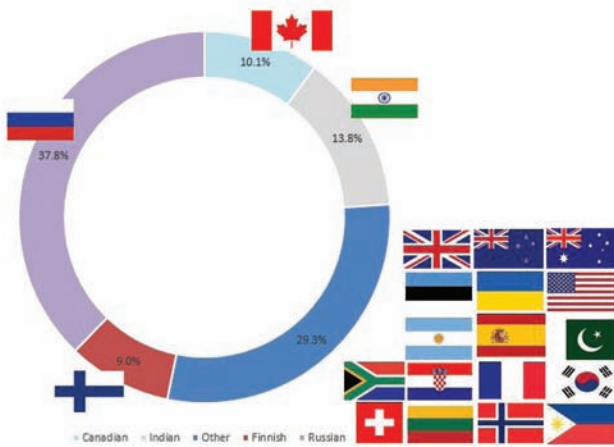
Ice Navigation Scheme

The Ice Navigation Scheme has continued to demonstrate global appeal, with the NI having certificated 188 competent navigators of ships in a range of ice conditions at sea hailing from over 20 nations.

As before, all applicants to the scheme applied via the 'grandfather' route, using a mixture of sea time and simulator training to qualify.

We are committed to improving awareness of the scheme, and to promoting the value of this certificate in a world where ice navigation is likely to increase. The nationality distribution of ice navigators is shown below.

Certificated Ice Navigators by nationality Jan 2021



Oil Spill Response

The provision of oil spill training by blended learning techniques expanded considerably, the catalyst being the introduction of travel restrictions due to the global pandemic.

The NI worked with UK regulators to authorise blended learning packages that would meet UK regulatory requirements. Providers had to submit revised packages for approval to the NI before endorsements to current certificates could be issued. The strategy was extended to international scheme members. As the year developed, applications for the use of blended learning techniques were authorised free of charge on a temporary basis.

New accreditation and re-accreditation visits were not possible; however, the 2020 audit plan was delivered by the use of virtual meetings and video surveillance.

The growth in interest in blended learning offers an opportunity to add courses of this nature to providers' portfolios regardless of any Covid temporary measures. There is considerable interest in this possibility, which is likely to provide dividends in 2021.

During the latter part of 2020 the opportunity was taken to update standards, documentation and audit protocols to reflect the blended learning requirements that the NI has developed over the year.

The Nautical Institute Foundation

During 2020, The Nautical Institute Foundation was formally established and began engagement with the maritime community. The plans for the Foundation are now included in the NI's Strategic Plan. A key focus will be safety and environmental matters that will complement the activities of The Nautical Institute.

The Institute warmly acknowledges the work of Captain Jonathan Stoneley in establishing the Foundation, helping to establish the Founding Board Members and starting active discussions with P&I clubs and other stakeholders. Sadly, Jonathan passed away in November 2020 after a sustained illness. His contribution as the Founding Chief Executive will underpin the future of the organisation.

Looking ahead

The Nautical Institute has developed an exciting and challenging Strategic Plan for the period 2021 to 2025. One key milestone will be the celebration of 50 years since the founding of the Institute.

Development of membership and increasing our technical contributions to the industry will remain central to our activities and we look forward to the ongoing support and engagement from our community.

List of Trustees

Mr Peter Hinchliffe FNI (Chair)
 Capt Duncan Telfer FNI (Hon Treasurer)
 Capt Graham Cowling FNI
 Mr Frank Coles FNI
 Capt Zillur Bhuiyan FNI
 Capt John Menezes FNI
 Capt Kuba Szymanski FNI

Capt Ian Mathison FNI
 Mr Allen Brink FNI
 Mr George Lang FNI
 Mr Moin Ahmed FNI
 Capt Karl Austin FNI
 Capt Ivor Goveas MNI
 Capt Duke Snider FNI

THE NAUTICAL INSTITUTE

**(A Company Limited by Guarantee)
Company No. 2570030**

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2020

Registered Charity No: 1002462

THE NAUTICAL INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2020

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THE NAUTICAL INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2020
LEGAL AND ADMINISTRATION INFORMATION

Status

The Nautical Institute is a charitable company limited by guarantee, incorporated on 20th December 1990.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the trustees are elected by Council to serve a period of up to 3 years and may be re-elected for a further 3 years.

Trustees

The trustees of the company at the financial year end were:

Mr P B Hinchliffe	Chair	Mr G Lang
Captain D M Telfer	Treasurer	Captain I Mathison
Mr Moin Ahmed		Captain J P Menezes
Captain K D Austin		Captain D Snider
Captain Z Bhuiyan		Captain J P Szymanski
Mr A Brink		
Mr F Coles		
Captain G Cowling		
Captain I Goveas		

Secretary Mr. P J Lloyd

Registered Office 202 Lambeth Road
London
SE1 7LQ

Auditors Appleby & Wood
40 The Lock Building
72 High Street
Stratford
London
E15 2QB

Bankers The Royal Bank of Scotland
62-63 The Threadneedle Street
London
EC2R 8LA

Fund Managers Rathbones
1 Curzon Street
London
W1J 5FB

THE NAUTICAL INSTITUTE
REPORT OF THE TRUSTEES
31ST DECEMBER 2020
Co. No. 2570030

The trustees present their report and the audited financial statements for the year ended 31st December 2020.

Principal activities

The Institute is registered as a Company limited by guarantee to promote and maintain nautical education.

Public Benefit

The trustees confirm that they have complied with the duty in Section 4 of the Companies Act 2006 to have due regard to the Charity Commission's general guidance on public benefit and that the activities carried out by the charity during the year were all undertaken in order to further the charity's aims for the benefit of the Charity's beneficiaries. A detailed explanation is shown under Objectives and Activities on the Trustees report published in the May issue of the Institute's Journal, Seaways.

State of affairs and business review

The company made an operating surplus on the General Fund of £289,250 for the current year (2019: £243,945). After taking into account investment activities, designated funds movements and unrealised surplus the company made a surplus of £279,347 (2019: £371,237).

The trustees keep the Reserves Policy under regular review. The Institute holds reserves in order to ensure as far as possible that its Objects may be met in future. Total invested reserves at present stand at £1,339,384 (2019: £1,347,287) which is comprised of the Contingency Reserve £663,000 (2019: £626,000) calculated as shown on page 9 and the remainder acting as a Projects Reserve. The trustees consider that this amount of free reserves is adequate to ensure that the Institute's services are not compromised in the short term. The investment policy of the Institute is to maximise the total return from capital and income combined while maintaining a medium level of risk. Management of the funds is delegated to external investment managers on a discretionary basis and the trustees review the performance of the managers against benchmarks on a regular basis.

The trustees review the Institute's Risk Management Policy at regular intervals. After considering the principal areas of strategic and operational risk, the trustees are confident that the appropriate means of control and mitigation have been adopted. Prudent management practices with awareness of changes in the operating environment are felt to be in place. The management of the Institute are responsible for the day to day management of risk and minimising the effect of any adverse events. The trustees decided to maintain staffing levels through the year due to the demand for Institute services, so authorised cash drawdown to sustain operations, which was not actually required.

The Institute operates a remuneration policy based on salary scales by grade with annual RPI and other changes determined by the Executive Board during the budget planning process. A delegated group of trustees appraise the Chief Executive at least annually and set his remuneration for the forthcoming year. A non-contributory pension investment of 9% of salary, is made to staff personal pension schemes.

The Institute greatly values the contribution of its trustees and members in the work of the charity which ranges from their roles in the governance structure to representation input to the industry's decision making bodies and writing for the Journal and other publications. Due to the diversity of these voluntary contributions and the large number of members involved (some 140 in central governance roles) it is not feasible to assess the value in terms of time or money.

Auditors

The auditors, Appleby & Wood are willing to continue in office and resolutions concerning the appointment of Auditors will be submitted to the annual general meeting.

Fixed assets

Changes in the company's fixed assets during the year are shown on the balance sheet.

Trustees

The Trustees of the Charitable Company are stated on page 1

This report has been prepared in accordance with Statement of Recommended Practice- Accounting and Reporting by Charities and in accordance with special provisions of part 15 of the Companies Act 2006.

Approved by the trustees and signed on their behalf by:

Mr P J Lloyd
Secretary



Date: 29th July 2021

THE NAUTICAL INSTITUTE
TRUSTEES' RESPONSIBILITIES

Statement of Trustees' Responsibilities

Company law 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 company and of the surplus or deficit of the company for that period. In preparing those financial statements, the trustees are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

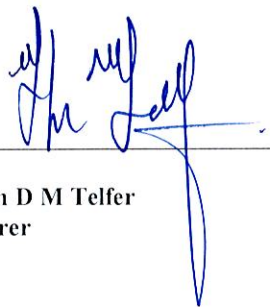
State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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



Mr P B Hinchliffe
Chair



Captain D M Telfer
Treasurer

Date: 29th July 2021.

THE NAUTICAL INSTITUTE LIMITED

Independent Auditor's Report to the members of The Nautical Institute Limited

Opinion

We have audited the financial statements of The Nautical Institute Limited (the 'charitable company') for the year ended 31st December 2020 which comprise the Statement of Financial Activities and the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

THE NAUTICAL INSTITUTE LIMITED

Independent Auditor's Report to the members of The Nautical Institute Limited (continued)

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 3 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



R W Williams FCCA
(Senior Statutory Auditor)
For and on behalf of Appleby & Wood,
40 The Lock Building
72 High Street
Stratford
London E15 2QB

Date 11th August 2021

THE NAUTICAL INSTITUTE
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2020

	2020	2019
Income	3,112,522	3,568,673
Gain/(loss) on investments	(30,811)	96,643
Gross income in reporting period	<u>3,081,711</u>	<u>3,665,316</u>
Expenditure	(2,802,364)	(3,294,079)
Net income before tax for the reporting period	<u>279,347</u>	<u>371,237</u>
Tax Payable	-	-
Net income for the financial year	<u><u>279,347</u></u>	<u><u>371,237</u></u>

All income is unrestricted funds.

A detailed analysis of income and expenditure by source is provided in the Statement of Financial Activities and the notes to the financial statements.

THE NAUTICAL INSTITUTE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Note	Unrestricted Fund £	Designated Fund £	Total Funds 2020 £	Total Funds 2019 £
Income and endowments from:					
Donations and Legacies		92,297		92,297	156,200
Charitable activities	2	2,411,084	-	2,411,084	2,625,446
Other trading activities	4	575,819	-	575,819	746,029
Investment income	5	1,405	31,917	33,322	40,998
Other				-	-
Total		3,080,605	31,917	3,112,522	3,568,673
Expenditure on:					
Raising funds	6	410,556	-	410,556	450,546
Charitable Activities	7	2,380,799	11,009	2,391,808	2,831,789
Other		-		-	11,744
Total		2,791,355	11,009	2,802,364	3,294,079
Net gain / (loss) on investments		-	(30,811)	(30,811)	96,643
Net income		289,250	(9,903)	279,347	371,237
Transfers between funds		-	-	-	-
Net movement in funds		289,250	(9,903)	279,347	371,237
Reconciliation of funds:					
Total funds brought forward		1,118,107	1,356,411	2,474,518	2,103,281
Total funds carried forward at 31st December 2020	18	1,407,357	1,346,508	2,753,865	2,474,518

Movements in funds are disclosed in Note 18 to the financial statements.

All amounts above relate to unrestricted funds.

The notes on pages 8 to 13 form part of these financial statements.

THE NAUTICAL INSTITUTE
BALANCE SHEET AS AT 31ST DECEMBER 2020
Company No. 2570030

	Note	Total funds 2020		Total funds 2019	
		£	£	£	£
Fixed assets					
Tangible assets	13		71,592		101,387
Investments	14		<u>1,339,384</u>		<u>1,347,287</u>
Total fixed assets			<u>1,410,976</u>		<u>1,448,674</u>
Current assets					
Stocks	15	41,253		51,083	
Debtors	16	269,922		359,911	
Cash at bank and in hand		<u>1,376,532</u>		<u>941,491</u>	
Total current assets			<u>1,687,707</u>		<u>1,352,485</u>
Liabilities:					
Creditors: amounts falling due within one year	17		<u>(344,818)</u>		<u>(326,641)</u>
Net current assets			1,342,889		1,025,844
Total net assets or liabilities			<u>2,753,865</u>		<u>2,474,518</u>
The funds of the charity:					
Unrestricted funds:					
Designated funds	18		1,346,508		1,356,411
General funds			1,407,357		1,118,107
Total charity funds			<u>2,753,865</u>		<u>2,474,518</u>

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

Approved by the board of trustees on 29th July 2021 and signed on their behalf by:



Mr P B Hinchliffe
Chair



Captain D M Telfer
Treasurer

The notes on pages 8 to 13 form part of these financial statements.

THE NAUTICAL INSTITUTE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

1. Accounting policies

a) Basis of accounting

The financial statements have been prepared in accordance with the Companies Act 2006 and follow the recommendations of the 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).

b) Depreciation of fixed assets

Furniture and office equipment is depreciated on the straight line basis at cost over its estimated useful life at the rate of 10% per annum. Computer equipment is depreciated at a rate of 33 1/3% per annum on cost.

c) Revaluation of investments

The investment assets have been shown at market value for the year ending 31st December 2020 with the comparatives for the year ending 31st December 2019 also shown at their market value. The revaluation surplus has been shown on the statement of financial activities as net realised and unrealised gain on investment assets.

d) Corporation tax

The company has taken advantage of the tax exemption allowed due to its charitable status.

e) Allocation of expenditure

10% of salaries and 50% of travelling and meeting expenses have been allocated to management and administration of the Institute, which reflects the proportion incurred in this activity.

f) Capital reserve fund

This has been set up to create a Contingency Reserve and a Projects Reserve. The Contingency Reserve should be based on 3 months staff costs, 6 months rent and services and the average trade creditors. The Projects Reserve is to enable the Institute to fund specific projects with the approval of the Executive Board of Trustees. This Fund would be reviewed annually.

g) Stock

The stock held is the stock of books, both historical and current, and are valued at estimated selling price less costs to complete and sell. The stock of books is reviewed periodically for the professional content and current relevance and a bad debt provision is calculated on this basis.

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

2	Charitable activities	Unrestricted Fund £	Designated Fund £	Total 2020 £	Total 2019 £
	Charitable activities	152,618	-	152,618	233,173
	Entrance fees, transfer fees and subscriptions	671,236	-	671,236	692,774
	Training and courses	201,224	-	201,224	187,611
	Accreditation Certification and training	1,386,006	-	1,386,006	1,511,888
	Educational Fund grants	-	-	-	-
		<u>2,411,084</u>	<u>-</u>	<u>2,411,084</u>	<u>2,625,446</u>
3	Seminars & Conferences	Seminar/ Conferences £	Seaways Journals £	2020 £	2019 £
	Income				
	Conferences and seminars	21,500	-	21,500	83,967
	Seaways income (subscribers & Affiliates)	-	103,700	103,700	119,583
	Seaways advertising income	-	27,418	27,418	29,623
		<u>21,500</u>	<u>131,118</u>	<u>152,618</u>	<u>233,173</u>
	Expenditure				
	Conferences/seminars	19,005	-	19,005	83,423
	Seaways publications	-	215,814	215,814	210,921
	Mars	-	6,000	6,000	6,000
	Seaways advertising cost	-	6,068	6,068	6,343
		<u>19,005</u>	<u>227,882</u>	<u>246,887</u>	<u>306,687</u>
	Surplus/(deficit) on Seaways & conferences	<u>2,495</u>	<u>(96,764)</u>	<u>(94,269)</u>	<u>(73,514)</u>
4	Other trading activities	Books	Services	2020	2019
	Sales	574,685	1,134	575,819	460,842
	Costs of sales				
	Opening stocks	47,454	3,629	51,083	73,365
	Purchases	370,611	2,972	373,583	394,734
		<u>418,065</u>	<u>6,601</u>	<u>424,666</u>	<u>468,099</u>
	Less: closing stocks	(35,540)	(5,713)	(41,253)	(51,083)
	Costs of sales	<u>382,525</u>	<u>888</u>	<u>383,413</u>	<u>417,016</u>
	Surplus on other trading activities	<u>192,160</u>	<u>246</u>	<u>192,406</u>	<u>329,013</u>
5	Investments income	General Fund £	Designated Fund £	2020 £	2019 £
	Bank interest	1,405	5,703	7,108	2,232
	Dividends	-	26,214	26,214	38,766
		<u>1,405</u>	<u>31,917</u>	<u>33,322</u>	<u>40,998</u>

THE NAUTICAL INSTITUTE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Note	Unrestricted Fund £	Designated Fund £	Total 2020 £	Total 2019 £
6 Raising funds					
Cost of generating funds	4	383,413	-	383,413	417,016
Publicity		27,143	-	27,143	33,530
		<u>410,556</u>	<u>-</u>	<u>410,556</u>	<u>450,546</u>
7 Charitable activities					
Cost of activities in furtherance of the Institute's objectives	3	246,887	-	246,887	306,687
Support costs	8	612,218	-	612,218	723,759
Administration & Governance costs	9	523,829	9,009	532,838	603,466
Project & Training		377,371	-	377,371	289,570
Training and Courses		-	-	-	138,696
Accreditation and Certification		620,494	-	620,494	769,611
Prizes and scholarships		-	2,000	2,000	-
		<u>2,380,799</u>	<u>11,009</u>	<u>2,391,808</u>	<u>2,831,789</u>
8 Support costs				2020	2019
				£	£
Branch subventions				10,984	22,096
Staff costs	11			590,525	652,259
Travelling and meetings				10,709	49,404
				<u>612,218</u>	<u>723,759</u>
9 Administration & Governance costs				2020	2019
				£	£
Postage and telephone				40,803	40,202
Printing and stationery				10,759	9,894
Computer expenses				57,825	52,513
Auditors fees				6,600	5,800
Credit Card & Bank Charges				41,928	41,168
Rent, rates and service charges				155,806	149,925
Insurance				7,074	6,026
Insurance - Members Benefit				41,976	35,189
Office equipment rental				6,252	6,033
General expenses				9,826	9,368
Travelling, meetings and AGM expenses				10,709	49,404
Overhead Recovery				(17,170)	-
Legal & Professional fees				20,380	30,376
Training Costs				2,073	7,656
Staff costs	11			65,614	72,473
Depreciation				72,383	87,439
				<u>532,838</u>	<u>603,466</u>
10 Net movement in funds for the year				2020	2019
				£	£
This is stated after charging:					
Depreciation of fixed assets				72,383	87,439
Auditors remuneration (audit services)				6,600	5,800
				<u>78,983</u>	<u>93,239</u>

THE NAUTICAL INSTITUTE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

11	Staff costs	2020	2019
		£	£
	Salaries & wages	1,208,892	1,306,781
	Social security costs	134,249	136,485
	Pension	119,452	116,533
	<i>Total staff cost including benefits</i>	<u>1,462,593</u>	<u>1,559,799</u>
	Less: allocated to cost centres (excluding membership)	<u>(806,454)</u>	<u>(835,066)</u>
	<i>Staff costs included within overhead cost.</i>	<u>656,139</u>	<u>724,733</u>
	No. of employees earning £60,000 to £70,000	2	2
	No. of employees earning £70,001 to £80,000	-	2
	No. of employees earning £80,001 to £90,000	-	-
	No. of employees earning £90,001 to £100,000	3	-
	No. of employees earning £100,000 +	<u>1</u>	<u>4</u>
	Average number of employees	<u>34</u>	<u>35</u>

The chairman and trustees did not receive any remuneration during the year.

12 Taxation

The charitable company is exempt from corporation tax on its charitable activities.

13	Tangible fixed assets	Office furniture & Equipment	Computers	Total
	Cost	£	£	£
	At 1st January 2020	79,591	650,059	729,650
	Additions	177	42,411	42,588
	Disposals	-	-	-
	At 31st December 2020	<u>79,768</u>	<u>692,470</u>	<u>772,238</u>
	Accumulated depreciation			
	At 1st January 2020	53,030	575,233	628,263
	Charge for the year	6,230	66,153	72,383
	Disposals	-	-	-
	At 31st December 2020	<u>59,260</u>	<u>641,386</u>	<u>700,646</u>
	Net book values:			
	As at 31st December 2020	<u>20,508</u>	<u>51,084</u>	<u>71,592</u>
	As at 31st December 2019	<u>26,562</u>	<u>74,825</u>	<u>101,387</u>

14	Investments	2020	2019
		£	£
	Market value at 1 January 2020	1,290,332	908,680
	Acquisition at cost	62,167	858,179
	Sales proceeds at market value	(40,325)	(573,170)
	Surplus / Loss in the year	<u>(30,811)</u>	<u>96,643</u>
	Market value at 31 December 2020	1,281,363	1,290,332
	Other Holdings		
	Cash	<u>58,021</u>	<u>56,955</u>
	Market value as at 31 December 2020	<u>1,339,384</u>	<u>1,347,287</u>
	Historical cost as at 31st December 2020	<u>1,242,132</u>	<u>1,175,055</u>

THE NAUTICAL INSTITUTE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

	2020	2019			
	£	£			
15 Stocks					
Books	35,540	47,454			
Member services	<u>5,713</u>	<u>3,629</u>			
	<u><u>41,253</u></u>	<u><u>51,083</u></u>			
16 Debtors					
Trade debtors	109,831	146,096			
Prepayments	81,264	91,750			
Other debtors	75,511	100,977			
VAT	<u>3,316</u>	<u>21,088</u>			
	<u><u>269,922</u></u>	<u><u>359,911</u></u>			
17 Liabilities: Creditors: Amounts falling due within one year:					
Trade creditors	78,323	7,358			
Accruals	210,842	211,094			
PAYE & other creditors	<u>55,653</u>	<u>42,189</u>			
	<u><u>344,818</u></u>	<u><u>260,641</u></u>			
18 Designated funds	Balance 01.01.2020 £	New Designated £	Utilised/ Realised £	Transferred £	Balance 31.12.2020 £
Capital Reserve Fund	1,345,777	31,917	(39,820)	-	1,337,874
Educational fund	10,634	-	-	(2,000)	8,634
	<u><u>1,356,411</u></u>	<u><u>31,917</u></u>	<u><u>(39,820)</u></u>	<u><u>(2,000)</u></u>	<u><u>1,346,508</u></u>

19 Related Party Transactions

No Trustee received any remuneration for services as a Trustee. The amount of £1,710 (2019: £10,030) was reimbursed to Trustees to cover miscellaneous travel expenses in connection with their roles as Trustees.

Trustees and Council members use the Institute's services on the same terms as other members. Because of the nature of the Institute's trades it is not practical to quantify the total of transactions with these members during the year. However, only minor balances were owed to and from these members as at 31st December 2020 and any fees paid to these members are shown separately in the Revenue Account. Trustees and Council members are required to be full voting members of the Institute.

Due to the nature of the Institute's trade, a number of the Trustees and Council are also directors/trustees/employees of entities with which the Institute trades, and due to the nature of the trade, it would not be practical to quantify the total of transactions in the period.

THE NAUTICAL INSTITUTE
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST DECEMBER 2020

<u>Statement of cash flows</u>	Total 2020 £	Total 2019 £
Cash flows from operating activities:		
<i>Net cash provided by (used in) operating activities</i>	467,215	274,329
Cash flows from investing activities:		
Dividends, interest and rents from investments	33,322	40,998
Proceeds from the sale of property, plant and equipment	-	-
Purchase of property, plant and equipment	(42,588)	(67,913)
Proceeds from sale of investments	40,325	573,170
Purchase of investments	(62,167)	(858,179)
<i>Net cash provided by (used in) investing activities</i>	<u>436,107</u>	<u>(37,595)</u>
Cash flows from financing activities:		
Repayments of borrowing	-	-
Cash inflow from new borrowing	-	-
Receipt of endowment	-	-
<i>Net cash provided by (used in) financing activities</i>	<u>436,107</u>	<u>(37,595)</u>
<i>Change in cash and cash equivalents in the reporting period</i>	436,107	(37,595)
Cash and cash equivalents at the beginning of the reporting period	998,446	1,036,041
Change in cash and cash equivalents due to exchange rate movements	-	-
Cash and cash equivalents at the end of the reporting period	<u><u>1,434,553</u></u>	<u><u>998,446</u></u>
 <u>Reconciliation of net income/(expenditure) to net cash flow from operating activities</u>		
<i>Net income/(expenditure) for the reporting period</i>		
<i>(as per the statement of financial activities)</i>	279,347	371,237
Adjustments for:		
Depreciation charges	72,383	87,439
(Gains)/Losses on investments	30,811	(96,643)
Dividends, interest and rent from investments	(33,322)	(40,998)
Loss/(profit) on the sale of fixed assets	-	-
(Increase)/decrease in stocks	9,830	22,282
(Increase)/decrease in debtors	89,989	(28,775)
Increase/(decrease) in creditors	18,177	(40,213)
<i>Net cash provided by (used in) operating activities</i>	<u><u>467,215</u></u>	<u><u>274,329</u></u>
	Total	Total
<u>Analysis of cash and cash equivalents</u>		
Cash in hand	1,376,532	941,491
Investment capital reserve account	58,021	56,955
Notice deposits (less than 3 months)	-	-
Overdraft facility repayable on demand	-	-
Total cash and cash equivalents	<u><u>1,434,553</u></u>	<u><u>998,446</u></u>

THE NAUTICAL INSTITUTE

**(A Company Limited by Guarantee)
Company No. 2570030**

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2020

Registered Charity No: 1002462

THE NAUTICAL INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2020

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THE NAUTICAL INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2020
LEGAL AND ADMINISTRATION INFORMATION

Status

The Nautical Institute is a charitable company limited by guarantee, incorporated on 20th December 1990.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the trustees are elected by Council to serve a period of up to 3 years and may be re-elected for a further 3 years.

Trustees

The trustees of the company at the financial year end were:

Mr P B Hinchliffe	Chair	Mr G Lang
Captain D M Telfer	Treasurer	Captain I Mathison
Mr Moin Ahmed		Captain J P Menezes
Captain K D Austin		Captain D Snider
Captain Z Bhuiyan		Captain J P Szymanski
Mr A Brink		
Mr F Coles		
Captain G Cowling		
Captain I Goveas		

Secretary Mr. P J Lloyd

Registered Office 202 Lambeth Road
London
SE1 7LQ

Auditors Appleby & Wood
40 The Lock Building
72 High Street
Stratford
London
E15 2QB

Bankers The Royal Bank of Scotland
62-63 The Threadneedle Street
London
EC2R 8LA

Fund Managers Rathbones
1 Curzon Street
London
W1J 5FB

THE NAUTICAL INSTITUTE
REPORT OF THE TRUSTEES
31ST DECEMBER 2020
Co. No. 2570030

The trustees present their report and the audited financial statements for the year ended 31st December 2020.

Principal activities

The Institute is registered as a Company limited by guarantee to promote and maintain nautical education.

Public Benefit

The trustees confirm that they have complied with the duty in Section 4 of the Companies Act 2006 to have due regard to the Charity Commission's general guidance on public benefit and that the activities carried out by the charity during the year were all undertaken in order to further the charity's aims for the benefit of the Charity's beneficiaries. A detailed explanation is shown under Objectives and Activities on the Trustees report published in the May issue of the Institute's Journal, Seaways.

State of affairs and business review

The company made an operating surplus on the General Fund of £289,250 for the current year (2019: £243,945). After taking into account investment activities, designated funds movements and unrealised surplus the company made a surplus of £279,347 (2019: £371,237).

The trustees keep the Reserves Policy under regular review. The Institute holds reserves in order to ensure as far as possible that its Objects may be met in future. Total invested reserves at present stand at £1,339,384 (2019: £1,347,287) which is comprised of the Contingency Reserve £663,000 (2019: £626,000) calculated as shown on page 9 and the remainder acting as a Projects Reserve. The trustees consider that this amount of free reserves is adequate to ensure that the Institute's services are not compromised in the short term. The investment policy of the Institute is to maximise the total return from capital and income combined while maintaining a medium level of risk. Management of the funds is delegated to external investment managers on a discretionary basis and the trustees review the performance of the managers against benchmarks on a regular basis.

The trustees review the Institute's Risk Management Policy at regular intervals. After considering the principal areas of strategic and operational risk, the trustees are confident that the appropriate means of control and mitigation have been adopted. Prudent management practices with awareness of changes in the operating environment are felt to be in place. The management of the Institute are responsible for the day to day management of risk and minimising the effect of any adverse events. The trustees decided to maintain staffing levels through the year due to the demand for Institute services, so authorised cash drawdown to sustain operations, which was not actually required.

The Institute operates a remuneration policy based on salary scales by grade with annual RPI and other changes determined by the Executive Board during the budget planning process. A delegated group of trustees appraise the Chief Executive at least annually and set his remuneration for the forthcoming year. A non-contributory pension investment of 9% of salary, is made to staff personal pension schemes.

The Institute greatly values the contribution of its trustees and members in the work of the charity which ranges from their roles in the governance structure to representation input to the industry's decision making bodies and writing for the Journal and other publications. Due to the diversity of these voluntary contributions and the large number of members involved (some 140 in central governance roles) it is not feasible to assess the value in terms of time or money.

Auditors

The auditors, Appleby & Wood are willing to continue in office and resolutions concerning the appointment of Auditors will be submitted to the annual general meeting.

Fixed assets

Changes in the company's fixed assets during the year are shown on the balance sheet.

Trustees

The Trustees of the Charitable Company are stated on page 1

This report has been prepared in accordance with Statement of Recommended Practice- Accounting and Reporting by Charities and in accordance with special provisions of part 15 of the Companies Act 2006.

Approved by the trustees and signed on their behalf by:

Mr P J Lloyd
Secretary



Date: 29th July 2021

THE NAUTICAL INSTITUTE
TRUSTEES' RESPONSIBILITIES

Statement of Trustees' Responsibilities

Company law 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 company and of the surplus or deficit of the company for that period. In preparing those financial statements, the trustees are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

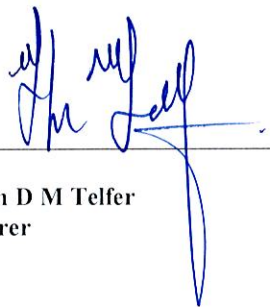
State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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



Mr P B Hinchliffe
Chair



Captain D M Telfer
Treasurer

Date: 29th July 2021.

THE NAUTICAL INSTITUTE LIMITED

Independent Auditor's Report to the members of The Nautical Institute Limited

Opinion

We have audited the financial statements of The Nautical Institute Limited (the 'charitable company') for the year ended 31st December 2020 which comprise the Statement of Financial Activities and the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

THE NAUTICAL INSTITUTE LIMITED

Independent Auditor's Report to the members of The Nautical Institute Limited (continued)

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 3 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



R W Williams FCCA
(Senior Statutory Auditor)
For and on behalf of Appleby & Wood,
40 The Lock Building
72 High Street
Stratford
London E15 2QB

Date 11th August 2021

THE NAUTICAL INSTITUTE
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2020

	2020	2019
Income	3,112,522	3,568,673
Gain/(loss) on investments	(30,811)	96,643
Gross income in reporting period	<u>3,081,711</u>	<u>3,665,316</u>
Expenditure	(2,802,364)	(3,294,079)
Net income before tax for the reporting period	<u>279,347</u>	<u>371,237</u>
Tax Payable	-	-
Net income for the financial year	<u><u>279,347</u></u>	<u><u>371,237</u></u>

All income is unrestricted funds.

A detailed analysis of income and expenditure by source is provided in the Statement of Financial Activities and the notes to the financial statements.

THE NAUTICAL INSTITUTE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Note	Unrestricted Fund £	Designated Fund £	Total Funds 2020 £	Total Funds 2019 £
Income and endowments from:					
Donations and Legacies		92,297		92,297	156,200
Charitable activities	2	2,411,084	-	2,411,084	2,625,446
Other trading activities	4	575,819	-	575,819	746,029
Investment income	5	1,405	31,917	33,322	40,998
Other				-	-
Total		3,080,605	31,917	3,112,522	3,568,673
Expenditure on:					
Raising funds	6	410,556	-	410,556	450,546
Charitable Activities	7	2,380,799	11,009	2,391,808	2,831,789
Other		-		-	11,744
Total		2,791,355	11,009	2,802,364	3,294,079
Net gain / (loss) on investments		-	(30,811)	(30,811)	96,643
Net income		289,250	(9,903)	279,347	371,237
Transfers between funds		-	-	-	-
Net movement in funds		289,250	(9,903)	279,347	371,237
Reconciliation of funds:					
Total funds brought forward		1,118,107	1,356,411	2,474,518	2,103,281
Total funds carried forward at 31st December 2020	18	1,407,357	1,346,508	2,753,865	2,474,518

Movements in funds are disclosed in Note 18 to the financial statements.

All amounts above relate to unrestricted funds.

The notes on pages 8 to 13 form part of these financial statements.

THE NAUTICAL INSTITUTE
BALANCE SHEET AS AT 31ST DECEMBER 2020
Company No. 2570030

	Note	Total funds 2020		Total funds 2019	
		£	£	£	£
Fixed assets					
Tangible assets	13		71,592		101,387
Investments	14		<u>1,339,384</u>		<u>1,347,287</u>
Total fixed assets			<u>1,410,976</u>		<u>1,448,674</u>
Current assets					
Stocks	15	41,253		51,083	
Debtors	16	269,922		359,911	
Cash at bank and in hand		<u>1,376,532</u>		<u>941,491</u>	
Total current assets		<u>1,687,707</u>		<u>1,352,485</u>	
Liabilities:					
Creditors: amounts falling due within one year	17		<u>(344,818)</u>		<u>(326,641)</u>
Net current assets			<u>1,342,889</u>		<u>1,025,844</u>
Total net assets or liabilities			<u>2,753,865</u>		<u>2,474,518</u>
The funds of the charity:					
Unrestricted funds:					
Designated funds	18		1,346,508		1,356,411
General funds			1,407,357		1,118,107
Total charity funds			<u>2,753,865</u>		<u>2,474,518</u>

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

Approved by the board of trustees on 29th July 2021 and signed on their behalf by:



Mr P B Hinchliffe
Chair



Captain D M Telfer
Treasurer

The notes on pages 8 to 13 form part of these financial statements.

THE NAUTICAL INSTITUTE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

1. Accounting policies

a) Basis of accounting

The financial statements have been prepared in accordance with the Companies Act 2006 and follow the recommendations of the 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).

b) Depreciation of fixed assets

Furniture and office equipment is depreciated on the straight line basis at cost over its estimated useful life at the rate of 10% per annum. Computer equipment is depreciated at a rate of 33 1/3% per annum on cost.

c) Revaluation of investments

The investment assets have been shown at market value for the year ending 31st December 2020 with the comparatives for the year ending 31st December 2019 also shown at their market value. The revaluation surplus has been shown on the statement of financial activities as net realised and unrealised gain on investment assets.

d) Corporation tax

The company has taken advantage of the tax exemption allowed due to its charitable status.

e) Allocation of expenditure

10% of salaries and 50% of travelling and meeting expenses have been allocated to management and administration of the Institute, which reflects the proportion incurred in this activity.

f) Capital reserve fund

This has been set up to create a Contingency Reserve and a Projects Reserve. The Contingency Reserve should be based on 3 months staff costs, 6 months rent and services and the average trade creditors. The Projects Reserve is to enable the Institute to fund specific projects with the approval of the Executive Board of Trustees. This Fund would be reviewed annually.

g) Stock

The stock held is the stock of books, both historical and current, and are valued at estimated selling price less costs to complete and sell. The stock of books is reviewed periodically for the professional content and current relevance and a bad debt provision is calculated on this basis.

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Unrestricted Fund £	Designated Fund £	Total 2020 £	Total 2019 £
2 Charitable activities				
Charitable activities 3	152,618	-	152,618	233,173
Entrance fees, transfer fees and subscriptions	671,236	-	671,236	692,774
Training and courses	201,224	-	201,224	187,611
Accreditation Certification and training	1,386,006	-	1,386,006	1,511,888
Educational Fund grants	-	-	-	-
	2,411,084	-	2,411,084	2,625,446
3 Seminars & Conferences				
	Seminar/ Conferences £	Seaways Journals £	2020 £	2019 £
Income				
Conferences and seminars	21,500	-	21,500	83,967
Seaways income (subscribers & Affiliates)	-	103,700	103,700	119,583
Seaways advertising income	-	27,418	27,418	29,623
	21,500	131,118	152,618	233,173
Expenditure				
Conferences/seminars	19,005	-	19,005	83,423
Seaways publications	-	215,814	215,814	210,921
Mars	-	6,000	6,000	6,000
Seaways advertising cost	-	6,068	6,068	6,343
	19,005	227,882	246,887	306,687
Surplus/(deficit) on Seaways & conferences	2,495	(96,764)	(94,269)	(73,514)
4 Other trading activities				
	Books	Services	2020	2019
Sales	574,685	1,134	575,819	460,842
Costs of sales				
Opening stocks	47,454	3,629	51,083	73,365
Purchases	370,611	2,972	373,583	394,734
	418,065	6,601	424,666	468,099
Less: closing stocks	(35,540)	(5,713)	(41,253)	(51,083)
Costs of sales	382,525	888	383,413	417,016
Surplus on other trading activities	192,160	246	192,406	329,013
5 Investments income				
	General Fund £	Designated Fund £	2020 £	2019 £
Bank interest	1,405	5,703	7,108	2,232
Dividends	-	26,214	26,214	38,766
	1,405	31,917	33,322	40,998

THE NAUTICAL INSTITUTE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Note	Unrestricted Fund £	Designated Fund £	Total 2020 £	Total 2019 £
6 Raising funds					
Cost of generating funds	4	383,413	-	383,413	417,016
Publicity		27,143	-	27,143	33,530
		<u>410,556</u>	<u>-</u>	<u>410,556</u>	<u>450,546</u>
7 Charitable activities					
Cost of activities in furtherance of the Institute's objectives	3	246,887	-	246,887	306,687
Support costs	8	612,218	-	612,218	723,759
Administration & Governance costs	9	523,829	9,009	532,838	603,466
Project & Training		377,371	-	377,371	289,570
Training and Courses		-	-	-	138,696
Accreditation and Certification		620,494	-	620,494	769,611
Prizes and scholarships		-	2,000	2,000	-
		<u>2,380,799</u>	<u>11,009</u>	<u>2,391,808</u>	<u>2,831,789</u>
8 Support costs			2020		2019
			£		£
Branch subventions			10,984		22,096
Staff costs	11		590,525		652,259
Travelling and meetings			10,709		49,404
			<u>612,218</u>		<u>723,759</u>
9 Administration & Governance costs			2020		2019
			£		£
Postage and telephone			40,803		40,202
Printing and stationery			10,759		9,894
Computer expenses			57,825		52,513
Auditors fees			6,600		5,800
Credit Card & Bank Charges			41,928		41,168
Rent, rates and service charges			155,806		149,925
Insurance			7,074		6,026
Insurance - Members Benefit			41,976		35,189
Office equipment rental			6,252		6,033
General expenses			9,826		9,368
Travelling, meetings and AGM expenses			10,709		49,404
Overhead Recovery			(17,170)		-
Legal & Professional fees			20,380		30,376
Training Costs			2,073		7,656
Staff costs	11		65,614		72,473
Depreciation			72,383		87,439
			<u>532,838</u>		<u>603,466</u>
10 Net movement in funds for the year			2020		2019
			£		£
This is stated after charging:					
Depreciation of fixed assets			72,383		87,439
Auditors remuneration (audit services)			6,600		5,800

THE NAUTICAL INSTITUTE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

11	Staff costs	2020	2019
		£	£
	Salaries & wages	1,208,892	1,306,781
	Social security costs	134,249	136,485
	Pension	119,452	116,533
	<i>Total staff cost including benefits</i>	<u>1,462,593</u>	<u>1,559,799</u>
	Less: allocated to cost centres (excluding membership)	(806,454)	(835,066)
	<i>Staff costs included within overhead cost.</i>	<u>656,139</u>	<u>724,733</u>
	No. of employees earning £60,000 to £70,000	2	2
	No. of employees earning £70,001 to £80,000	-	2
	No. of employees earning £80,001 to £90,000	-	-
	No. of employees earning £90,001 to £100,000	3	-
	No. of employees earning £100,000 +	<u>1</u>	<u>4</u>
	Average number of employees	<u>34</u>	<u>35</u>

The chairman and trustees did not receive any remuneration during the year.

12 Taxation

The charitable company is exempt from corporation tax on its charitable activities.

13	Tangible fixed assets	Office furniture & Equipment	Computers	Total
	Cost	£	£	£
	At 1st January 2020	79,591	650,059	729,650
	Additions	177	42,411	42,588
	Disposals	-	-	-
	At 31st December 2020	<u>79,768</u>	<u>692,470</u>	<u>772,238</u>
	Accumulated depreciation			
	At 1st January 2020	53,030	575,233	628,263
	Charge for the year	6,230	66,153	72,383
	Disposals	-	-	-
	At 31st December 2020	<u>59,260</u>	<u>641,386</u>	<u>700,646</u>
	Net book values:			
	As at 31st December 2020	<u>20,508</u>	<u>51,084</u>	<u>71,592</u>
	As at 31st December 2019	<u>26,562</u>	<u>74,825</u>	<u>101,387</u>

14	Investments	2020	2019
		£	£
	Market value at 1 January 2020	1,290,332	908,680
	Acquisition at cost	62,167	858,179
	Sales proceeds at market value	(40,325)	(573,170)
	Surplus / Loss in the year	<u>(30,811)</u>	<u>96,643</u>
	Market value at 31 December 2020	1,281,363	1,290,332
	Other Holdings		
	Cash	<u>58,021</u>	<u>56,955</u>
	Market value as at 31 December 2020	<u>1,339,384</u>	<u>1,347,287</u>
	Historical cost as at 31st December 2020	<u>1,242,132</u>	<u>1,175,055</u>

THE NAUTICAL INSTITUTE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

	2020	2019
	£	£
15 Stocks		
Books	35,540	47,454
Member services	<u>5,713</u>	<u>3,629</u>
	<u>41,253</u>	<u>51,083</u>
16 Debtors		
Trade debtors	109,831	146,096
Prepayments	81,264	91,750
Other debtors	75,511	100,977
VAT	<u>3,316</u>	<u>21,088</u>
	<u>269,922</u>	<u>359,911</u>
17 Liabilities: Creditors: Amounts falling due within one year:		
Trade creditors	78,323	7,358
Accruals	210,842	211,094
PAYE & other creditors	<u>55,653</u>	<u>42,189</u>
	<u>344,818</u>	<u>260,641</u>

	Balance 01.01.2020	New Designated	Utilised/ Realised	Transferred	Balance 31.12.2020
	£	£	£	£	£
18 Designated funds					
Capital Reserve Fund	1,345,777	31,917	(39,820)	-	1,337,874
Educational fund	10,634	-	-	(2,000)	8,634
	<u>1,356,411</u>	<u>31,917</u>	<u>(39,820)</u>	<u>(2,000)</u>	<u>1,346,508</u>

19 Related Party Transactions

No Trustee received any remuneration for services as a Trustee. The amount of £1,710 (2019: £10,030) was reimbursed to Trustees to cover miscellaneous travel expenses in connection with their roles as Trustees.

Trustees and Council members use the Institute's services on the same terms as other members. Because of the nature of the Institute's trades it is not practical to quantify the total of transactions with these members during the year. However, only minor balances were owed to and from these members as at 31st December 2020 and any fees paid to these members are shown separately in the Revenue Account. Trustees and Council members are required to be full voting members of the Institute.

Due to the nature of the Institute's trade, a number of the Trustees and Council are also directors/trustees/employees of entities with which the Institute trades, and due to the nature of the trade, it would not be practical to quantify the total of transactions in the period.

THE NAUTICAL INSTITUTE
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST DECEMBER 2020

<u>Statement of cash flows</u>	Total 2020 £	Total 2019 £
Cash flows from operating activities:		
<i>Net cash provided by (used in) operating activities</i>	467,215	274,329
Cash flows from investing activities:		
Dividends, interest and rents from investments	33,322	40,998
Proceeds from the sale of property, plant and equipment	-	-
Purchase of property, plant and equipment	(42,588)	(67,913)
Proceeds from sale of investments	40,325	573,170
Purchase of investments	(62,167)	(858,179)
<i>Net cash provided by (used in) investing activities</i>	<u>436,107</u>	<u>(37,595)</u>
Cash flows from financing activities:		
Repayments of borrowing	-	-
Cash inflow from new borrowing	-	-
Receipt of endowment	-	-
<i>Net cash provided by (used in) financing activities</i>	<u>436,107</u>	<u>(37,595)</u>
<i>Change in cash and cash equivalents in the reporting period</i>	436,107	(37,595)
Cash and cash equivalents at the beginning of the reporting period	998,446	1,036,041
Change in cash and cash equivalents due to exchange rate movements	-	-
Cash and cash equivalents at the end of the reporting period	<u>1,434,553</u>	<u>998,446</u>
 <u>Reconciliation of net income/(expenditure) to net cash flow from operating activities</u>		
<i>Net income/(expenditure) for the reporting period</i>		
<i>(as per the statement of financial activities)</i>	279,347	371,237
Adjustments for:		
Depreciation charges	72,383	87,439
(Gains)/Losses on investments	30,811	(96,643)
Dividends, interest and rent from investments	(33,322)	(40,998)
Loss/(profit) on the sale of fixed assets	-	-
(Increase)/decrease in stocks	9,830	22,282
(Increase)/decrease in debtors	89,989	(28,775)
Increase/(decrease) in creditors	18,177	(40,213)
<i>Net cash provided by (used in) operating activities</i>	<u>467,215</u>	<u>274,329</u>
	Total	Total
<u>Analysis of cash and cash equivalents</u>		
Cash in hand	1,376,532	941,491
Investment capital reserve account	58,021	56,955
Notice deposits (less than 3 months)	-	-
Overdraft facility repayable on demand	-	-
Total cash and cash equivalents	<u>1,434,553</u>	<u>998,446</u>