PLYMOUTH MARINE LABORATORY

England & Wales · Charity number 1091222

Details

Other names	PML
Status	Registered
Legal form	Charitable company
Company number	04178503
Registered	2002-03-20
Register	View on the Charity Commission register

Contact

Address	Plymouth Marine Laboratory Prospect Place Plymouth PL1 3DH
Phone	01752633100
Email	cosec@pml.ac.uk
Website	www.pml.ac.uk

Activities

Objects: TO CARRY OUT RESEARCH IN ENVIRONMENTAL SCIENCE AND TECHNOLOGY INCLUDING MARINE AND ESTUARINE ENVIRONMENTAL SCIENCE AND TECHNOLOGY, AND DISSEMINATE RESULTS OF SUCH RESEARCH AND DATA AND IDEAS GENERATED IN THE COURSE OF OR IN CONNECTION WITH SUCH RESEARCH FOR THE BENEFIT OF THE PUBLIC AND TO ADVANCE PUBLIC EDUCATION IN THE PRINCIPLES AND PRACTICE OF SUCH SCIENCE AND TECHNOLOGY.

Activities: PML undertakes scientifically excellent research that generates greater understanding of the marine environment, the threats it faces, and its relationship with society. PML uses this greater understanding to effect demonstrable change in the way in which the marine environment is appreciated, managed, protected and valued. PML activities are aimed at supporting a sustainable ocean for society.

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Classification

- **How:** Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED. IN PRACTICE WORLDWIDE.
- Australia
- Bangladesh
- Cambodia
- China
- India
- Japan
- Malaysia
- Norway
- Philippines
- South Africa
- South Korea

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£16,390,000	£17,165,000	£7,552,000	179
2024-03-31	£15,663,000	£16,105,000	£8,410,000	177
2023-03-31	£14,000,000	£14,035,000	£8,443,000	176
2022-03-31	£15,021,000	£14,557,000	£8,654,000	178
2021-03-31	£14,282,000	£13,559,000	£8,024,000	177

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Trustees

Name	Role	Appointed
JANICE ELIZABETH TIMBERLAKE	Chair	2012-11-08
Daniel Crockett		2023-02-01
Dr Beverley Anne Mackenzie		2019-03-25
Dr Jyotika Itee Virmani		2023-01-01
Dr Michaela Schratzberger		2024-05-22
Dr Veronique Garcon		2022-04-26
Kerin Jean Sequeira		2024-03-29
Mark James Butcher		2020-05-13
Nick Buckland		2017-10-25
Nigel John Godefroy		2015-08-07
Professor Richard Garth James Bellerby		2024-05-20

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PLYMOUTH MARINE LABORATORY

England & Wales - Charity number 1091222

Accounts

ANNUAL REPORT AND FINANCIAL STATEMENTS

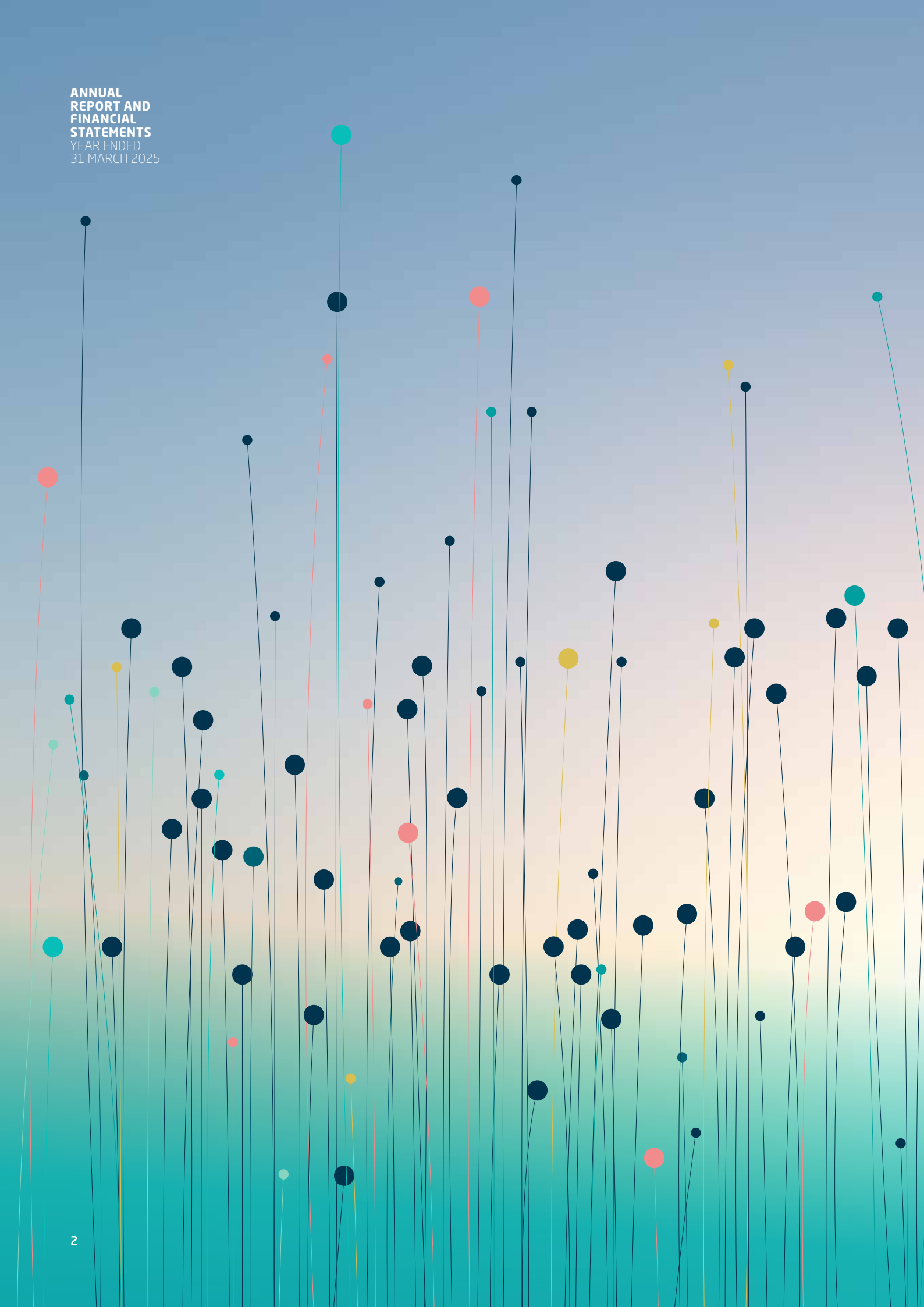
YEAR ENDED
31 MARCH 2025

Company registration number 4178503

Charity registration number 1091222

PML | Plymouth Marine Laboratory

ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED
31 MARCH 2025



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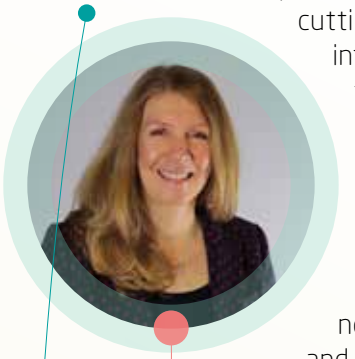
FOREWORD BY THE CHAIR OF TRUSTEES



Despite ongoing economic pressures and an increasingly uncertain world, PML continued to deliver cutting-edge scientific research in 2024-25, making significant contributions to national and international efforts to understand and respond to the challenges facing ocean health and further cementing PML's reputation as a trusted voice in ocean science.

This ongoing success would not have been possible without the dedication and talent of our scientists, whose work continues to advance marine science and inform the policy landscape. I also wish to acknowledge the efforts of our management team and the entire PML community for their resilience during the financial pressures faced as a result of recent geopolitical activity and changes in UK government policy. It was necessary to restructure the organisation and take measures to realign our cost base, and while it was a difficult decision to part ways with some valued colleagues in early 2025, I am confident that these interventions put PML in a stronger position to build on its strategic ambitions and enhance its financial resilience.

Whilst science that makes a meaningful difference remains at the heart of all that we do, we recognise that a supportive, fair and inclusive work environment is essential. We were delighted to receive external validation of our efforts in this regard with the Silver Award from Investors in Diversity in Spring 2024. It was also wonderful to witness and participate in the collaborative process of refreshing PML's cultural values. With participation of over 80% of the organisation, we can be confident in a set of values that truly reflect what PML holds dear.

As Trustees, we also take seriously our responsibility to ensure the charity is well-governed, transparent and resilient. In uncertain times, strong governance is more important than ever, helping PML stay focused on its mission and able to confidently respond to new challenges. In summer 2025 we repeated the external Board and governance evaluation exercise, and were delighted to once again receive exceptionally high ratings across all categories (which are set in the context of the Charity Governance Code), beating the All Charities Benchmark.

Development of our five-year strategy has been a key focus for the Board during the year, with the external launch of PML's "Science for Ocean Action" strategy for 2025-30 taking place at the World Ocean Summit in Tokyo in March. This represents an exciting shift that will not only advance how we deliver science, but also how we communicate that science with key audiences and articulate the impact it has on influencing policy and positive change.

During the year we welcomed three new Trustees: Kerin Sequeira, Finance Director and Company Director for RAND Europe; Dr Michaela Schratzberger, Science Director at CEFAS; and Professor Richard Bellerby, Chief Scientist for Climate and Oceans at the Norwegian Institute for Water Research (NIVA). These appointments further enhance both our science and finance experience and expertise within the Board.

Looking forward to the next financial year, whilst there remain many challenges to navigate in an increasingly uncertain world, it is an exciting time of change with the recent strategy launch and the development of detailed objectives. The Board will also be embarking on succession for the Chair, as my term nears its conclusion in summer 2026.

I would like to take this opportunity to thank the Board and everyone at PML for their ongoing commitment, focus and innovation.

Janice Timberlake
Chair of Board of Trustees

A MESSAGE FROM OUR CHIEF EXECUTIVE

2024-25 marked my fifth anniversary as Chief Executive of PML. It was also a year of transition for PML in many respects, most significantly with the exciting development of our new strategy "Science for Ocean Action", and the challenges of responding to an increasingly unpredictable and challenging political and economic environment.

This past year brought into sharp focus how swiftly the situation can change when a multitude of economic and political factors coincide. This required swift and difficult action, which ultimately resulted in 18 colleagues exiting the organisation to reduce our financial risk, putting us in a much stronger place from which to grow and deliver our strategic ambitions.

The creation of our new strategy provided an exciting opportunity to reorganise our science to focus on the ocean's most pressing challenges, namely climate change, biodiversity loss and marine pollution. Importantly, we are being more explicit in our intent of not just achieving excellent scientific research, but as leading the research agenda focused on understanding impacts on the marine environment and empowering society to make more informed, sustainable, and responsible decisions.

As an independent charity we are largely reliant on the generosity of our funders. Our traditional funding sources continue to come under pressure due to the impact of inflation, increasing demand and reduction in their own capacity. As part of our new strategy we are renewing efforts to identify and deliver new funding opportunities whilst respecting and developing the potential of existing funding streams.

We also continue to be an organisation that is acutely aware of its own impact on the environment, continuing to work towards our net zero ambitions. 2024-25 saw the first full year of operation for our expanded solar array, generating enough to power 56 medium-sized houses for the year and further reducing our energy costs. In addition, adjustments continue to be made to reduce the energy consumption of our activities. These relatively simple and often minor adjustments to data holdings, air flow and data centre temperatures can have a significant impact without affecting our quality or capabilities, achieving a 7.7% reduction in electricity consumption in 2024-25 alone.

Within the year we also invested in a significant refit of our beloved research vessel, the Plymouth Quest. This was not only necessary for safety requirements but also enhances the ship's science facilities and improves the vessel's handling and capabilities, ensuring she is more than fit to meet the needs of our cutting-edge science.

Much effort was also put into understanding and developing our organisational culture in the year, which involved engagement with our people to co-develop a set of more relevant and meaningful cultural values that better reflect and define who we are. I was also delighted that we received a Silver Investors in Diversity accreditation, further reinforcing PML as a welcoming and inclusive place to work whilst informing our plans to improve this even further.

Whilst this year was not without its challenges, I am immensely proud of our team's resilience and everything that we've achieved, and I am now extremely excited for our future as we forge ahead together to deliver "Science for Ocean Action".

Prof. Icarus Allen
Chief Executive

OUR YEAR IN NUMBERS

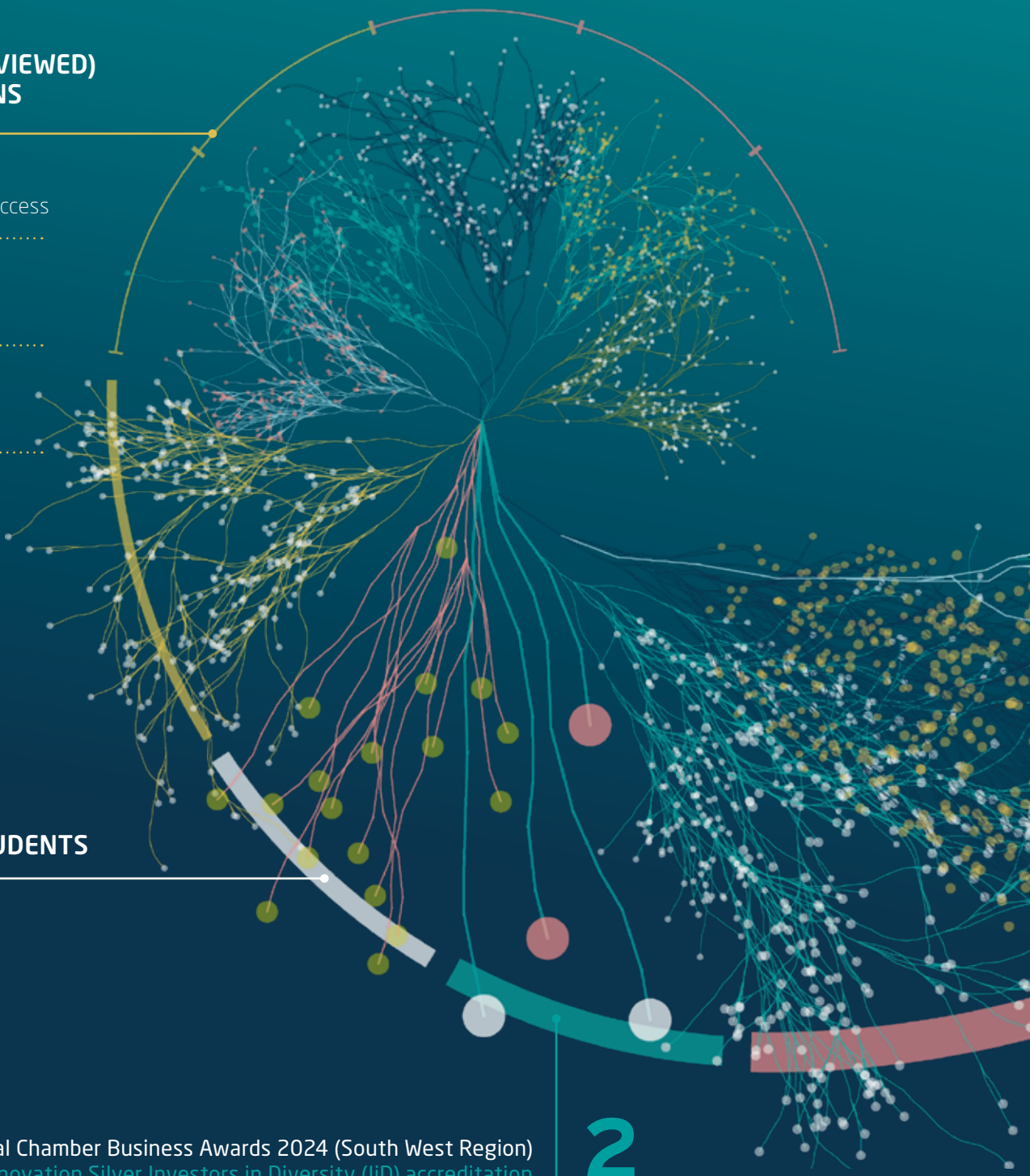
117
ISI (PEER-REVIEWED) PUBLICATIONS

106
were gold open access

23%
first-authored

56%
led by females

44%
led by males

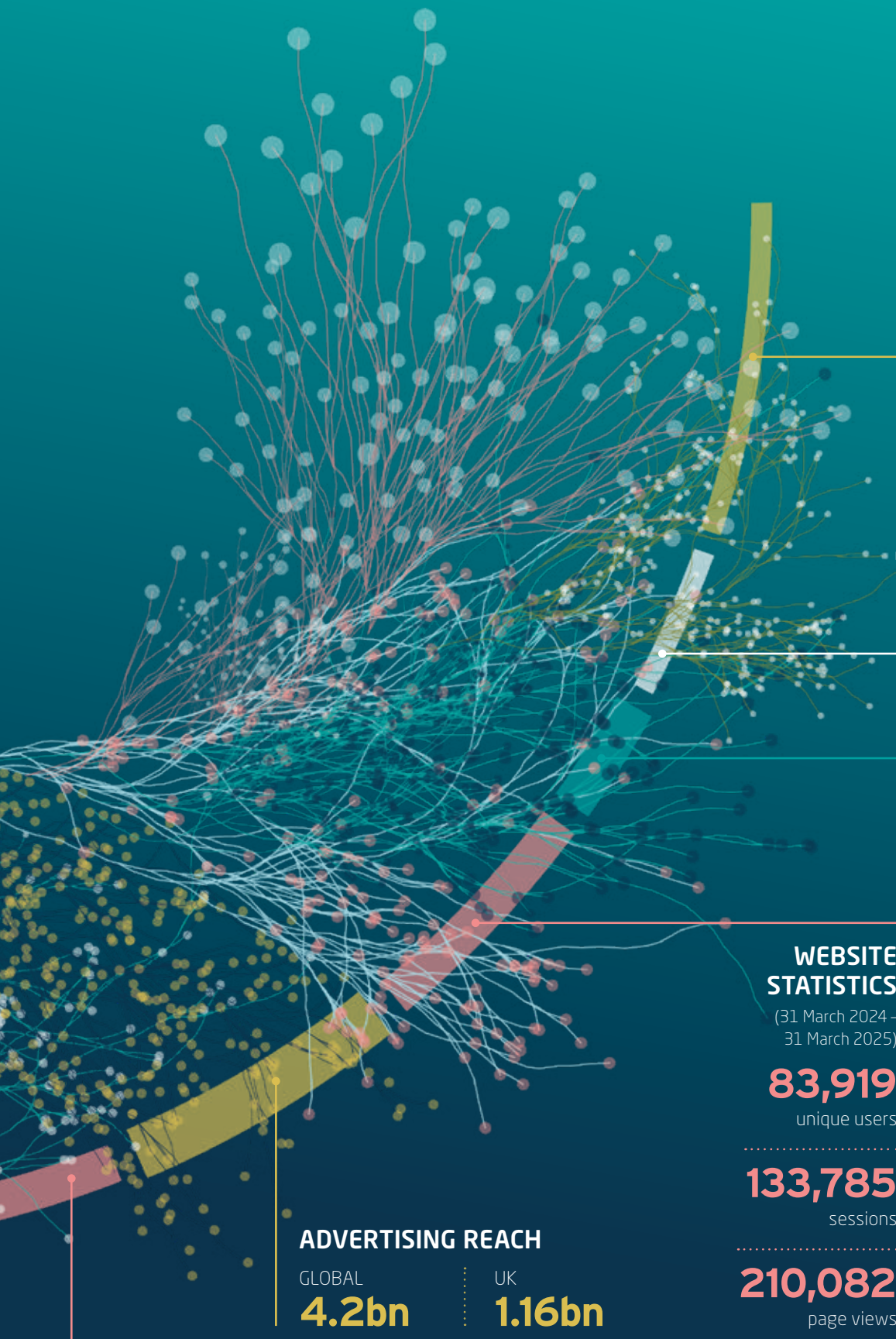


14
PHD STUDENTS

2
HIGH PROFILE AWARD WINS

Regional Chamber Business Awards 2024 (South West Region)
- Green Innovation Silver Investors in Diversity (IiD) accreditation

2024 Plymouth Chamber Awards
- Planet Saver



CARBON INTENSITY

The weighted average carbon intensity of PML's investment portfolio at 31 March 2025

44.57

tCO_2/$M REVENUE

GENERATION - SOLAR PANEL ARRAY

152.07

MWh

SOCIAL MEDIA FOLLOWERS

(as of March 2025)

17,972

18,411

WEBSITE STATISTICS

(31 March 2024 – 31 March 2025)

83,919
unique users

133,785
sessions

210,082
page views

ADVERTISING REACH

GLOBAL **4.2bn**

UK **1.16bn**

ADVERTISING VALUE EQUIVALENT OF OUR PR

GLOBAL **£39.3m**

UK **£10.7m**

REFERENCE AND ADMINISTRATIVE DETAILS

CHAIR
J E Timberlake

TRUSTEES
J E Timberlake

N B Buckland OBE

M J Butcher

D Crockett

Dr V C E Garçon

N J Godefroy

Dr B A MacKenzie

Dr J I Virmani

K J Sequeira

Prof R Bellerby
(appointed 20 May 2024)

Dr M Schratzberger
(appointed 22 May 2024)

SECRETARY
C C Moores

PATRON
James Cameron
Explorer, environmentalist and renowned filmmaker

SENIOR MANAGEMENT / LEADERSHIP TEAM
Prof J I Allen
Chief Executive

Prof S Widdicombe
Deputy Chief Executive & Director of Science

B K Tremain
Director of Operations

S Coughlin
Head of Financial Services

Dr T J Smyth
Head of Science

M Rabone
Head of People & Culture

C C Moores
Company Secretary

PRINCIPAL OFFICE
Prospect Place,
The Hoe, Plymouth
PL1 3DH

The charity is incorporated in England and Wales

COMPANY REGISTRATION NUMBER
4178503

CHARITY REGISTRATION NUMBER
1091222

REGISTERED OFFICE
Prospect Place,
The Hoe, Plymouth
PL1 3DH

AUDITOR
PKF Francis Clark
Melville Building East,
Unit 18, 23 Royal
William Yard,
Plymouth PL1 3GW

SOLICITORS
Foot Anstey LLP
Salt Quay House,
4 North East Quay,
Sutton Harbour,
Plymouth PL4 0BN

Tozers LLP
Broadwalk House,
Southernhay W,
Exeter EX1 1UA

BANKERS
Co-Operative Bank
8 Old Town Street,
Plymouth PL1 1DE

INVESTMENT MANAGERS
Brewin Dolphin Ltd
Vantage Point,
Woodwater Park, Pynes
Hill, Exeter EX2 5FD

PROFESSIONAL INVESTMENT ADVISOR
Sound Financial Management Ltd
5 Windsor Villas,
Lockyer Street,
Plymouth PL1 2QD

TRUSTEES' REPORT

TRUSTEES' REPORT

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2025.

Trustees and Officers

The trustees and officers serving during the year and since the year end are listed on page 8.

Secretary:

B K Tremain (resigned 30 June 2024)

C C Moores (appointed 4 July 2024)

The Trustees submit their annual report (incorporating the strategic report), together with the audited consolidated financial statements of the charity and its trading subsidiary for the period ended 31 March 2025. The financial statements comply with the Charities Act 2011 (as amended), the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Who We Are & What We Do

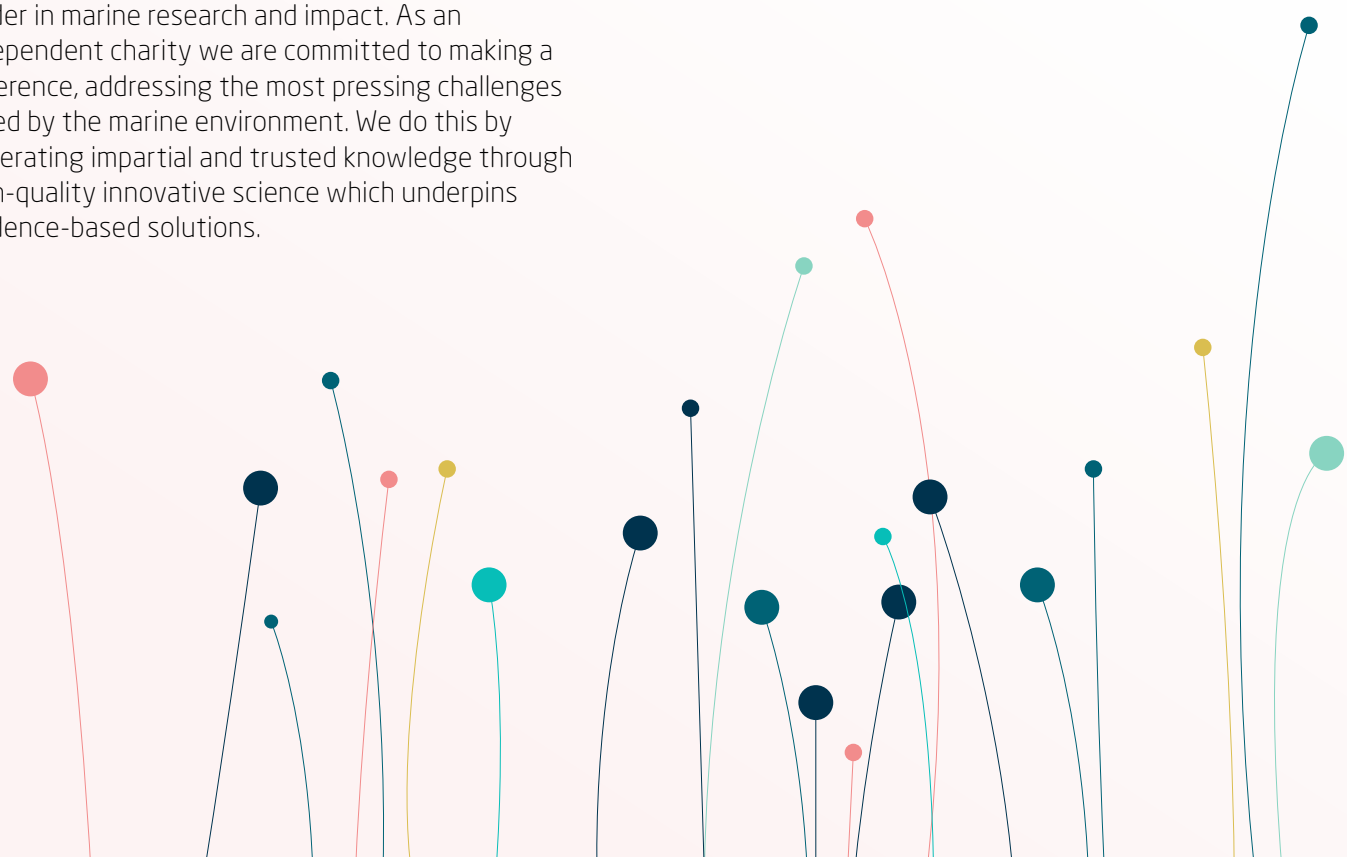
Plymouth Marine Laboratory (PML) is an international leader in marine research and impact. As an independent charity we are committed to making a difference, addressing the most pressing challenges faced by the marine environment. We do this by generating impartial and trusted knowledge through high-quality innovative science which underpins evidence-based solutions.

Our 160+ staff work to understand the ocean, how it sustains life and the human impact upon it, allowing society to benefit from clean, productive and biologically diverse seas, now and for future generations.

Our vision has been set in the context of the United Nations' Sustainable Development Goals (SDGs), and the "double decade" of action: The Decade of Ocean Science for Sustainable Development, and The Decade of Ecosystem Restoration.

Our Values

During the year we refreshed our core values through extensive consultation with our people. This resulted in set of co-developed values that represent a collective aspiration to be an organisation that not only conducts groundbreaking marine research, but does so with empathy, transparency, and a commitment to continuous learning and innovation.



OUR VALUES
MAKING A DIFFERENCE

WE WORK TOGETHER TO ACHIEVE OUR SHARED PURPOSE

- We bring people together to share knowledge and find solutions
- We create a welcoming environment by cultivating trust and respect for different perspectives
- We lead and contribute to ambitious marine research

WE ALL LEAD BY EXAMPLE

- We act with integrity, doing the right thing
- We support each other to develop resilience and build confidence
- We practice influential, ethical and inclusive leadership

WE COMMUNICATE EFFECTIVELY TO ENSURE EVERYONE'S VOICE IS HEARD

- We listen and reflect to enable positive, informed action
- We cultivate self-awareness and empathy
- We all share responsibility to communicate transparently and constructively

WE INVEST ENERGY FOR MEANINGFUL CHANGE

- We scan the horizon to anticipate challenges and changes
- We reflect upon our experiences; using mistakes and failure to learn, adapt and innovate
- We find and share the most effective ways to achieve our goals

OUR STRATEGY

Our charitable objects are to carry out research in environmental science and technology including marine and estuarine environmental science and technology, and disseminate results of such research and data and ideas generated in the course of or in connection with such research for the benefit of the public; to advance public education in the principles and practice of such science and technology.

Our strategy supports our charitable objects with our strategic aims collated under four strategic priorities as follows:

1. SCIENCE EXCELLENCE & IMPACT

Our science goals comprise three overarching 'communities of practice'

- **Identify how marine ecosystems are fundamentally structured and how they function –** fundamental biotic and abiotic processes, interactions, traits and drivers that underpin the structuring and functioning of marine ecosystems.
- **Quantify the impacts of multiple human-induced stressors on marine ecosystems –** explore how marine ecosystems are likely to respond to the multitude of stressors affecting marine environments.
- **Develop solutions and approaches to support the sustainability of marine ecosystems –** generate tools, strategies and policies needed to ensure that the health and productivity of marine ecosystems is maintained or improved, and they continue to provide the goods and services humans depend on.

During the reporting period we continued to focus our internationally-recognised and world-leading expertise on six Science to Impact challenges:

- Restore biodiversity (Biodiversity)
- Encourage cleaner seas for nature and society (Cleaner Seas)
- Understand and mitigate climate change (Climate Change)
- Enhance ocean literacy (Ocean Literacy)
- Place-based impact (Place)
- Improve sustainability of fisheries and aquaculture (Sustainable Fisheries & Aquaculture)

2. BUSINESS EXCELLENCE

Ensuring PML is an effective, efficient and sustainable business.

3. SOCIAL RESPONSIBILITY

Engaging and supporting our internal and external communities.

4. ENVIRONMENTAL RESPONSIBILITY

PML has a duty to take a leadership role in environmental responsibility and to reduce the impact of its activities on the environment.

PML also has a wholly owned trading subsidiary, PML Applications Ltd, a "for good" commercial business providing consultancy and services to a global client base in the areas of marine biofouling and corrosion, coastal technologies, environmental solutions and geospatial applications (including software). Gift aid from PML Applications has supported future scientist training through PML's Education Support Fund and science discovery through the Advanced Research Fund.

For more information on our strategy, visit **www.pml.ac.uk/strategy-2025-2030/**

DELIVERING OUR STRATEGIC PRIORITIES – OUR ACHIEVEMENTS & PERFORMANCE

STRATEGIC PRIORITY 1
SCIENCE EXCELLENCE & IMPACT

STRATEGIC PRIORITY 2
BUSINESS EXCELLENCE

STRATEGIC PRIORITY 3
SOCIAL RESPONSIBILITY

STRATEGIC PRIORITY 4
ENVIRONMENTAL RESPONSIBILITY

In setting objectives and planning future activities, the Trustees give due consideration to ensuring that the charity's activities are for the public benefit, with due regard to Charity Commission guidance.

STRATEGIC PRIORITY 1

SCIENCE EXCELLENCE & IMPACT

Science Excellence

The excellence and relevance of our science has been demonstrated by our continued success in winning new research projects valued at £9.4M (signed contracts) and £2.9M of successful proposals that are awaiting contract (as at 31 March 2025).

Also of note was the external recognition of our scientific excellence and scientists through awards, appointments and in the media, including:

- Professor Angus Atkinson was made a Member of the Order of the British Empire in the King's Birthday Honours in June 2024 to recognise his services to polar marine research and conservation.
- Professor Steve Widdicombe was voted UK National Champion for the Frontiers Planet Prize, a global competition that rewards and promotes breakthroughs in science that show the greatest potential to keep the planet from crossing the nine planetary boundaries, following a nomination for his research article "Unifying biological field observations to detect and compare ocean acidification impacts across marine species and ecosystems: what to monitor and why", (co-authored by Kirsten Isensee, Yuri Artioli, Juan Diego Gaitán-Espitia, Claudine Hauri, Janet A. Newton, Mark Wells, and Sam Dupont).
- Professor Nicola Beaumont was appointed to the Department for Environment, Food and Rural Affairs (DEFRA)'s Science Advisory Council, an advisory non-departmental public body providing expert independent advice on science policy and strategy to DEFRA.
- Anneliese Hodge, PhD researcher with PML and the University of Plymouth, won the Gold Award in the Biological and Biomedical Sciences category at the prestigious STEM for Britain competition for her work on ecotoxicological effects of two contrasting UV filters derived from sunscreens on the temperate marine microalgae species *Isochrysis galbana*.
- Dr Sevrine Sailley was appointed as Chair of the International Council for the Exploration of the Sea (ICES) Working Group on Integrative Physical-biological and Ecosystem Modelling (WGIPEM).
- Following his nomination by the UK Government, in December 2024 Dr Victor Martinez-Vicente was elected Coordinating Lead Author in a vital new two year methodological assessment on monitoring biodiversity and nature's contributions to people.
- Dr Dhritiraj Sengupta was awarded Google's Geo for Good Impact award for his innovative use of the Google Earth Engine tool to quantify the growth of large-scale coastal land reclamation to better understand both the challenges and opportunities of these new coastlines.
- In January 2025, the Global Ocean Artificial Light at Night Network (GOALANN) programme, conceived in collaboration with the University of Plymouth, received endorsement from the United Nations as one of its new Ocean Decade Actions.
- First broadcast in November 2024, Clare Lewis, PhD researcher with PML and the University of Reading, featured in a Channel 5 documentary exploring the cause of the coastal flooding event in the Bristol channel in 1607, showcasing her research on meteotsunamis as one possible theory and the impact if such an event were to occur today.
- Professor Matt Frost featured on BBC Sounds' Rare Earth programme to debate the matter of decommissioned oil and gas platforms and their potential as artificial reefs. This followed the earlier publication of Professor Matt Frost and our late Professor Paul Somerfield's nature.com article which stressed the need for a review of rig decommissioning strategies that don't harm the environment.

Science & Impact Highlights

Our researchers produced 117 peer-reviewed papers (127 in FY2023-24) during this financial year, 23% of which were first-authored, with the focus on high quality rather than a high volume of papers.

Papers are a major output of a research project and it can take many years until the impact of such research is realised. Two examples of the significant impact of our research in the last year are as follows:

- Our research was crucial in advancing the Endurance reservoir – the UK's largest CO_2 storage site – which is essential to meeting national targets of capturing and storing 20-30 million tonnes of CO_2 annually by 2030. Carbon capture and storage (CCS) is a climate change mitigation technology that can significantly reduce carbon dioxide (CO_2) emissions. CCS works by capturing CO_2 from large stationary sources, like power plants and industrial facilities, and injecting it deep underground for secure long-term storage. Our research expertise allowed development of a rigorous monitoring methodology that was vital for securing regulatory approval and ensuring the safe advancement of the Endurance reservoir.

  We collaborate closely with industry and policymakers to quantify and mitigate risks associated with offshore CCS as well as design cost-effective monitoring strategies. Widespread deployment of CCS will reduce CO_2 emissions and help achieve decarbonisation goals.

- PML has been instrumental in the validation and application of satellite data since 1997 when the first ocean colour satellite sensor was launched, spearheading the processing of satellite data into useable information through the development and validation of algorithms. PML researchers have facilitated the development of environmental indices from satellite data, notably the primary production indicator, which offers insights into marine ecosystem dynamics. Primary production is a more robust water quality indicator than previous measures, as it reflects environmental pressures (e.g. contaminants, nutrient enrichment, pollution) not necessarily detected through chlorophyll-a changes. It serves as an early warning for direct pressure on marine food webs and indicates carbon flow from the base of the food chain to higher trophic levels, aiding in understanding the role of large fishes and marine mammals in ocean carbon sequestration and the biological carbon pump.

  These indices inform environmental management bodies, enabling them to implement targeted monitoring measures and evidence-based policies to address oceanic changes proactively. Satellite-derived primary production indicators are now a well-recognised baseline for healthy seas and Good Environmental Status. These indicators have supported implementation of the EU's Marine Strategy Framework Directive and Water Framework Directive.

Other highlights from our research undertaken during the year in relation to some of our Science to Impact Challenges are provided below:

Biodiversity

- The UN Ocean Decade Programme endorsed the PML-led 'Marine Spacial Planning Addressing Climate Effects' (MSPACE) project. The project involves a wide range of partners bringing unique skills and expertise together to help sustainably manage the UK's marine environment and changing climate.
- Our scientists led a study that, for the first time, explored the use of drones and deep learning to detect, count and map wild Pacific oysters – an invasive species in Europe with a potent harmful impact. This seeks to address the urgent need for continuous monitoring to detect and manage the advance of Pacific oysters, ideally at early stages of colonisation. The study provides a novel workflow for the automated detection, counting and mapping of individual Pacific oysters to estimate their density per square meter by using deep learning – Convolutional Neural Networks (CNNs) – applied to drone imagery.
- Our scientists led a study to understand how uncertain and observable the marine ecosystem indicators are in shelf seas, the result of which showed that the most uncertain and the least observable marine ecosystem health indicator is the phytoplankton community composition. This highlights the value of its observations (and their assimilation) particularly in the UK regional waters.

- Our mapping of 438 km^2 of the northern Red Sea coastline using satellite imagery and Uncrewed Aerial Vehicle (UAV) surveys demonstrates the feasibility of using an open source and reproducible methodology for monitoring coastal habitats in the region. The use of training data derived from UAV imagery provides a low-cost and time-efficient alternative to traditional methods of boat or snorkel surveys for covering large areas in remote sites.

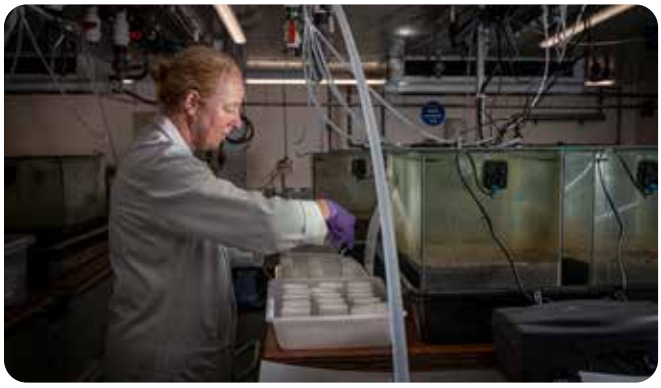
A benthic survey onboard Quest

Cleaner Seas

- A new study led by PML scientists shows cross-country collaboration in tackling marine plastic pollution yields significant economic and environmental returns which could be up to $36B with a 64% reduction in emitted plastic for countries bordering the North Atlantic. This research is believed to be the first to combine ocean and economic models to establish the benefits of coordinated plastic pollution management across multiple nations sharing an ocean border.
- A rapid evidence assessment was carried out by PML scientists on the societal impacts of marine nitrogen pollution, particularly on communities reliant on coral reefs for livelihoods, culture and wellbeing. The results highlight key research evidence gaps, such as unclear reporting of nitrogen pollution, not distinguishing impacts from nitrogen and other stressors, non-quantification of nitrogen-specific marine and societal impacts, unstudied global regions with high nitrogen pressure, and the need for greater

awareness on marine nitrogen pollution. Future research questions are proposed to allow better understanding on how tropical coastal societies are being impacted by marine nitrogen pollution.

- A recent study into the impact of tyre particle exposure on estuarine meiofaunal community structure has provided a better understanding of the ecological impact of these microplastic particles on marine systems.



Studying biological stressors in the Mesocosm

Climate Change

- The 31st Atlantic Meridional Transect (AMT) research cruise set sail in late 2024 for a 5-week voyage sampling the open ocean between the UK and the South Atlantic. Funded by the Natural Environment Research Council's (NERC) National Capability programme, this important expedition produces a unique dataset and the opportunity to monitor changes in the Atlantic Ocean.
- PML's computer models forecast a worrying future for the Ascension Island Marine Protected Area (MPA) due to the global impact of climate change, despite efforts to safeguard this marine area.

Ocean acidification experiments

- Scientists from PML alongside those of our subsidiary, PML Applications, held a trial off St Ives Bay in Cornwall that confirmed the viability, and potential scalability, of a pioneering "ocean" or "marine" carbon dioxide removal (oCDR or mCDR) technique designed to remove carbon dioxide from the atmosphere by enhancing the alkalinity of treated wastewater with magnesium hydroxide before it is discharged out at sea.
- A new study led by PML suggests that a sustainable marine economy may not be possible in Tanzania without a significant reduction in global CO_2 emissions combined with climate-adaptive marine management due to very few areas exhibiting climate resilience or opportunities for sectoral growth under higher emissions scenarios.

Sustainable Fisheries & Aquaculture

- A new study led by PML in collaboration with marine scientists across Europe revealed the extent to which climate change is set to significantly alter the distribution and abundance of commercially important fish species across European seas over the coming decades. The resulting paper, published by Global Change Biology, represents the first comprehensive, multi-model assessment of how 18 key fish stocks will respond to warming waters, demonstrating the profound implications for fishing communities and economies throughout the region.

For more science and impact highlights, please see the news section on **www.pml.ac.uk/news-and-events/**.

From Local to Global

PML plays an important role at the local/regional, national and global level, demonstrated by many of the science and impact highlights shown above. Also of note are the following activities, evidencing PML's contribution and collaboration at many levels:-

Local / Regional

- In July 2024 we hosted the "Research Impact Spotlight: Plymouth Sound and the Tamar Catchment" event, organised in partnership with the Tamar Estuary Consultative Forum (TECF) and Plymouth Sound National Marine Park. The landmark event brought together over 110 participants from 30 organisations to tackle critical research needs for Plymouth Sound and the Tamar Catchment.
- In March 2025 we attended the Island Assembly, hosted by Avon River Champions and Bigbury Net Zero at Burgh Island, which convened scientists, campaigners and decision-makers focused on the pressing issue of water pollution in Devon's rivers, with discussions centered on local and national strategies for improving water quality.

National

- In July 2024 we participated in the Royal Society Summer Science Festival, a week-long celebration of cutting-edge science. This free event welcomed members of the public to come and meet our researchers, participate in interactive experiments and learn more about how the ocean is changing and how that influences the lives of us all.

PML's Coccolithophore dress turned heads at the Royal Society Summer Science Exhibition 2024

- We have been working with the UK Centre for Ecology and Hydrology (UKCEH) to explore water quality monitoring via drone, building on our promotion of use of Uncrewed Aerial Systems in marine research.
- We play a prominent role in NERC National Capability – long-term programmes which enable the UK to deliver world-leading environmental science.

Global

- We had a strong presence at the 2024 UN Ocean Decade Conference in Barcelona in April 2024, with speakers at 13 events. Events covered a range of topics including ocean acidification, Artificial Light at Night (ALAN). Climate-smart marine planning, and use of technology and innovation for ocean observations. We also partnered with the Marine Biological Association and University of Plymouth in delivering the Marine Research Plymouth exhibition booth throughout the conference.
- Scientists and other experts from PML played a key role in showcasing ocean and climate science at the UN Climate Change COP29 meeting, including co-organising the COP29 Virtual Ocean Pavilion which saw registrations from 126 countries. In addition PML led or partnered in 14 events, participated in a number of roundtables, coordinated an exhibition stand bringing together partners across the globe and contributed to publications.
- We joined the International Partnership for Blue Carbon (IPBC), a global multidisciplinary network of over 60 organisations committed to the conservation of coastal ecosystems.
- Professor Steve Widdicombe was invited to showcase PML's Western Channel Observatory at the Marine Monitoring for Action workshop in Singapore in October 2024.

[1] Reach represents the total number of opportunities for people to be (potentially) exposed to the item.

- In July 2024 we hosted the Advances in Marine Ecosystem Modelling Research (AMEMR) symposium which brought together international scientists to Plymouth to present, discuss and learn about a wide variety of marine modelling challenges, methods, applications and outcomes. This included an interactive ecosystem modelling training workshop focused on marine biogeochemical and ecosystem model, organised in collaboration with Horizon Europe projects NECCTON and OceanICU.
- We signed an Memorandum of Understanding (MoU) with the Nippon Foundation-GEBCO Seabed 2030 project, recognising our shared endeavours in Ocean bathymetry research and support for the outcomes of the UN Ocean Decade. The MoU will result in close collaboration in areas such as the promotion of activities, the sharing of data, and joint engagement with the wider geospatial, hydrospatial and technology innovation community.

An MoU was signed with SeaBed 2030

- Senior Environmental Economist Dr Olivia Rendón and Honorary Fellow Torsten Thiele were among the 80+ experts who attended the annual International Partnership for Blue Carbon Dialogue in Cairns, a four-day event that brought together scientists, policymakers, and finance experts from around the world to discuss the critical role of blue carbon ecosystems in climate change mitigation and the multiple benefits from these ecosystems.

Professor Steve Widdicombe on stage at the Economist World Ocean Summit in Tokyo

- Professor Tim Smyth was invited to the Economist Impact's World Ocean Summit in Tokyo in March 2025 to discuss the increasingly concerning threat to marine ecosystems from Artificial Light At Night (ALAN) from coastal developments, shipping, ports, offshore infrastructure, fisheries, and other sources.
- We launched the ProBleu resource catalogue of ocean literacy materials for primary and secondary schools across Europe and associated countries. An initiative funded by the European Commission and UKRI, the project supports educators in bringing marine and freshwater topics into classrooms, inspiring students to become active stewards of our oceans and freshwater ecosystems.
- In partnership with the Maldives National University, we are involved in a new initiative to address nitrogen pollution in the marine environment of the Maldives.

During the year we invested in the significant upgrade to our research vessel, the Plymouth Quest. As well as vital maintenance and servicing required to extend the vessel's operating life, we took this opportunity to introduce new capability and functionality, including the fitting of a bow thruster to improve maneuverability during sampling at sea, and the creation of on-board laboratory space within the former fish hold. This investment has both improved the ship's capabilities and significantly extended its service life.

We continue to embrace new digital technologies and marine autonomy to deliver our cutting-edge science. In the year we were delighted to receive funding from NERC's Net Zero Aerial Capability programme to enhance PML's remote sensing capabilities further through the procurement of a state-of-the-art environmental survey drone for use in shallow, dynamic and hard-to-reach coastal waters. This exciting new piece of equipment is expected to be operational during the 2025-26 reporting period.

In addition to science and impact delivery, two key initiatives undertaken in the year have been:

Strategy Development

The creation of our new Science Impact & Technology Strategy (2025-2030) is crucial to setting our direction. We have engaged across our organisation to ascertain wide input on the strategy. Information on the new strategy is outlined later in this report.

Advanced Research Fund

Following the creation of this fund using PML's reserves, and after a rigorous evaluation process, a further three exciting and innovative projects were approved for funding by the Board in August 2024, two of which have progressed as follows:

- Development of a systems biology-based model for multiscale plankton simulations to advance and future proof plankton modelling at PML.
- A study on the effects of coastal ocean alkalinity enhancement.

The PML research vessel, *Quest*, in action

STRATEGIC PRIORITY 2

BUSINESS EXCELLENCE

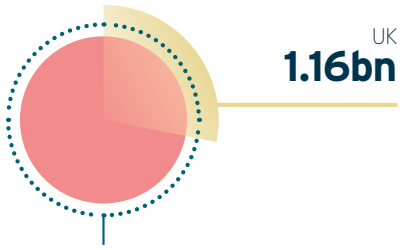
There have been several notable achievements under this strategic priority as follows:

Reach and Influence

Our Marketing & Communications team has been extremely active over the period in communicating our research and impact, and supporting participation in major events, such as the World Ocean Summit held in Japan in March 2025, at which our new strategy was launched. Our research has been covered by major national media, including the Guardian and ITN, as well as globally. The Advertising Value Equivalency (AVE) and reach of this coverage for the year as follows:

Advertising Value Equivalency (AVE)

Reach



Investment in Infrastructure

A new high performance computer (HPC) to support our modelling research capabilities, enabling our scientists to solve complex problems, has been implemented.

Cyber Essentials

Following further investment in our digital infrastructure, we were delighted to be awarded Cyber Essentials accreditation.

Quality Assurance

PML (and PML Applications Ltd) has maintained certification to the ISO9001 Quality Management Standard as well as ISO45001 – Health & Safety, and ISO14001 – Environmental Management.

STRATEGIC PRIORITY 3

SOCIAL RESPONSIBILITY

We are incredibly proud of the valuable work that we do, making a difference for a wide array of communities and stakeholders. Below are some of the external facing and internal highlights from the year.

People Strategy

A people strategy was developed through consultation and input from our people with the purpose of making PML an even better place to work. The People Strategy focuses on the attraction, engagement, development and retention of a talented team to deliver our strategic priorities as outlined above and have formed an important basis of the people element of our new five-year strategy.

Culture and Values

To support our commitment to revisit our shared values (established in 2018), we conducted a Cultural Values Assessment with external support to identify opportunities for improvement and establish understanding of the desired future culture of PML from the perspective of our team. This enabled further dialogue to take place that has enabled us to establish refreshed values, with recent activity commencing to embed these values into our ways of working.

Equity, Diversity and Inclusion (EDI)

To support our EDI strategy, we participated in a detailed improvement programme and assessment via the National Centre for Diversity's 'Investors in Diversity' accreditation programme having undertaken two culture surveys of our staff, students, Trustees and other stakeholders to inform action and improvement. We were delighted to achieve silver accreditation in recognition of our efforts. High levels of participation in EDI training has raised awareness and we continue to work on ways to make PML an even more welcoming and inclusive place to work. We have worked closely with an EDI expert with an established track record in science and research to develop our long-term action plan.

Health, Safety and Wellbeing

We were delighted to have maintained certification to the ISO45001 Health and Safety Management Standard. A mindset of quality and continuous improvement is central to our approach, including the development of additional codes of practice and implementation of additional health, safety and wellbeing measures. An open workplace culture is supported by regular feedback gathering, including encouragement to 'Speak out Safely', simple reporting of near-misses and a monthly pulse survey to ensure understanding of workplace concerns and opportunities for improvement. PML's standing as an excellent place to work is underlined by high levels of retention, continued ability to attract high quality recruits and our accreditation as an Investor in Diversity.

Education and academia

We are delighted to be engaging with alternative pathways into science careers to challenge the established PhD route; we have recruited a science apprentice for the first time in recent years, attracting over 250 applicants, also ensuring that junior science roles have been opened up to a broader range of candidates. We've worked on our recruitment campaigns with the support of an inclusive language assessment tool to ensure that our adverts and communication engage with the broadest range of prospective candidates. We continue to offer opportunities via the Trevor Platt Science Fellowship (launched in 2022 and funded through PML's Education Support Fund) and continue to provide opportunities for 14 PhD students hosted at PML.

We continue to provide support for work experience in the form of a dedicated work experience week for young people and have committed to a trial for a soon to be launched virtual work experience programme in conjunction with a fellow marine science centre.

STRATEGIC PRIORITY 4

ENVIRONMENTAL RESPONSIBILITY

As an environmental organisation, we are committed to reducing the impact of our activities on the environment. In the financial year 2024-25 we achieved the following:

Planet Saver Award

Reflecting the nature of our scientific research and our efforts to reduce our carbon footprint and improve biodiversity, PML won both the Devon & Plymouth Chamber of Commerce Planet Saver Award, and was winner of the Regional Chamber of Commerce Business Award for Green Innovation.

Renewable Generation

Our solar panel arrays generated a total of 152.07 MWh during the course of the year, enough to power 56 houses based on a medium-sized house with typical annual electricity use.

Reduction in Carbon Footprint

Our research activities require the use of energy consuming equipment, ranging from constant temperature rooms to sophisticated data centres. Our focus has been on reducing our carbon footprint associated with these activities, including improved capture of consumption data, better planning to use appropriately sized experimental facilities, reducing our data holdings and altering air flows within our data centre. In this financial year we reduced our electricity consumption by 7.7% compared to the previous year.

In addition, we are taking active measures to reduce our business travel and over the period since 2017-18 the number of business travel trips has reduced by 44%. Overseas fieldwork, scientific research cruises and dissemination of our research and raising awareness to make a difference for the marine environment are all essential and important activities that require travel.

Quality Assurance

PML (and PML Applications Ltd) has maintained certification to the ISO14001 – Environmental Management standard.

Investments

The weighted average carbon intensity of PML's investment portfolio at 31 March 2025 was 44.57 tCO_2e/$M Revenue compared with the Vanguard FSTE All World value of 207.43. (31 March 2024: 99.53 tCO_2e/$M).

The summer bioblitz at PML

The Trustees recognise the significant achievements of the staff over the course of the last year and would like to thank them for their outstanding contributions.

SCIENCE FOR OCEAN ACTION (2025-30 STRATEGY)

During the year we have developed our next five-year strategy with a launch that coincided with the World Ocean Summit in Tokyo in March 2025. Our "Science for Ocean Action" strategy represents an evolution in PML's approach to marine science and integrates multiple science disciplines. Building on our five-decade legacy of marine science excellence, it will also take advantage of leading-edge technical innovations to address the complex challenges facing the Ocean.

Taking us through to 2030, the strategy itself is built upon four interconnected pillars:

- Science, Technology and Impact;
- Business Growth and Reputation;
- Operational Excellence; and
- People & Culture

supported by cross-cutting initiatives in Digital Innovation and Environmental Responsibility.

Within Science, Technology and Impact, there are four main delivery objectives:

1. Enhancing Knowledge and Understanding of Marine Systems

The new strategy aims to deepen fundamental understanding of marine ecosystem structure and function, with particular focus on responses to climatic and anthropogenic stressors. PML will take a holistic approach by combining natural, social, psychological, and economic research to evidence the interconnections between humans and marine systems. This interdisciplinary approach will provide a more comprehensive understanding of the complex relationships that drive changes in ocean health.

2. Employing and Developing New Technologies

We will transform our capabilities in observing, modelling, visualising, and explaining the marine environment through innovative deployment of novel sensors, platforms, and digital technologies. This technological advancement will ensure intensive, effective, and responsible research methodologies that capture marine data with unprecedented precision and scope. The integration of cutting-edge technologies will enable PML to monitor ocean systems at multiple scales, from microscopic processes to global patterns.

3. Delivering Research Impact for Responsible Ocean Stewardship

By developing a deeper understanding of both the causes and consequences of changes in marine systems, as well as societal behaviour, PML will provide evidence and insights that better inform decision-making and management practices. The strategy emphasises translating scientific knowledge into practical applications that support sustainable ocean governance and responsible resource management.

4. Empowering Society to Make Informed Decisions

We will strive towards more effectively communicating scientific knowledge to all stakeholders, aimed at ensuring that everyone – from policymakers to the general public – is equipped to understand the consequences of their decisions and behaviours towards marine systems. This commitment to science communication and public engagement will help bridge the gap between specialised research and broader societal action.

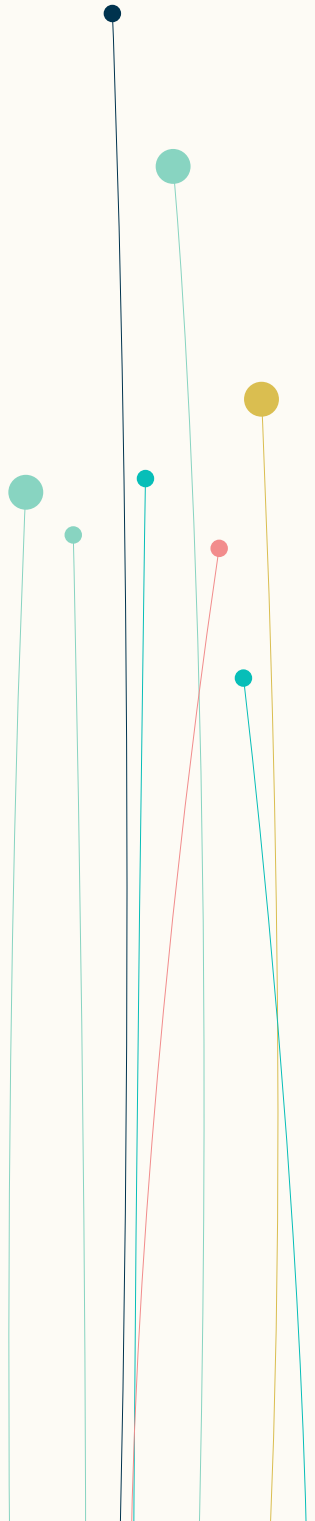
As an independent UK-based charity operating in the international arena, we recognise that funding models are changing, competition is increasing, and the need for trusted, impactful marine science has never been greater. For this reason we are reviewing our delivery structure and approach to amplify our impact and ensure our work is more accessible, visible and aligned with the expectations of funders, partners and society, whilst continuing to drive innovation and promote ground-breaking science.

For more information on our new strategy please visit our website: **www.pml.ac.uk/strategy-2025-2030/**

FINANCIAL REVIEW

Results for the year

Net loss for the year amounted to £858k (2024 net loss: £441k). After adjusting for realised and unrealised investment gains, the net movement in funds for the year amounted to a loss of £775k (2024 loss: £33k). The total funds carried forward remain in a net asset position of £7,552k (2024 funds carried forward: £8,410k).



PRINCIPAL RISKS & UNCERTAINTIES

Risk Management & Financial Sustainability

Our risk management policy is reviewed annually by the Board. In addition, a comprehensive analysis of risks to which we are exposed is undertaken and systems identified and put in place to mitigate risk. Under the terms of the risk management policy, the Senior Management Team carries out a periodic evaluation of the risks, by way of a risk register. The Audit & Finance Committee also review the risk register in detail and present to the Board those risks of greatest significance to PML. Principal risks and their mitigation are discussed by the Trustees on a regular basis. Financial sustainability and risk reports are provided to each meeting of the Audit & Finance Committee and Board (see also going concern statement).

The principal risks and uncertainties we face and mitigation thereof are as follows:

(i) Economic uncertainty in the UK and beyond and its impact upon inflation: PML has a strong reserves position and ensures that new research proposals are properly costed;

(ii) The new government's Comprehensive Spending Review and commitment to research expenditure, given that UK Research & Innovation (Natural Environment Research Council) is a key funder; PML is continuing to diversify its funding;

(iii) The ever-changing and evolving nature of cyber-attacks; investment continues to be made into ensuring the robustness of our IT systems and processes as well as enhancing staff awareness and diligence.

Given the compounded impact of inflation, pressure on Government research funding and recent changes to UK economic policy for employers, timely action was taken within the year to reduce operational costs to mitigate the business risk and improve the charity's future financial resilience. Whilst every effort was taken to minimise the risk of redundancy wherever possible, the required level of payroll saving resulted in 18 members of staff exiting the organisation following a period of consultation. Whilst this did incur associated one-off costs, this was in the best interest of the charity to secure its future viability.

Some of these costs were also recoverable for those individuals covered under the terms of the TUPE agreement with UKRI-NERC (see page 31). This intervention to reshape our cost base, in conjunction with the approach to the delivery of our new strategy, puts PML in a stronger position to weather the current challenging economic environment.

Reserves Policy

Our reserves policy is reviewed annually by the Trustees to ensure it is fit for purpose. The policy provides for the maintenance of general reserves (under unrestricted funds) at a level equivalent to at least six months' expenditure, in order to provide adequate working capital levels for our ongoing operation and completion of existing projects.

The reserves are set at a level to withstand any short-term setback, whether operational, in the investment markets, or in key sources of research income. If the free reserves should fall outside the level of six months' expenditure, the Trustees would review our strategy accordingly. The Trustees can confirm that the policy has been met.

The policy also provides designated reserves (under unrestricted funds), which are funds set aside to assure that capital and other significant expenditure approved by the Trustees can be funded as required over at least the next 12-month period.

The balance of designated reserves at the year ended 31 March 2025 stands at £4,386k (£5,022k at 31 March 2024). Further details on designated funds can be found on note 21.

Bank balances decreased over the year from £3.1M to £1.9M. There were £0.5M of funds held for partners.

Principal Funding Sources

Income was derived principally from competitive research of £7.6M (2024: £8.6M) from a variety of customers, such as UK Research & Innovation (UKRI), the European Commission, the European Space Agency and foundations, including over £1.4M received from sub-contractors (2024: £1.6M), and the UKRI-NERC National Capability funding, amounting to £4.1M (2024: £4.1M).

This income has enabled us to undertake strategic and applied research, which in turn has generated knowledge and publications, leading to impact, as well as carrying out the activities listed under Achievements and Performance.

Our scientists have been successful in terms of winning competitive research funding. New contracts won during the financial year were valued at £9.4M (2024: £3.62M), with a further £2.9M successful and under negotiation. In addition, NERC provided general capital funding of £347k.

Investment Policy

Our investment policy was reviewed in March 2025. PML aims to make investments that have a positive impact on environmental issues, whilst achieving the best financial return to support the charity. PML has an aspiration, and will make best efforts, to invest in sectors and companies that align with the UN Sustainability Goals, specifically as they relate to PML's charitable activities and strategy. PML will only invest in companies that have a clear strategy to get to net zero as a business.

Investment emphasis will also be given to those companies which contribute to the requirements of a sustainable society, for example, companies involved in products and services that aid environmental sustainability, including mitigating climate change, such as renewables, the low carbon energy sector, pollution monitoring and control, companies with excellent environmental policies and records.

The portfolio of investments is managed by a professional asset management organisation approved by the Trustees. The assets within the managers' portfolio are held by professional custodians. The activities and performance of the investment managers and portfolio, including ESG aspects are monitored through regular reporting to PML's Audit & Finance Committee, which in turn reports to the Trustees. During the year the Trustees continued to receive advice from a professional investment advisor/ intermediary, who was appointed in early 2024 and acts on our behalf to monitor our investments.

PLANS FOR FUTURE PERIODS

Trading Subsidiary

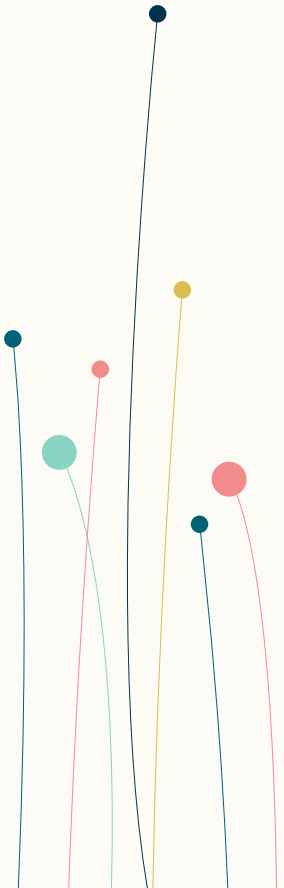
PML's trading subsidiary, PML Applications Ltd, reported an operating profit of £201k (2024: £105k), and generated £1.4M (2024: £1.4M) of income for PML. Investment continues to be made within the trading subsidiary for future growth. A gift aid payment of £105k was made by PML Applications to PML in the financial year. Following careful consideration, the PML Board of Trustees agreed to accept a deferment of the repayment of the remaining balance of £100k of its loan to PML Applications Ltd for a further year to provide the trading subsidiary with sufficient working capital for future growth. This growth is necessary for generating gift aid to PML, which in turn is used to support investment in areas of the charity deemed necessary by PML.

Fundraising Policy

Our approach to fundraising is to target charitable foundations and trusts, and corporations through their foundations. PML adheres to the latest Fundraising Code of Practice. In the last year PML has adhered to the requirements of the Code; there have been no complaints received regarding PML's fundraising practices. PML's complaint procedure is available at www.pml.ac.uk/legal.

In addition to the considerable number of research projects, our plans for the future (2025-26 financial year) are as follows:

- Promote and embed our new "Science for Ocean Action" 2025-2030 strategy and associated operating objectives
- Increase the accessibility, reach and impact of our research
- Enhance our market intelligence and effectiveness in accessing existing and alternative sources of funding
- Embed our refreshed set of shared values to underpin our focus on cultural improvement
- Continue to build upon our learnings from our Investors in Diversity accreditation to make PML an even more welcoming and inclusive place to work
- Evolve our workspace and facilities, including optimisation of infrastructure and equipment where necessary or viable
- Continue to develop leadership and management capability to improve our employee experience.



STRUCTURE, GOVERNANCE & MANAGEMENT

Governing Document

PML is a company limited by guarantee and registered as a charity with the Charity Commission. PML is governed by its Articles of Association (revised March 2024). It is led by its Board of Trustees, details of which are provided on page 8. Responsibility for the overall governance of PML rests with the Board, who are Trustees for the purposes of the Charities Act and Directors for the purposes of the Companies Act. Members of the charity comprise serving Trustees and the serving Chief Executive.

Appointment of Trustees

Trustees are elected under the terms of the Articles of Association. In exceptional circumstances and where it is in the best interest of the charity, Trustees may continue beyond the maximum term, subject to a rigorous review in accordance with the Charity Governance Code; approval by resolution of the Trustees; and special resolution by the members of the charity.

Recruitment of new Trustees is led by a Nominations Committee, the composition of which reflects the skills being sought. This Committee reports to the Board. When recruiting a new Trustee, the Board is mindful of the need to ensure a balance of skills, background and diversity. PML has in place a policy and procedure on the appointment of Trustees.

For details on individual Board members, please see the relevant section on our website at www.pml.ac.uk/governance.

Onboarding and Training of Trustees

PML has in place policies on the onboarding and training of Trustees. New Trustees undergo a comprehensive onboarding process, meeting other members of the Board of Trustees, as well as the Senior Management Team to learn about its governance, research, impact, financial performance and infrastructure and also the work of its wholly owned trading subsidiary, PML Applications Ltd. Each Trustee receives a tailored induction to suit the expertise of the Trustee and their role on the Board. As part of the formal onboarding programme, new Trustees receive a detailed pack containing various documents relating to PML and the duties of a Trustee, including key Charity Commission publications and the Charity Governance Code, the Articles of Association, PML's Strategy and associated documents, the most recent set of accounts, as well as various other policy documents. The Company Secretary has overall responsibility for the onboarding of Trustees. All new Trustees are expected to undertake the Trustee training modules provided by ICAEW. Where a specific training need is identified for a Trustee, a suitable course will be identified.

Evaluation of Board Performance

The Board repeated an external evaluation of governance in summer 2024 (first undertaken in summer 2022) which once again scored very highly, demonstrating improvement in some areas (since 2022) and once again exceeded the provider's All-Charities Benchmark. Of the areas identified for improvement, the Board have committed to an implementation plan of key actions, some of which were already underway or planned.

Employee Engagement in Governance

During the year the Board implemented an employee-observer role on a rotating basis to give employees the opportunity to experience first-hand how the Board operates. The effectiveness of this approach will be evaluated in summer 2025.

Organisational Structure

Board of Trustees

The Board of Trustees is responsible for the governance of PML. The gender balance as at the end of March 2025 was 55% female; 45% male. The Board generally meets at least four times per year (or more frequently as required), receiving regular reports on the financial and management aspects of the organisation, and to discuss strategic issues. Average attendance by Trustees over the last year at Board meetings was 87% (2024: 77%).

Committees

In addition to the main Board, there are five principal committees with specific remits as follows:

- **Audit & Finance Committee**: Meets three times per year and has delegated responsibility for ensuring that PML has in place effective systems and methods of financial control and risk management and that it complies with all aspects of the law, relevant regulations and good practice. It also reviews PML's investments and the performance of the Investment Manager. Trustee members during the reporting period were Nigel Godefroy (Chair), Nick Buckland and Kerin Sequeira.
- **Remuneration Committee**: Meets at least once per year to inter alia review staff annual pay and benefits and propose recommendations to the Board. Trustee members during the reporting period were Dr MacKenzie (Chair) and Kerin Sequeira.
- **Science Advisory Council**: Meets once per year to review aspects of the science portfolio. Trustee members during the reporting period were Dr Garçon (Chair), Prof. Bellerby, Dr MacKenzie and Dr Schratzberger as well as external members from the national and international science community.
- **Fundraising Committee**: Meets three times per year and has delegated responsibility for oversight and delivery of the PML charitable fundraising strategy. Trustee members during the reporting period were Dan Crockett (Chair) and Dr Virmani.
- **Innovation Committee**: This Committee's role is to provide strategic advice to the PML Executive on connecting PML's science and technology insights with customer needs, identifying innovation opportunities that might be commercially exploited through PML Applications Ltd. The Committee convenes as and when required. The Trustee member is Mark Butcher.

Company Secretary

The Company Secretary is appointed by the Board. In June 2024, Beverly Tremain stepped down as Company Secretary after 23 years in the role. Following an open and competitive recruitment process, Christopher Moores was appointed to the role by the Board on 4 July 2024.

The Board would like to once again express its gratitude to Beverly Tremain for the significant contribution she has made to the effective governance of PML and its trading subsidiary since each organisation's incorporation.

Senior Management Team

The Chief Executive is given delegated authority for the day-to-day operation of the charity, delivered through the Senior Management Team, including scientific, financial, people, and health and safety related matters. The specific levels of authority are detailed in a statement of Delegated Authority. The Chief Executive reports regularly to the Board on key aspects of PML's performance at each Board meeting.

Related Parties

UKRI-NERC

PML is eligible to bid on a competitive basis for funding from UKRI, including from NERC. PML is designated a Delivery Partner for "National Capability", a funding stream directly procured by NERC which enables the UK to deliver world-leading environmental science.

As part of the transfer of ownership process from NERC to PML in 2002 a staff loan agreement covering NERC employees was in place, which was novated to UKRI in 2018. On 1 April 2022 the remaining 23 UKRI-NERC employees were transferred to PML under TUPE (Transfer of Undertakings [Protection of Employment]). As of 31 March 2025, 12 employees remained on these terms.

As a major funder of PML, NERC and PML agreed to an observer attending PML Board meetings and this arrangement has been in place since March 2021.

UKRI Natural Environment Research Council

PML Applications Ltd

PML's wholly owned subsidiary, PML Applications Ltd, was established to undertake more applied and commercial work and facilitate knowledge exchange. It gift aids its profits to PML.

PML | Applications

Partnership for Observation of the Global Oceans (POGO)

PML has hosted the POGO secretariat of POGO since 2007, providing accommodation and staffing for them under a formal agreement. In February 2017 POGO became a Charitable Incorporated Organisation in the UK.

pogo
Partnership for Observation of the Global Ocean

Pay Policy for Senior Staff

All of the Trustees (Directors) give of their time freely and no Trustee received remuneration during the year. Details of Trustees' expenses incurred in the course of their duties are disclosed under note 8.

The Chief Executive's remuneration package is reviewed annually by the Board of Trustees who review benchmarking data from the research and charity sector, and assess performance against objectives set for the year.

The remuneration of the senior staff (members of the Senior Management Team) is reviewed by the Remuneration Committee as part of the entire PML workforce's remuneration, with recommendations made to the Board of Trustees for its approval.

Going Concern

PML's cash position (as at 31 May 2025) is strong at £2.7M.

Income and expenditure forecasting has been undertaken for the financial year ending 2025-26 which indicates that the result for PML will be a trading surplus of the order of £330k.

Current signed competitive research contracts stand at £26.6M, of which £12.3M has already been recognised up to 31 March 2025. The remaining £14.3M relates to projects which run over the next three financial years.

At year end the Trustees acknowledge that the net current asset position was a modest £0.1M. They take assurance from the fact that within current creditors is £1.4M of cash advances received on competitive research contracts. Due to the nature of this balance the Trustees have strong certainty that the majority can be earned and released to income over the next financial year to fund staff costs and overheads. As at year end the charity also held an investment portfolio of £4.09M which as a last resort could be realised to fund any deficits that arise as a result of the risks identified above.

The Trustees believe that PML is a going concern on the following basis:

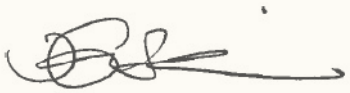
- Strong cash position as identified above.
- Principal funding sources are government backed, e.g. UKRI, European Space Agency, EU (UK government backed).
- Strong signed contracts position.
- The charity can meet its short-term debts.
- The charity has no loans.
- Strong reserves position.

In conclusion, there are no material uncertainties to cast doubt on PML's ability to continue as a going concern.

Disclosure of Information to Auditor

Each Trustee has taken steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The Trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the Trustees of the charity on 10 July 2025 and signed on its behalf by:



J E Timberlake
Chair and Trustee

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of Plymouth Marine Laboratory for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

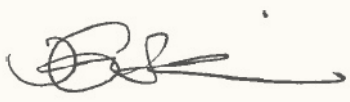
Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the parent charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group 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 parent charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees of the charity on 10 July 2025 and signed on its behalf by:



J E Timberlake
Chair

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLYMOUTH MARINE LABORATORY

Opinion

We have audited the financial statements of Plymouth Marine Laboratory (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2025, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows 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 United Kingdom Accounting Standards, comprising Charities SORP – FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2025 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

Use of our report

This report is made solely to the charitable parent 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 group'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 parent company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Other Information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, 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.

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 group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

Opinion on other matter 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 our knowledge and understanding of the group and the parent 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 Statement of Trustees' Responsibilities (set out on page 33), the Trustees 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 charity'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 charity 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:

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to acts by the company which were contrary to applicable laws and regulations, including fraud.

We considered those laws and regulations that have a direct impact on the preparation of the financial statements, including, but not limited to the reporting framework (FRS 102 and Companies Act 2006) and the relevant tax compliance regulations in the UK. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent financial reporting.

We also considered those laws and regulations that have a direct impact on the operations of the group, including, but not limited to various environmental and employment laws and regulations (e.g. Environmental Protection Act and The Health and Safety at Work Act 1974) that are applicable in the UK.

Audit procedures performed by the engagement team include, but were not limited to, discussion and inquiries with management of compliance with laws and regulations and review of correspondence and contracts with third parties. We also addressed the risk of management override of internal controls, including testing of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to be come aware of instances of non-compliance. 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, collusion, omission or misrepresentation.

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

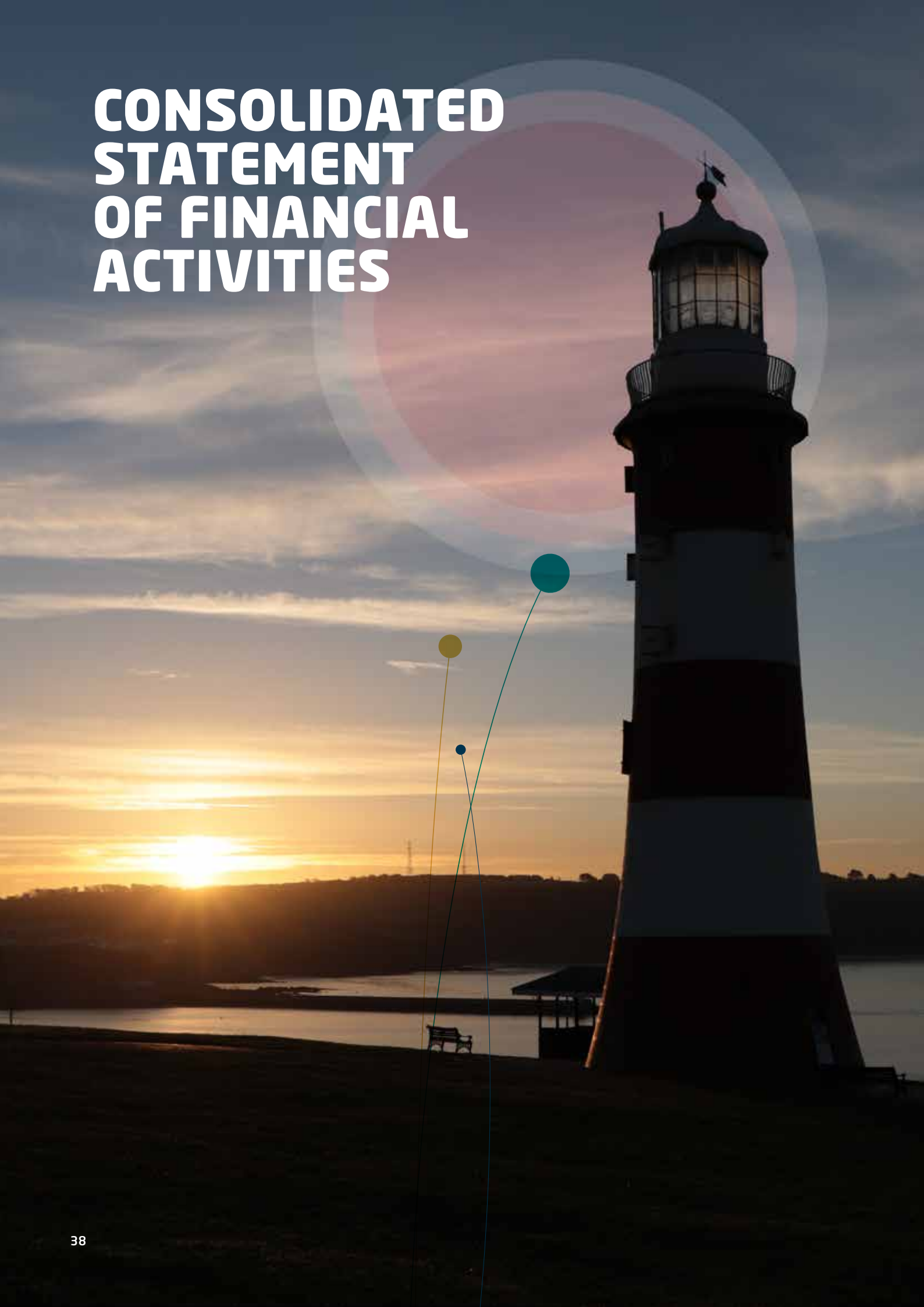
Louise Bridgett

Louise Bridgett
(Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Melville Building East
Unit 18, 23 Royal William Yard
Plymouth PL1 3GW

20 August 2025

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2025

(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds - General £ 000	Unrestricted Funds - Designated £ 000	Restricted Funds £ 000	Total 2025 £ 000
Income and Endowments from:					
Charitable Activities	3	72	50	14,683	14,805
Other Trading Activities	4	1,451	-	-	1,451
Investment Income		134	-	-	134
Total Income		**1,657**	**50**	**14,683**	**16,390**
Expenditure on:					
Raising Funds		(860)	-	-	(860)
Charitable Activities	5	(691)	(905)	(14,683)	(16,279)
Other Expenditure		(26)	-	-	(26)
Total Expenditure		(1,577)	(905)	(14,683)	(17,165)
Net Income/(Expenditure)		80	(855)	-	(775)
Transfers Between Funds		(186)	186	-	-
Gains/(Losses) on Investments Assets		(83)	-	-	(83)
Net Movement in Funds		(189)	(670)	-	(858)
Reconciliation of Funds					
Total Funds Brought Forward		3,389	5,022	-	8,410
Total Funds Carried Forward	21	**3,200**	**4,352**	**-**	**7,552**

The notes on pages 44 to 72 form an integral part of these financial statements.

YEAR ENDED 31 MARCH 2024

(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

For comparative purposes – financial performance for prior financial year

	Note	Unrestricted Funds - General £ 000	Unrestricted Funds - Designated £ 000	Restricted Funds £ 000	Total 2024 £ 000
Income and Endowments from:					
Charitable Activities	3	69	3	14,149	14,220
Other Trading Activities	4	1,329	-	-	1,329
Investment Income		114	-	-	114
Total Income		**1,512**	**3**	**14,149**	**15,664**
Expenditure on:					
Raising Funds		(1,015)	-	-	(1,015)
Charitable Activities	5	(330)	(587)	(14,149)	(15,066)
Other Expenditure		(24)	-	-	(24)
Total Expenditure		(1,369)	(587)	(14,149)	(16,105)
Net Income/(Expenditure) before Transfers		143	(584)	-	(441)
Transfers Between Funds		(211)	211	-	-
Gains/(Losses) on Investments Assets		408	-	-	408
Net Movement in Funds		340	(373)	-	(33)
Reconciliation of Funds					
Total Funds Brought Forward		3,049	5,395	-	8,444
Total Funds Carried Forward	21	**3,389**	**5,022**	**-**	**8,410**

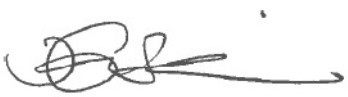
All of the group's activities derive from continuing operations during the above two periods. The funds breakdowns for 2025 and 2024 are shown in note 21.

The notes on pages 44 to 72 form an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET 31 MARCH 2025

	Note	2025 £ 000	(As restated) 2024 £ 000
Fixed Assets			
Intangible Assets	12	245	339
Tangible Assets	13	8,759	9,021
Investments	14	4,088	4,161
		13,092	13,521
Current Assets			
Debtors	15	4,155	4,705
Cash at Bank and in Hand	16	2,189	3,142
		6,344	7,847
Creditors: Amounts Falling Due Within One Year	17	(5,907)	(6,292)
Net Current Assets		437	1,555
Total Assets Less Current Liabilities		13,529	15,076
Creditors: Amounts Falling Due After More Than One Year	18	(5,977)	(6,665)
Net Assets		**7,552**	**8,410**
Funds of the Group:			
Restricted		-	-
Unrestricted - Designated		4,352	5,022
Unrestricted - General		3,200	3,389
Total Funds	21	**7,552**	**8,410**

The financial statements on pages 38 to 72 were approved by the Trustees, and authorised for issue on 10 July 2025 and signed on their behalf by:



J E Timberlake
Chair

N J Godefroy
Chair of Audit and Finance Committee and Trustee

Company Registration Number: 4178503

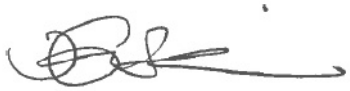
The notes on pages 44 to 72 form an integral part of these financial statements.

BALANCE SHEET
31 MARCH 2025

	Note	2025 £ 000	(As restated) 2024 £ 000
Fixed Assets			
Intangible Assets	12	245	339
Tangible Assets	13	8,744	9,021
Investments	14	4,188	4,261
		13,178	13,621
Current Assets			
Debtors	15	3,845	4,380
Cash at Bank and in Hand	16	1,867	2,838
		5,712	7,217
Creditors: Amounts Falling Due Within One Year	17	(5,605)	(5,911)
Net Current Assets		107	1,306
Total Assets Less Current Liabilities		13,285	14,927
Creditors: Amounts Falling Due After More Than One Year	18	(5,977)	(6,665)
Net Assets		**7,308**	**8,262**
Funds of the Charity:			
Unrestricted - General		2,956	3,242
Unrestricted - Designated		4,352	5,020
Restricted		-	-
Total Funds	21	**7,308**	**8,262**

The charity had a net negative movement in funds of £954k (2024 - negative movement of £55k). The charity has taken the exemption in section 408 of the Companies Act 2006 and has not presented its individual Statement of Financial Activities.

The financial statements on pages 38 to 72 were approved by the Trustees, and authorised for issue on 10 July 2025 and signed on their behalf by:



J E Timberlake
Chair

N J Godefroy
Chair of Audit and Finance Committee and Trustee

Company Registration Number: 4178503

The notes on pages 44 to 72 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED 31 MARCH 2025

	Note	2025 £ 000	(As restated) 2024 £ 000
Cash Flows from Operating Activities			
Net Income/(Expenditure) for the Reporting Period (as per the Statement of Financial Activities)		(858)	(33)
Adjustments to Cash Flows from Non-Cash Items			
Depreciation		1,336	1,273
Amortisation		94	94
Investment Income		(134)	(114)
Profit on Disposal of Tangible Fixed Assets		-	(2)
Fair Value Movement on Investment Assets		83	(408)
		520	809
Working Capital Adjustments			
Decrease/(increase) in Debtors	15	542	(773)
Decrease in Creditors	17	(315)	(26)
Decrease in Deferred Capital Grants	18	(743)	(76)
Net Cash Flows from Operating Activities		4	(65)
Cash Flows from Investing Activities			
Interest Receivable and Similar Income		134	114
Purchase of Tangible Fixed Assets	13	(1,073)	(1,798)
Sale of Tangible Fixed Assets		-	17
Purchase of Investments		(76)	(60)
Sale of Investments		59	18
Net Cash Flows from Investing Activities		(956)	(1,709)
Net Decrease in Cash and Cash Equivalents		(952)	(1,774)
Cash and Cash Equivalents at 1 April		3,142	4,917
Cash and Cash Equivalents at 31 March		**2,190**	**3,143**

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 44 to 72 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Charity Status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the Trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is:
Prospect Place
The Hoe
Plymouth
PL1 3DH

2. Accounting Policies

Summary of Significant Accounting Policies and Key Accounting Estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of Compliance

The financial statements have been prepared in accordance with Accounting and reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006, with the exception that grants in respect of capital expenditure received are deferred and released to the Statement of Financial Activities over the expected useful lives of the relevant assets to which they relate. This treatment provides consistency with the treatment adopted by other similarly funded institutions including Universities.

Basis of Preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The functional currency of Plymouth Marine Laboratory is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Plymouth Marine Laboratory meets the definition of a public benefit entity under FRS 102.

Basis of Consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2025.

No Statement of Financial Activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity had a negative net movement in funds for the financial year of £954,000 (2024: negative net movement of £55,000).

The charity has taken advantage of the exemption not to prepare a cash flow statement, as the charity figures are included in the consolidated cash flow statement and the members have not objected to the exemption being taken.

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Going Concern

PML's cash position (as at 31 May 2025) is strong at £2.7M.

Income and expenditure forecasting has been undertaken for the financial year ending 2025-26 which indicates that the result for PML will be a trading surplus of the order of £330k.

Current signed competitive research contracts stand at £26.6M, of which £12.3M has already been recognised up to 31 March 2025. The remaining £14.3M relates to projects which run over the next three financial years.

At year end the Trustees acknowledge that the net current asset position was a modest £0.1M. They take assurance from the fact that within current creditors is £1.4M of cash advances received on competitive research contracts. Due to the nature of this balance the Trustees have strong certainty that the majority can be earned and released to income over the next financial year to fund staff costs and overheads. As at year end the charity also held an investment portfolio of £4.09M which as a last resort could be realised to fund any deficits that arise as a result of the risks identified above.

The Trustees believe that PML is a going concern on the following basis:

- Strong cash position as identified above.
- Principal funding sources are government backed, e.g. UKRI, European Space Agency, EU (UK government backed).
- Strong signed contracts position.
- The charity can meet its short-term debts.
- Strong reserves position.

In conclusion, there are no material uncertainties to cast doubt on PML's ability to continue as a going concern.

Prior period adjustment

There was an historical difference between the opening balances within land & buildings and plant & equipment. An adjustment has been made to rectify this difference and this has resulted in a restatement. The net effect on fixed assets is £nil.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The following are the critical judgements and estimates that the directors have made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- carrying value of research balances.

Provision is made against research debtor balances where costs (including those to complete) exceed contracted income.

Income

All incoming resources are included in the Statement of Financial Activities where the charity is entitled to the income and the amount can be qualified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Investment income is included when receivable.
- Grants in respect of capital expenditure are credited to a deferred capital grants account within creditors, and are released to the Statement of Financial Activities over the expected useful lives of the relevant assets to which they relate.
- Competitive Research – The majority of contracts are for three years duration. During the period of the contract, income is only credited to the Income and Expenditure account if it is matched by activity within the contract. Where income received to date

is in excess of this calculated amount, it is deferred, where the income received is less, it is accrued. Should funds be provided within the contract to purchase capital equipment but ownership of that equipment resides with the customer, then the equipment is not capitalised on the Balance Sheet. Should ownership of the equipment reside with the group, the equipment is capitalised and the specific income provided for its purchase is spread over the life of the asset.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement; or
- The costs that are funded by the grant have yet to be spent.

Expenditure

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

- Costs of generating commercial trading income through the subsidiary, PML Applications Ltd.
- Charitable activities include expenditure associated with the operation of the charity, and include both the direct costs and support costs relating to those activities.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with strategic, constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Research and Development and Patents

As an organisation wholly engaged in research, the group does not classify research and development expenditure separately in the accounts. Expenditure in respect of the development of patents has been written off.

Intellectual Property

Intellectual property rights arising from the group's research and development have not been included in these accounts as their market value cannot be readily estimated. The anticipated annual income generated from such rights is not material in value and is credited to the income and expenditure account on receipt.

Pensions

On 1 April 2022 the remaining 23 UKRI-NERC employees were transferred to PML under TUPE with their existing pension rights. For these employees, payments are made to the Research Council's Pension Scheme – a defined benefits scheme. Employees who joined PML after 31 March 2002 have the option to join the Plymouth Marine Laboratory Group Scheme. This is a defined contribution scheme administered by Scottish Life. Contributions for both schemes are charged to the accounts as they become payable in accordance with the rules of the schemes.

Value Added Tax

As the group is registered partially exempt for VAT purposes, all expenditure and fixed asset purchases are shown inclusive of VAT where applicable.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Intangible Assets

Intangible assets are stated in the Balance Sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Computer software	2-10 years straight line

Tangible Fixed Assets

Individual fixed assets costing £3k or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and Amortisation

Provision is made for depreciation on all tangible fixed assets at rates calculated to write off the costs of each asset evenly over its expected useful working life.

Fixed assets are depreciated in the month of acquisition, but are not depreciated in the month of disposal. Components of assets with substantially different economic lives are accounted for separately for depreciation purposes and depreciated over their individual useful economic lives.

Asset class	Depreciation method and rate
Scientific Equipment	2-10 years straight line
Computer Equipment	2-5 years straight line
Plant	10 years straight line
Vehicles	4 years straight line
Ships	3-20 years straight line
Leasehold Buildings	5-25 years straight line

Fixed Asset Investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Foreign Exchange

Assets and liabilities denominated in foreign currencies are expressed in pounds sterling at rate(s) of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the time of the transaction. All exchange differences are taken to the Statement of Financial Activities.

Fund Structure

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

Designated funds are unrestricted funds which have been assigned by the Trustees for future projects.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

Hire Purchase and Finance Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Pensions and Other Post Retirement Obligations

The group operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial Instruments

Financial assets and liabilities are recognised/(derecognised) when the company becomes/(ceases to be) party to the contractual provisions of the instrument. The company holds the following financial assets and liabilities:

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment ("doubtful debts") are recognised in Statement of Financial Activities before net income.

Loans qualifying as basic financial instruments under FRS102

Loans are initially recorded at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial instruments not qualifying as basic under FRS102

Forward exchange contracts are measured at fair value at the balance sheet date. Movements in fair value are charged or credited to the statement of financial activities before net income.

Investments

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

3. Income from Charitable Activities

	Unrestricted - Designated £ 000	Unrestricted - General £ 000	Restricted £ 000	Total 2025 £ 000	Total 2024 £ 000
NERC Funding (National Capability)	-	-	5,529	5,529	3,828
Research Income	-	-	7,130	7,130	8,603
Designated Income	50	-	-	50	3
Deferred Income on Capital Expenditure	-	-	1,136	1,136	1,046
VAT Recoverable (Due to Partial Exemption)	-	-	-	-	8
Other Income	-	72	888	960	732
	50	**72**	**14,683**	**14,805**	**14,220**

4. Income from Other Trading Activities

Summary Profit and Loss Account	2025 £ 000	2024 £ 000
Turnover	1,463	1,363
Cost of Sales and Administrative Expenses	(1,257)	(1,255)
Operating Profit	206	107
Interest Payable on Loan	(5)	(3)
Net Profit	**201**	**105**
The Assets and Liabilities of the Subsidiary were:		
Fixed Assets	15	-
Current Assets	732	873
Current Liabilities	(403)	(624)
Total Net Assets/(Liabilities)	**344**	**248**
Aggregate Share Capital and Reserves	**344**	**248**
Reconciliation with Statement of Financial Activities (SOFA)		
Turnover (as above)	1,463	1,363
Less: Income from Parent Charity	(12)	(34)
Per SOFA - Income from Other Trading Activities	**1,451**	**1,329**
Cost of Sales and Administrative Expenses (as above)	1,257	1,256
Less: Recharged by Parent Charity	(397)	(241)
Per SOFA - Expenditure on Raising Funds	**860**	**1,015**

5. Expenditure on Charitable Activities

	Activity Undertaken Directly £ 000	Activity Support Costs £ 000	Total 2025 £ 000	Total 2024 £ 000
Research Staff Costs	7,158	-	7,158	6,466
Recurrent Costs – Science	2,363	-	2,363	2,363
Recurrent Costs – Science Support	1,201	-	1,201	1,014
Depreciation and Amortisation of Assets	1,427	-	1,427	1,367
Restructuring Costs	-	383	383	-
Senior Management and Administrative Staff Costs	-	2,167	2,167	1,962
Administration Costs	-	1,520	1,520	1,810
Governance Costs	-	60	60	84
	12,149	**4,130**	**16,279**	**15,066**

Included within the expenditure analysed above, there are governance costs of £59,740 (2024: £83,649) which relate directly to charitable activities. See note 6 for further details.

6. Analysis of Governance and Support Costs

Governance Costs	Restricted £ 000	Total 2025 £ 000	Total 2024 £ 000
Auditor fees			
Audit of the Financial Statements	30	30	28
Other Fees Paid to Auditors	12	12	34
Trustees' Expenses	12	12	17
Other Governance Costs	6	6	5
	60	**60**	**84**

7. Net Incoming/Outgoing Resources

This is stated after charging/(crediting):

	2025 £ 000	2024 £ 000
Audit Fees	30	28
Other Non-Audit Services	12	34
Depreciation and Amortisation of Assets	1,429	1,367
Operating Leases - Other Assets	121	136
Profit on Disposal of Tangible Fixed Assets	-	(2)
Release of Deferred Capital Grant (note 18)	(1,136)	(1,046)

8. Trustees Remuneration and Expenses

No Trustees, nor any persons connected with them, have received any remuneration from the group during the year.

During the year, expenses totalling £12k (2024: £17k) for travel, subsistence and accommodation were reimbursed or paid on behalf of nine Trustees (2024: nine).

9. Staff Costs

The aggregate payroll costs were as follows:

	2025 £ 000	2024 £ 000
Staff Costs During the Year were:		
Wages and Salaries	8,434	7,621
Social Security Costs	857	778
Pension Costs	752	716
Restructuring Costs	383	-
	10,425	**9,114**

The monthly average number of persons (including Senior Management Team/leadership team) employed by the group during the year expressed as full time equivalents was as follows:

	2025 Number	2024 Number
Permanent Staff - Science and Support	126	111
Permanent Staff - Management and Admin	53	56
Temporary Staff	4	10
	183	**177**

9. Staff Costs continued

The number of employees whose emoluments fell within the following bands was:

	2025 Number	2024 Number
£60,001 - £70,000	20	10
£70,001 - £80,000	8	4
£80,001 - £90,000	5	4
£90,001 - £100,000	4	1
£100,001 - £110,000	2	-
£120,001 - £130,000	-	1
£140,001 - £150,000	1	-

The total employee benefits of the key management personnel of the group were £682,296 (2024: £719,560.

10. Auditors' Remuneration

	2025 £ 000	2024 £ 000
Audit of the Financial Statements	30	28
Other Fees to Auditors		
All Other Assurance Services	7	6
All Other Non-Audit Services	5	28
	12	**34**

11. Taxation

The group is a registered charity and is therefore exempt from taxation.

12. Intangible Fixed Assets

Group

	Software £ 000	Total £ 000
Cost		
At 1 April 2024	702	702
At 31 March 2025	702	702
Amortisation		
At 1 April 2024	363	363
Charge for the Year	94	94
At 31 March 2025	457	457
Net Book Value		
At 31 March 2025	**245**	**245**
At 31 March 2024	**339**	**339**

Charity

	Software £ 000	Total £ 000
Cost		
At 1 April 2024	702	702
At 31 March 2025	702	702
Amortisation		
At 1 April 2024	363	363
Charge for the Year	94	94
At 31 March 2025	457	457
Net Book Value		
At 31 March 2025	**245**	**245**
At 31 March 2024	**339**	**339**

13. Tangible Fixed Assets

Group

	Land and Buildings £ 000	Furniture and Equipment £ 000	Ships and Vehicles £ 000	Assets under Construction £ 000	Total £ 000
Cost					
At 1 April 2024	8,826	13,033	971	123	22,952
Additions	88	227	15	743	1,073
Disposals	-	(24)	-	-	(24)
At 31 March 2025	**8,914**	**13,235**	**986**	**866**	**24,001**
Depreciation					
At 1 April 2024	3,083	10,031	818	-	13,931
Charge for the Year	497	808	30	-	1,336
Eliminated on Disposals	-	(24)	-	-	(24)
At 31 March 2025	**3,580**	**10,815**	**848**	**-**	**15,243**
Net Book Value					
At 31 March 2025	**5,334**	**2,420**	**138**	**866**	**8,759**
At 31 March 2024	**5,743**	**3,002**	**153**	**123**	**9,021**

Included within the net book value of land and buildings above is £Nil (2024: £Nil) in respect of freehold land and buildings and £5,334,000 (2024: £4,971,000) in respect of leaseholds.

13. Tangible Fixed Assets continued

Charity

	Land and Buildings £ 000	Furniture and Equipment £ 000	Ships and Vehicles £ 000	Assets under Construction £ 000	Total £ 000
Cost					
At 1 April 2024	8,826	12,994	971	123	22,914
Additions	88	210	15	743	1,056
Disposals	-	(24)	-	-	(24)
At 31 March 2025	**8,914**	**13,179**	**986**	**866**	**23,946**
Depreciation					
At 1 April 2024	3,083	9,992	818	-	13,892
Charge for the Year	497	806	30	-	1,333
Eliminated on Disposals	-	(24)	-	-	(24)
At 31 March 2025	**3,580**	**10,774**	**848**	**-**	**15,202**
Net Book Value					
At 31 March 2025	**5,334**	**2,405**	**138**	**866**	**8,744**
At 31 March 2024	**5,743**	**3,002**	**153**	**123**	**9,021**

Included within the net book value of land and buildings above is £Nil (2024: £Nil) in respect of freehold land and buildings and £5,334,000 (2024: £4,971,000) in respect of leaseholds.

14. Fixed Asset Investments

Group

	2025 £ 000	2024 £ 000
Other Investments	**4,088**	**4,161**

Other Investments

	Listed Investments £ 000
Cost or Valuation	
At 1 April 2024	4,161
Revaluation	(90)
Additions	102
Disposals	(59)
Investment Manager Fee	(26)
At 31 March 2025	**4,088**
Net Book Value	
At 31 March 2025	**4,088**
At 31 March 2024	**4,161**

Charity

	2025 £ 000	2024 £ 000
Shares in Group Undertakings and Participating Interests	100	100
Other Investments	4,088	4,161
	4,188	**4,261**

14. Fixed Asset Investments continued

Shares in Group Undertakings and Participating Interests

	Subsidiary Undertakings £ 000	Total £ 000
Cost		
At 1 April 2024	100	100
At 31 March 2025	100	100
Net Book Value		
At 31 March 2025	100	100
At 31 March 2024	100	100

Other Investments

	Listed Investments £ 000
Cost or Valuation	
At 1 April 2024	4,161
Revaluation	(90)
Additions	102
Disposals	(59)
Investment Fees	(26)
At 31 March 2025	4,088
Net Book Value	
At 31 March 2025	4,088
At 31 March 2024	**4,161**

14. Fixed Asset Investments continued

Details of Undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of Incorporation	Holding	Proportion of Voting Rights and Shares Held		Principal Activity
			2025	2024	
Subsidiary undertakings					
PML Applications Ltd Prospect Place, West Hoe, Plymouth, PL1 3DH	England and Wales	Ordinary shares	100%	100%	Marine research
Smart Sound Plymouth Ltd Prospect Place, West Hoe, Plymouth, PL1 3DH	England and Wales	Ordinary shares	100%	100%	Innovative marine technology development – currently dormant
GenePro Ltd (held by a subsidiary) Prospect Place, West Hoe, Plymouth, PL1 3DH	England and Wales	Ordinary shares	100%	100%	Exploitation of intellectual property – currently dormant

Subsidiaries

The profit for the financial period of PML Applications Ltd was £201,202 (2024: £104,783) and the aggregate amount of capital and reserves at the end of the period was £344,208 (2024: £248,477).

The profit for the financial period of Smart Sound Plymouth Ltd was £Nil (2024: £Nil) and the aggregate amount of capital and reserves at the end of the period was £Nil (2024: £Nil).

The profit for the financial period of GenePro Ltd (held by a subsidiary) was £Nil (2024: £Nil) and the aggregate amount of capital and reserves at the end of the period was £Nil (2024: £Nil).

15. Debtors

	Group		Charity	
	2025 £ 000	2024 £ 000	2025 £ 000	2024 £ 000
Trade Debtors	2,271	2,689	2,045	2,233
Due from Group Undertakings	-	-	100	243
Prepayments	347	294	345	292
Accrued Income	1,442	1,618	1,296	1,534
Other Debtors	96	104	59	78
	4,155	**4,705**	**3,845**	**4,380**

16. Cash and Cash Equivalents

	Group		Charity	
	2025 £ 000	2024 £ 000	2025 £ 000	2024 £ 000
Cash at Bank	**2,189**	**3,142**	**1,867**	**2,838**

17. Creditors: Amounts Falling Due Within One Year

	Group		Charity	
	2025 £ 000	2024 £ 000	2025 £ 000	2024 £ 000
Trade Creditors	808	476	805	461
Other Taxation and Social Security	455	312	364	211
Other Creditors	303	223	280	218
Accruals	1,762	1,349	1,685	1,278
Deferred Income	1,504	2,803	1,397	2,613
Deferred Capital Grants	1,074	1,129	1,074	1,129
	5,907	**6,292**	**5,605**	**5,911**

18. Creditors: Amounts Falling Due After One Year

	Group		Charity	
	2025 £ 000	**2024** £ 000	**2025** £ 000	**2024** £ 000
Deferred Capital Grants	**5,977**	**6,665**	**5,977**	**6,665**

Deferred Capital Grants

Group and Charity	**2025** £ 000	**2024** £ 000
Amounts to be Released:		
Within One Year	1,074	1,129
In Two to Five Years	2,238	2,385
In Over Five Years	3,739	4,281
	7,051	**7,795**

Analysis of Deferred Capital Grants

Group and Charity	**2025** £ 000	**2024** £ 000
Deferred Capital Grant Brought Forward	(7,795)	(7,871)
Resources Deferred in the Period	(393)	(970)
Amounts Released from Previous Periods	1,136	1,046
Deferred Capital Grant at Year End	**(7,051)**	**(7,795)**

19. Obligations Under Leases and Hire Purchase Contracts

Operating Lease Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Charity	
	2025 £ 000	**2024** £ 000	**2025** £ 000	**2024** £ 000
Land and Buildings				
Within One Year	22	22	22	22
Between One and Five Years	86	86	86	86
After Five Years	86	108	86	108
	194	**216**	**194**	**216**
Other				
Within One Year	71	94	71	94
Between One and Five Years	70	111	70	111
After Five Years	27	29	27	29
	167	**235**	**167**	**235**

In addition to the financial commitments listed above a long term lease to 2094 for the group's head office building has an annual commitment of £57k per annum.

The amount of non-cancellable operating lease payments recognised as an expense during the year was £121k (2024: £136k).

20. Commitments

Group and Charity

Capital Commitments

Commitments for purchase of capital equipment. The total amount contracted for but not provided in the financial statements was £147,944 (2024: £399,000).

Pension Commitments

In March 2022 the remaining 23 UKRI-NERC employees were transferred to PML under TUPE with their existing pension rights, i.e. that they remain members of the Research Council's Pension Scheme (RCPS) which is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. PML was required to enter into an Admission Agreement with RCPS for pension administrative purposes.

The pension scheme is contributory and the benefits are by analogy to the Principal Civil Service Pension Scheme, except that while the scheme provides retirement and related benefits based on final emoluments, redundancy and injury benefits are as agreed under the staff transfer agreement between UKRI and PML dated 29 March 2022. The pension scheme is administered by the Research Council's Joint Superannuation Service, and the finance administered by the Biotechnology Sciences Research Council. The scheme is a multi-employer scheme, for which a separate RCPS account is published. NERC are unable to identify their share of the underlying assets and liabilities.

Employees, who joined after 31 March 2002 are entitled to be members of the Plymouth Marine Laboratory Group Pension Scheme. This is a defined contribution scheme administered by Royal London Mutual Insurance Society Ltd. (formerly Scottish Life). Contributions for the year were a minimum of employer's 6.5% and employees 3.5%.

The pension cost charge for the year represents contributions payable by the company to the schemes and amounted to £752,000 (2024: £716,000). Commitments provided for in the accounts amounted to £115,000 (2024: £86,000). Commitments not provided for in the accounts amounted to £Nil (2024: £Nil). £Nil relates to pension commitments related to pensions payable to past directors (2024: £Nil).

21. Funds

Group 2024/25

	Balance at 1 April 2024 £ 000	Incoming Resources £ 000	Resources Expended £ 000	Transfers £ 000	Other Recognised Gains/ (Losses) £ 000	Balance at 31 March 2025 £ 000
Unrestricted Funds						
General						
Unrestricted Funds - General	3,389	1,657	(1,577)	(186)	(83)	3,200
Designated						
Research Fellows	104	-	-	(104)	-	-
Lecture Theatre	239	-	(17)	(1)	-	221
Head Lease	289	-	(24)	(1)	-	264
Leasehold Buildings	1,207	-	(100)	1	-	1,107
Oceansgate Facility	112	-	(10)	-	-	102
New Business System	269	-	(60)	1	-	209
Educational Support Fund	596	50	(130)	-	-	517
Marine Research Plymouth	100	-	-	-	-	100
Scientific Equipment	600	-	-	-	-	600
Research Leader AI/ML	104	-	(104)	-	-	-
Fund raising	50	-	-	(50)	-	-
Generator	77	-	(4)	-	-	73
Computer Equipment	206	-	(46)	-	-	160
Computing Infrastructure	131	-	(7)	-	-	124
External Board Evaluation	11	-	(4)	-	-	7
Science Pay Review	300	-	(200)	-	-	100
Advanced Research Fund	627	-	(118)	-	-	509
Wifi Asset	-	-	(11)	193	-	182
Wifi Operational	-	-	(33)	107	-	74
Building Optimisation Study	-	-	(37)	40	-	3
	5,022	50	(905)	186	-	4,352
Total Unrestricted Funds	8,410	1,707	(2,482)	-	(83)	7,552
Restricted Funds						
Restricted Funds	-	14,683	(14,683)	-	-	-
Total Funds	**8,410**	**16,390**	**(17,165)**	**-**	**(83)**	**7,552**

21. Funds continued

Group 2023/24 for comparison purposes

	Balance at 1 April 2023 £ 000	Incoming Resources £ 000	Resources Expended £ 000	Transfers £ 000	Other Recognised Gains/ (Losses) £ 000	Balance at 31 March 2024 £ 000
Unrestricted Funds						
General						
Unrestricted Funds - General	3,049	1,512	(1,369)	(211)	408	3,389
Designated						
Research Fellows	104	-	-	-	-	104
Lecture Theatre	257	-	(17)	-	-	239
Head Lease	313	-	(24)	-	-	289
Leasehold Buildings	1,307	-	(100)	-	-	1,207
Oceansgate Facility	119	-	(10)	2	-	112
New Business System	295	-	(60)	34	-	269
Education Support Fund	515	3	(97)	175	-	596
Marine Research Plymouth	100	-	-	-	-	100
Scientific Equipment	600	-	-	-	-	600
Research Leader AI/ML	200	-	(96)	-	-	104
Fund raising	115	-	(65)	-	-	50
Generator	80	-	(3)	-	-	77
Computer Equipment	206	-	-	-	-	206
Computing Infrastructure	125	-	7	-	-	131
External Board Evaluation	11	-	-	-	-	11
Science Pay Review	400	-	(100)	-	-	300
Advanced Research Fund	650	-	(23)	-	-	627
	5,395	3	(587)	211	-	5,022
Total Unrestricted Funds	8,444	1,515	(1,956)	-	408	8,410
Restricted Funds						
Restricted Funds	-	14,149	(14,149)	-	-	-
Total Funds	**8,444**	**15,664**	**(16,105)**	**-**	**408**	**8,410**

21. Funds continued

Charity 2024/25

	Balance at 1 April 2024 £ 000	Incoming Resources £ 000	Resources Expended £ 000	Transfers £ 000	Other Recognised Gains/ (Losses) £ 000	Balance at 31 March 2025 £ 000
Unrestricted Funds						
General						
Unrestricted Funds - General	3,242	711	(728)	(186)	(83)	2,956
Designated						
Research Fellows	104	-	-	(104)	-	-
Lecture Theatre	239	-	(17)	(1)	-	221
Head Lease	289	-	(24)	(1)	-	264
Leasehold Buildings	1,207	-	(100)	1	-	1,107
Oceansgate Facility	112	-	(10)	-	-	102
New Business System	269	-	(60)	1	-	209
Research Leader AI/ML	104	-	(104)	-	-	-
Education Support Fund	596	50	(130)	-	-	517
Marine Research Plymouth	100	-	-	-	-	100
Scientific Equipment	600	-	-	-	-	600
Fund raising	50	-	-	(50)	-	-
Generator	77	-	(4)	-	-	73
Computer Equipment	206	-	(46)	-	-	160
Computing Infrastructure	131	-	(7)	-	-	124
External Board Evaluation	11	-	(4)	-	-	7
Science Pay Review	300	-	(200)	-	-	100
Advanced Research Fund	627	-	(118)	-	-	509
Wifi Asset	-	-	(11)	193	-	182
Wifi Operational	-	-	(33)	107	-	74
Building Optimisation Study	-	-	(37)	40	-	3
	5,022	50	(905)	186	-	4,352
Total Unrestricted Funds	8,263	762	(1,634)	-	(83)	7,308
Restricted Funds						
Restricted Funds	-	14,683	(14,683)	-	-	-
Total Funds	**8,263**	**15,444**	**(16,316)**	**-**	**(83)**	**7,308**

21. Funds continued

Charity 2023/24 for comparison purposes

	Balance at 1 April 2023 £ 000	Incoming Resources £ 000	Resources Expended £ 000	Transfers £ 000	Other Recognised Gains/ (Losses) £ 000	Balance at 31 March 2024 £ 000
Unrestricted Funds						
General						
Unrestricted Funds	2,925	513	(393)	(211)	408	3,242
Designated						
Research Fellows	104	-	-	-	-	104
Lecture Theatre	257	-	(17)	-	-	239
Head Lease	313	-	(24)	-	-	289
Leasehold Buildings	1,307	-	(100)	-	-	1,207
Oceansgate Facility	119	-	(10)	2	-	112
New Business System	295	-	(60)	34	-	269
Research Leader AI/ML	200	-	(96)	-	-	104
Education support fund	515	3	(97)	175	-	596
Marine Research Plymouth	100	-	-	-	-	100
Scientific Equipment	600	-	-	-	-	600
Fund raising	115	-	(65)	-	-	50
Generator	80	-	(3)	-	-	77
Computer Equipment	206	-	-	-	-	206
Computing infrastructure	125	-	7	-	-	131
External Board Evaluation	11	-	-	-	-	11
Science Pay Review	400	-	(100)	-	-	300
Advanced Research Fund	650	-	(23)	-	-	627
	5,395	3	(587)	211	-	5,022
Total Unrestricted Funds	8,319	516	(980)	-	408	8,263
Restricted Funds						
Restricted Funds	-	14,472	(14,472)	-	-	-
Total Funds	**8,319**	**14,988**	**(15,451)**	**-**	**408**	**8,263**

21. Funds continued

Designated funds

The specific purposes for which the designated funds are to be applied are as follows:

- Research Fellows – Fund to invest in a three year post for a Post Doc if a suitable candidate comes along (this was undesignated during the year);
- Lecture theatre – Depreciation on an asset;
- Head lease – Depreciation on an asset;
- Leasehold land & buildings – Depreciation on an asset;
- Oceansgate facility – Depreciation on an asset;
- New business system – Depreciation on an asset;
- Education support fund – Investment in studentships, apprenticeships and internships of varying durations and in partnership with local universities or national funding schemes aligning with PML's strategy;
- Research Leader AI/ML – Pay costs of new digital leader post;
- Marine Research Plymouth – Partnership and shared vision between Marine Biological Association and University of Plymouth to harness the expertise of the UK's largest cluster of marine science researchers and cutting-edge facilities to exploit funding opportunities;
- Scientific Equipment – Fund to enable new equipment to be purchased and moved on quickly should opportunities present themselves;
- Fund Raising – Follow on investment in fund raising with additional post and consultancy services (this was undesignated during the year);
- Generator – Depreciation on an asset;
- IT Infrastructure – Investment in improved resilience and security and disaster recovery plan;
- External Board Evaluation – Board evaluation exercise using third party consultancy;
- Science Pay review – Investment in senior science staff pay to ensure retention and alignment of pay/ rewards;
- Advanced Research Fund – To promote and further PML research in new fields of high impact and excellent science.
- Wifi Asset – To purchase a new switch and wifi gear to keep up to date with the latest cyber security measures.
- Wifi Operational – A reserve designation for the Wifi project and the associated licence costs.
- Building Optimisation Study – Maximisation of the Head Office building space.

Restricted funds

Restricted funds (£14,683k) are largely funds that have been competitively bid for to enable our scientific research to be undertaken, further details of which are provided below:

Competitive Research (£7,634k) across more than 130 different research projects with funders including:

- UK Research & Innovation (UKRI) Research Councils (£3,342k), primarily the Natural Environment Research Council (NERC) for projects such as Synchronising Earth Observation In situ and Modelling Frameworks Towards a Digital Twin Ocean (SyncED-Ocean), Closing the budget in marine atmospheric Oxidative Capacity through the quantification of Oceanic VOC emission (COCOVOC), and the UK Earth Observation Climate Information Service (UKEOCIS).

The Science and Technology Facilities Council funded a project to measure the impacts of flooding on water quality in the Plymouth Sound and the wider Western Channel Observatory (Vis4Sea).

Projects were also funded by the Engineering and Physical Sciences Research Council, the Biotechnology and Biological Sciences Research Council and Innovate UK (the UK's national innovation agency).

Future funding from UKRI/NERC is dependent upon any new government's commitment to research and the outcome of the next comprehensive spending review.

- The European Space Agency (ESA) (£813k) : research projects for ESA include Satellite-based observations of Carbon in the Ocean: Pools, fluxes and Exchanges (SCOPE) and Multiple Threats on Ocean health (MITHIO). As a founding member of ESA, the UK is one of it's leading funders on a Geo return basis.
- The EU Horizon 2020 (H2020) and follow on Horizon Europe (HE) programmes (£1,400k): Research projects funded direct from the EU, and via Innovate UK's "Plan B" include New Copernicus Capability for Tropic Ocean Networks (NECCTON) which is designed to support the delivery of products that inform marine biodiversity conservation and food resources management. The UK associated with the Horizon Europe programme (January 2024), enabling this source of future funding. The current programme runs to 2027.
- Foundations (£386k): various foundations/ philanthropic sources are funding research projects, including Ocean Biogeochemistry and Ecology from Space (CBIOMES) funded by the Simons Foundation. Philanthropic funding is an area being targeted for growth.

PML also bids for National Capability funding from NERC. Restricted funds of £4,144k support long-term programmes which enable the UK to deliver world-leading environmental science. Such programmes include the Western Channel Observatory – an oceanographic time-series and marine biodiversity reference site – which is crucial to both understanding processes in the ocean, long-term trends and predicting future changes. National Capability funding is decreasing by 4.5% in 2025/26 (£144k) and a further by 4.5-10% in 2026/27.

22. Analysis of Net Assets Between Funds

Group 2024/25

	Unrestricted Funds - General £ 000	Unrestricted Funds - Designated £ 000	Total Funds at 31 March 2025 £ 000
Intangible Fixed Assets	245	-	245
Tangible Fixed Assets	6,183	2,576	8,759
Fixed Asset Investments	2,312	1,776	4,088
Current Assets	6,344	-	6,344
Current Liabilities	(5,907)	-	(5,907)
Creditors Over One Year	(5,977)	-	(5,977)
Total Net Assets	**3,200**	**4,352**	**7,552**

Group 2023/24

	Unrestricted Funds - General £ 000	Unrestricted Funds - Designated £ 000	Total Funds at 31 March 2024 £ 000
Intangible Fixed Assets	339	-	339
Tangible Fixed Assets	6,023	2,998	9,021
Fixed Asset Investments	2,137	2,024	4,161
Current Assets	7,847	-	7,847
Current Liabilities	(6,292)	-	(6,292)
Creditors Over One Year	(6,665)	-	(6,665)
Total Net Assets	**3,389**	**5,022**	**8,411**

22. Analysis of Net Assets Between Funds continued

Charity 2024/25

	Unrestricted Funds - General £ 000	Unrestricted Funds - Designated £ 000	Total Funds at 31 March 2025 £ 000
Intangible Fixed Assets	245	-	245
Tangible Fixed Assets	6,168	2,576	8,744
Fixed Asset Investments	2,412	1,776	4,188
Current Assets	5,712	-	5,712
Current Liabilities	(5,605)	-	(5,605)
Creditors Over One Year	(5,977)	-	(5,977)
Total Net Assets	**2,956**	**4,352**	**7,308**

Charity 2023/24

	Unrestricted Funds - General £ 000	Unrestricted Funds - Designated £ 000	Total Funds at 31 March 2024 £ 000
Intangible Fixed Assets	339	-	339
Tangible Fixed Assets	6,023	2,998	9,021
Fixed Asset Investments	2,239	2,022	4,261
Current Assets	7,217	-	7,217
Current Liabilities	(5,911)	-	(5,911)
Creditors Over One Year	(6,665)	-	(6,665)
Total Net Assets	**3,242**	**5,020**	**8,262**

23. Analysis of Net Debt

Group 2024/25

	At 1 April 2024 £ 000	Financing cash flows £ 000	At 31 March 2025 £ 000
Cash at bank and in hand	3,142	(953)	2,189
Net Debt	**3,142**	**(953)**	**2,189**

Group 2023/24

	At 1 April 2023 £ 000	Financing cash flows £ 000	At 31 March 2024 £ 000
Cash at bank and in hand	4,917	(1,775)	3,142
Net Debt	**4,917**	**(1,775)**	**3,142**

24. Related Party Transactions

Group

During the year the group made the following related party transactions:

PML Applications Ltd

PML Applications is the wholly owned subsidiary of Plymouth Marine Laboratory.

In the year, Plymouth Marine Laboratory sold services and recharges of £399,110 to PML Applications, and received services and recharges of £11,570. Additionally, Plymouth Marine Laboratory have a loan of £100,000 outstanding from PML Applications. At the balance sheet date the amount due from PML Applications Ltd was £100,000 (2024: £142,819).

Blue Marine Foundation

A Trustee of Plymouth Marine Laboratory is a Director of Blue Marine Foundation.

The charity provided services totalling £Nil (2024: £163,331) to Blue Marine Foundation during the year. At the balance sheet date the amount due to/from Blue Marine Foundation was £Nil (2024: £35,000).

Plymouth Marine Science & Education Foundation

Chief Executive of Plymouth Marine Laboratory is a Trustee of Plymouth Marine Science & Education Foundation.

The charity provided a contribution totalling £1,100 (2024: £1,100) to Plymouth Marine Science & Education Foundation during the year. At the balance sheet date the amount due to/from Plymouth Marine Science & Education Foundation was £Nil (2024: £Nil).

Arts University Plymouth

A Trustee of Plymouth Marine Laboratory is also on the Finance & Estates Committee of Arts University Plymouth.

The University provided goods totalling £540 (2024: £Nil) to Plymouth Marine Laboratory. At the balance sheet date the amount due to/from Arts University Plymouth was £Nil (2024: £Nil).

PML | Plymouth Marine Laboratory

Charity registration number
1091222 (England & Wales)

Company registration number
4178503

Registered office
Prospect Place, The Hoe, Plymouth, PL1 3DH

Report design **sheisagreatdesigner.com**

PML | Plymouth Marine Laboratory

Company registration number: 4178503

Charity registration number: 1091222

PLYMOUTH MARINE LABORATORY

England & Wales - Charity number 1091222

Accounts

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED
31 MARCH 2024

Company registrationnumber: 4178503
Charity registration number: 1091222

PML | Plymouth Marine Laboratory

ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED
31 MARCH 2024

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FOREWORD BY THE CHAIR OF TRUSTEES

Having served as Chair of the Board of Trustees for almost three years, the expertise, dedication and significant achievements of our staff never cease to amaze me. Nonetheless, it is always valuable to seek external opinion to validate such views. Earlier this year we conducted an external brand perception survey of key stakeholders, designed to help shape PML's new five-year corporate strategy. While there are always areas for improvement, it was extremely gratifying to hear that PML continues to be recognised nationally and internationally as a credible, trusted and innovative organisation.

This report reflects some examples of the impact resulting from our work, as well as a number of achievements, ranging from world-leading research and recognition of our scientists through awards and positions to our contributions in the international arena. Notable here was our involvement in reports and publications in the lead-up to the UN Climate Change COP28 meeting, and in the many events at the meeting itself.

The communication of our work whether by our scientists themselves or through our Marketing & Communications team has been exemplary. Our scientists featured in significant media coverage throughout the year; our research making the headlines in relation to events such as the marine heatwave in summer 2023.

Whilst science with a purpose is what we do, we also recognise the importance of strong governance, business operations, and a vibrant, supportive and sustainable workplace to underpin our research endeavours. Investment in all of these areas – whether in people or infrastructure – is essential to our future.

Looking forward to the next financial year, it is an exciting time of change with the expected completion of our new five-year corporate strategy and accompanying plans prior to launch in April 2025. Our Board will also be welcoming new Trustees as we succession plan, and a new Company Secretary. Finally, I would like to personally extend my thanks to Bev Tremain, who has performed this role admirably since the formation of PML as a charity in 2002.

Janice Timberlake
Chair of Board of Trustees

A MESSAGE FROM OUR CHIEF EXECUTIVE

Looking back on the last year I feel privileged to reflect upon a year of significant achievements and across every aspect of our organisation.

It is always quite a challenge to select a highlight from our science and this year there are two that stand out and illustrate the breadth and depth of our research – a study on the global impact of offshore windfarms on ecosystem services, and research into the decrease of phytoplankton resulting from climate change which has led to even bigger reductions in fish stocks.

Sea surface temperature reached record highs in 2023 leading to both increasing storminess and marine heatwaves across the globe, with impacts on marine ecosystems and the services they provide. Both these phenomena – marine heat waves, which require long-term depth resolved data sets to contextualise them, and the passage of storms, which require high frequency autonomous real-time data to capture them – emphasise the scientific necessity of maintaining long-term time-series stations such as our Western Channel Observatory, an oceanographic time-series and marine biodiversity reference site in the Western English Channel.

The ever-increasing pressures on the ocean from climate change, pollutants and biodiversity loss, are an enormous challenge, and one which we are determined to understand and address by influencing policy and change at the national and international level. We have been leading on raising the profile of new stressors, such as artificial light at night (ALAN), whilst still exploring further the ramifications of more well-known problems such as ocean acidification.

A personal highlight for me last year has been our ability to invest our own funds into three new and exciting projects through our Advanced Research Fund. More projects are to follow next year.

Whilst we have continued to deliver excellent scientific research, our team of dedicated scientists, with the support of others, has been successful in attracting new funding and new funders.

In addition, thanks to funding from the Natural Environment Research Council, the installation of a solar carport over our staff car park was completed and commissioned in October 2023. The solar carport represents a tangible output of our ambition to reduce our carbon emissions with expected savings of 65 tonnes of carbon dioxide each year.

During the year we welcomed new staff and students into our team, including a new Head of People & Culture, who is spearheading initiatives in Equity, Diversity and Inclusion, and values and culture.

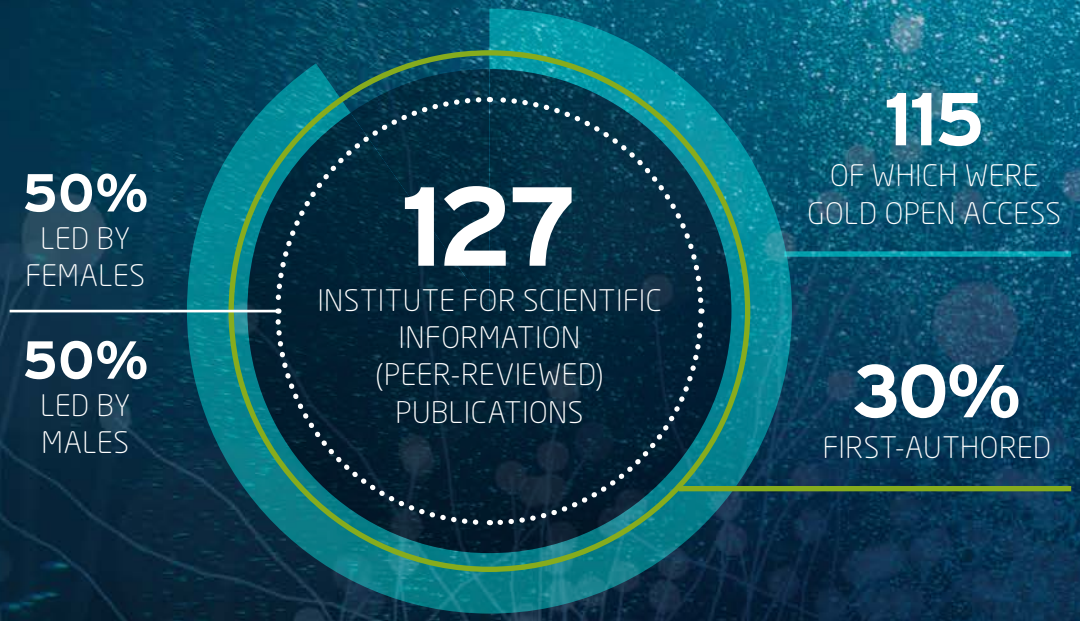
Thank you to all of our people who remain at the heart of what we do as we work towards a sustainable ocean for everyone.

Prof. Icarus Allen
Chief Executive

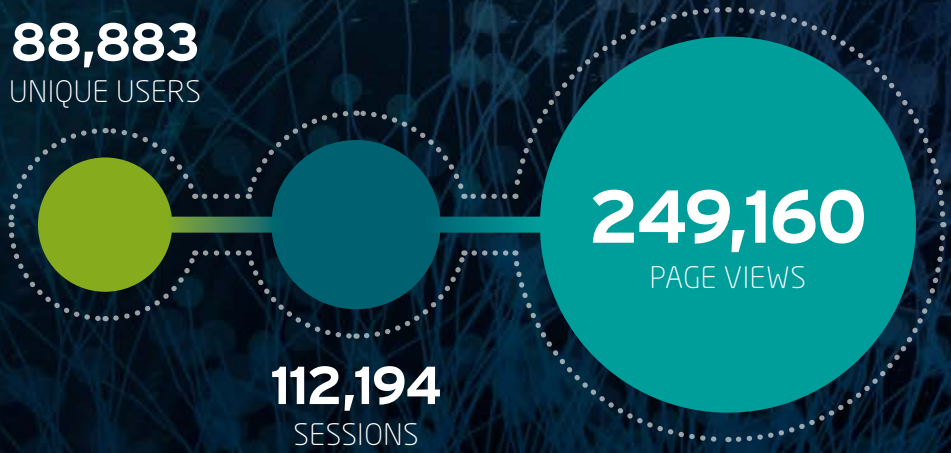
OUR YEAR IN NUMBERS

VALUE OF CONTRACTS WON **£3.62m** | **WITH £3.77m UNDER NEGOTIATION**

PUBLICATIONS



WEBSITE STATISTICS



(from 31 March 2023 – 31 March 2024)

SOCIAL MEDIA

18,763
X (TWITTER) FOLLOWERS

14,439
LINKEDIN FOLLOWERS

(following as of March 2024)

GLOBAL AWARDS **3**

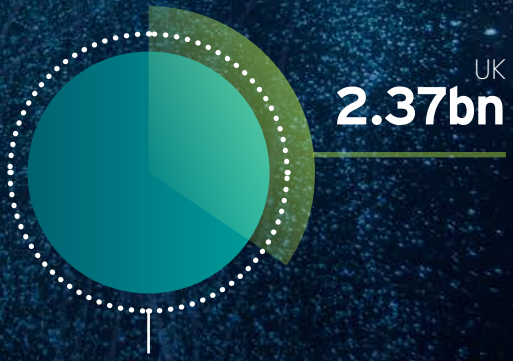
PHD STUDENTS **18**

ADVERTISING VALUE EQUIVALENT OF OUR PR

UK **£18.84m**

£41.63m GLOBAL

Reach



UK **2.37bn**

4.5bn GLOBAL

CARBON INTENSITY

The weighted average carbon intensity of PML's investment portfolio at 31 March 2024

99.53 tCO_2/$M REVENUE

Compared to Vanguard FTSE All World: **207.43** tCO_2/$M

GENERATION

Solar carport since installation (and other solar renewables) at 9 May 2024

126.55 MWh

ELECTRICITY USAGE

Over the period 2019-2023 our electricity usage has decreased by

24%

REFERENCE AND ADMINISTRATIVE DETAILS

CHAIR

J E Timberlake

TRUSTEES

J E Timberlake

N B Buckland OBE

M J Butcher

Prof L J Carpenter MBE FRS FRCS
(resigned 15 March 2024)

D Crockett

Dr V C E Garçon

N J Godefroy

P R James
(resigned 23 November 2023)

Prof T D Jickells OBE
(retired 9 January 2024)

Dr B MacKenzie

Dr J I Virmani

K J Sequeira
(appointed 29 March 2024)

Prof R Bellerby
(appointed 20 May 2024)

Dr M Schratzberger
(appointed 22 May 2024)

PATRON

James Cameron
Explorer, environmentalist and renowned filmmaker

SENIOR MANAGEMENT / LEADERSHIP TEAM

Prof J I Allen
Chief Executive

Prof S Widdicombe
Deputy Chief Executive & Director of Science

B K Tremain
Director of Operations & Company Secretary
(until 30 June 2024)

S Coughlin
Head of Financial Services

Dr T J Smyth
Head of Science

M Rabone
Head of People & Culture
(from 11 September 2023)

C C Moores
Company Secretary
(from 4 July 2024)

PRINCIPAL OFFICE

Prospect Place,
The Hoe, Plymouth
PL1 3DH

The charity is incorporated in England and Wales

CHARITY REGISTRATION NUMBER

1091222

COMPANY REGISTRATION NUMBER

4178503

REGISTERED OFFICE

Prospect Place,
The Hoe, Plymouth
PL1 3DH

AUDITOR

PKF Francis Clark
Melville Building East,
Unit 18, 23 Royal
William Yard,
Plymouth PL1 3GW

SOLICITORS

Foot Anstey LLP
Salt Quay House,
4 North East Quay,
Sutton Harbour,
Plymouth PL4 0BN

Tozers LLP
Broadwalk House,
Southernhay W,
Exeter EX1 1UA

BANKERS

Co-Operative Bank
8 Old Town Street,
Plymouth PL1 1DE

INVESTMENT MANAGERS

Brewin Dolphin Ltd
Vantage Point,
Woodwater Park, Pynes
Hill, Exeter EX2 5FD

PROFESSIONAL INVESTMENT ADVISOR

Sound Financial Management Ltd
5 Windsor Villas,
Lockyer Street,
Plymouth PL1 2QD

TRUSTEES' REPORT

TRUSTEES' REPORT

The Trustees (as listed on page 8), who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2024.

The Trustees, who are also Directors of Plymouth Marine Laboratory (PML) for the purposes of the Companies Act, submit their annual report (incorporating the strategic report), together with the audited consolidated financial statements of the charity and its trading subsidiary for the period ended 31 March 2024. The financial statements comply with the Charities Act 2011 (as amended), the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Who We Are & What We Do

Plymouth Marine Laboratory (PML) is an independent, not-for-profit research institute. Our mission is to pursue research excellence, enhancing its position as a world leader in the field of marine science. This in turn supports our vision of a healthy and sustainable ocean, through the delivery of impactful, cutting-edge environmental and social science.

Our 160+ staff work to understand the ocean, how it sustains life and the human impact upon it, allowing society to benefit from clean, productive and biologically diverse seas, now and for future generations.

Our vision is set in the context of the United Nations' Sustainable Development Goals (SDGs), and the "double decade" of action: The Decade of Ocean Science for Sustainable Development, and The Decade of Ecosystem Restoration".

Our Values

We have a set of seven core values which reflect our organisational culture and underpin the ethos of the PML Group:

During the year we initiated a process to review our values, which will feed into our new PML Strategy (2025-2030).

Public Benefit Statement

The Trustees can confirm that they have referred to the guidance provided by the Charity Commission, including the guidance 'public benefit: running a charity (PB2)' when reviewing the aims and objectives of the Charity and in planning future activities. The Trustees also give due consideration to how these activities contribute to the aims and objectives set.

Our charitable objects: are to carry out research in environmental science and technology including marine and estuarine environmental science and technology, and disseminate results of such research and data and ideas generated in the course of or in connection with such research for the benefit of the public; to advance public education in the principles and practice of such science and technology.

OUR STRATEGY

OUR STRATEGY

OUR STRATEGY (2020-2025) SETS OUT OUR STRATEGIC AIMS COLLATED UNDER FOUR STRATEGIC PRIORITIES AS FOLLOWS:

1. SCIENCE EXCELLENCE & IMPACT

Our science goals comprise three overarching 'communities of practice'

- **Identify how marine ecosystems are fundamentally structured and how they function –** fundamental biotic and abiotic processes, interactions, traits and drivers that underpin the structuring and functioning of marine ecosystems.
- **Quantify the impacts of multiple human-induced stressors on marine ecosystems –** explore how marine ecosystems are likely to respond to the multitude of stressors affecting marine environments.
- **Develop solutions and approaches to support the sustainability of marine ecosystems –** generate tools, strategies and policies needed to ensure that the health and productivity of marine ecosystems is maintained or improved, and they continue to provide the goods and services humans depend on.

We will continue to deliver our internationally-recognised and world-leading expertise focused on six Science to Impact challenges:

- Restore biodiversity (Biodiversity)
- Encourage cleaner seas for nature and society (Cleaner Seas)
- Understand and mitigate climate change (Climate Change)
- Enhance ocean literacy (Ocean Literacy)
- Place-based impact (Place)
- Improve sustainability of fisheries and aquaculture (Sustainable Fisheries & Aquaculture)

2. BUSINESS EXCELLENCE

Ensuring PML is an effective, efficient and sustainable business.

3. SOCIAL RESPONSIBILITY

Engaging and supporting our internal and external communities.

4. ENVIRONMENTAL RESPONSIBILITY

PML has a duty to take a leadership role in environmental responsibility and to reduce the impact of its activities on the environment.

PML wholly owns a trading subsidiary, PML Applications Ltd, a "for good" commercial business providing consultancy and services to a global client base in the areas of marine biofouling and corrosion, coastal technologies, environmental solutions and geospatial applications (including software).

Gift aid from PML Applications has supported future scientist training through PML's Education Support Fund and science discovery through the Advanced Research Fund (see page 19 for more information).

Click here for more information on our strategy.

DELIVERING OUR STRATEGIC PRIORITIES – OUR ACHIEVEMENTS & PERFORMANCE

1 Strategic Priority 1 SCIENCE EXCELLENCE & IMPACT

Science Excellence

The excellence and relevance of our science has been demonstrated by our continued success in winning new research projects valued at £3.62M (signed contracts) and £3.77M of successful proposals that are awaiting contract (as at 31 March 2024). Moreover, we have been able to attract new funders for our research, including the National Physical Laboratory and the Australian Institute of Marine Science, thus aligning with our strategy for diversification of funding.

Also of note was the external recognition of our scientific excellence and scientists, with details as follows:

- Dr Shubha Sathyendranath was made a Member of the Order of the British Empire in the King's Birthday Honours in June 2023 to recognise her services to oceanography and outstanding contribution to marine science.
- Professor Pennie Lindeque was part of a south-west of England based trio that was awarded the 32nd Blue Planet Prize, an international environmental award sponsored by the Asahi Glass Foundation (based in Japan). The award was given for the trio's highly regarded research into microplastic pollution.
- Dr (now Professor) Matt Frost was appointed as the new Chair of the UK's National Decade Committee which has been established to inspire, coordinate and facilitate UK engagement with the UN Decade of Ocean Science for Sustainable Development.
- Our research "spurring global action against ocean acidification", led by Professor Steve Widdicombe, our Director of Science, was shortlisted as a finalist for the 2023 Natural Environment Research Council Impact Awards.
- Professor Widdicombe was also appointed as a new member of the "Friends of Ocean Action", co-chaired by Peter Thomson, UN Secretary General's Special Envoy for the Ocean and Isabella Lövin, Former Deputy Prime Minister of Sweden. The members are drawn from business, civil society, international organizations, science and technology for their commitment to fast-tracking solutions to the most pressing challenges facing the ocean.
- The Early Career Ocean Professionals (ECOP) Africa, of which PML's Dr Anthony Ndah acts as co-ordinator, received the Ocean Tribute Award, honouring special projects that have excelled in the field of marine protection and innovative nature-based climate solutions.
- The University of Exeter conferred an honorary professorship on seven of our staff, as did the University of Plymouth on four of our scientists, including Professor Paul Somerfield before he sadly passed away in August 2023.
- Two of our scientists, Prof. Pennie Lindeque and Dr Matt Cole, were named for the fifth and fourth year running, respectively, in the annual Clarivate Highly Cited Researchers List 2023.

Science & Impact Highlights

Our researchers produced 127 peer-reviewed papers (129 in FY2022-23) during this financial year, 30% of which were first-authored, with the focus on high quality rather than a high volume of papers.

Papers are a major output of a research project and it can take many years until the impact of such research is realised. Two examples of the significant impact of our research in the last year are as follows:

- Our research is informing spatial management of UK seas. An example of this impact is that the Marine Management Organisation (MMO) have committed to use a PML-led tool in their revision of the East Marine Plan. The Plan outlines how the marine area should be managed and developed sustainably and informs all relevant planning decisions. A research project led by us, Marine Spatial Planning Addressing Climate Effects (MSPACE), has created new tools for climate-smart marine planning, including a significant Early Warning System report. The MSPACE tools will enable the MMO to make climate-smart decisions about the location of key activities, such as aquaculture sites, based on established climate change scenarios. This will enhance the sustainability of these plans and the activities they permit in a rapidly changing environment.
- Our research is informing management measures to reduce light pollution in the marine environment. Artificial Light At Night (ALAN), produced by any human-made source, can propagate into the marine environment causing light pollution – an excess of light that disrupts the natural patterns of wildlife, contributes to rising carbon dioxide levels, harms human health, and obscures the stars. Light pollution threatens ocean ecosystems by disrupting natural light-driven cycles that regulate marine life, such as by masking lunar cycles. Our scientists are talking to key organisations across the world, such as the Inter-American Convention for the Protection and Conservation of Sea Turtles, OSPAR and International Dark Skies to develop measures to reduce this anthropogenic pressure.

Other highlights from our research undertaken during the year in relation to some of our Science to Impact Challenges are provided below:

Biodiversity

- Our scientists have led a paper that, for the first time, takes a holistic approach to investigating the global impacts of offshore wind farms on biodiversity and ecosystem services – to support decision making during this time of rapid expansion, for the best outcomes for both people and the planet.
- A report led by our scientists, highlighted key Irish marine areas that can promote biodiversity in the face of the impact of worsening climate change. It is hoped that the climate report will help inform the site selection process for Marine Protected Areas (MPA) in Ireland.
- We are revolutionising how we observe plankton through the use of an Automated, in situ Plankton Imaging and Classification System (APICS) to track changes in the composition of plankton communities in the English Channel. APICS itself is a demonstrator project for the autonomous collection of high frequency biological data in the global coastal ocean, which will be critical for achieving the UN Decade of Ocean Science for Sustainability objective to have an 'Observed Ocean' in support of effective marine management.

CASE STUDY

PLASTIC LITTER 'HIGH-RISK ZONES' IDENTIFIED IN THE NORTH ATLANTIC

PML scientists identified five high-risk zones in the North Atlantic where floating plastic litter threatens marine life, including whales, dolphins, and seabirds.

Using a model that tracked billions of virtual plastic particles from sixteen North Atlantic countries between 2000 and 2015, researchers identified accumulation zones. By combining these concentrations with the distribution and vulnerability of species and habitats, they pinpointed high-risk areas, including UK waters, the Azores, the French and US Atlantic coasts, and the US Gulf of Mexico.

The PML team found that much of the modelled plastic litter causing risk in the UK originated from UK rivers. In other high-risk zones such as the Azores and the US Gulf of Mexico, plastic primarily originated from other regions. More than 99% of plastic litter in the Azores was estimated to come from the other countries, mainly Caribbean islands and the US.

UN member nations have agreed to forge an international legally binding agreement to tackle plastic pollution, called the Global Plastics Treaty, with negotiations expected to be completed by the end of this year. This study highlights the importance of the treaty in ensuring international cooperation to reduce plastic consumption and waste, including the provision of financial support to help lower-income nations such as the Caribbean islands implement measures. Identification of high-risk zones will also help prioritise areas where interventions and monitoring should be targeted.

CASE STUDY

CARBON SECRETS OF THE SOUTHERN OCEAN

The RSS Sir David Attenborough for the PICCOLO expedition (Image: British Antarctic Survey)

The Southern Ocean, encompassing the harsh environment around Antarctica, is one of the most challenging and least explored regions of the global ocean. Despite its crucial role as the world's largest heat and carbon sink, many of its biological, chemical, and physical processes are not yet fully understood.

In early 2024, PML scientists headed to Antarctica as part of the PICCOLO project, which aims to understand and quantify the mechanisms that transform the carbon contained in the seawater as it rises to the surface and interacts with the atmosphere, ice, phytoplankton and zooplankton inhabiting the near surface, before descending to the ocean depths.

PICCOLO (which stands for "Processes Influencing Carbon Cycling: Observations of the Lower limb of the Antarctic Overturning") is led by PML and the University of East Anglia (UEA), alongside the British Antarctic Survey (BAS) (which operates the RRS Sir David Attenborough), the University of Plymouth, the University of Leeds, the University of St. Andrews.

The data and observations gathered by the PICCOLO project are expected to significantly enhance Earth system models, improving the accuracy of oceanic carbon cycle quantifications and increasing the reliability of projections related to climate change. This information will be invaluable for global weather forecasting services and will inform the development of the Southern Ocean Observing System. Additionally, the project aims to inform future policy decisions regarding sea level rise and raise awareness about global change and polar processes.

Cleaner Seas

- A study led by our researchers revealed five high-risk zones where floating plastic litter poses the greatest risk to North Atlantic marine life including whales, dolphins and seabirds. The study also highlighted the importance of the Global Plastics Treaty, which is expected to be completed by the end of 2024.
- Our researchers were amongst 400 scientific experts from the EU and UK who contributed to 120 assessment reports on the health and status of the North-east Atlantic and its fringing European shelf seas. These reports were published in September as part of the OSPAR Quality Status Report 2023.

Climate Change

- A new study, led by one of our scientists, revealed that climate change is silently eroding the ocean's ability to provide fish, with even small declines in plankton leading to much bigger reductions in fish stocks.
- Dr Helen Findlay provided evidence to inform a report published in October 2023 by the Environmental Audit Committee, with the report stating that rising sea levels – contributed to by Arctic ice melting – could risk 1.5 million UK properties flooding, with growing evidence suggesting that changes in the Arctic could make weather events in the UK more extreme.
- A new paper was published, led by our scientists on how climate change will affect the spread of non-native species – in this case the Pacific oyster. Whilst the geographic pattern of Pacific oyster production is set to change in warmer future, bringing economic benefit, such spread will also bring complex impacts on ecosystems and native species.
- Postponed due to the covid-19 pandemic, the PICCOLO scientific cruise finally took place between January and March 2024. The project aims to provide valuable data to help inform future policy with regards to the uncertainties in future sea level rise and also raise awareness of global change and polar processes.

Sustainable Fisheries & Aquaculture

- A new collaborative study has developed an important addition to the decision support toolkit of tropical fisheries managers, to enable proper consideration of spatial management policies that will remain effective and sustainable in the face of diverse climate change impacts.

For more science and impact highlights, please see the news section on our website.

From Local to Global

PML plays an important role at the local/regional, national and global level, demonstrated by many of the science and impact highlights shown above. Also of note are the following activities, evidencing PML's contribution and collaboration at many levels:

Local/Regional

- In July we were pleased to launch Europe's first marine social and natural capital laboratory, which will focus on the social capital and cultural ecosystem Plymouth Sound provides to the residents of the city.

National

- We were delighted to receive funding from the Department for Environment, Food & Rural Affairs to provide the secretariat for the UN endorsed Ocean Acidification Research for Sustainability (OARS) programme.
- We play a prominent role in NERC National Capability – long-term programmes which enable the UK to deliver world-leading environmental science.

CASE STUDY

PML'S DR SHUBHA SATHYENDRANATH APPOINTED MBE IN THE KING'S BIRTHDAY HONOURS

Dr. Shubha Sathyendranath, a Merit Scientist at PML, was honoured with the title of Member of the Order of the British Empire (MBE) in the King's Birthday Honours.

This accolade recognizes her significant contributions and service to marine science, particularly in the fields of ocean colour modelling, bio-optical properties of phytoplankton, and climate change. Her research at PML focuses on various aspects of marine systems, including primary production, biogeochemical cycles, and water-borne diseases.

Having worked at PML since 2006, and part-funded by the National Centre for Earth Observation (NCEO), Shubha has created significant impact on many aspects of biological oceanography and was one of the first oceanographers to see the potential of ocean-colour satellite observations to study various aspects of biological oceanography at both global and regional scales.

Global

- We had a strong presence at the UN Climate Change COP28 meeting, including leading and co-leading 11 events, and with speakers at 23 events. Events covered a range of issues from the threats the ocean is facing and impacts on society, to effective adaptation and mitigation. In addition, we were a co-organising partner of the COP28 Virtual Ocean Pavilion, which saw 1,300 registrations from 112 countries, making it a truly global initiative. In the run-up to the meeting a number of science-policy papers, including State of the Cryosphere report 2023 and Actionable Blue Carbon Ecosystems for Climate Mitigation and Adaptation, were launched with our scientific experts contributing to these papers.
- We have been making an increasing contribution to the UN Convention on Biological Diversity (CBD) and international biodiversity initiatives such as Biodiversity Beyond National Jurisdiction (BBNJ) through the provision of scientific advice.
- The Head of our International Office, Professor Matt Frost, chairs the World Association of Marine Stations working with global partners to bring together marine station directors (with UN IOC-Unesco) in support of the Sustainable Development Goals.
- PML became a member of the Global Ocean Accounts Partnership (GOAP). GOAP is an international, multistakeholder partnership established to enable countries and other stakeholders to go beyond gross domestic product (GDP) evaluation to measure and manage progress towards ocean sustainable development.
- Our scientists are working on research to protect mangrove ecosystems, investigating the potential for blue carbon solutions in Malaysia, including the policy landscape and blue carbon finance mechanisms.

In addition to science and impact delivery, two key initiatives undertaken in the year have been:

Strategy

The drafting of a new Science Impact & Technology Strategy (2025-2030) is crucial to setting our direction. We have engaged across our organisation (science, operations and PML Applications' staff and Trustees) to ascertain their views on the strategy. The current draft will be shared with our Science Advisory Council in summer 2024 for their feedback.

Advanced Research Fund

Following the creation of this fund using PML's reserves, and after a rigorous evaluation process, three exciting and innovative projects were approved for funding by the Board in July 2023 as follows:

- A study to investigate to the health benefits of coastal exposure, working in collaboration with medical researchers.
- A study on ocean connectedness with marine cultural ecosystem services.
- Use of Earth observation systems to monitor how oil slicks are dispersing in the nearshore environment over shorter timescales and different weather conditions.

We continue to embrace new digital technologies and marine autonomy to deliver our cutting-edge science. This year we also made significant investments in technical staff to support these developments both within SmartSound Plymouth and the National Centre for Coastal Autonomy.

2 Strategic Priority 2 BUSINESS EXCELLENCE

There have been several notable achievements under this strategic priority as follows:

Enhance Our Reputation and Reach with Key Target Audiences

PML scientists and their research featured in widespread media coverage in the UK and internationally relating to the marine heatwave (see next page). Our Marketing & Communications team have continued their high output of news stories and digital content on other topics. Such efforts have led to a greater level of coverage of PML's research and science activities evidenced by the Advertising Value Equivalency (AVE) and reach of this coverage for the year as follows:

AVE Global: **£41.63 million**

AVE UK: **£18.84 million**

Reach Global: **4.5 billion**

Reach UK: **2.37 billion**

(Reach represents the total number of opportunities for people to be (potentially) exposed to the item)

A series of films was commissioned and produced to support the communication of our research, including the use of Artificial Intelligence and Machine Learning in our research and Artificial Light At Night (ALAN).

In addition we published seven articles in The Conversation (the world's leading publisher of research-based news and analysis), including an article on "Driving with flatter tyres increases the number of tyre wear particles that are released into the environment".

Brand Perception Audit

In preparation for the development of a new PML Strategy 2025-2030, a brand perception audit was commissioned in early 2024, that obtained data from key stakeholders via formal interviews and questionnaires. Amongst other findings, PML's global role was recognised and its trusted reputation highlighted.

Business Continuity Planning

A new plan was completed, approved by the Board and implemented during the year, and shared with our staff. In addition, new back-up and disaster recovery systems have been introduced to enhance business resilience and modernise our platforms.

Modernisation of Platforms

In June we launched our new intranet, making full use of Sharepoint to improve communication with our team.

Quality Assurance

PML (and PML Applications Ltd) has maintained certification to the ISO9001 Quality Management Standard. We have streamlined the accreditation process to encompass other standards – under Social Responsibility (page 22) and Environmental Responsibility (page 24).

Policy Development & Implementation

The Charity Commission's new guidance on social media was taken into account in developing a new policy. In addition, an Artificial Intelligence (AI) Governance & Ethics policy was introduced to reflect both the innovative use of AI in our research and business practices whilst mitigating any associated risks.

CASE STUDY

UK MARINE HEATWAVE PUTS PML EXPERTS IN THE LIMELIGHT

The coastal waters of northwest Europe experienced unprecedented surface temperatures in May and June 2023, with some locations experiencing sea-surface temperatures of up to 5°C higher than normal, classified as category 5 (extreme). This was followed by another marine heatwave in September 2023.

PML scientists were featured in widespread media coverage in the UK and internationally, giving their responses to data showing "record-breaking" rises in sea temperatures and explaining the potential effects of a warming ocean on marine life.

As part of our ongoing work in the Western Channel Observatory, PML has recorded ocean temperature and a range of other parameters in the Western English Channel for over 30 years – making it one of the best understood areas of ocean in the world.

Subsequent research showed that while high-pressure weather conditions were the main driver behind the elevated temperatures, warming due to climate change made the June marine heatwave reach category II (strong) instead of I (moderate). It is thought that high sea surface temperatures will become commonplace by the middle of the century without strong mitigation to slow greenhouse gas emissions.

3 Strategic Priority 3 SOCIAL RESPONSIBILITY

Our team is crucial to what we do; equally important is how we engage others in our passion for ocean science. Below are some of the external facing and internal highlights from the year.

New arrivals

We were pleased to welcome nine new science staff to our team, with roles such as Digital Marine Biologist and Marine Robotics Technologist. In addition, we appointed a number of new operations employees, including a Head of People & Culture, Operations at Sea Manager and Senior Linux Engineer.

Education

Following the launch of the Trevor Platt Science Fellowship in 2022, its first awardee – Gayathra Bandara, Sri Lankan Marine Biologist and Conservationist – embarked on his placement in late summer 2023. More information about Gayathra's experience with us can be found here. The Trevor Platt Science Fellowship is funded through PML's Education Support Fund. This fund also enabled PML to match fund one PhD student with Exeter University, who took up their research project at PML in October 2023, together with three other PhD students supported via other funding streams, adding to our existing complement of 14 PhD students hosted at PML.

Trevor Platt Science Fund & Symposium

The Trevor Platt Science Fund was launched in August 2023. It has been set up to support capacity building, primarily in developing countries, in the areas of aquatic environmental research, education and ocean stewardship. The Fund supported outreach activity in Brazil and contributed to the organisation of the Trevor Platt Science Foundation training course and symposium. The symposium took place at PML in August 2023, and was attended by over 130 participants, mainly comprising early-career scientists from developing countries. The training course had over 400 participants.

Work Experience Week

In July we ran our first work experience week, inviting 12 students from schools across Devon to our lab to sample life as a marine scientist first-hand.

People Strategy

Following the appointment of a new Head of People and Culture role, a people strategy has been developed through consultation and input from the PML team with the purpose of making PML an even better place to work. The People Strategy focuses on the attraction, engagement, development and retention of a talented team to deliver our four strategic priorities as outlined above.

Equity, Diversity & Inclusion (EDI)

Alongside our EDI strategy, EDI operating objectives and Annual Report to the Board, we participated in a detailed improvement programme and assessment via the National Centre for Diversity's 'Investors in Diversity' accreditation having undertaken two culture surveys of its staff, students, Board of Trustees and other stakeholders to inform action and improvement. We are delighted to report that we have achieved silver Investors in Diversity accreditation. Increased EDI training activity has raised awareness, internal communication has been significantly improved and a newly established EDI committee is supporting a wide range of improvements to make PML an even more welcoming and inclusive place to work. To sustain momentum, we have appointed an EDI expert with an established track record in science and research to support further improvements in 2024-25.

Health & Safety and Wellbeing

We were delighted to have maintained certification to the ISO45001 Health and Safety Management Standard. Continuous improvements have been made, including the development of additional codes of practice and implementation of additional health, safety and wellbeing measures. An open workplace culture is supported by regular feedback gathering, including encouragement to 'Speak out Safely' and a monthly pulse survey to ensure understanding of workplace concerns and opportunities for improvement. PML's standing as an excellent place to work is underlined by high levels of retention, ability to recruit as an attractive employer and our Investors in Diversity status.

Values

With our set of seven core values introduced in 2018, engagement with the PML team has led to a commitment to revisit and co-create a refreshed set of shared values in 2024 to better reflect our ambition and desired cultural improvements in line with our 2025-2030 strategy.

CASE STUDY

PML WORK EXPERIENCE WEEK INSPIRES THE NEXT GENERATION

In July 2023, PML ran its first work experience week, inviting 12 students from schools across Devon to the lab to sample life as a marine scientist first-hand.

The week of activities, which received funding support from the European Space Agency's HYPERBOOST project, aimed to give the students an unforgettable experience as well as contribute the training of potential budding marine scientists.

4 Strategic Priority 4 ENVIRONMENTAL RESPONSIBILITY

As an environmental organisation, we are committed to reducing the impact of our activities on the environment. In the financial year 2023-24 we achieved the following:

Sustainable, Responsible Research & Innovation Plan

In November 2023 the PML Board approved this plan, which encompasses a number of strategic aims to 2040, including sustainable procurement, to not only reduce the environmental impact of our activities but also contribute to biodiversity net gain.

ISO14001 Certification

Following an assessment by NQA, PML Group has maintained certification to ISO14001 (Environmental Management system) standard.

Renewable Energy

Thanks to funding from the Natural Environment Research Council a solar photovoltaic carport was installed over the summer months and came on stream in early October 2023. The addition of the solar carport to existing renewables will save c. 65 tonnes of carbon dioxide each year, which is a significant step towards our Net Zero ambitions (Net Zero carbon for PML activities by 2040).

Carbon (energy) Reduction

In the five year period (January 2019- December 2023) our electricity consumption has been reduced such that our carbon generation has decreased by almost 24%. Initiatives have included:

- Energy monitoring equipment being deployed on equipment to understand its efficiency and help in the planning for newer and more energy efficient replacements;
- An energy audit of general laboratory equipment has been conducted and the report is awaited. It will highlight ways in which we can reduce yet further our energy consumption and procurement choices going forward, and
- Improved management of our computing storage and data processing resources have resulted in significant energy reductions. On storage, 353 terabytes (TB) of data have been removed, with another 155 TB identified for deletion, making a total of ~0.5 petabyte, equivalent of two file servers, using 9,000 kWh pa. On data processing, by reducing the range of products, improving code efficiency and moving some processing to national facilities, we have planned the decommission of 121 servers, representing a power saving of 27,600 kWh pa.

Sustainable Travel

The number of EV charging points on our site was doubled to encourage sustainable travel and reduction of Scope 3 emissions from staff commuting.

Waste

We have moved to a new waste management company that takes general waste and uses it to create renewable energy.

Investments

Our Audit & Finance Committee commissioned an independent review of how our investment portfolio adhered to our investment policy and its environmental objectives. As a result, further changes have been made to our investments. The weighted average carbon intensity of PML's investment portfolio at 31 March 2024 was 99.53 tCO_2e/$M Revenue compared with the Vanguard FSTE All World value of 207.43.

The Trustees recognise the significant achievements of the staff over the course of the last year and would like to thank them for their outstanding contributions.

CASE STUDY

SOLAR CAR PORT UNVEILED

In November 2023, PML officially opened its new solar photovoltaic carport, which is now generating electricity to support the lab's essential work.

This installation, funded by the Natural Environment Research Council as part of their greening initiatives, represents a significant stride towards PML's Net Zero ambitions, saving an estimated 65 tonnes of carbon dioxide annually.

PML has already invested significantly in renewable energy, including solar photovoltaic arrays on the laboratory's main roof. Environmental responsibility is one of the four pillars of the current 2020 – 2025 strategy, with the goal to achieve Net Zero carbon for PML activities by 2040 – 10 years earlier than the national target of 2050 – and in line with the UKRI environmental sustainability strategy.

FINANCIAL REVIEW

Results for the year

Net loss for the year amounted to £441k (2023 net loss: £36k). After adjusting for realised and unrealised investment gains, the net movement in funds for the year amounted to a loss of £33k (2023 loss: £211k). The total funds carried forward remain in a net asset position of £8,410k (2023 funds carried forward: £8,444k).

PRINCIPAL RISKS & UNCERTAINTIES

Risk Management & Financial Sustainability

Our risk management policy is reviewed annually by the Board. In addition, a comprehensive analysis of risks to which we are exposed is undertaken and systems identified and put in place to mitigate risk. Under the terms of the risk management policy, the Senior Management Team carries out a periodic evaluation of the risks, by way of a risk register. The Audit & Finance Committee also review the risk register in detail and present to the Board those risks of greatest significance to PML. Principal risks and their mitigation are discussed by the Trustees on a regular basis. Financial sustainability and risk reports are provided to each meeting of the Audit & Finance Committee and Board (see also going concern statement).

The principal risks and uncertainties we face and mitigation thereof are as follows:

(i) Economic uncertainty in the UK and beyond and its impact upon inflation: PML has a strong reserves position and ensures that new research proposals are properly costed;

(ii) Any new government's commitment to research expenditure, given that UK Research & Innovation (Natural Environment Research Council) is a key funder; PML is continuing to diversify its funding.

(iii) The ever-changing and evolving nature of cyber-attacks; investment has been made, and continues, into ensuring the robustness of our IT systems and processes.

Reserves Policy

In our first year of operation we developed and adopted a reserves policy, which has been subsequently revised over the years. Our reserves policy is reviewed annually by the Trustees to ensure it is fit for purpose. The policy provides for the maintenance of general reserves (under unrestricted funds) at a level equivalent to at least 6 months' expenditure, in order to provide adequate working capital levels for our ongoing operation and completion of existing projects.

The reserves are set at a level to withstand any short-term setback, whether operational, in the investment markets, or in key sources of research income. If the free reserves should fall outside the level of 6 months' expenditure, the Trustees would review our strategy accordingly. The Trustees can confirm that the policy has been met.

The policy also provides designated reserves (under unrestricted funds), which are funds set aside to assure that capital and other significant expenditure approved by the Trustees can be funded as required over at least the next 12-month period.

The balance of designated reserves at the year ended 31 March 2024 stands at £5,022k (£5,395k at 31 March 2023). It is planned to use £959k of this balance of designated reserves next year inter alia in support of the Advanced Research Fund (see page 19), IT and cyber security initiatives, and PML's Education Support Fund which is used for co-funding PhD studentships and for funding apprentices. Further details on designated funds can be found on note 21.

Bank balances decreased over the year from £4.9M to £3.1M. There were no funds held for partners.

Principal Funding Sources

Income was derived principally from competitive research of £8.6m (2023: £6.4m) from a variety of customers, such as UK Research & Innovation (UKRI), the European Commission, the European Space Agency and foundations, including over £1.6m received from sub-contractors (2023: £0.6m), and the UKRI-NERC National Capability funding, amounting to £4.1m (2023: £3.8m). This income has enabled us to undertake strategic and applied research, which in turn has generated knowledge and publications, leading to impact, as well as carrying out the activities listed under Achievements and Performance.

Our scientists have been successful in terms of winning competitive research funding. New contracts won during the financial year were valued at £3.62m (2023: £10.1m), with a further £3.77m successful and under negotiation. In addition, NERC provided general capital funding of £0.3m.

Investment Policy

Our investment policy was reviewed in March 2024 and changes were made. PML aims to make investments that have a positive impact on environmental issues, whilst achieving the best financial return. PML has an aspiration, and will make best efforts, to invest in sectors and companies that align with the UN Sustainability Goals, specifically as they relate to PML's charitable activities and strategy. PML will only invest in companies that have a clear strategy to get to net zero as a business.

Investment emphasis will also be given to those companies which contribute to the requirements of a sustainable society, for example, companies involved in products and services that aid environmental sustainability, including mitigating climate change, such as renewables, the low carbon energy sector, pollution monitoring and control, companies with excellent environmental policies and records.

The portfolio of investments is managed by a professional asset management organisation approved by the Trustees. The assets within the managers' portfolio are held by professional custodians. The activities and performance of the investment managers and portfolio, including ESG aspects are monitored through regular reporting to PML's Audit & Finance Committee, which reports to the Trustees. During the year the Trustees appointed a professional investment advisor/intermediary, who acts on our behalf to monitor our investments.

Trading Subsidiary

PML's trading subsidiary, PML Applications Ltd, reported an operating profit of £105k (2023: £82k), and generated £1.4m (2023: £1.8m) of income for PML. Investment continues to be made within the trading subsidiary for future growth. A gift aid payment of £82k was made by PML Applications to PML in the financial year. Following careful consideration, the PML Board of Trustees agreed to accept a deferment of the repayment of the remaining balance of £100k of its loan to PML Applications Ltd for a further year to provide the trading subsidiary with sufficient working capital for future growth. This growth is necessary for generating gift aid to PML, which in turn is used to support investment in areas of the charity deemed necessary by PML.

Fundraising Policy

Our approach to fundraising is to target charitable foundations and trusts, and corporations through their foundations. We will not embark on fundraising from the general public, whether in person, through events or on-line. Any crowdfunding initiative will only be undertaken as part of a specific fundraising campaign or proposal for research project or capital funds. PML adheres to the Fundraising Code of Practice. In the last year PML has adhered to the requirements of the Code; there have been no complaints received regarding PML's fundraising practices. PML's complaint procedure is available here.

Plans for Future Periods

In addition to the considerable number of research projects, our plans for the future (2024-25 financial year) are as follows:

- Produce and publish our new Strategy 2025-2030 and supporting documents for implementation in April 2025. Supporting documents include a new Science, Impact & Technology Strategy, Business Excellence Strategy and People Strategy.
- Increase the accessibility, reach and impact of our research.
- Efficiently manage and deliver the major refit of our ship – the Plymouth Quest, which is vital for our research.
- Progress plans for building refurbishment (office areas) in an environmentally responsible way.
- Collaborate to co-create a newly refreshed set of shared values to underpin our focus on cultural improvement.
- Build upon our learnings from participating in Investors in Diversity accreditation to make PML an even more welcoming and inclusive place to work.
- Develop leadership and management capability to improve our employee experience.
- Produce an action plan from PML's Sustainable and Responsible Research Strategy and implement.

STRUCTURE, GOVERNANCE & MANAGEMENT

Governing Document

PML is a company limited by guarantee and registered as a charity with the Charity Commission. PML is governed by its Articles of Association adopted in July 2010 (following changes in both charity and company law) and amended by special resolutions, most recently in March 2024 to increase the maximum number of Trustees from 11 to 12 to accommodate succession planning. Responsibility for the overall governance of PML rests with the Board, who are Trustees for the purposes of the Charities Act and Directors for the purposes of the Companies Act. Members of the charity comprise serving Trustees and the serving Chief Executive, each of whom undertakes to contribute such amount as may be required (not exceeding £10) to PML's assets in the event of PML being wound up.

Appointment of Trustees

Trustees must retire after serving a period of five consecutive years, except where such Trustee has been invited, and has agreed to serve, with the approval by resolution of the Trustees and of the members of the Charity, an additional period of office of not more than four years, or if the Trustee is elected as Chair, whereupon their term will be deemed to have recommenced. In exceptional circumstances, Trustees may continue beyond a nine-year period, subject to a rigorous review in accordance with the Charity Governance Code, and to approval by resolution of the Trustees and of a special resolution by the members of the Charity. The Trusteeship of Nigel Godefroy, Chair of the Audit & Finance Committee, was extended for a further two years beyond a nine year term until August 2026 following a rigorous review. This review concluded that an extension was necessary due to the resignation of a likely successor to this role during the year and recruitment of trustees with financial qualifications and experience being challenging. In addition, continuity was needed in the face of other changes, i.e. the Company Secretary stepping down, and a new audit partner.

There has been one resignation and one retirement from the Board this year, and a further resignation since the end of the financial year. The resignations have been due to Trustees taking on additional responsibilities in their own professions and hence unable to commit the time needed. Recruitment is well under way.

Recruitment of new Trustees is led by a Nominations Committee, the composition of which reflects the skills being sought. This Committee reports to the Board. When recruiting a new Trustee, the Board is mindful of the need to ensure a balance of skills, background and diversity. PML has in place a policy and procedure on the appointment of Trustees.

For details on individual Board members, please see the relevant section on our website.

Onboarding & Training of Trustees

PML has in place policies on the onboarding and training of Trustees. New Trustees undergo a comprehensive onboarding process, meeting other members of the Board of Trustees, as well as the Senior Management Team to learn about its governance, research, impact, financial performance and infrastructure and also the work of its wholly owned trading subsidiary, PML Applications Ltd. Each Trustee receives an induction, which is tailored to suit the expertise of the Trustee and their role on the Board. As part of the formal onboarding programme, new Trustees receive a detailed pack containing various documents relating to PML and the duties of a Trustee, including key Charity Commission publications – CC3 "The Essential Trustee" and the Charity Governance Code – the Articles of Association, PML's Strategy, and associated documents, the most recent set of accounts, as well as various other policy documents. The Company Secretary has overall responsibility for the onboarding of Trustees. Where specific training is identified as necessary for a new Trustee, then a suitable course is identified.

Trustees also receive updates on charity law, e.g. the changes being brought about by the Charities Act 2022, and new guidance. A rolling programme of refresher training for Trustees has been explored and Trustees have committed to refresher training every two years.

Evaluation of Board Performance

Following an external evaluation of governance summer 2022 and the implementation of an action plan the Board has committed to undertaking a further external governance evaluation in late summer 2024.

Employee Engagement in Governance

Following research of practices elsewhere, the Board has agreed to implement an employee-observer role on a rotating basis to give employees the opportunity to experience first-hand how the Board operates. This role will be implemented in the next financial year.

Organisational Structure

Board of Trustees

The Board of Trustees, which can have up to 12 members, is responsible for the governance of PML. The gender balance as at the end of March 2024 was 55% female; 45% male. The Board generally meets at least four times per year (or more frequently as required), receiving regular reports on the financial and management aspects of the organisation, and to discuss strategic issues. Average attendance by Trustees over the last year at Board meetings was 77% (2023: 80%).

Committees

In addition to the main Board, there are five principal committees with specific remits as follows:

- **Audit & Finance Committee:** Meets 2-3 times per year and has delegated responsibility for ensuring that PML has in place effective systems and methods of financial control and risk management and that it complies with all aspects of the law, relevant regulations and good practice. It also reviews PML's investments and the performance of the Investment Manager. Trustee members during the reporting period were Nigel Godefroy (Chair), Nick Buckland and Paul James.
- **Remuneration Committee:** Meets at least once per year to inter alia review staff annual pay and benefits and propose recommendations to the Board. Trustee members during the reporting period were Dr MacKenzie and Mark Butcher.
- **Science Advisory Council:** Meets once per year to review aspects of the science portfolio. Trustee members during the reporting period were Prof. Jickells, Prof. Carpenter, Dr Garçon and Dr MacKenzie as well as external members from the national and international science community.
- **Fundraising Committee:** This committee was established in May 2023 and is due to meet four times per year in between Board meetings. It has delegated responsibility for oversight and delivery of the PML charitable fundraising strategy. Trustee members during the reporting period were Dan Crockett and Dr Virmani.
- **Innovation Committee:** This Committee's role is to provide strategic advice to the PML Executive on connecting PML's science and technology insights with customer needs, identifying innovation opportunities that might be commercially exploited through PML Applications Ltd. The Committee did not meet during the year, though the next meeting is scheduled for May 2024. The Trustee member is Mark Butcher.

Company Secretary

The Company Secretary is appointed by the Board. In July 2023 the Company Secretary indicated her intention to step down from the role which she had held since PML was incorporated in 2001. A successor has been recruited and following a thorough handover was formally appointed by the Board to the role on 4 July 2024. The Board would like to express its gratitude to Beverly Tremain for the significant contribution she has made to the effective governance of PML and its trading subsidiary.

Senior Management Team

The Chief Executive is given delegated authority for the day-to-day operation, delivered through the Senior Management Team, including scientific, financial, people, and health and safety related matters. The specific levels of authority are detailed in a statement of Delegated Authority. The Chief Executive reports regularly to the Board on key aspects of PML's performance as detailed above.

Related Parties

UKRI-NERC

PML is eligible to bid on a competitive basis for funding from UKRI, including from NERC. PML is designated a Delivery Partner for "National Capability", a funding stream directly procured by NERC which enables the UK to deliver world-leading environmental science.

As part of the transfer of ownership process from NERC to PML in 2002 a staff loan agreement covering NERC employees was in place, which was novated to UKRI in 2018. On 1 April 2022 the remaining 23 UKRI-NERC employees were transferred to PML under TUPE (Transfer of Undertakings [Protection of Employment]). 12 employees remain on these terms.

As a major funder of PML, NERC and PML agreed to an observer attending PML Board meetings and this arrangement has been in place since March 2021.

UKRI Natural Environment Research Council

PML Applications Ltd

PML's wholly owned subsidiary, PML Applications Ltd, was established to undertake more applied and commercial work and facilitate knowledge exchange. It may gift aid its profits to PML.

PML | Applications

Blue Marine Foundation

Dan Crockett, PML Trustee, is Oceans and Climate Director at the Blue Marine Foundation. PML received income of £163k from the Blue Marine Foundation during the 2023-24 financial year for two research projects.

BLUE MARINE FOUNDATION

Partnership for Observation of the Global Oceans (POGO)

PML has hosted the POGO secretariat of POGO since 2007, providing accommodation and staffing for the under a formal agreement. In February 2017 POGO became a Charitable Incorporated Organisation in the UK.

pogo
Partnership for Observation of the Global Ocean

Pay Policy for Senior Staff

All of the Trustees (Directors) give of their time freely and no Trustee received remuneration during the year. Details of Trustees' expenses incurred in the course of their duties are disclosed under note 8. The Chief Executive's remuneration package is reviewed annually by the Board of Trustees who review benchmarking data from the research and charity sector, and assess performance against objectives set for the year.

The remuneration of the senior staff (members of the Senior Management Team) is reviewed by the Remuneration Committee (see above) as part of the entire PML workforce's remuneration, with recommendations made to the Board of Trustees for its approval.

Going Concern

PML's cash position (as at 30 April 2024) is strong at £2.8m.

Income and expenditure forecasting has been undertaken for financial year ending 2024-25 which indicates that the result for PML will be a trading surplus of the order of £134k. Outline forecasts for 2025-26 and 2026-27 have also been produced which show that the company will deliver trading surpluses of the order of 2% in each of these years.

Current signed competitive research contracts stand at £17.6m, of which £6.6m has already been recognised up to 31 March 2024. The remaining £11.0m relates to projects which run over the next 3 financial years.

At year end the Trustees acknowledge that the net current asset position was a modest £1.6m. They take assurance from the fact that within current creditors is £2.6m of cash advances received on competitive research contracts. Due to the nature of this balance the Trustees have strong certainty that the majority can be earnt and released to income over the next financial year to fund staff costs and overheads. As at year end the charity also held an investment portfolio of £4.15m which as a last resort could be realised to fund any deficits that arise as a result of the risks identified above.

The Trustees believe that PML is a going concern on the following basis:

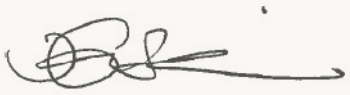
- Strong cash position as identified above.
- Principal funding sources are government backed, e.g. UKRI, European Space Agency, EU (UK government backed).
- Very strong signed contracts position.
- The company can meet its short-term debts.
- The company has no loans.
- Strong reserves position.

In conclusion, there are no material uncertainties to cast doubt on PML's ability to continue as a going concern.

Disclosure of Information to Auditor

Each Trustee has taken steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The Trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the Trustees of the charity on 25 July 2024 and signed on its behalf by:



J E Timberlake
Chair and Trustee

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of Plymouth Marine Laboratory for the purposes of company law) are responsible for preparing the Trustees' report and the Trustees" report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

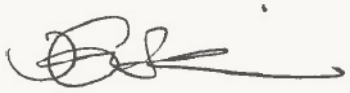
Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the parent charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group 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 parent charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees of the charity on 25 July 2024 and signed on its behalf by:



J E Timberlake
Chair and Trustee

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLYMOUTH MARINE LABORATORY

Opinion

We have audited the financial statements of Plymouth Marine Laboratory (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2024, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows 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 United Kingdom Accounting Standards, comprising Charities SORP – FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2024 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

Use of our Report

This report is made solely to the charitable parent 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 group'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 parent company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Other Information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, 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.

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 group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

Opinion 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 our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the and the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 Statement of Trustees' Responsibilities (set out on page 33), the Trustees 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 charity'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 charity 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:

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to acts by the company which were contrary to applicable laws and regulations, including fraud.

We considered those laws and regulations that have a direct impact on the preparation of the financial statements, including, but not limited to the reporting framework (FRS 102 and Companies Act 2006) and the relevant tax compliance regulations in the UK. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent financial reporting.

We also considered those laws and regulations that have a direct impact on the operations of the group, including, but not limited to various environmental and employment laws and regulations (e.g. Environmental Protection Act and The Health and Safety at Work Act 1974) that are applicable in the UK.

Audit procedures performed by the engagement team include, but were not limited to, discussion and inquiries with management of compliance with laws and regulations and review of correspondence and contracts with third parties. We also addressed the risk of management override of internal controls, including testing of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. 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, collusion, omission or misrepresentation.

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

PKF Francis Clark

Duncan Leslie
(Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Melville Building East
Unit 18, 23 Royal William Yard
Plymouth PL1 3GW

30 July 2024

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2024

(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds - General £ 000	Unrestricted Funds - Designated £ 000	Restricted Funds £ 000	Total 2024 £ 000
Income and Endowments from:					
Charitable Activities	3	69	3	14,149	14,220
Other Trading Activities	4	1,329	-	-	1,329
Investment Income		114	-	-	114
Total Income		**1,512**	**3**	**14,149**	**15,664**
Expenditure on:					
Raising Funds		(1,015)	-	-	(1,015)
Charitable Activities	5	(330)	(587)	(14,149)	(15,666)
Other Expenditure		(24)	-	-	(24)
Total Expenditure		(1,369)	(587)	(14,149)	(16,105)
Net Income/(Expenditure)		143	(584)	-	(441)
Transfers Between Funds		(221)	211	-	-
Gains/(Losses) on Investments Assets		408	-	-	408
Net Movement in Funds		340	(373)	-	(33)
Reconciliation of Funds					
Total Funds Brought Forward		3,049	5,395	-	8,444
Total Funds Carried Forward	21	**3,389**	**5,022**	**-**	**8,410**

The notes on pages 44 to 72 form an integral part of these financial statements.

YEAR ENDED 31 MARCH 2024

(Including Consolidated Income and Expenditure Account
and Statement of Total Recognised Gains and Losses)

For comparative purposes – financial performance for prior financial year

	Note	Unrestricted Funds - General £ 000	Unrestricted Funds - Designated £ 000	Restricted Funds £ 000	Total 2023 £ 000
Income and Endowments from:					
Charitable Activities	3	719	-	11,486	12,205
Other Trading Activities	4	1,719	-	-	1,719
Investment Income		76	-	-	76
Total Income		**2,513**	**-**	**11,486**	**13,999**
Expenditure on:					
Raising Funds		(1,278)	-	-	(1,278)
Charitable Activities	5	(788)	(459)	(11,486)	(12,734)
Other Expenditure		(23)	-	-	(23)
Total Expenditure		(2,090)	(459)	(11,486)	(14,035)
Net Income/(Expenditure)		424	(459)	-	(36)
Transfers Between Funds		(1,225)	1,225	-	-
Gains/(Losses) on Investments Assets		(175)	-	-	(175)
Net Movement in Funds		(976)	766	-	(211)
Reconciliation of Funds					
Total Funds Brought Forward		4,025	4,629	-	8,654
Total Funds Carried Forward	21	**3,049**	**5,395**	**-**	**8,444**

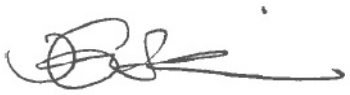
All of the group's activities derive from continuing operations during the above two periods.
The funds' breakdowns for 2024 and 2023 are shown in note 21.

The notes on pages 44 to 72 form an integral part of these financial statements.

Consolidated Balance Sheet 31 March 2024

	Note	2024 £ 000	2023 £ 000
Fixed Assets			
Intangible Assets	12	339	432
Tangible Assets	13	9,021	8,527
Investments	14	4,161	3,711
		13,521	12,670
Current Assets			
Debtors	15	4,705	3,862
Cash at Bank and in Hand	16	3,142	4,917
		7,847	8,779
Creditors: Amounts Falling Due Within One Year	17	(6,292)	(6,157)
Net Current Assets		1,555	2,622
Total Assets Less Current Liabilities		15,076	15,292
Creditors: Amounts Falling Due After More Than One Year	18	(6,665)	(6,849)
Net Assets		**8,410**	**8,444**
Funds of the Group:			
Restricted		-	-
Unrestricted - Designated		5,022	5,395
Unrestricted - General		3,389	3,049
Total Funds	21	**8,410**	**8,444**

The financial statements on pages 38 to 72 were approved by the Trustees, and authorised for issue on 25 July 2024 and signed on their behalf by:



J E Timberlake
Chair

N J Godefroy
Chair of Audit and Finance Committee and Trustee

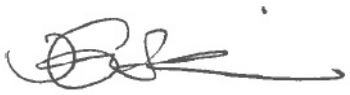
Company Registration Number: 4178503

The notes on pages 44 to 72 form an integral part of these financial statements.

Balance Sheet 31 March 2024

	Note	2024 £ 000	2023 £ 000
Fixed Assets			
Intangible Assets	12	339	432
Tangible Assets	13	9,021	8,527
Investments	14	4,261	3,811
		13,621	12,770
Current Assets			
Debtors	15	4,380	3,699
Cash at Bank and in Hand	16	2,838	4,542
		7,217	8,240
Creditors: Amounts Falling Due Within One Year	17	(5,911)	(5,844)
Net Current Assets		1,306	2,396
Total Assets Less Current Liabilities		14,927	15,166
Creditors: Amounts Falling Due After More Than One Year	18	(6,665)	(6,849)
Net Assets		**8,262**	**8,317**
Funds of the Charity:			
Restricted		-	-
Unrestricted - Designated		5,020	5,393
Unrestricted - General		3,242	2,925
Total Funds	21	**8,262**	**8,317**

The financial statements on pages 38 to 72 were approved by the Trustees, and authorised for issue on 25 July 2024 and signed on their behalf by:



J E Timberlake
Chair

N J Godefroy
Chair of Audit and Finance Committee and Trustee

Company Registration Number: 4178503

The notes on pages 44 to 72 form an integral part of these financial statements.

Consolidated Statement of Cash Flows Year Ended 31 March 2024

	Note	2024 £ 000	2023 £ 000
Cash Flows from Operating Activities			
Net Income/(Expenditure) for the Reporting Period (as per the Statement of Financial Activities)		(33)	(211)
Adjustments to Cash Flows from Non-Cash Items			
Depreciation		1,273	1,290
Amortisation		94	94
Investment Income		(114)	(76)
Interest Payable		-	3
(Profit)/Loss on Disposal of Tangible Fixed Assets		(2)	(1)
Fair Value Movement on Investment Assets		(408)	175
		809	1,274
Working Capital Adjustments			
Increase in Debtors	15	(773)	(1,006)
Increase/(Decrease) in Creditors	17	309	(1,242)
Decrease in Deferred Income	18	(428)	(1,074)
Net Cash Flows from Operating Activities		(82)	(2,048)
Cash Flows from Investing Activities			
Interest Receivable and Similar Income		114	76
Purchase of Tangible Fixed Assets	13	(1,799)	(705)
Sale of Tangible Fixed Assets		17	1
Capital Grants		-	1,411
Purchase of Investments		(60)	(53)
Sale of Investments		18	-
Net Cash Flows from Investing Activities		(1,709)	730
Cash Flows from Financing Activities			
Interest Payable and Similar Charges		-	(3)
Net (Decrease)/Increase in Cash and Cash Equivalents		(1,792)	(1,320)
Cash and Cash Equivalents at 1 April		4,917	6,237
Cash and Cash Equivalents at 31 March		**3,125**	**4,917**

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 44 to 72 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Charity Status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the Trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is:
Prospect Place
The Hoe
Plymouth
PL1 3DH

2. Accounting Policies

Summary of Significant Accounting Policies and Key Accounting Estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of Compliance

The financial statements have been prepared in accordance with Accounting and reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006, with the exception that grants in respect of capital expenditure received are deferred and released to the Statement of Financial Activities over the expected useful lives of the relevant assets to which they relate. This treatment provides consistency with the treatment adopted by other similarly funded institutions including Universities.

Basis of Preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The functional currency of Plymouth Marine Laboratory is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Plymouth Marine Laboratory meets the definition of a public benefit entity under FRS 102.

Basis of Consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2024.

No Statement of Financial Activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity had a negative net movement in funds for the financial year of £55,000 (2023: positive net movement of £235,000).

The charity has taken advantage of the exemption not to prepare a cash flow statement, as the charity figures are included in the consolidated cash flow statement and the members have not objected to the exemption being taken.

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Going Concern

PML's cash position (as at 30 April 2024) is strong at £2.8m.

Income and expenditure forecasting has been undertaken for financial year ending 2024-25 which indicates that the result for PML will be a trading surplus of the order of £134k. Outline forecasts for 2025-26 and 2026-27 have also been produced which show that the company will deliver trading surpluses of the order of 2% in each of these years.

Current signed competitive research contracts stand at £17.6m, of which £6.6m has already been recognised up to 31 March 2024. The remaining £11.0m relates to projects which run over the next 3 financial years.

At year end the Trustees acknowledge that the net current asset position was a modest £1.6m. They take assurance from the fact that within current creditors is £2.6m of cash advances received on competitive research contracts. Due to the nature of this balance the Trustees have strong certainty that the majority can be earnt and released to income over the next financial year to fund staff costs and overheads. As at year end the charity also held an investment portfolio of £4.15m which as a last resort could be realised to fund any deficits that arise as a result of the risks identified above.

The Trustees believe that PML is a going concern on the following basis:

- Strong cash position as identified above.
- Principal funding sources are government backed, e.g. UKRI, European Space Agency, EU (UK government backed).
- Strong signed contracts position.
- The company can meet its short-term debts.
- Strong reserves position

In conclusion, there are no material uncertainties to cast doubt on PML's ability to continue as a going concern.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The following are the critical judgements and estimates that the directors have made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- carrying value of research balances.

Provision is made against research debtor balances where costs (including those to complete) exceed contracted income.

Income

All incoming resources are included in the Statement of Financial Activities where the charity is entitled to the income and the amount can be qualified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Investment income is included when receivable.
- Grants in respect of capital expenditure are credited to a deferred capital grants account within creditors, and are released to the Statement of Financial Activities over the expected useful lives of the relevant assets to which they relate.

- Competitive Research – The majority of contracts are for 3 years duration. During the period of the contract, income is only credited to the Income and Expenditure account if it is matched by activity within the contract. Where income received to date is in excess of this calculated amount, it is deferred, where the income received is less, it is accrued. Should funds be provided within the contract to purchase capital equipment but ownership of that equipment resides with the customer, then the equipment is not capitalised on the Balance Sheet. Should ownership of the equipment reside with the group, the equipment is capitalised and the specific income provided for its purchase is spread over the life of the asset.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement; or
- The costs that are funded by the grant have yet to be spent.

Expenditure

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

- Costs of generating commercial trading income through the subsidiary, PML Applications Ltd.
- Charitable activities include expenditure associated with the operation of the Charity, and include both the direct costs and support costs relating to those activities.
- Governance costs include those incurred in the governance of the Charity and its assets and are primarily associated with strategic, constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Research and Development and Patents

As an organisation wholly engaged in research, the group does not classify research and development expenditure separately in the accounts. Expenditure in respect of the development of patents has been written off.

Intellectual Property

Intellectual property rights arising from the group's research and development have not been included in these accounts as their market value cannot be readily estimated. The anticipated annual income generated from such rights is not material in value and is credited to the income and expenditure account on receipt.

Pensions

On 1 April 2022 the remaining 23 UKRI-NERC employees were transferred to PML under TUPE with their existing pension rights. For these employees, payments are made to the Research Council's Pension Scheme – a defined benefits scheme. Employees who joined PML after 31 March 2002 have the option to join the Plymouth Marine Laboratory Group Scheme. This is a defined contribution scheme administered by Scottish Life. Contributions for both schemes are charged to the accounts as they become payable in accordance with the rules of the schemes.

Value Added Tax

As the group is registered partially exempt for VAT purposes, all expenditure and fixed asset purchases are shown inclusive of VAT where applicable.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Intangible Assets

Intangible assets are stated in the Balance Sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Computer software	2-10 years straight line

Tangible Fixed Assets

Individual fixed assets costing £3k or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and Amortisation

Provision is made for depreciation on all tangible fixed assets at rates calculated to write off the costs of each asset evenly over its expected useful working life.

Fixed assets are depreciated in the month of acquisition, but are not depreciated in the month of disposal. Components of assets with substantially different economic lives are accounted for separately for depreciation purposes and depreciated over their individual useful economic lives.

Asset class	Depreciation method and rate
Scientific Equipment	2-10 years straight line
Computer Equipment	2-5 years straight line
Plant	10 years straight line
Vehicles	4 years straight line
Ships	20 years straight line
Leasehold Buildings	5-25 years straight line

Fixed Asset Investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Foreign Exchange

Assets and liabilities denominated in foreign currencies are expressed in pounds sterling at rate(s) of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the time of the transaction. All exchange differences are taken to the Statement of Financial Activities.

Fund Structure

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

Designated funds are unrestricted funds which have been assigned by the Trustees for future projects.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes.

Hire Purchase and Finance Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Pensions and Other Post Retirement Obligations

The group operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial Instruments

Financial assets and liabilities are recognised/(derecognised) when the company becomes/(ceases to be) party to the contractual provisions of the instrument. The company holds the following financial assets and liabilities:

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment ("doubtful debts") are recognised in Statement of Financial Activities before net income.

Loans qualifying as basic financial instruments under FRS102

Loans are initially recorded at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial instruments not qualifying as basic under FRS102

Forward exchange contracts are measured at fair value at the balance sheet date. Movements in fair value are charged or credited to the statement of financial activities before net income.

Investments

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

3. Income from Charitable Activities

	Unrestricted - Designated £ 000	Unrestricted - General £ 000	Restricted £ 000	Total 2024 £ 000	Total 2023 £ 000
NERC Funding (National Capability)	-	-	3,828	3,828	3,831
Research Income	-	-	8,603	8,603	6,366
Designated Income	3	-	-	3	-
Deferred Income on Capital Expenditure	-	-	1,046	1,046	1,074
VAT Recoverable (Due to Partial Exemption)	-	8	-	8	5
Charges for Secretariat Services – Partnership for Observation of the Global Oceans	-	-	-	-	127
Doctoral Training Grants	-	-	-	-	55
Other Income	-	61	672	732	747
	3	**69**	**14,149**	**14,220**	**12,205**

4. Income from Other Trading Activities

Summary Profit and Loss Account	2024 £ 000	2023 £ 000
Turnover	1,363	1,844
Cost of Sales and Administrative Expenses	(1,256)	(1,759)
Operating Profit	107	85
Interest Payable on Loan	(3)	(3)
Net Profit	**105**	**82**
The Assets and Liabilities of the Subsidiary were:		
Current Assets	872	818
Current Liabilities	(624)	(592)
Total Net Assets/(Liabilities)	**248**	**226**
Aggregate Share Capital and Reserves	**248**	**226**
Reconciliation with Statement of Financial Activities (SOFA)		
Turnover (as above)	1,363	1,844
Less: Income from Parent Charity	(34)	(125)
Per SOFA – Income from Other Trading Activities	**1,329**	**1,719**
Cost of Sales and Administrative Expenses (as above)	1,256	1,759
Less: Recharged by Parent Charity	(241)	(481)
Per SOFA – Expenditure on Raising Funds	**1,015**	**1,278**

5. Expenditure on Charitable Activities

	Activity Undertaken Directly £ 000	Activity Support Costs £ 000	Total Expenditure £ 000
Research Staff Costs	6,466	-	6,466
Recurrent Costs – Science	2,363	-	2,363
Recurrent Costs – Science Support	1,014	-	1,014
Depreciation and Amortisation of Assets	1,367	-	1,367
Senior Management and Administrative Staff Costs	-	1,962	1,962
Administration Costs	-	1,810	1,810
Governance Costs	-	84	84
Total for 2024	**11,210**	**3,856**	**15,066**
Total for 2023	**10,257**	**2,477**	**12,734**

Included within the expenditure analysed above, there are governance costs of £83,649 (2023: £75,752) which relate directly to charitable activities. See note 6 for further details.

6. Analysis of Governance and Support Costs

Governance Costs	Restricted £ 000	Total 2024 £ 000	Total 2023 £ 000
Auditor fees			
Audit of the Financial Statements	28	28	26
Other Fees Paid to Auditors	34	34	19
Trustees' Expenses	17	17	16
Other Governance Costs	5	5	14
	84	**84**	**76**

7. Net Incoming/Outgoing Resources

This is stated after charging/(crediting):

	2024 £ 000	2023 £ 000
Audit Fees	28	26
Other Non-Audit Services	34	19
Depreciation and Amortisation of Assets	1,367	1,384
Operating Leases - Other Assets	136	144
(Profit)/Loss on Disposal of Tangible Fixed Assets	(2)	(1)
Deferred Grants Released	(1,046)	(1,074)
Foreign Currency (Gains)/Losses	98	(93)

8. Trustees Remuneration and Expenses

No Trustees, nor any persons connected with them, have received any remuneration from the group during the year.

During the year, expenses totalling £17k (2023: £16k) for travel, subsistence and accommodation were reimbursed or paid on behalf of nine Trustees (2023: eight Trustees).

9. Staff Costs

The aggregate payroll costs were as follows:

	2024 £ 000	2023 £ 000
Staff Costs During the Year were:		
Wages and Salaries	7,621	6,811
Social Security Costs	778	739
Pension Costs	716	672
	9,114	**8,223**

The monthly average number of persons (including Senior Management Team /leadership team) employed by the group during the year expressed as full time equivalents was as follows:

	2024 Number	2023 Number
Permanent Staff - Science and Support	111	106
Permanent Staff - Management and Admin	56	59
Temporary Staff	10	11
	177	**176**

9. Staff Costs continued

The number of employees whose emoluments fell within the following bands was:

	2024 Number	2023 Number
£60,001 - £70,000	10	6
£70,001 - £80,000	4	2
£80,001 - £90,000	4	2
£90,001 - £100,000	1	-
£120,001 - £130,000	1	1

The total employee benefits of the key management personnel of the group were £719,560 (2023: £601,307).

10. Auditors' Remuneration

	2024 £ 000	2023 £ 000
Audit of the Financial Statements	28	26
Other Fees to Auditors		
All Other Assurance Services	6	9
All Other Non-Audit Services	28	10
	34	**19**

11. Taxation

The group is a registered charity and is therefore exempt from taxation.

12. Intangible Fixed Assets

Group

	Software £ 000	Total £ 000
Cost		
At 1 April 2023	702	702
At 31 March 2024	702	702
Amortisation		
At 1 April 2023	270	270
Charge for the Year	94	94
At 31 March 2024	363	363
Net Book Value		
At 31 March 2024	**339**	**339**
At 31 March 2023	**432**	**432**

Charity

	Software £ 000	Total £ 000
Cost		
At 1 April 2023	702	702
At 31 March 2024	702	702
Amortisation		
At 1 April 2023	270	270
Charge for the Year	94	94
At 31 March 2024	363	363
Net Book Value		
At 31 March 2024	**339**	**339**
At 31 March 2023	**432**	**432**

13. Tangible Fixed Assets

Group

	Land and Buildings £ 000	Furniture and Equipment £ 000	Ships and Vehicles £ 000	Assets under Construction £ 000	Total £ 000
Cost					
At 1 April 2023	7,621	11,965	971	683	21,241
Additions	-	341	-	1,458	1,799
Disposals	-	(43)	-	(15)	(58)
Transfers	433	1,554	-	(2,003)	(17)
At 31 March 2024	**8,054**	**13,818**	**971**	**123**	**22,965**
Depreciation					
At 1 April 2023	2,612	9,343	759	-	12,714
Charge for the Year	470	744	59	-	1,273
Eliminated on Disposals	-	(43)	-	-	(43)
At 31 March 2024	**3,082**	**10,044**	**818**	**-**	**13,944**
Net Book Value					
At 31 March 2024	**4,972**	**3,773**	**153**	**123**	**9,021**
At 31 March 2023	**5,009**	**2,623**	**212**	**683**	**8,527**

Included within the net book value of land and buildings above is £Nil (2023: £Nil) in respect of freehold land and buildings and £4,972,000 (2023: £5,009,000) in respect of leaseholds.

13. Tangible Fixed Assets continued

Charity

	Land and Buildings £ 000	Furniture and Equipment £ 000	Ships and Vehicles £ 000	Assets under Construction £ 000	Total £ 000
Cost					
At 1 April 2023	7,621	11,926	971	683	21,202
Additions	-	341	-	1,458	1,799
Disposals	-	(43)	-	(15)	(58)
Transfers	433	1,554	-	(2,003)	(17)
At 31 March 2024	**8,054**	**13,779**	**971**	**123**	**22,926**
Depreciation					
At 1 April 2023	2,612	9,304	759	-	12,675
Charge for the Year	470	744	59	-	1,273
Eliminated on Disposals	-	(43)	-	-	(43)
At 31 March 2024	**3,082**	**10,006**	**818**	**-**	**13,906**
Net Book Value					
At 31 March 2024	**4,972**	**3,773**	**153**	**123**	**9,021**
At 31 March 2023	**5,009**	**2,623**	**212**	**683**	**8,527**

Included within the net book value of land and buildings above is £Nil (2023: £Nil) in respect of freehold land and buildings and £4,972,000 (2023: £5,009,000) in respect of leaseholds.

14. Fixed Asset Investments

Group

	2024 £ 000	2023 £ 000
Other Investments	**4,161**	**3,711**

Other Investments

	Listed Investments £ 000
Cost or Valuation	
At 1 April 2023	3,711
Revaluation	408
Additions	84
Disposals	(18)
Investment Manager Fee	(24)
At 31 March 2024	**4,161**
Net Book Value	
At 31 March 2024	**4,161**
At 31 March 2023	**3,711**

Charity

	2024 £ 000	2023 £ 000
Shares in Group Undertakings and Participating Interests	100	100
Other Investments	4,161	3,711
	4,261	**3,811**

14. Fixed Asset Investments continued

Shares in Group Undertakings and Participating Interests

	Subsidiary Undertakings £ 000	Total £ 000
Cost		
At 1 April 2023	100	100
At 31 March 2024	100	100
Net Book Value		
At 31 March 2024	100	100
At 31 March 2023	100	100

Other Investments

	Listed Investments £ 000
Cost or Valuation	
At 1 April 2023	3,711
Revaluation	408
Additions	84
Disposals	(18)
Investment Fees	(24)
At 31 March 2023	4,161
Net Book Value	
At 31 March 2024	4,161
At 31 March 2023	**3,711**

14. Fixed Asset Investments continued

Details of Undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of Incorporation	Holding	Proportion of Voting Rights and Shares Held		Principal Activity
			2024	2023	
Subsidiary undertakings					
PML Applications Ltd Prospect Place, West Hoe, Plymouth, PL1 3DH	England and Wales	Ordinary shares	100%	100%	Marine research
Smart Sound Plymouth Ltd Prospect Place, West Hoe, Plymouth, PL1 3DH	England and Wales	Ordinary shares	100%	100%	Innovative marine technology development – currently dormant
GenePro Ltd (held by a subsidiary) Prospect Place, West Hoe, Plymouth, PL1 3DH	England and Wales	Ordinary shares	100%	100%	Exploitation of intellectual property – currently dormant

Subsidiaries

The profit for the financial period of PML Applications Ltd was £104,783 (2023: £82,376) and the aggregate amount of capital and reserves at the end of the period was £248,477 (2023: £226,070).

The profit for the financial period of Smart Sound Plymouth Ltd was £Nil (2023: £Nil) and the aggregate amount of capital and reserves at the end of the period was £Nil (2023: £Nil).

The profit for the financial period of GenePro Ltd (held by a subsidiary) was £Nil (2023: £Nil) and the aggregate amount of capital and reserves at the end of the period was £Nil (2023: £Nil).

15. Debtors

	Group		Charity	
	2024 £ 000	2023 £ 000	2024 £ 000	2023 £ 000
Trade Debtors	2,689	2,333	2,233	2,206
Due from Group Undertakings	-	-	243	268
Prepayments	294	148	292	148
Accrued Income	1,618	1,222	1,534	949
Other Debtors	104	159	78	128
	4,705	**3,862**	**4,380**	**3,699**

16. Cash and Cash Equivalents

	Group		Charity	
	2024 £ 000	2023 £ 000	2024 £ 000	2023 £ 000
Cash at Bank	**3,142**	**4,917**	**2,838**	**4,542**

Balances Held by the Group that Are Not Available for Use by the Group

At year end £Nil (2023: £239k) was held on behalf of other project partners.

17. Creditors: Amounts Falling Due Within One Year

	Group		Charity	
	2024 £ 000	2023 £ 000	2024 £ 000	2023 £ 000
Trade Creditors	476	178	461	160
Due to Group Undertakings	-	-	-	12
Other Taxation and Social Security	312	216	211	184
Other Creditors	223	64	218	64
Accruals	1,349	1,521	1,278	1,467
Deferred Income	3,933	4,177	3,743	3,957
	6,292	**6,157**	**5,911**	**5,844**

18. Creditors: Amounts Falling Due After One Year

	Group		Charity	
	2024 £ 000	2023 £ 000	2024 £ 000	2023 £ 000
Deferred Income	**6,665**	**6,849**	**6,665**	**6,849**

Deferred Capital Grants

Group and Charity	2024 £ 000	2023 £ 000
Amounts to be Released:		
Within One Year	1,129	1,022
In Two to Five Years	2,385	2,464
In Over Five Years	4,281	4,385
	7,795	**7,871**

Analysis of Deferred Capital Grants

Group and Charity	2024 £ 000	2023 £ 000
Deferred Capital Grant Brought Forward	(7,871)	(7,534)
Resources Deferred in the Period	(970)	(1,411)
Amounts Released from Previous Periods	1,046	1,074
Deferred Capital Grant at Year End	**(7,795)**	**(7,871)**

19. Obligations Under Leases and Hire Purchase Contracts

The total value of future minimum lease payments was as follows:

Operating Lease Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Charity	
	2024 £ 000	**2023** £ 000	**2024** £ 000	**2023** £ 000
Land and Buildings				
Within One Year	22	22	22	22
Between One and Five Years	86	86	86	86
After Five Years	108	130	108	130
	216	**238**	**216**	**238**
Other				
Within One Year	94	108	94	108
Between One and Five Years	111	122	111	122
After Five Years	29	32	29	32
	235	**262**	**235**	**262**

In addition to the financial commitments listed above a long term lease to 2094 has an annual commitment of £57k per annum.

The amount of non-cancellable operating lease payments recognised as an expense during the year was £136k (2023: £144k).

20. Commitments

Group and Charity

Capital Commitments

Commitments for purchase of capital equipment. The total amount contracted for but not provided in the financial statements was £399,000 (2023: £169,000).

Pension Commitments

In March 2022 the remaining 23 UKRI-NERC employees were transferred to PML under TUPE with their existing pension rights, i.e. that they remain members of the Research Council's Pension Scheme (RCPS) which is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. PML was required to enter into an Admission Agreement with RCPS for pension administrative purposes.

The pension scheme is contributory and the benefits are by analogy to the Principal Civil Service Pension Scheme, except that while the scheme provides retirement and related benefits based on final emoluments, redundancy and injury benefits are as agreed under the staff transfer agreement between UKRI and PML dated 29 March 2022. The pension scheme is administered by the Research Council's Joint Superannuation Service, and the finance administered by the Biotechnology Sciences Research Council. The scheme is a multi-employer scheme, for which a separate RCPS account is published. NERC are unable to identify their share of the underlying assets and liabilities.

Employees, who joined after 31 March 2002 are entitled to be members of the Plymouth Marine Laboratory Group Pension Scheme. This is a defined contribution scheme administered by Royal London Mutual Insurance Society Ltd. (formerly Scottish Life). Contributions for the year were a minimum of employer's 6.5% and employees 3.5%.

The pension cost charge for the year represents contributions payable by the company to the schemes and amounted to £716,000 (2023: £662,000). Commitments provided for in the accounts amounted to £86,000 (2023: £60,000). Commitments not provided for in the accounts amounted to £Nil (2023: £Nil). £Nil relates to pension commitments related to pensions payable to past directors (2023: £Nil).

21. Funds

Group 2023/24

	Balance at 1 April 2023 £ 000	Incoming Resources £ 000	Resources Expended £ 000	Transfers £ 000	Other Recognised Gains/ (Losses) £ 000	Balance at 31 March 2024 £ 000
Unrestricted						
General						
Unrestricted Funds - General	3,049	1,512	(1,369)	(211)	408	3,388
Designated						
Research Fellows	104	-	-	-	-	104
Lecture Theatre	257	-	(17)	-	-	239
Head Lease	313	-	(24)	-	-	289
Leasehold Buildings	1,307	-	(100)	-	-	1,207
Oceansgate Facility	119	-	(10)	2	-	112
New Business System	295	-	(60)	34	-	269
Educational Support Fund	515	3	(97)	175	-	596
Marine Research Plymouth	100	-	-	-	-	100
Scientific Equipment	600	-	-	-	-	600
Research Leader AI/ML	200	-	(96)	-	-	104
Fundraising	115	-	(65)	-	-	50
Generator	80	-	(3)	-	-	77
Computing Infrastructure	330	-	7	-	-	337
External Board Evaluation	11	-	-	-	-	11
Science Pay Review	400	-	(100)	-	-	300
Advanced Research Fund	650	-	(23)	-	-	627
	5,395	3	(587)	211	-	5,022
Total Unrestricted	8,444	1,515	(1,956)	-	408	8,410
Restricted						
Restricted Funds	-	14,149	(14,149)	-	-	-
Total Funds	**8,444**	**15,664**	**(16,105)**	**-**	**408**	**8,410**

21. Funds continued

Group 2022/23 for comparison purposes

	Balance at 1 April 2022 £ 000	Incoming Resources £ 000	Resources Expended £ 000	Transfers £ 000	Other Recognised Gains/ (Losses) £ 000	Balance at 31 March 2023 £ 000
Unrestricted						
General						
Unrestricted Funds - General	4,025	2,513	(2,090)	(1,225)	(175)	3,049
Designated						
Research Fellows	118	-	(14)	-	-	104
Lecture Theatre	277	-	(20)	-	-	257
Head Lease	337	-	(24)	-	-	313
Leasehold Buildings	1,407	-	(100)	-	-	1,307
Oceansgate Facility	129	-	(10)	-	-	119
Development Officer	40	-	(40)	-	-	-
New Business System	355	-	(60)	-	-	295
Education Support Fund	416	-	(76)	175	-	515
Marine Research Plymouth	100	-	-	-	-	100
Scientific Equipment	600	-	-	-	-	600
Research Leader AI/ML	200	-	-	-	-	200
Fundraising	147	-	(32)	-	-	115
Generator	80	-	-	-	-	80
Computing Infrastructure	410	-	(80)	-	-	330
External Board Evaluation	15	-	(4)	-	-	11
Science Pay Review	-	-	-	400	-	400
Advanced Research Fund	-	-	-	650	-	650
	4,629	-	(459)	1,225	-	5,395
Total Unrestricted	8,654	2,513	(2,549)	-	(175)	8,444
Restricted						
Restricted Funds	-	11,486	(11,486)	-	-	-
Total Funds	**8,654**	**13,999**	**(14,035)**	**-**	**(175)**	**8,444**

21. Funds continued

Charity 2023/24

	Balance at 1 April 2023 £ 000	Incoming Resources £ 000	Resources Expended £ 000	Transfers £ 000	Other Recognised Gains/ (Losses) £ 000	Balance at 31 March 2024 £ 000
Unrestricted						
General						
Unrestricted Funds	2,925	513	(393)	(211)	408	3,242
Designated						
Research Fellows	103	-	-	-	-	103
Lecture Theatre	256	-	(17)	-	-	239
Head Lease	312	-	(24)	-	-	288
Leasehold Buildings	1,307	-	(100)	-	-	1,207
Oceansgate Facility	118	-	(10)	2	-	111
New Business System	295	-	(60)	34	-	269
Research Leader AI/ML	200	-	(96)	-	-	104
Education Support Fund	515	3	(97)	175	-	596
Marine Research Plymouth	100	-	-	-	-	100
Scientific Equipment	600	-	-	-	-	600
Fundraising	115	-	(65)	-	-	50
Generator	80	-	(3)	-	-	77
Computing Infrastructure	330	-	7	-	-	337
External Board Evaluation	11	-	-	-	-	11
Science Pay Review	400	-	(100)	-	-	300
Advanced Research Fund	650	-	(23)	-	-	627
	5,393	3	(587)	211	-	5,020
Total Unrestricted	8,317	516	(980)	-	408	8,262
Restricted						
Restricted Funds	-	14,472	(14,472)	-	-	-
Total Funds	**8,317**	**14,988**	**(15,451)**	**-**	**408**	**8,262**

21. Funds continued

Charity 2022/23 for comparison purposes

	Balance at 1 April 2022 £ 000	Incoming Resources £ 000	Resources Expended £ 000	Transfers £ 000	Other Recognised Gains/ (Losses) £ 000	Balance at 31 March 2023 £ 000
Unrestricted						
General						
Unrestricted Funds	3,455	1,806	(937)	(1,225)	(175)	2,925
Designated						
Research Fellows	118	-	(14)	-	-	103
Lecture Theatre	276	-	(20)	-	-	256
Head Lease	336	-	(24)	-	-	312
Leasehold Buildings	1,407	-	(100)	-	-	1,307
Oceansgate Facility	128	-	(10)	-	-	118
Development Officer	40	-	(40)	-	-	-
New Business System	355	-	(60)	-	-	295
Research Leader AI/ML	200	-	-	-	-	200
Education Support Fund	416	-	(76)	175	-	515
Marine Research Plymouth	100	-	-	-	-	100
Scientific Equipment	600	-	-	-	-	600
Fundraising	147	-	(32)	-	-	115
Generator	80	-	-	-	-	80
Computing Infrastructure	410	-	(80)	-	-	330
External Board Evaluation	15	-	(4)	-	-	11
Science Pay Review	-	-	-	400	-	400
Advanced Research Fund	-	-	-	650	-	650
	4,627	-	(459)	1,225	-	5,393
Total Unrestricted	8,082	1,806	(1,396)	-	(175)	8,317
Restricted						
Restricted Funds	-	11,486	(11,486)	-	-	-
Total Funds	**8,082**	**13,293**	**(12,882)**	**-**	**(175)**	**8,317**

21. Funds continued

The specific purposes for which the designated funds are to be applied are as follows:

- Research Fellows – fund to invest in a three year post for a Post Doc if a suitable candidate comes along;
- Lecture theatre – depreciation on an asset;
- Head lease – depreciation on an asset;
- Leasehold land & buildings – depreciation on an asset;
- Oceansgate facility – depreciation on an asset;
- Fundraising development officer – designation all spent now – initial investment in fundraising activities, paying for a dedicated post;
- New business system – depreciation on an asset;
- Education support fund – investment in studentships, apprenticeships and internships of varying durations and in partnership with local universities or national funding schemes aligning with PML's strategy;
- Research Leader AI/ML – pay costs of new digital leader post;
- Marine Research Plymouth – partnership and shared vision between Marine Biological Association and University of Plymouth to harness the expertise of the UK's largest cluster of marine science researchers and cutting-edge facilities to exploit funding opportunities;
- Scientific Equipment – fund to enable new equipment to be purchased and moved on quickly should opportunities present themselves;
- Fundraising – follow on investment in fundraising with additional post and consultancy services;
- Generator – depreciation on an asset;
- IT Infrastructure – investment in improved resilience and security and disaster recovery plan;
- External Board Evaluation – Board evaluation exercise using third party consultancy;
- Science Pay review – investment in senior science staff pay to ensure retention and alignment of pay/ rewards;
- Advanced Research Fund – to promote and further PML research in new fields of high impact and excellent science.

Restricted funds

Restricted funds (£14,472k) are largely funds that have been competitively bid for to enable our scientific research to be undertaken, further details of which are provided below.

Competitive Research (£6,775k) funders here include:

- UK Research & Innovation (UKRI) Research Councils (£3,290k), primarily the Natural Environment Research Council (NERC), including such projects as Marine Spatial Planning Addressing Climate Effects (MSPACE), led by PML, and Reducing the Impacts of Plastic Waste in the Eastern Pacific Ocean. Future funding from UKRI/NERC is dependent upon any new government's commitment to research and the outcome of the next comprehensive spending review.
- The European Space Agency (ESA) (£960k): research projects for ESA include Biodiversity in the Open Ocean: Mapping, Monitoring and Modelling (BOOMS) which will provide fit-for-purpose observation tools with the aim of preventing further biodiversity loss. The UK currently funds 9.3% of ESA's budget on a Geo return basis.
- The EU Horizon 2020 programme (£910k): research projects under H2020 include New Copernicus Capability for Tropic Ocean Networks (NECCTON) which is designed to support the delivery of products that inform marine biodiversity conservation and food resources management. The UK associated with the Horizon Europe programme (January 2024), enabling this source of future funding. The current programme runs to 2027.
- Foundations (£461k): various foundations/philanthropic sources are funding research projects, including Ocean Biogeochemistry and Ecology from Space (CBIOMES) funded by the Simons Foundation. Philanthropic funding is an area being targeted for growth.

PML also bids for National Capability funding from NERC. Restricted funds of £4,074k support long-term programmes which enable the UK to deliver world-leading environmental science. Such programmes include the Western Channel Observatory – an oceanographic time-series and marine biodiversity reference site – which is crucial to both understanding processes in the ocean, long-term trends and predicting future changes. National Capability funding is expected to remain constant in cash terms in the near future, meaning its value will decrease in real terms.

22. Analysis of Net Assets Between Funds

Group 2023/24

	Unrestricted Funds - General £ 000	Unrestricted Funds - Designated £ 000	Total Funds at 31 March 2024 £ 000
Intangible Fixed Assets	339	-	339
Tangible Fixed Assets	6,023	2,998	9,021
Fixed Asset Investments	2,137	2,024	4,161
Current Assets	7,847	-	7,847
Current Liabilities	(6,292)	-	(6,292)
Creditors Over 1 Year	(6,665)	-	(6,665)
Total Net Assets	**3,389**	**5,022**	**8,411**

Group 2022/23

	Unrestricted Funds - General £ 000	Unrestricted Funds - Designated £ 000	Total Funds at 31 March 2023 £ 000
Intangible Fixed Assets	432	-	432
Tangible Fixed Assets	5,560	2,968	8,527
Fixed Asset Investments	1,284	2,427	3,711
Current Assets	8,779	-	8,779
Current Liabilities	(6,157)	-	(6,157)
Creditors Over 1 Year	(6,849)	-	(6,849)
Total Net Assets	**3,049**	**5,395**	**8,444**

22. Analysis of Net Assets Between Funds continued

Charity 2023/24

	Unrestricted Funds - General £ 000	Unrestricted Funds - Designated £ 000	Total Funds at 31 March 2024 £ 000
Intangible Fixed Assets	339	-	339
Tangible Fixed Assets	6,023	2,998	9,021
Fixed Asset Investments	2,239	2,022	4,261
Current Assets	7,217	-	7,217
Current Liabilities	(5,911)	-	(5,911)
Creditors Over 1 Year	(6,665)	-	(6,665)
Total Net Assets	**3,242**	**5,020**	**8,262**

Charity 2022/23

	Unrestricted Funds - General £ 000	Unrestricted Funds - Designated £ 000	Total Funds at 31 March 2023 £ 000
Intangible Fixed Assets	432	-	432
Tangible Fixed Assets	5,559	2,968	8,527
Fixed Asset Investments	1,386	2,425	3,811
Current Assets	8,240	-	8,240
Current Liabilities	(5,844)	-	(5,844)
Creditors Over 1 Year	(6,849)	-	(6,849)
Total Net Assets	**2,925**	**5,393**	**8,317**

23. Analysis of Net Debt

Group 2023/24

	At 1 April 2023 £ 000	Financing cash flows £ 000	At 31 March 2024 £ 000
Cash at bank and in hand	4,917	(1,775)	3,142
Net Debt	**4,917**	**(1,775)**	**3,142**

Group 2022/23

	At 1 April 2022 £ 000	Financing cash flows £ 000	At 31 March 2023 £ 000
Cash at bank and in hand	6,237	(1,320)	4,917
Net Debt	**6,237**	**(1,320)**	**4,917**

24. Related Party Transactions

Group

During the year the Group made the following related party transactions:

PML Applications Ltd

(PML Applications is the wholly owned subsidiary of Plymouth Marine Laboratory.)

In the year, Plymouth Marine Laboratory sold services and recharges of £242,684 to PML Applications, and received services and recharges of £33,335. Additionally, Plymouth Marine Laboratory has a loan of £100,000 outstanding from PML Applications. At the balance sheet date the amount due from PML Applications Ltd was £142,819 (2023: £256,503).

Blue Marine Foundation

(A Trustee of Plymouth Marine Laboratory is a Director of Blue Marine Foundation.)

The charity provided services totalling £163,331 (2023 : £76,856) to Blue Marine Foundation during the year. At the balance sheet date the amount due from Blue Marine Foundation was £35,000 (2023: £Nil).

Plymouth Marine Science & Education Foundation

(Chief Executive of Plymouth Marine Laboratory is a Trustee of Plymouth Marine Science & Education Foundation.)

The charity provided a contribution totalling £1,100 (2023: £Nil) to Plymouth Marine Science & Education Foundation during the year. At the balance sheet date the amount due to/from Plymouth Marine Science & Education Foundation was £Nil (2023: £Nil).

PML | Plymouth Marine Laboratory

Charity registration number
1091222 (England & Wales)

Company registration number
4178503

Registered office
Prospect Place, The Hoe, Plymouth, PL1 3DH

Report design **sheisagreatdesigner.com**
Photos: Ryan Loughlin (cover, p.2-3, 9, 11); Sarah Lee (p.6-7); Joel Vodell (p.34) – unsplash.com

PML | Plymouth Marine Laboratory

Company registration number: 4178503

Charity registration number: 1091222

PLYMOUTH MARINE LABORATORY

England & Wales - Charity number 1091222

Accounts

PML | Plymouth Marine Laboratory

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED
31 MARCH 2023

Company registration number: 4178503

Charity registration number: 1091222

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED
31 MARCH 2023

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FOREWORD BY THE CHAIR OF TRUSTEES

This past year has been hugely successful for PML on many fronts. The achievements detailed later in this report are outstanding, and all the more significant, when delivered in a very challenging environment of funding uncertainty, rising energy costs and inflation.

Of particular note are the three international awards conferred upon our scientists, which not only recognise the individuals' research contributions but also PML's scientific excellence. These awards together with many other activities, such as our contributions at the UN Climate Change Conference COP26, have continued to raise PML's profile and standing on the international stage.

A personal highlight of the year was the launch of the National Centre for Coastal Autonomy (NCCA) with our partners the Marine Biological Association and the University of Plymouth. It was an honour and privilege to welcome HRH the Princess Royal to PML to showcase to her and the 170 event guests how coastal autonomy is changing the way in which we undertake marine research.

During the year we made two excellent appointments to our Board of Trustees in Dan Crockett, Oceans and Climate Director at the Blue Marine Foundation, and Dr Jyotika Virmani, Executive Director of the Schmidt Ocean Institute. Both bring considerable fundraising experience and expertise which will help us shape and deliver our plans for increasing funding to PML from charitable and philanthropic sources.

On the subject of the Board of Trustees, strong governance is an important element in the operation of any charity. For that reason, an external evaluation of PML's governance was commissioned. The outcomes were very positive, with PML scoring above the all-charities benchmark. As with every aspect of PML, we will continue to strive to improve our performance further.

Finally, and importantly, these achievements are possible because of the strength and dedication of the PML team. I would like to thank the PML Senior Management, staff, students and Trustees for their part in what has been an incredibly successful year.

Janice Timberlake
Chair of Board of Trustees

A MESSAGE FROM OUR CHIEF EXECUTIVE

The quality and impact of PML research are key to its future, and we very much focus on producing high quality research publications and achieving impact from our research. One example of the former is a paper published last summer on a pioneering new study that investigates global trends in ship emissions, using a novel AI method to catalogue over one million ship tracks. This research established the first clear evidence of a global cloud response to changes in environmental regulations.

In terms of impact PML research fed into the UN Intergovernmental Panel on Climate Change report published in February 2022.

As a charity which bids for every element of its income, I am delighted at the success that PML has achieved in the last year. The success rate (74%) of our research proposals across all funders was at an unprecedented level. We were also able to attract new funders including the Wellcome Trust and the Garfield Weston Foundation. Underpinning these successes is the quality of our research and the reputation of our scientists.

Likewise, PML has been successful in attracting funding for its infrastructure and research. I would like to thank the Natural Environment Research Council (NERC) for funding towards a solar carport which will help achieve our net zero ambitions, while reducing energy costs.

NERC funding of £651k for scientific equipment contributing to the implementation of PML's digital strategy was also greatly appreciated. Our digital strategy required the recruitment of a lead in digital innovation and marine autonomy, in addition to other digital-centred posts. I am very pleased that PML has been able to recruit this expertise over the course of the past year and I look forward to the developments in this exciting field.

In the latter part of the year, we launched the PML Advanced Research Fund, which uses funds from reserves to support high reward, international quality, cutting-edge research projects from our scientists. A decision on proposals to be funded will be made in summer 2023.

PML has also invested from its reserves in IT and other infrastructure in order to improve its business resilience. Equally, our trading subsidiary has invested in new areas for growth to provide an important future income stream to PML. These crucial investments, together with a downturn in the financial markets, affecting our investment portfolio, have led to a small deficit in our consolidated accounts in this financial year. I am confident that the successes of this year will lead to positive financial results downstream.

The contributions of our staff and their achievements over the last year have put us in a strong position to deliver our charitable aims of a healthy and sustainable ocean.

Prof. Icarus Allen
Chief Executive

OUR YEAR IN NUMBERS

Unique users

63,464

Sessions

100,948

Page views

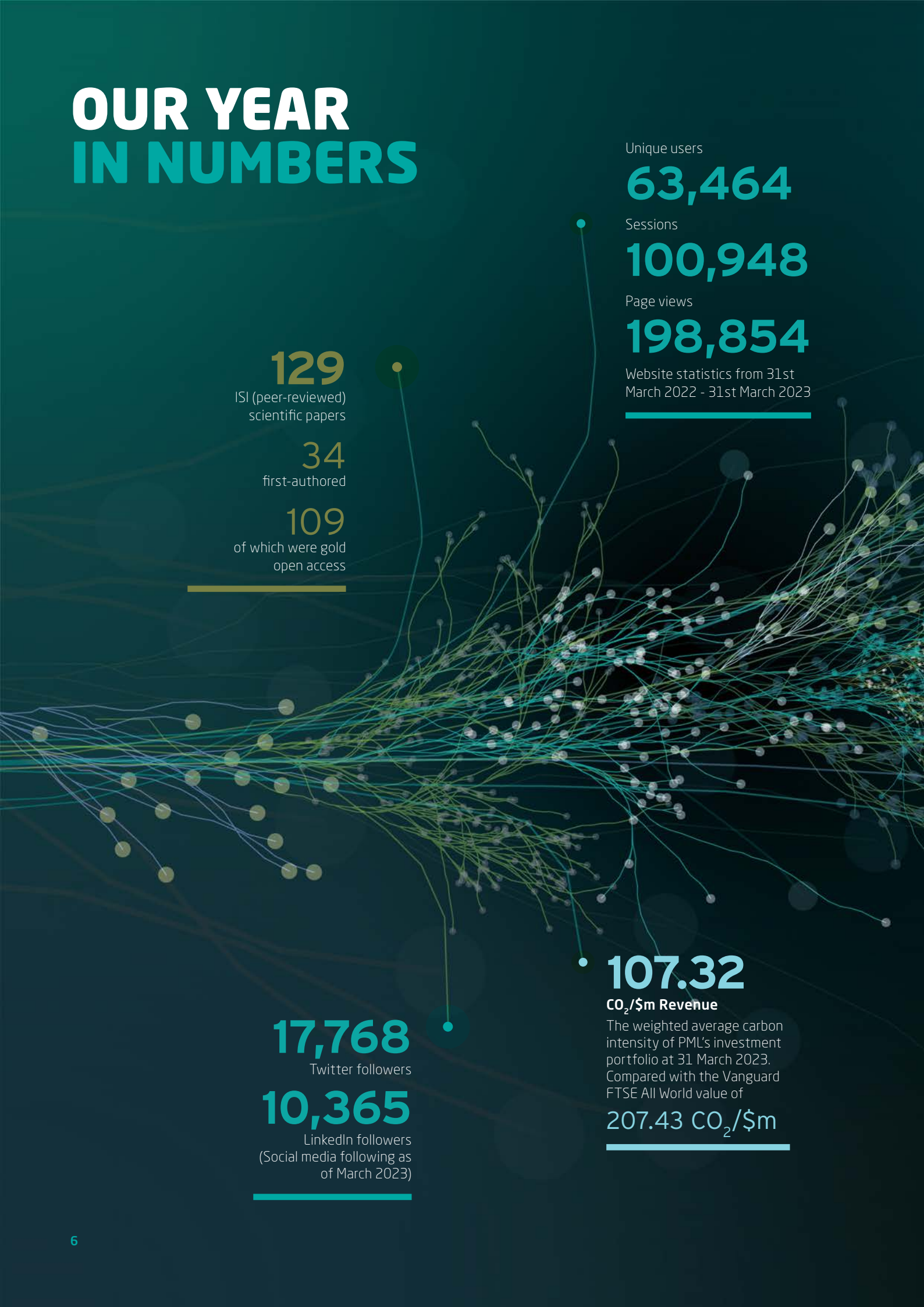
198,854

Website statistics from 31st March 2022 - 31st March 2023

129
ISI (peer-reviewed) scientific papers

34
first-authored

109
of which were gold open access



107.32

CO_2/$m Revenue

The weighted average carbon intensity of PML's investment portfolio at 31 March 2023. Compared with the Vanguard FTSE All World value of

207.43 CO_2/$m

17,768
Twitter followers

10,365
LinkedIn followers
(Social media following as of March 2023)

74%
New research proposals/ contracts success rate

£28.3m
Global Advertising Value Equivalent of our PR

£9.6m
UK Advertising Value Equivalent of our PR

4%
of PML papers were in top 1% of most highly cited ecology/ environmental papers in the world

ISO9001:2015, ISO14001:2015 & ISO45001:2018
certified

8
New PhD students

5
Awards

External governance review
PML scored higher than the all charities benchmark in all
15
categories

197
Number of policy mentions of PML research during the year (The Publications Office of the EU, World Health Organisation) World Bank, OECD, UN FAO

6,173
Mentions of PML research outputs in news outlets

REFERENCE AND ADMINISTRATIVE DETAILS

CHARITY NAME

Plymouth Marine Laboratory

Charity Registration Number
1091222 (England & Wales)

Company Registration Number 4178503

Registered Office
Prospect Place, The Hoe,
Plymouth, PL1 3DH

TRUSTEES

The Trustees listed below were Trustees for the whole of the year ended 31 March 2023 and at the date this report was approved unless stated otherwise:

J E Timberlake
Chair

N B Buckland OBE

M J Butcher

Prof L J Carpenter MBE FRS FRCS

D Crockett
(Appointed 1 February 2023)

Dr V C E Garçon

N J Godefroy

P R James

Prof T D Jickells OBE

Dr B MacKenzie

Prof R F Rayner
(Retired 31 January 2023)

Dr J I Virmani
(Appointed 1 January 2023)

PATRON

James Cameron
Explorer, environmentalist and renowned filmmaker

SENIOR MANAGEMENT TEAM

Prof J I Allen
Chief Executive

Prof S Widdicombe
Deputy Chief Executive & Director of Science

B K Tremain
Director of Operations & Company Secretary

S Coughlin
Head of Financial Services

J Davy
Head of Human Resources
(Retired 31 March 2023)

Dr T J Smyth
Head of Science

SOLICITORS

Foot Anstey LLP
Salt Quay House, 4 North East Quay, Sutton Harbour,
Plymouth PL4 0BN

Tozers LLP
Broadwalk House, Southernhay W,
Exeter EX1 1UA

BANKERS

Co-Operative Bank
8 Old Town Street, Plymouth
PL1 1DE

AUDITORS

PKF Francis Clark
Melville Building East
Unit 18, 23 Royal William Yard
Plymouth PL1 3GW

INVESTMENT MANAGERS

Brewin Dolphin Ltd
Vantage Point, Woodwater Park,
Pynes Hill, Exeter EX2 5FD

TRUSTEES' REPORT

TRUSTEES' REPORT

The Trustees (as listed on page 8), who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2022.

The Trustees, who are also Directors of Plymouth Marine Laboratory (PML) for the purposes of the Companies Act, submit their annual report (incorporating the strategic report), together with the audited consolidated financial statements of the charity and its trading subsidiary for the period ended 31 March 2022. The financial statements comply with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Who We Are & What We Do

Plymouth Marine Laboratory (PML) is an independent, not-for-profit research institute. Its mission is to pursue research excellence, enhancing its position as a world leader in the field of marine science. This in turn supports PML's vision of a healthy and sustainable ocean, through the delivery of impactful, cutting-edge environmental and social science.

Our 160+ staff work to understand the ocean, how it sustains life and the human impact upon it, allowing society to benefit from clean, productive and biologically diverse seas, now and for future generations.

PML's vision is set in the context of the United Nations' Sustainable Development Goals (SDGs), and the "double decade" of action: The Decade of Ocean Science for Sustainable Development, and The Decade of Ecosystem Restoration".

Our Values

We have a set of seven core values which reflect our organisational culture and underpin the ethos of the PML Group:

Public Benefit Statement

The Trustees can confirm that they have referred to the guidance provided by the Charity Commission, including the guidance 'public benefit: running a charity (PB2)' when reviewing the aims and objectives of the Charity and in planning future activities. The Trustees also give due consideration to how these activities contribute to the aims and objectives set.

PML's charitable objects are:

- to carry out research in environmental science and technology including marine and estuarine environmental science and technology, and disseminate results of such research and data and ideas generated in the course of or in connection with such research for the benefit of the public; and
- to advance public education in the principles and practice of such science and technology.

OUR STRATEGY

OUR STRATEGY

PML'S STRATEGY (2020-2025), WHICH WAS REVIEWED AND AMENDED DURING THE YEAR, SETS OUT ITS STRATEGIC AIMS COLLATED UNDER FOUR STRATEGIC PRIORITIES AS FOLLOWS:

1. SCIENCE EXCELLENCE & IMPACT

PML's science goals comprise three overarching 'communities of practice'

- Identify how marine ecosystems are fundamentally structured and how they function – fundamental biotic and abiotic processes, interactions, traits and drivers that underpin the structuring and functioning of marine ecosystems.
- Quantify the impacts of multiple human-induced stressors on marine ecosystems – explore how marine ecosystems are likely to respond to the multitude of stressors affecting marine environments.
- Develop solutions and approaches to support the sustainability of marine ecosystems – generate tools, strategies and policies needed to ensure that the health and productivity of marine ecosystems is maintained or improved, and they continue to provide the goods and services humans depend on.

PML will continue to deliver its internationally-recognised and world-leading expertise focused on five Science to Impact Challenges:

- Understand and mitigate climate change (Climate Change)
- Improve sustainability of fisheries and aquaculture (Sustainable Fisheries & Aquaculture)
- Encourage cleaner seas for nature and society (Cleaner Seas)
- Combat biodiversity loss (Biodiversity)
- Develop marine autonomy, technology and digitization (Autonomy, Technology & Digitization)

2. BUSINESS EXCELLENCE

Ensuring PML is an effective, efficient and sustainable business.

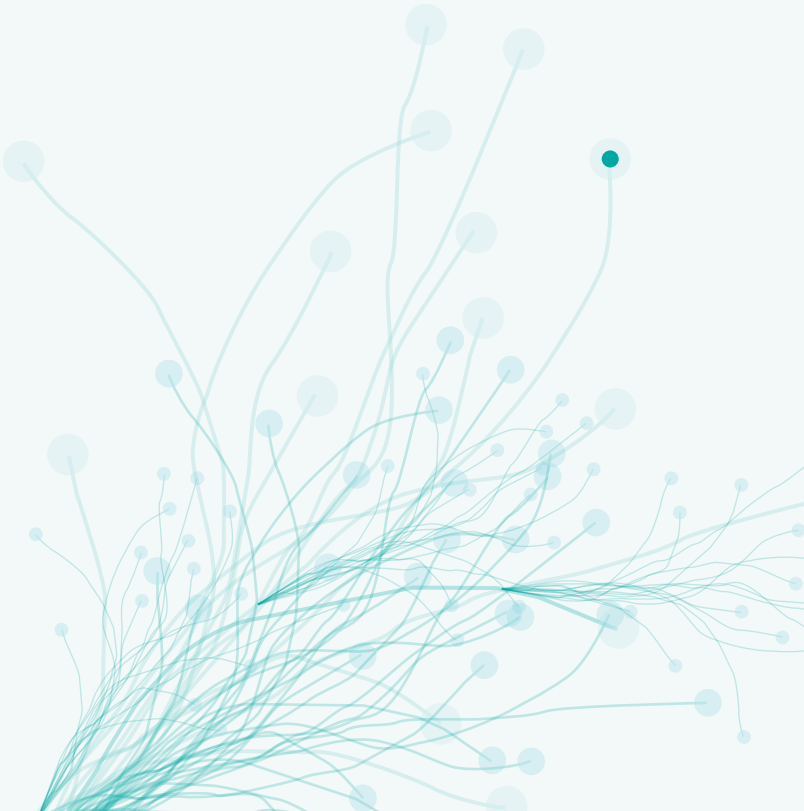
3. SOCIAL RESPONSIBILITY

Engaging and supporting our internal and external communities.

4. ENVIRONMENTAL RESPONSIBILITY

PML has a duty to take a leadership role in environmental responsibility and to reduce the impact of its activities on the environment.

PML wholly owns a trading subsidiary, PML Applications Ltd, a "for good" commercial business providing consultancy and services to a global client base in the areas of marine biofouling and corrosion, coastal technologies, environmental solutions and geospatial applications (including software).



DELIVERING OUR STRATEGIC PRIORITIES – OUR ACHIEVEMENTS & PERFORMANCE

1 Strategic Priority 1 SCIENCE EXCELLENCE & IMPACT

Science Excellence

The excellence and relevance of PML's science has been amply demonstrated by its unprecedented 74% success rate in winning new research projects valued at £10M in total. Moreover, PML has been able to attract new funders for its research, including charitable foundations – the Wellcome Trust and Garfield Weston Foundation – aligning with its strategy for diversification of funding, and emphasising the impact being delivered by PML's research.

External recognition of PML's scientific excellence also came in the form of five awards:

- Dr Shubha Sathyendranath received the prestigious Knight of the Order of Cultural Merit from the Principality of Monaco for her distinctive contribution to science.
- Dr Ana Queiros won the AXA Investment Managers Research Award, for blue carbon as a nature-based solution. The award recognises transformative research focused on enabling a just and green transition.
- Prof. Pennie Lindeque won the Volvo Environment Prize in conjunction with partners at the Universities of Exeter and Plymouth for their groundbreaking research in understanding the impact of microplastics on marine animals and the environment.
- The Smart Sound Connect project, the world's first ocean-focused 5G testbed, led and run by PML, won the Mobile Industry 5G Innovation of the Year award.
- In recognition of the innovation throughout the PML Group, PML won the Western Morning News' regional Innovation Award in December 2022.

Citation analysis, covering the period 2018-2022, shows that 4.0% of PML papers were in the top 1% of the most cited ecology / environmental science papers in the world. Two of PML's scientists, Prof. Pennie Lindeque and Dr Matt Cole, were named for the fourth and third year running, respectively, on the annual Clarivate Highly Cited Researchers List 2022.

Science Strategy

A principal focus during this year has been the implementation of a digital science strategy to underpin PML's research strategy. This focuses on the application of new tools such as Artificial Intelligence (AI) and autonomy, to support its research goals. PML was delighted to appoint Dr Matthew Palmer as Lead for Environmental Digital Science and has successfully recruited to a number of other posts in the digital realm.

Advanced Research Fund

PML has created this fund using reserves to generate new science ideas. The fund was launched in December 2022 and the first tranche of proposals has been received and will be evaluated for funding by external experts, and science Trustees in the next financial year.

People

PML was delighted to welcome 13 new science staff, including to roles such as Environmental Economist, Earth Observation Scientist and Modeller, as well as the digital roles mentioned above. PML also welcomed Prof. Osvaldo Ulloa as a Royal Society Wolfson Visiting Fellow in March 2023. He will be using remote sensing, optical, and molecular tools to investigate ecosystem structure, dynamics, and productivity in a changing ocean.

PML also launched the Trevor Platt Science Fellowship. Funded by its Education Support Fund, PML has sought an outstanding early career researcher to undertake a fellowship at PML, starting in summer 2023, in any aspect of biological oceanography. PML's Education Support Fund also enabled PML to match fund five PhD students with various universities, who took up their research projects at PML in October 2022, together with three other PhD students supported via other funding streams.

New Infrastructure/Equipment

Linked to the digital strategy implementation, PML was successful in obtaining funding of £651k from the Natural Environment Research Council (NERC) for an Automated, *in situ* Plankton Imaging and Classification System (APICS) which will radically improve the understanding of how environmental changes are affecting plankton, the microscopic organisms at the foundation of the marine food chain.

Resumption of Scientific Cruises

The first post-covid pandemic Atlantic Meridional Transect (AMT) scientific cruise took place between February and March 2023, involving 26 scientists from PML, national and international universities. AMT continues to provide measurements in remote ocean gyres. These data have been collected since 1995 and are used to understand how biodiversity and biogeochemical cycles function naturally and how they might be influenced by climate change.

Science & Impact Highlights

PML researchers produced 129 peer-reviewed papers (160 in FY2021-22) during this financial year, 34 of which were first-authored, with the focus on high quality rather than a high volume of papers. Some highlights from PML's research undertaken during the year against each of the Science to Impact Challenges are provided below:

Autonomy, Technology & Digitisation

PML was delighted to host the visit of HRH The Princess Royal for the launch of the National Centre for Coastal Autonomy, which PML and partners in Marine Research Plymouth – the Marine Biological Association and the University of Plymouth – has founded.

The launch event was attended by over 170 guests, including charitable foundations, industry, Maritime UK, government departments, the Royal Navy, NERC, the Met Office and the Hydrographic Office. The Centre aims to advance understanding of our constantly evolving ocean and coastlines and will further cement Plymouth's position as the UK centre of excellence for the application of coastal marine autonomy.

CASE STUDY

AUTOMATED, IN SITU PLANKTON IMAGING AND CLASSIFICATION SYSTEM (APICS)

PML scientists are on the cusp of achieving a radically improved understanding of how environmental changes are affecting plankton, the microscopic organisms at the foundation of the marine food chain which also play a vital role in generating oxygen for the planet.

As part of a £6.6 million Natural Environment Research Council (NERC) funding package for UK environmental science equipment, PML was awarded £651k in 2022/23 for its bespoke 'Automated, *in situ* Plankton Imaging and Classification System' (APICS).

Designed for remote deployment in the Western Channel Observatory (the marine biodiversity reference site in the Western English Channel), the new system uses two state-of-the-art submersible devices (an 'Imaging FlowCytobot' and a 'Plankton Imager') to gather images of plankton at varying sizes which can then be automatically classified using machine learning software.

This innovative, automated technique will radically improve the frequency, duration and range of plankton monitoring, which is currently carried out manually by scientists *in situ*.

Through the use of renewable energy to power the equipment, and the reduced reliance on research vessels, the project also supports PML's ambition of moving towards net zero oceanography.

CASE STUDY

ATLANTIC MERIDIONAL TRANSECT (AMT)

Atlantic Meridional Transect (AMT) is a research programme that samples the open ocean between the UK and the South Atlantic.

Led by Plymouth Marine Laboratory (PML) and funded by Natural Environment Research Council's (NERC) National Capability, AMT is a highly important expedition for the marine science community as it collects samples along the length of the Atlantic, producing a unique dataset and the opportunity to monitor changes in this expansive and dynamic ocean.

In February 2023, AMT30 left the Falkland Islands for its 38-day voyage back to the UK; the first AMT expedition to run since 2019 (due to the Covid-19 pandemic).

A truly multidisciplinary programme it undertakes biological, chemical and physical oceanographic research, AMT also provides an invaluable training experience for budding marine scientists to work at-sea alongside leading researchers from around the world.

The main deliverable of AMT is the unique data time series (1995 – 2019 and now 2023) of spatially extensive and consistent observations on the structure and biogeochemical properties of planktonic ecosystems in the Atlantic Ocean. This data is vital to validate models addressing questions related to the global carbon cycle as well as monitoring environmental change.

Biodiversity

A comprehensive new review of impacts on zooplankton caused by ocean warming was published by 22 leading scientists from around the world, including a co-author from PML. Zooplankton are a critical link between the smallest and largest marine organisms and play an important role in the transfer of carbon.

A study was published between PML and the University of Portsmouth, to help improve understanding of the link between marine habitat 'health' and ecosystem service provision, which will lead to a more precise approach for active marine habitat management and restoration.

Scientists from PML and the Universities of Plymouth and Strathclyde have been working on an optical model to show the extent and ecological impact of urban light on marine ecosystems. Their resulting publication shows that coastal megacities could be illuminating the marine environment up to six times more than the moon.

Following nomination by the Intergovernmental Oceanographic Commission (IOC)-UNESCO, PML's Director of Science has been selected by the Bureau of the Subsidiary Body on Scientific, Technical and Technological Advice (SBSTA) to serve as an expert for the Ad Hoc Technical Expert Group on Indicators for The Kunming-Montreal Global Biodiversity Framework.

Cleaner Seas

PML researchers are collaborating on a project, with more than 30 research organisations across South Asia and the UK, that aims to improve nitrogen management and measure how nitrogen is impacting our environment. Preliminary research from PML showed how pollution emitted inside a lagoon could remain for a few days before being washed out to the ocean, thus requiring management to minimise further impacts to the fragile ecosystem of the lagoon.

Climate Change

A paper on climate change and the ability of the ocean to sustain future seafood demand, co-authored by a PML scientist, highlighted the need for swift actions to be taken.

PML scientists were co-authors on a policy brief Addressing Climate Change Impacts from Health focusing in particular on Egypt in the run-up to the UN COP27 Climate Change meeting.

PML scientists contributed to the Ocean Acidification chapter of the OSPAR Quality Status Report.

A modelling study led by PML scientists has shown that the seas of Southeast Asia may warm by 1.1 to 2.9°C through the 21st century, with reduced oxygen levels and many other environmental changes that could cause stress for marine life.

A new research project, which is investigating seaweed detritus as a blue carbon "blind spot" started during the year. The study will help improve understanding of natural climate change mitigation solutions provided by seaweed habitats and the patches of seafloor with which they are connected.

Sustainable Fisheries & Aquaculture

A final version of a Harmful Algal Bloom (HAB) web alert system, produced under the S-3 EUROHAB project, led by PML, was officially launched in September 2022. This system will enable HABs to be tracked at high resolution, thus benefiting shellfish farms and marine management stakeholders.

For further science and impact highlights, please see the news section on our website.

CASE STUDY

LAUNCH OF THE NATIONAL CENTRE FOR COASTAL AUTONOMY (NCCA)

Officially launched by HRH The Princess Royal in October 2022, the NCCA is the UK's first autonomous fully integrated coastal observing and monitoring network.

Founded by the partners in 'Marine Research Plymouth' (Plymouth Marine Laboratory (PML), Marine Biological Association (MBA), University of Plymouth) it employs the latest autonomous technologies to drive towards a net zero oceanographic capability, delivering world-leading and cutting-edge science.

A fleet of state-of-the-art surface autonomous vessels, sub-surface coastal platforms and sophisticated scientific buoys are integrated on a unique high-speed award-winning marine communications network.

The high resolution data it produces is designed to support policy-makers and other organisations to enable good stewardship and an enhanced understanding of the coastal environment.

The NCCA is also delivering a platform to train and develop the next generation of scientists and technologists in partnership with industry and the public sector.

From Local to Global

PML plays an important role at the local/regional, national and global level, demonstrated by many of the science and impact highlights shown above. Also of note are the following activities, evidencing PML's contribution and collaboration at many levels:

Local/Regional

PML collaborates with universities and research organisations across the UK and overseas. Some of the closest collaborations are locally with the Marine Biological Association and the University of Plymouth, who together with PML form Marine Research Plymouth. This partnership has been reinforced during the year through the creation of the National Centre for Coastal Autonomy (see above), and other initiatives, such as Science Dialogues, to enhance co-operation and cohesion of the world-leading science undertaken by the three partners.

PML also works closely in the region with the University of Exeter and the Met Office, for example on research in environmental intelligence.

National

PML plays a prominent role in NERC National Capability – long-term programmes which enable the UK to deliver world-leading environmental science. PML works in collaboration with other research centres in the UK on programmes, such as TerraFIRMA – Future Impacts, Risks and Mitigation Actions in a changing Earth system.

PML was selected as one of ten environmental and sustainability charities and Non-Governmental Organisations chosen to take part in The Alan Turing Institute's first combined Turing Internship Network (TIN) and Data Study Group (DSG) programme. The programme was focused on tackling climate change and learning about its impact through data science and artificial intelligence (AI) research.

Global

A previous aim of PML had been to maximise PML's international visibility and engagement through the establishment of an International Office. Objectives for this International Office were set and have been delivered through the year, including:

- Six PML scientists and two of its Honorary Fellows contributed to the United Nations Intergovernmental Panel on Climate Change (IPCC) assessment process as lead or contributing authors. This assessment process culminated in the Assessment Report 6 Synthesis Report on Climate Change, published in March 2023.
- A delegation of PML scientists, ranging from senior staff to Early Career Researchers, participated in the UN Framework Convention on Climate Change (UNFCCC) COP27 meeting in Egypt in November 2022. The scientists had roles in more than 25 events, covering a range of issues from the threats the ocean is facing, the challenges for the cryosphere, to the impacts on society and effective adaptation and mitigation, including discussions on Blue Carbon and Nature-Based Solutions. PML was also a founding partner in the first ever, in person Ocean Pavilion, a central hub for over 15,000 conference delegates, where ideas were exchanged about how to address climate change by leveraging the ocean.
- PML's Director of Science co-authored Chapter 2 in UNESCO's pilot edition of the 'State of the Ocean Report 2022". The report is a much-needed publication to inform the world about the current state of the ocean, and to do so in a much more dynamic way than has been previously possible.
- In May 2022 PML hosted the 8th International Symposium on Gas Transfer at Water Surfaces, which saw around 150 scientists from countries all over the world gather for this major summit, held every five years.

Following the retirement of Dr Carol Turley, PML has successfully recruited Dr Matt Frost as its new Head of International Office.

2 Strategic Priority 2 BUSINESS EXCELLENCE

There have been several notable achievements under this strategic priority as follows:

Increase Funding from Charitable Sources

In March 2022 the Board agreed to invest a sum of reserves into a fundraising strategy to support additional staff (in post from August 2022) and marketing and communications activities. In addition to the new charitable foundation funders mentioned above (Wellcome Trust and Garfield Weston Foundation), funding of US$1M was secured from the Simons Foundation for phase 2 of a research project on computational biogeochemical modelling of marine ecosystems, and £359k was secured from the Amazon Right Now Climate Fund for seaweed farming. PML's role in this project is to research seaweed's potential to sequester carbon. In total during the year PML secured funding of £1.9M from charitable sources.

Infrastructure & Resilience

A new high performance computer to support PML's modelling research has been specified and ordered, and will be commissioned in September 2023. This project has been funded by NERC capital investment funds. PML has also been implementing other essential computing infrastructure measures. A back-up generator, which operates using biofuel, has been installed and commissioned, for business continuity purposes in the event of a power cut, providing power to our data centres, experimental and essential infrastructure.

Modernisation of Business Platforms and Digital Information

Following the implementation of a new website last year, our Marketing & Communications team have been highly active in producing and promoting digital content on PML's research.

Such efforts have led to a greater level of coverage of PML's research and science activities evidenced by the Advertising Value Equivalency (AVE) and reach of this coverage for the year as follows:

AVE: global £28.3M; UK £9.6M

Alongside our external profile, a major project has been the development of a new Sharepoint intranet to improve internal communication and business efficiency.

Our new HR system has been rolled out, including modules for staff appraisal and onboarding of new staff and students with the latter receiving positive feedback from new starters.

Industrial & Academic Partnerships

The launch of the National Centre for Coastal Autonomy, as described above under Science Excellence, involved many industrial partners with whom relationships have been developed. On the academic side, PML's Chief Executive was invited to undertake an external review of the Australian Institute of Marine Science (AIMS), with whom PML has a Memorandum of Understanding. A visit to PML of the Chief Operating Officer of AIMS is planned for this autumn.

Quality Assurance

A decision was taken to streamline PML's ISO accreditation process, to integrate ISO9001 (Quality Management), ISO45001 (Health & Safety Management) and ISO14001 (Environmental Management Systems), which has worked well. PML has maintained certification to the ISO9001 Quality Management Standard – see below under Social Responsibility and Environmental Responsibility for further information.

3 Strategic Priority 3 SOCIAL RESPONSIBILITY

Equity, Diversity & Inclusion (EDI)

An EDI strategy was developed, approved by the Board of Trustees and published, together with EDI operating objectives, PML's Annual Report to the Board on EDI and Gender Equality Plan. All information is available on our website here. PML is pursuing accreditation to Investors in Diversity and undertook a culture survey of its staff, students, Board of Trustees and other stakeholders to inform future action. Mandatory EDI training has also been implemented.

A new Head of People & Culture has been recruited and will progress the implementation of the EDI strategy in 2023-24.

Health, Safety & Wellbeing

PML has maintained certification to the ISO45001 Health and Safety Management Standard. Continuous improvements have been made, including the development of additional codes of practice and implementation of additional health and safety measures.

Monthly pulse surveys across all employees are undertaken to understand any issues or changes so that timely action can be taken.

PML's standing as an excellent place to work was underlined not only by our ability to recruit new staff but also by having been judged a Finalist in the Western Morning News Best Place to Work regional awards.

CASE STUDY

OCEANUS
PLANS FOR THE WORLD'S FIRST LONG-RANGE AUTONOMOUS RESEARCH VESSEL REVEALED

In May 2022, PML revealed plans for *Oceanus*, which is set to usher in a new era for net zero oceanography and advanced international marine research.

Supported by seed funding from the Natural Environment Research Council (NERC), the sleek, futuristic-looking and fully uncrewed '*Oceanus*' has been designed as a self-righting, light-weight, mono-hulled autonomous vessel capable of carrying an array of monitoring sensors to collect data for research into critical areas such as climate change, biodiversity, fisheries and biogeochemistry.

Designed primarily to make the transatlantic sampling voyage from the UK to the Falklands, the *Oceanus* will carry an advanced scientific payload and use the latest AI technology to help navigate the best course to its target location, with real-time input from weather forecasts and other marine data feeds.

4 Strategic Priority 4 ENVIRONMENTAL RESPONSIBILITY

Improvements to Buildings & Estate

During the year PML initiated the installation of a new cycle compound to enable more employees and students to cycle to work. This installation was completed in April and was partially funded by Plymouth City Council's Transforming Cities Fund. Planning permission was also granted for a solar carport which supports PML's aim to reduce its carbon footprint and also will reduce energy costs. This project, funded primarily by the Natural Environment Research Council, is underway and will be completed by late summer 2023.

Aiming Towards Net Zero Carbon

In November 2022 PML achieved accreditation to the ISO14001 (Environmental Management Systems) standard. Earlier in the year a design was completed for the world's first long-range autonomous vessel – *Oceanus*. Funding to realise this design is being sought. Significant work has also been undertaken to reduce our data storages and associated carbon footprint and energy costs by removing data that is no longer needed and data coding efficiency practices.

PML has enrolled into the Laboratory Efficiency Assessment Framework (LEAF) with all our laboratories at a 'Bronze' standard and making good progress towards 'Silver'. This has resulted not only in energy and associated carbon reduction, but also less unnecessary wastage of chemicals and materials by improved sharing practices.

Banking & Investments

In early 2023 PML changed its banking provision from HSBC to the Co-operative Bank, as the latter's environmental values align with those of PML. As a marine research organisation PML's investment policy embraces environmental objectives. The weighted average carbon intensity of PML's investment portfolio at 31 March 2023 was 107.32 CO_2/$M Revenue compared with the Vanguard FTSE All World value of 207.43.

The Trustees recognise the significant achievements of the staff over the course of the last year and would like to thank them for their outstanding contributions.

FINANCIAL REVIEW

Results for the year

Net loss for the year amounted to (£36k) (2022 net income: £464k). After adjusting for realised and unrealised investment gains, the net movement in funds for the year amounted to a loss of £211k (2022 income: £630k). The total funds carried forward remain in a net asset position of £8,444k (2022 funds carried forward: £8,654k).

PRINCIPAL RISKS & UNCERTAINTIES

Risk Management

PML's risk management policy is reviewed annually by the Board. In addition, a comprehensive analysis of risks to which PML is exposed is undertaken and systems identified and put in place to mitigate risk. Under the terms of the risk management policy, the Senior Management Team carries out a periodic evaluation of the risks, by way of a risk register. The Audit & Finance Committee also review the risk register in detail and present to the Board those risks of greatest significance to PML. Principal risks and their mitigation are discussed by the Trustees on a regular basis.

The principal risks and uncertainties faced by PML relate primarily to (i) energy costs and (ii) inflation, especially as there is a long lead time between the generation of research proposals, and their associated costings generation, and receipt of income for contracts. The current risk being faced is that some existing contracts were costed prior to inflationary and energy cost pressures. In mitigation our overhead costs were increased so that all new research proposals are costed at the new rate. Energy costs are being mitigated in part by measures to reduce in consumption and renewables installation as mentioned above.

Another risk to future funding is the continued non-association of the UK with the Horizon Europe research programme. Whilst the UK government has stated that other international funding will be provided, it is uncertain as to the priorities for this funding. In mitigation PML is diversifying its sources of funding.

Reserves Policy

A reserves policy was developed and adopted by PML in its first year of operation and has been subsequently revised over the years. The reserves policy is reviewed annually by the Trustees to ensure it is fit for purpose. The policy provides for the maintenance of general reserves (under unrestricted funds) at a level equivalent to at least six months' expenditure, in order to provide adequate working capital levels for the ongoing operation of PML and completion of existing projects.

The reserves are set at a level to withstand any short-term setback, whether operational, in the investment markets, or in key sources of research income. If the free reserves should fall outside the level of six months' expenditure, the Trustees would review PML's strategic plan accordingly.

The policy also provides designated reserves (under unrestricted funds), which are funds set aside to assure that capital and other significant expenditure approved by the Trustees can be funded as required over at least the next 12-month period.

Bank balances decreased over the year from £6.2M to £4.9M. There was £239k held for partners.

Principal Funding Sources

Income was derived principally from competitive research of £6.4M (2022: £6.4M) from a variety of customers, (including UK Research & Innovation (UKRI), the European Commission, the European Space Agency and foundations), including over £0.6M received from sub-contractors (2022: £1.6M), and the UKRI-NERC National Capability funding, amounting to £3.8M (2022: £4.0M). This income has enabled PML to undertake strategic and applied research, generating knowledge and publications, leading to impact, as well as carrying out the activities listed under Achievements and Performance.

PML scientists have been exceptionally successful in terms of winning competitive research funding. New contracts won during the financial year were valued at £10.1M (2022: £3.0M), with a further £484k under negotiation/successful. In addition, NERC has provided capital funding of £400k for the solar carport.

Investment Policy

PML's investment policy was reviewed in March 2023 and no further changes were made. PML aims to make investments that have a positive impact on environmental issues, whilst achieving the best financial return. PML will only invest in sectors or companies that have a positive tilt to environmental solutions. PML will not invest in sectors with a negative impact on the environment such as oil and gas, and mining, and will only invest in companies that have a clear strategy to get to net zero as a business.

The portfolio of investments is managed by a professional asset management organisation approved by the Trustees. The assets within the managers' portfolio are held by professional custodians. The activities and performance of the investment managers and portfolio, including ESG aspects are monitored through regular reporting to PML's Audit & Finance Committee, which reports to the Trustees.

Trading Subsidiary

PML's trading subsidiary, PML Applications Ltd, reported an operating profit of £82k (2022: £537k), and generated £1.8M (2022: £1.7M) of income for PML. The operating profit was lower than in previous years due to the cessation of Copernicus funding (resulting from the non-association of the UK with Horizon Europe) and investment within the trading subsidiary for future growth. A gift aid payment of £528k was made by PML Applications to PML in the financial year. Following careful consideration, the PML Board of Trustees agreed to accept a deferment of the repayment of the remaining balance of £100k of its loan to PML Applications Ltd for a further year to provide the trading subsidiary with sufficient working capital for future growth. This growth is necessary for generating gift aid to PML, which in turn is used to support investment in areas of the charity deemed necessary by PML.

Fundraising Policy

PML's approach to fundraising is to target charitable foundations and trusts, and corporations through their foundations. PML will not embark on fundraising from the general public, whether in person, through events or on-line. Any crowdfunding initiative will only be undertaken as part of a specific fundraising campaign or proposal for research project or capital funds. PML adheres to the Fundraising Code of Practice. In the last year PML has adhered to the requirements of the Code; there have been no complaints received regarding PML's fundraising practices. PML's complaint procedure is available at www.pml.ac.uk/legal.

Plans for Future Periods

In addition to the considerable number of research projects, PML's plans for the future (2023-24 financial year) are as follows:

- Identify and provide organisational infrastructure and resources to support the implementation of the PML digital science strategy.
- Implement mechanisms to maximise local partnership opportunities.
- Further enhance the reputation and reach of PML with key target audiences.
- Complete and implement new business continuity plan.
- Attain Investors in Diversity accreditation.
- Set out PML's strategy for moving towards net zero.
- Plan for and implement a solar carport.

STRUCTURE, GOVERNANCE & MANAGEMENT

Governing Document

PML is a company limited by guarantee and registered as a charity with the Charity Commission. PML is governed by its Articles of Association adopted in July 2010 (following changes in both charity and company law) and amended by special resolutions, most recently in November 2022 to align the maximum term of office of a Trustee with the term recommended in the Charity Governance Code. Responsibility for the overall governance of PML rests with the Board, who are Trustees for the purposes of the Charities Act and Directors for the purposes of the Companies Act. Members of the charity comprise serving Trustees and the serving Chief Executive, each of whom undertakes to contribute such amount as may be required (not exceeding £10) to PML's assets in the event of PML being wound up.

Appointment of Trustees

Trustees must retire after serving a period of five consecutive years, except where such Trustee has been invited, and has agreed to serve, with the approval by resolution of the Trustees and of the members of the Charity, an additional period of office of not more than four years, or if the Trustee is elected as Chair, whereupon their term will be deemed to have recommenced. In exceptional circumstances, Trustees may continue beyond a nine-year period, subject to a rigorous review in accordance with the Charity Governance Code, and to approval by resolution of the Trustees and of a special resolution by the members of the Charity. The Trusteeship of Prof. Jickells OBE was extended for a further one year beyond a nine year term until January 2024 following a rigorous review which concluded that his understanding of the scientific research of PML was essential in the transition and handover to Trustees appointed in April 2022.

PML has in place a policy and procedure on the appointment of Trustees. Recruitment of new Trustees is led by a Nominations Committee, the composition of which reflects the skills being sought. This Committee reports to the Board. When recruiting a new Trustee, the Board is mindful of the need to ensure a balance of skills, background and diversity.

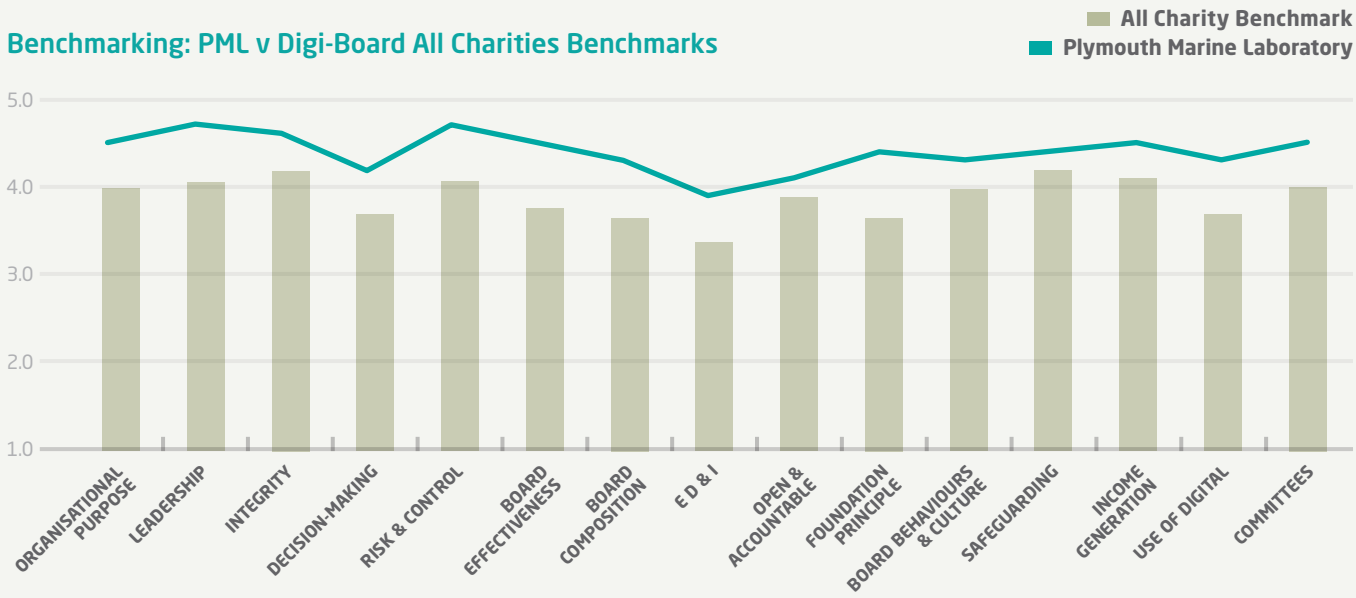
For details on individual Board members, please see the relevant section on our website at www.pml.ac.uk/governance.

Induction & Training of Trustees

PML has in place policies on the induction and training of Trustees. New Trustees undergo a comprehensive induction, meeting other members of the Board of Trustees, as well as the Senior Management Team and staff to learn about its governance, research, impact, financial performance and infrastructure and also the work of its wholly owned trading subsidiary, PML Applications Ltd. Each Trustee receives an induction programme, which is tailored to suit the expertise of the Trustee and their role on the Board.

As part of the formal induction programme, new Trustees receive a detailed induction pack containing various documents relating to PML and the duties of a Trustee, including key Charity Commission publications – CC3 "The Essential Trustee" and the Charity Governance Code – the Articles of Association, PML's Strategy, Science Plan and Operating Plan, the most recent set of accounts, as well as various other policy documents. The Company Secretary has overall responsibility for the induction of Trustees. Where specific training is identified as necessary, then this is delivered internally or through external providers, including attendance at seminars or conferences.

Trustees also receive updates on charity law, e.g. the changes being brought about by the Charities Act 2022. A rolling programme of refresher training for Trustees is being explored.



Evaluation of Board Performance

An external evaluation of governance was undertaken in association with Digi-Board in late summer 2022. PML scored higher in all 15 categories against the Digi-Board All Charities Benchmark. Whilst the outcome was very positive, the Board recognised the need for continuous improvement, particularly in areas such as Equity, Diversity and Inclusion, and stakeholder engagement. The Board reviewed the detailed findings of the evaluation, from which an action plan has been derived and is being implemented.

Organisational Structure

Board of Trustees

The Board of Trustees, which can have up to 11 members, is responsible for the governance of PML. The Board generally meets at least four times per year (or more frequently as required), receiving regular reports on the financial and management aspects of the organisation, and to discuss strategic issues. Average attendance by Trustees over the last year at Board meetings was 80% (2022: 81%).

Committees

In addition to the main Board, there are three principal committees as follows:

- Audit & Finance Committee: Meets two to three times per year and has delegated responsibility for ensuring that PML has in place effective systems and methods of financial control and risk management and that it complies with all aspects of the law, relevant regulations and good practice. It also reviews PML's investments and the performance of the Investment Manager. Trustee members during the reporting period were Nigel Godefroy (Chair), Nick Buckland and Paul James.

  The Terms of Reference of the Audit & Finance Committee were amended during the year to encompass responsibilities relating to the Trevor Platt Science Fund. Thanks to a generous donation to PML this fund has been established in memory of Prof. Trevor Platt FRS, former employee of PML, to provide financial support for capacity building activities relating of aquatic environmental research, education and stewardship.
- Remuneration Committee: Meets at least once per year to *inter alia* review staff annual pay and benefits and propose recommendations to the Board. Trustee members during the reporting period were Dr MacKenzie and Paul James.

- Science Advisory Council: Meets once per year to review aspects of the science portfolio. Trustee members in the year were Prof. Jickells, Prof. Carpenter, Dr Garçon and Dr MacKenzie as well as external members from the national and international science community.
- Innovation Committee: This Committee convened three workshops during the year to provide strategic advice to the PML Executive on connecting PML's science and technology insights with customer needs, identifying innovation opportunities that might be commercially exploited through PML Applications Ltd. Trustee members during the period were Prof. Rayner (Chair) and Mark Butcher. Prof. Rayner will continue chairing the Committee in his capacity as a Director of PML Applications Ltd.

At the March 2023 Board meeting it was agreed to establish a Fundraising Committee to support PML's fundraising strategy. This Committee has now been set up and comprises two Trustees – Dan Crockett and Dr Virmani – and various members of staff.

Senior Management Team

The Chief Executive is given delegated authority for the day-to-day operation, delivered through the Senior Management Team, including scientific, financial, health and safety, and employment related matters. The specific levels of authority are detailed in a statement of Delegated Authority. The Chief Executive reports regularly to the Board on key aspects of PML's performance as detailed above.

Related Parties

UKRI-NERC

PML is eligible to bid on a competitive basis for funding from UKRI, including from NERC. PML is designated a Delivery Partner for 'National Capability', a funding stream directly procured by NERC which enables the UK to deliver world-leading environmental science.

As part of the transfer of ownership process from NERC to PML in 2002 a staff loan agreement covering NERC employees was in place, which was novated to UKRI in 2018. On 1 April 2022 the remaining 23 UKRI-NERC employees were transferred to PML under TUPE (Transfer of Undertakings [Protection of Employment]).

As a major funder of PML, NERC and PML agreed to an observer attending PML Board meetings and this arrangement has been in place since March 2021.

PML Applications Ltd

PML's wholly owned subsidiary, PML Applications Ltd, was established to undertake more applied and commercial work and facilitate knowledge exchange. It may gift aid its profits to PML.

Blue Marine Foundation

Dan Crockett, PML Trustee, is Oceans and Climate Director at the Blue Marine Foundation. PML received income of £42k from the Blue Marine Foundation during the 2022-23 financial year for one research project, and invoiced during the past year for £35k for another research project.

Partnership for Observation of the Global Oceans (POGO)

PML has hosted the secretariat of POGO for nine years, providing accommodation and staffing for the secretariat under a formal agreement. In February 2017 POGO became a Charitable Incorporated Organisation in the UK.

Pay Policy for Senior Staff

All of the Trustees (Directors) give of their time freely and no Trustee received remuneration during the year. Details of Trustees' expenses incurred in the course of their duties are disclosed under note 8. The Chief Executive's remuneration package is reviewed annually by the Board of Trustees who review benchmarking data from the research and charity sector, and assess performance against objectives set for the year.

The remuneration of the senior staff (members of the Senior Management Team) is reviewed by the Remuneration Committee (see above) as part of the entire PML workforce's remuneration, with recommendations made to the Board of Trustees for its approval.

Going Concern

PML's cash position (as at 30 April 2023) is strong at £4.4M.

Income and expenditure forecasting has been undertaken for the financial year ending 2023-24 which has shown that the result for PML will be a trading deficit of the order of £200k, primarily due to energy costs and inflation and its consequences as noted above under Principal Risks. Outline forecasts for 2024-25 and 2025-26 have also been produced which show that the company will return to a small surplus position over this time period.

Current signed contracts stand at £23.9M, of which £10.9M has already been recognised up to 31 March 2023. The remaining £13.0M relates to projects which run over the next three financial years.

At year end the Trustees acknowledge that the net current asset position was a relatively modest £2.6M. They take assurance from the fact that within current creditors is £2.9M of cash advances received on competitive research contracts.

Due to the nature of this balance the Trustees have strong certainty that the majority can be earnt and released to income over the next financial year to fund staff costs and overheads. As at year end the charity also held an investment portfolio of £3.7M which as a last resort could be realised to fund any deficits that arise as a result of the risks identified above.

The Trustees believe that PML is a going concern on the following basis:

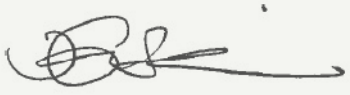
- Strong cash position as identified above.
- Principal funding sources are government backed, e.g. UKRI, European Space Agency, EU (UK government backed).
- Very strong signed contracts position.
- The company can meet its short-term debts.
- The company has no loans.
- Strong reserves position.

In conclusion, there are no material uncertainties to cast doubt on PML's ability to continue as a going concern.

Disclosure of Information to Auditor

Each Trustee has taken steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The Trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the Trustees of the charity on 14 July 2023 and signed on its behalf by:



J E Timberlake
Chair and Trustee

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of Plymouth Marine Laboratory for the purposes of company law) are responsible for preparing the Trustees' report and the Trustees'' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

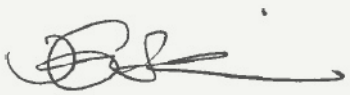
Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the parent charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group 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 parent charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees of the charity on 14 July 2023 and signed on its behalf by:



J E Timberlake
Chair and Trustee

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLYMOUTH MARINE LABORATORY

Opinion

We have audited the financial statements of Plymouth Marine Laboratory (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows 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 United Kingdom Accounting Standards, comprising Charities SORP – FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2023 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

Use of our Report

This report is made solely to the charitable parent 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 group'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 parent company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Other Information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, 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.

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 group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

Opinion 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 our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the and the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 Statement of Trustees' Responsibilities (set out on page 31), the Trustees 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 charity'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 charity 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:

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to acts by the company which were contrary to applicable laws and regulations, including fraud.

We considered those laws and regulations that have a direct impact on the preparation of the financial statements, including, but not limited to the reporting framework (FRS 102 and Companies Act 2006) and the relevant tax compliance regulations in the UK. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent financial reporting.

We also considered those laws and regulations that have a direct impact on the operations of the group, including, but not limited to various environmental and employment laws and regulations (e.g. Environmental Protection Act and The Health and Safety at Work Act 1974) that are applicable in the UK.

Audit procedures performed by the engagement team include, but were not limited to, discussion and inquiries with management of compliance with laws and regulations and review of correspondence and contracts with third parties. We also addressed the risk of management override of internal controls, including testing of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to be come aware of instances of non-compliance. 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, collusion, omission or misrepresentation.

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

PKF Francis Clark

Duncan Leslie
(Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Melville Building East
Unit 18, 23 Royal William Yard Plymouth
PL1 3GW

28 July 2023

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2023

(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds - General £ 000	Unrestricted Funds - Designated £ 000	Restricted Funds £ 000	Total 2023 £ 000
Income and Endowments from:					
Charitable Activities	3	719	-	11,486	12,205
Other Trading Activities	4	1,719	-	-	1,719
Investment Income		76	-	-	76
Total Income		**2,513**	**-**	**11,486**	**13,999**
Expenditure on:					
Raising Funds		(1,278)	-	-	(1,278)
Charitable Activities	5	(788)	(459)	(11,486)	(12,734)
Other Expenditure		(23)	-	-	(23)
Total Expenditure		(2,090)	(459)	(11,486)	(14,035)
Net Income/(Expenditure)		424	(459)	-	(36)
Transfers Between Funds		(1,225)	1,225	-	-
Gains/(Losses) on Investments Assets		(175)	-	-	(175)
Net Movement in Funds		(976)	766	-	(211)
Reconciliation of Funds					
Total Funds Brought Forward		4,025	4,629	-	8,654
Total Funds Carried Forward	21	**3,049**	**5,395**	**-**	**8,444**

The notes on pages 42 to 70 form an integral part of these financial statements.

YEAR ENDED 31 MARCH 2023

(Including Consolidated Income and Expenditure Account
and Statement of Total Recognised Gains and Losses)

For comparative purposes – financial performance for prior financial year ended 31March 2022:

	Note	Unrestricted Funds - General £ 000	Unrestricted Funds - Designated £ 000	Restricted Funds £ 000	Total 2022 £ 000
Income and Endowments from:					
Charitable Activities	3	725	1,652	10,864	13,241
Other Trading Activities	4	1,722	-	-	1,722
Investment Income		58	-	-	58
Total Income		**2,505**	**1,652**	**10,864**	**15,021**
Expenditure on:					
Raising Funds		(828)	-	-	(828)
Charitable Activities	5	(2,471)	(371)	(10,864)	(13,705)
Other Expenditure		(24)	-	-	(24)
Total Expenditure		(3,323)	(371)	(10,864)	(14,557)
Net Income/(Expenditure)		(817)	1,282	-	464
Transfers Between Funds		582	(582)	-	-
Gains/(Losses) on Investment Assets		165	-	-	165
Net Movement in Funds		(70)	700	-	630
Reconciliation of Funds					
Total Funds Brought Forward		4,095	3,930	-	8,024
Total Funds Carried Forward	21	**4,025**	**4,629**	**-**	**8,654**

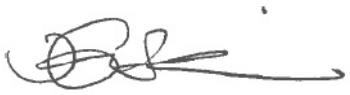
All of the group's activities derive from continuing operations during the above two periods.
The funds' breakdowns for 2023 and 2022 are shown in note 21.

The notes on pages 42 to 70 form an integral part of these financial statements.

Consolidated Balance Sheet 31 March 2023

	Note	2023 £ 000	2022 £ 000
Fixed Assets			
Intangible Assets	12	432	426
Tangible Assets	13	8,527	9,212
Investments	14	3,711	3,833
		12,670	13,471
Current Assets			
Debtors	15	3,862	2,856
Cash at Bank and in Hand	16	4,917	6,237
		8,779	9,094
Creditors: Amounts Falling Due Within One Year	17	(6,157)	(7,399)
Net Current Assets		2,622	1,694
Total Assets Less Current Liabilities		15,292	15,165
Creditors: Amounts Falling Due After More Than One Year	18	(6,849)	(6,511)
Net Assets		**8,444**	**8,654**
Funds of the Group:			
Restricted		-	-
Unrestricted - Designated		5,395	4,629
Unrestricted - General		3,049	4,025
Total Funds	21	**8,444**	**8,654**

The financial statements on pages 36 to 70 were approved by the Trustees, and authorised for issue on 14 July 2023 and signed on their behalf by:



J E Timberlake
Chair

N J Godefroy
Chair of Audit and Finance Committee and Trustee

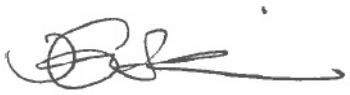
Company Registration Number: 4178503

The notes on pages 42 to 70 form an integral part of these financial statements.

Balance Sheet 31 March 2023

	Note	2023 £ 000	2022 £ 000
Fixed Assets			
Intangible Assets	12	432	426
Tangible Assets	13	8,527	9,212
Investments	14	3,811	3,933
		12,770	13,571
Current Assets			
Debtors	15	3,699	2,783
Cash at Bank and in Hand	16	4,542	4,832
		8,240	7,616
Creditors: Amounts Falling Due Within One Year	17	(5,844)	(6,593)
Net Current Assets		2,396	1,022
Total Assets Less Current Liabilities		15,166	14,593
Creditors: Amounts Falling Due After More Than One Year	18	(6,849)	(6,511)
Net Assets		**8,317**	**8,082**
Funds of the Charity:			
Restricted		-	-
Unrestricted - Designated		5,393	4,627
Unrestricted - General		2,925	3,455
Total Funds	21	**8,317**	**8,082**

The financial statements on pages 36 to 70 were approved by the Trustees, and authorised for issue on 14 July 2023 and signed on their behalf by:



J E Timberlake
Chair

N J Godefroy
Chair of Audit and Finance Committee and Trustee

Company Registration Number: 4178503

The notes on pages 42 to 70 form an integral part of these financial statements.

Consolidated Statement of Cash Flows Year Ended 31 March 2023

	Note	2023 £ 000	2022 £ 000
Cash Flows from Operating Activities			
Net Income/(Expenditure) for the Reporting Period (as per the Statement of Financial Activities)		(211)	630
Adjustments to Cash Flows from Non-Cash Items			
Depreciation		1,290	1,290
Amortisation		94	60
Investment Income		(76)	(58)
Interest Payable		3	3
(Profit)/Loss on Disposal of Tangible Fixed Assets		(1)	3
Fair Value Movement on Investment Assets		175	(165)
		1,274	1,762
Working Capital Adjustments			
(Increase)/Decrease in Debtors	15	(1,006)	777
Decrease in Creditors	17	(1,242)	(1,439)
Decrease in Deferred Income	18	(1,074)	(91)
Net Cash Flows from Operating Activities		(2,048)	1,010
Cash Flows from Investing Activities			
Interest Receivable and Similar Income		76	58
Purchase of Tangible Fixed Assets	13	(705)	(380)
Sale of Tangible Fixed Assets		1	1
Capital Grants		1,411	704
Purchase of Investments		(53)	(38)
Net Cash Flows from Investing Activities		730	344
Cash Flows from Financing Activities			
Repayment of Loans and Borrowings	17	-	(49)
Interest Payable and Similar Charges		(3)	(3)
Net Cash Flows from Financing Activities		(3)	(51)
Net (Decrease)/Increase in Cash and Cash Equivalents		(1,320)	1,303
Cash and Cash Equivalents at 1 April		6,237	4,934
Cash and Cash Equivalents at 31 March		**4,917**	**6,237**

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 42 to 70 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Charity Status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the Trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is:
Prospect Place
The Hoe
Plymouth
PL1 3DH

2. Accounting Policies

Summary of Significant Accounting Policies and Key Accounting Estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of Compliance

The financial statements have been prepared in accordance with accounting and reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006, with the exception that grants in respect of capital expenditure received are deferred and released to the Statement of Financial Activities over the expected useful lives of the relevant assets to which they relate This treatment provides consistency with the treatment adopted by other similarly funded institutions including Universities.

Basis of Preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The functional currency of Plymouth Marine Laboratory is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Plymouth Marine Laboratory meets the definition of a public benefit entity under FRS 102.

Basis of Consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2023.

No Statement of Financial Activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity had a positive net movement in funds for the financial year of £235,000 (2022 – £327,000).

The charity has taken advantage of the exemption not to prepare a cash flow statement, as the charity figures are included in the consolidated cash flow statement and the members have not objected to the exemption being taken.

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Going Concern

PML's cash position (as at 30 April 2023) is strong at £4.4M.

Income and expenditure forecasting has been undertaken for financial year ending 2023-24 which has shown that the result for PML will be a trading deficit of the order of £200k, primarily due to energy costs and inflation and its consequences as noted above under Principal Risks. Outline forecasts for 2024-25 and 2025-26 have also been produced which show that the company will return to a small surplus position over this time period.

Current signed contracts stand at £23.9M, of which £10.9M has already been recognised up to 31 March 2023. The remaining £13.0M relates to projects which run over the next three financial years.

At year end the Trustees acknowledge that the net current asset position was a relatively modest £2.6M. They take assurance from the fact that within current creditors is £2.9M of cash advances received on competitive research contracts. Due to the nature of this balance the Trustees have strong certainty that the majority can be earnt and released to income over the next financial year to fund staff costs and overheads. As at year end the charity also held an investment portfolio of £3.7M which as a last resort could be realised to fund any deficits that arise as a result of the risks identified above.

The Trustees believe that PML is a going concern on the following basis:

- Strong cash position as identified above.
- Principal funding sources are government backed, e.g. UKRI, European Space Agency, EU (UK government backed).
- Strong signed contracts position.
- The company can meet its short-term debts.
- Strong reserves position.

In conclusion, there are no material uncertainties to cast doubt on PML's ability to continue as a going concern.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The following are the critical judgements and estimates that the directors have made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- carrying value of research balances.

Provision is made against research debtor balances where costs (including those to complete) exceed contracted income.

Income

All incoming resources are included in the Statement of Financial Activities where the charity is entitled to the income and the amount can be qualified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Investment income is included when receivable.
- Grants in respect of capital expenditure are credited to a deferred capital grants account within creditors, and are released to the Statement of Financial Activities over the expected useful lives of the relevant assets to which they relate.

- Competitive Research – The majority of contracts are for three years duration. During the period of the contract, income is only credited to the Income and Expenditure account if it is matched by activity within the contract. Where income received to date is in excess of this calculated amount, it is deferred, where the income received is less, it is accrued. Should funds be provided within the contract to purchase capital equipment but ownership of that equipment resides with the customer, then the equipment is not capitalised on the Balance Sheet. Should ownership of the equipment reside with the group, the equipment is capitalised and the specific income provided for its purchase is spread over the life of the asset.

Deferred Income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement; or
- The costs that are funded by the grant have yet to be spent.

Expenditure

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

- Costs of generating commercial trading income through the subsidiary, PML Applications Ltd.
- Charitable activities include expenditure associated with the operation of the Charity, and include both the direct costs and support costs relating to those activities.
- Governance costs include those incurred in the governance of the Charity and its assets and are primarily associated with strategic, constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Research and Development and Patents

As an organisation wholly engaged in research, the group does not classify research and development expenditure separately in the accounts. Expenditure in respect of the development of patents has been written off.

Intellectual Property

Intellectual property rights arising from the group's research and development have not been included in these accounts as their market value cannot be readily estimated. The anticipated annual income generated from such rights is not material in value and is credited to the income and expenditure account on receipt.

Pensions

On 1 April 2022 the remaining 23 UKRI-NERC employees were transferred to PML under TUPE with their existing pension rights. For these employees, payments are made to the Research Council's Pension Scheme – a defined benefits scheme. Employees who joined PML after 31 March 2002 have the option to join the Plymouth Marine Laboratory Group Scheme. This is a defined contribution scheme administered by Royal London Mutual Insurance Society Ltd. (formerly Scottish Life). Contributions for both schemes are charged to the accounts as they become payable in accordance with the rules of the schemes.

Value Added Tax

As the group is registered partially exempt for VAT purposes, all expenditure and fixed asset purchases are shown inclusive of VAT where applicable.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Intangible Assets

Intangible assets are stated in the Balance Sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Computer software	2-10 years straight line

Tangible Fixed Assets

Individual fixed assets costing £3k or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and Amortisation

Provision is made for depreciation on all tangible fixed assets at rates calculated to write off the costs of each asset evenly over its expected useful working life.

Fixed assets are depreciated in the month of acquisition, but are not depreciated in the month of disposal. Components of assets with substantially different economic lives are accounted for separately for depreciation purposes and depreciated over their individual useful economic lives.

Asset class	Depreciation method and rate
Scientific Equipment	2-10 years straight line
Computer Equipment	2-5 years straight line
Plant	10 years straight line
Vehicles	4 years straight line
Ships	20 years straight line
Leasehold Buildings	25 years straight line

Fixed Asset Investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Foreign Exchange

Assets and liabilities denominated in foreign currencies are expressed in pounds sterling at rate(s) of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the time of the transaction. All exchange differences are taken to the Statement of Financial Activities.

Fund Structure

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

Designated funds are unrestricted funds which have been assigned by the Trustees for future projects.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes.

Hire Purchase and Finance Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Pensions and Other Post Retirement Obligations

The group operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial Instruments

Financial assets and liabilities are recognised/(derecognised) when the company becomes/(ceases to be) party to the contractual provisions of the instrument. The company holds the following financial assets and liabilities:

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment ("doubtful debts") are recognised in Statement of financial activities before net income.

Loans qualifying as basic financial instruments under FRS102

Loans are initially recorded at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial instruments not qualifying as basic under FRS102

Forward exchange contracts are measured at fair value at the balance sheet date. Movements in fair value are charged or credited to the statement of financial activities before net income.

Investments

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

3. Income from Charitable Activities

	Unrestricted - General £ 000	Restricted £ 000	Total 2023 £ 000	Total 2022 £ 000
NERC Funding (National Capability)	-	3,831	3,831	3,984
Research Income	-	6,366	6,366	4,804
Designated Income	-	-	-	1,652
Deferred Income on Capital Expenditure	-	1,074	1,074	1,027
Reimbursements	-	-	-	-
VAT Recoverable (Due to Partial Exemption)	5	-	5	36
Charges for Secretariat Services - Partnership for Observation of the Global Oceans	127	-	127	110
Doctoral Training Grants	55	-	55	117
Other Income	531	216	747	1,511
	719	**11,486**	**12,205**	**13,241**

4. Income from Other Trading Activities

Summary Profit and Loss Account	2023 £ 000	2022 £ 000
Turnover	1,844	1,810
Cost of Sales and Administrative Expenses	(1,759)	(1,270)
Operating Profit	85	540
Interest Payable on Loan	(3)	(3)
Net Profit	**82**	**537**
The Assets and Liabilities of the Subsidiary were:		
Current Assets	818	1,604
Current Liabilities	(592)	(932)
Total Net Assets/(Liabilities)	**226**	**672**
Aggregate Share Capital and Reserves	**226**	**672**
Reconciliation with Statement of Financial Activities (SOFA)		
Turnover (as above)	1,844	1,810
Less: Income from Parent Charity	(125)	(87)
Per SOFA – Income from Other Trading Activities	1,719	1,723
Cost of Sales and Administrative Expenses (as above)	1,759	1,270
Less: Recharged by Parent Charity	(481)	(442)
Per SOFA – Expenditure on Raising Funds	1,278	828

5. Expenditure on Charitable Activities

	Activity Undertaken Directly £ 000	Activity Support Costs £ 000	Total Expenditure £ 000
Research Staff Costs	5,870	-	5,870
Recurrent Costs - Science	1,555	-	1,555
Recurrent Costs - Science Support	1,448	-	1,448
Depreciation and Amortisation of Assets	1,384	-	1,384
Senior Management and Administrative Staff Costs	-	1,774	1,774
Administration Costs	-	627	627
Governance Costs	-	76	76
Total for 2023	**10,257**	**2,477**	**12,734**
Total for 2022	**11,315**	**2,390**	**13,705**

Included within the expenditure analysed above, there are governance costs of £75,752 (2022 – £65,368) which relate directly to charitable activities. See note 6 for further details.

6. Analysis of Governance and Support Costs

Governance Costs	Restricted £ 000	Total 2023 £ 000	Total 2022 £ 000
Audit fees			
Audit of the Financial Statements	26	26	22
Other Fees Paid to Auditors	19	19	18
Trustees Remuneration and Expenses	9	9	9
Other Governance Costs	22	22	17
	76	**76**	**65**

7. Net Incoming/Outgoing Resources

This is stated after charging/(crediting):

	2023 £ 000	2022 £ 000
Audit Fees	26	22
Other Non-Audit Services	35	35
Depreciation and Amortisation of Assets	1,384	1,348
Operating Leases – Other Assets	144	150
(Profit)/Loss on Disposal of Tangible Fixed Assets	(1)	3
Deferred Grants Released	(1,074)	(1,049)
Foreign Currency (Gains)/Losses	(93)	2
Finance Charges Payable	-	4

8. Trustees Remuneration and Expenses

No Trustees, nor any persons connected with them, have received any remuneration from the group during the year.

During the year, expenses totalling £9k (2022: £9k) for travel, subsistence and accommodation were reimbursed or paid on behalf of eight Trustees (2022 – six Trustees).

9. Staff Costs

The aggregate payroll costs were as follows:

	2023 £ 000	2022 £ 000
Staff Costs During the Year were:		
Wages and Salaries	6,811	6,510
Social Security Costs	739	694
Pension Costs	672	662
Restructuring Costs	-	404
	8,223	**8,270**

The monthly average number of persons (including Senior Management Team /leadership team) employed by the group during the year expressed as full time equivalents was as follows:

	2023 Number	2022 Number
Permanent Staff – Science and Support	106	113
Permanent Staff – Management and Admin	59	49
Temporary Staff	11	16
	176	**178**

9. Staff Costs continued

The number of employees whose emoluments fell within the following bands was:

	2023 Number	2022 Number
£60,001 - £70,000	6	2
£70,001 - £80,000	2	3
£80,001 - £90,000	2	1
£120,001 - £130,000	1	1

The total employee benefits of the key management personnel of the group were £601,307 (2022 – £587,001).

10. Auditors' Remuneration

	2023 £ 000	2022 £ 000
Audit of the Financial Statements	26	22
Other Fees to Auditors		
All Other Assurance Services	9	5
All Other Non-Audit Services	10	14
	19	**18**

11. Taxation

The group is a registered charity and is therefore exempt from taxation.

12. Intangible Fixed Assets

Group

	Software £ 000	Total £ 000
Cost		
At 1 April 2022	602	602
Transfers	100	100
At 31 March 2023	702	702
Amortisation		
At 1 April 2022	176	176
Charge for the Year	94	94
At 31 March 2023	270	270
Net Book Value		
At 31 March 2023	**432**	**432**
At 31 March 2022	**426**	**426**

Charity

	Software £ 000	Total £ 000
Cost		
At 1 April 2022	602	602
Transfers	100	100
At 31 March 2023	702	702
Amortisation		
At 1 April 2022	176	176
Charge for the Year	94	94
At 31 March 2023	270	270
Net Book Value		
At 31 March 2023	**432**	**432**
At 31 March 2022	**426**	**426**

13. Tangible Fixed Assets

Group

	Land and Buildings £ 000	Furniture and Equipment £ 000	Ships and Vehicles £ 000	Assets under Construction £ 000	Total £ 000
Cost					
At 1 April 2022	7,621	11,875	951	190	20,638
Additions	-	-	-	705	705
Disposals	-	(2)	-	-	(2)
Transfers	-	92	20	(212)	(100)
At 31 March 2023	**7,621**	**11,965**	**971**	**683**	**21,241**
Depreciation					
At 1 April 2022	2,144	8,580	702	-	11,426
Charge for the Year	468	765	57	-	1,290
Eliminated on Disposals	-	(2)	-	-	(2)
At 31 March 2023	**2,612**	**9,343**	**759**	**-**	**12,714**
Net Book Value					
At 31 March 2023	**5,009**	**2,623**	**212**	**683**	**8,527**
At 31 March 2022	**5,477**	**3,295**	**249**	**190**	**9,212**

Included within the net book value of land and buildings above is £Nil (2022 – £Nil) in respect of freehold land and buildings and £5,009,000 (2022 – £5,477,000) in respect of leaseholds.

13. Tangible Fixed Assets continued

Charity

	Land and Buildings £ 000	Furniture and Equipment £ 000	Ships and Vehicles £ 000	Assets under Construction £ 000	Total £ 000
Cost					
At 1 April 2022	7,621	11,836	951	190	20,599
Additions	-	-	-	705	705
Disposals	-	(2)	-	-	(2)
Transfers	-	92	20	(212)	(100)
At 31 March 2023	**7,621**	**11,926**	**971**	**683**	**21,202**
Depreciation					
At 1 April 2022	2,144	8,541	702	-	11,387
Charge for the Year	468	765	57	-	1,290
Eliminated on Disposals	-	(2)	-	-	(2)
At 31 March 2023	**2,612**	**9,304**	**759**	**-**	**12,675**
Net Book Value					
At 31 March 2023	**5,009**	**2,623**	**212**	**683**	**8,527**
At 31 March 2022	**5,477**	**3,295**	**249**	**190**	**9,212**

Included within the net book value of land and buildings above is £Nil (2022 – £Nil) in respect of freehold land and buildings and £5,009,000 (2022 – £5,477,000) in respect of leaseholds.

14. Fixed Asset Investments

Group

	2023 £ 000	2022 £ 000
Other Investments	**3,711**	**3,833**

Other Investments

	Listed investments £ 000
Cost or Valuation	
At 1 April 2022	3,833
Revaluation	(175)
Additions	76
Investment Manager Fee	(23)
At 31 March 2023	**3,711**
Net Book Value	
At 31 March 2023	**3,711**
At 31 March 2022	**3,833**

Charity

	2023 £ 000	2022 £ 000
Shares in Group Undertakings and Participating Interests	100	100
Other Investments	3,711	3,833
	3,811	**3,933**

14. Fixed Asset Investments continued

Shares in Group Undertakings and Participating Interests

	Subsidiary Undertakings £ 000	Total £ 000
Cost		
At 1 April 2022	100	100
At 31 March 2023	100	100
Net Book Value		
At 31 March 2023	100	100
At 31 March 2022	100	100

Other Investments

	Listed Investments £ 000
Cost or Valuation	
At 1 April 2022	3,833
Revaluation	(175)
Additions	76
Investment Fees	(23)
At 31 March 2023	3,711
Net Book Value	
At 31 March 2023	3,711
At 31 March 2022	**3,833**

14. Fixed Asset Investments continued

Details of Undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of Incorporation	Holding	Proportion of Voting Rights and Shares Held		Principal Activity
			2023	2022	
Subsidiary undertakings					
PML Applications Ltd Prospect Place, West Hoe, Plymouth, PL1 3DH	England and Wales	Ordinary shares	100%	100%	Marine research
Smart Sound Plymouth Ltd Prospect Place, West Hoe, Plymouth, PL1 3DH	England and Wales	Ordinary shares	100%	100%	Innovative marine technology development – currently dormant
GenePro Ltd (held by a subsidiary) Prospect Place, West Hoe, Plymouth, PL1 3DH	England and Wales	Ordinary shares	100%	100%	Exploitation of intellectual property – currently dormant

Subsidiaries

The profit for the financial period of PML Applications Ltd was £82,376 (2022 – £536,725) and the aggregate amount of capital and reserves at the end of the period was £226,070 (2022 – £671,924).

The profit for the financial period of Smart Sound Plymouth Ltd was £Nil (2022 – £Nil) and the aggregate amount of capital and reserves at the end of the period was £Nil (2022 – £Nil).

The profit for the financial period of GenePro Ltd (held by a subsidiary) was £Nil (2022 – £Nil) and the aggregate amount of capital and reserves at the end of the period was £Nil (2022 – £Nil).

15. Debtors

	Group		Charity	
	2023 £ 000	2022 £ 000	2023 £ 000	2022 £ 000
Trade Debtors	2,333	1,518	2,206	1,437
Due from Group Undertakings	-	-	268	124
Prepayments	148	176	148	176
Accrued Income	1,222	1,151	949	1,033
Other Debtors	159	12	128	12
	3,862	**2,856**	**3,699**	**2,783**

16. Cash and Cash Equivalents

	Group		Charity	
	2023 £ 000	2022 £ 000	2023 £ 000	2022 £ 000
Cash at Bank	**4,917**	**6,237**	**4,542**	**4,832**

Balances Held by the Group that Are Not Available for Use by the Group

At year end £239k (2022: £Nil) was held on behalf of other project partners.

17. Creditors: Amounts Falling Due Within One Year

	Group		Charity	
	2023 £ 000	2022 £ 000	2023 £ 000	2022 £ 000
Trade Creditors	178	441	160	383
Due to Group Undertakings	-	-	12	1
Other Taxation and Social Security	216	289	184	181
Other Creditors	64	61	64	57
Accruals	1,521	1,475	1,467	1,428
Deferred Income	4,177	5,133	3,957	4,543
	6,157	**7,399**	**5,844**	**6,593**

18. Creditors: Amounts Falling Due After One Year

	Group		Charity	
	2023 £ 000	2022 £ 000	2023 £ 000	2022 £ 000
Deferred Income	**6,849**	**6,511**	**6,849**	**6,511**

Deferred Capital Grants

Group and Charity	2023 £ 000	2022 £ 000
Amounts to be Released:		
Within One Year	1,022	1,023
In Two to Five Years	2,464	3,011
In Over Five Years	4,385	3,500
	7,871	**7,534**

Analysis of Deferred Capital Grants

Group and Charity	2023 £ 000	2022 £ 000
Deferred Capital Grant Brought Forward	(7,534)	(7,878)
Resources Deferred in the Period	(1,411)	(704)
Amounts Released from Previous Periods	1,074	1,049
Deferred Capital Grant at Year End	**(7,871)**	**(7,534)**

19. Obligations Under Leases and Hire Purchase Contracts

The total value of future minimum lease payments was as follows:

Operating Lease Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Charity	
	2023 £ 000	**2022** £ 000	**2023** £ 000	**2022** £ 000
Land and Buildings				
Within One Year	22	22	22	22
Between One and Five Years	86	86	86	86
After Five Years	130	140	130	140
	238	**248**	**238**	**248**
Other				
Within One Year	108	122	108	122
Between One and Five Years	122	224	122	224
After Five Years	32	-	32	-
	262	**346**	**262**	**346**

In addition to the financial commitments listed above a long term lease to 2094 has an annual commitment of £57k per annum.

The amount of non-cancellable operating lease payments recognised as an expense during the year was £144k (2022: £150k).

20. Commitments

Group and Charity

Capital Commitments

Commitments for purchase of capital equipment: the total amount contracted for but not provided in the financial statements was £169k (2022 – £21k).

Pension Commitments

In March 2022 the remaining 23 UKRI-NERC employees were transferred to PML under TUPE with their existing pension rights, i.e. that they remain members of the Research Council's Pension Scheme (RCPS) which is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. PML was required to enter into an Admission Agreement with RCPS for pension administrative purposes.

The pension scheme is contributory and the benefits are by analogy to the Principal Civil Service Pension Scheme, except that while the scheme provides retirement and related benefits based on final emoluments, redundancy and injury benefits are as agreed under the staff transfer agreement between UKRI and PML dated 29 March 2022. The pension scheme is administered by the Research Council's Joint Superannuation Service, and the finance administered by the Biotechnology Sciences Research Council. The scheme is a multi-employer scheme, for which a separate RCPS account is published. NERC are unable to identify their share of the underlying assets and liabilities.

Employees, who joined after 31 March 2002 are entitled to be members of the Plymouth Marine Laboratory Group Pension Scheme. This is a defined contribution scheme administered by Royal London Mutual Insurance Society Ltd. (formerly Scottish Life). Contributions for the year were a minimum of employer's 6.5% and employees 3.5%.

The pension cost charge for the year represents contributions payable by the company to the schemes and amounted to £662,000 (2022: £637,000). Commitments provided for in the accounts amounted to £60,000 (2022 – £52,000). Commitments not provided for in the accounts amounted to £Nil (2022 – £Nil). £Nil relates to pension commitments related to pensions payable to past directors (2022 – £Nil).

21. Funds

Group 2022/23

	Balance at 1 April 2022 £ 000	Incoming Resources £ 000	Resources Expended £ 000	Transfers £ 000	Other Recognised Gains/ (Losses) £ 000	Balance at 31 March 2023 £ 000
Unrestricted						
General						
Unrestricted Funds - General	4,025	2,513	(2,090)	(1,225)	(175)	3,049
Designated						
Research Fellows	118	-	(14)	-	-	103
Lecture Theatre	277	-	(20)	-	-	257
Head Lease	337	-	(24)	-	-	313
Leasehold Buildings	1,407	-	(100)	-	-	1,307
Oceansgate Facility	129	-	(10)	-	-	119
Development Officer	40	-	(40)	-	-	-
New Business System	355	-	(60)	-	-	295
Educational Support Fund	416	-	(76)	175	-	515
Research Leader AI/ML	200	-	-	-	-	200
Marine Research Plymouth	100	-	-	-	-	100
Scientific Equipment	600	-	-	-	-	600
Fundraising	147	-	(32)	-	-	115
Generator	80	-	-	-	-	80
Computing Infrastructure	410	-	(80)	-	-	330
External Board Evaluation	15	-	(4)	-	-	11
Science Pay Review	-	-	-	400	-	400
Advanced Research Fund	-	-	-	650	-	650
	4,629	-	(459)	1,225	-	5,395
Total Unrestricted	8,654	2,513	(2,549)	-	(175)	8,444
Restricted						
Restricted Funds	-	11,486	(11,486)	-	-	-
Total Funds	**8,654**	**13,999**	**(14,035)**	**-**	**(175)**	**8,444**

21. Funds continued

Group 2021/22 for comparison purposes:

	Balance at 1 April 2021 £ 000	Incoming Resources £ 000	Resources Expended £ 000	Transfers £ 000	Other Recognised Gains/ (Losses) £ 000	Balance at 31 March 2022 £ 000
Unrestricted						
General						
Unrestricted Funds - General	4,095	2,505	(3,323)	582	165	4,025
Designated						
Research Fellows	207	-	(89)	-	-	118
Lecture Theatre	297	-	(20)	-	-	277
Head Lease	361	-	(24)	-	-	337
Leasehold Buildings	1,909	-	(100)	(402)	-	1,407
Oceansgate Facility	139	-	(10)	-	-	129
Development Officer	85	-	(45)	-	-	40
New Business System	415	-	(60)	-	-	355
Education Support Fund	338	100	(22)	-	-	416
MMC AV Equipment	100	-	-	(100)	-	-
New Vessel Design/Virtualisation	80	-	-	(80)	-	-
Research Leader AI/ML	-	200	-	-	-	200
Marine Research Plymouth	-	100	-	-	-	100
Scientific Equipment	-	600	-	-	-	600
Fundraising	-	147	-	-	-	147
Generator	-	80	-	-	-	80
Computing Infrastructure	-	410	-	-	-	410
External Board Evaluation	-	15	-	-	-	15
	3,930	1,652	(371)	(582)	-	4,629
Total Unrestricted	8,024	4,157	(3,693)	-	165	8,654
Restricted						
Restricted Funds	-	10,864	(10,864)	-	-	-
Total Funds	**8,024**	**15,021**	**(14,557)**	**-**	**165**	**8,654**

21. Funds continued

Charity 2022/23

	Balance at 1 April 2022 £ 000	Incoming Resources £ 000	Resources Expended £ 000	Transfers £ 000	Other Recognised Gains/ (Losses) £ 000	Balance at 31 March 2023 £ 000
Unrestricted						
General						
Unrestricted Funds	3,455	1,806	(937)	(1,225)	(175)	2,925
Designated						
Research Fellows	118	-	(14)	-	-	103
Lecture Theatre	276	-	(20)	-	-	256
Head Lease	336	-	(24)	-	-	312
Leasehold Buildings	1,407	-	(100)	-	-	1,307
Oceansgate Facility	128	-	(10)	-	-	118
Development Officer	40	-	(40)	-	-	-
New Business System	355	-	(60)	-	-	295
Education Support Fund	416	-	(76)	175	-	515
Research Leader AI/ML	200	-	-	-	-	200
Marine Research Plymouth	100	-	-	-	-	100
Scientific Equipment	600	-	-	-	-	600
Fundraising	147	-	(32)	-	-	115
Generator	80	-	-	-	-	80
Computing Infrastructure	410	-	(80)	-	-	330
External Board Evaluation	15	-	(4)	-	-	11
Science Pay Review	-	-	-	400	-	400
Advanced Research Fund	-	-	-	650	-	650
	4,627	-	(459)	1,225	-	5,393
Total Unrestricted	8,082	1,806	(1,396)	-	(175)	8,317
Restricted						
Restricted Funds	-	11,486	(11,486)	-	-	-
Total Funds	**8,082**	**13,293**	**(12,882)**	**-**	**(175)**	**8,317**

21. Funds continued

Charity 2021/22 for comparison purposes:

	Balance at 1 April 2021 £ 000	Incoming Resources £ 000	Resources Expended £ 000	Transfers £ 000	Other Recognised Gains/ (Losses) £ 000	Balance at 31 March 2022 £ 000
Unrestricted						
General						
Unrestricted Funds	3,827	1,461	(2,580)	582	165	3,455
Designated						
Research Fellows	207	-	(89)	-	-	118
Lecture Theatre	296	-	(20)	-	-	276
Head Lease	360	-	(24)	-	-	336
Leasehold Buildings	1,909	-	(100)	(402)	-	1,407
Oceansgate Facility	138	-	(10)	-	-	128
Development Officer	85	-	(45)	-	-	40
New Business System	415	-	(60)	-	-	355
Education Support Fund	338	100	(22)	-	-	416
MMC AV Equipment	100	-	-	(100)	-	-
New Vessel Design/Virtualisation	80	-	-	(80)	-	-
Research Leader AI/ML	-	200	-	-	-	200
Marine Research Plymouth	-	100	-	-	-	100
Scientific Equipment	-	600	-	-	-	600
Fundraising	-	147	-	-	-	147
Generator	-	80	-	-	-	80
Computing infrastructure	-	410	-	-	-	410
External Board Evaluation	-	15	-	-	-	15
	3,928	1,652	(370)	(582)	-	4,627
Total Unrestricted	7,754	3,113	(2,950)	-	165	8,082
Restricted						
Restricted Funds	-	10,864	(10,864)	-	-	-
Total Funds	**7,754**	**13,977**	**(13,814)**	**-**	**165**	**8,082**

21. Funds continued

The specific purposes for which the designated funds are to be applied are as follows:

- Research Fellows – fund to invest in a three year post for a Post Doc if a suitable candidate comes along;
- Lecture theatre – depreciation on an asset;
- Head lease – depreciation on an asset;
- Leasehold land & buildings – depreciation on an asset;
- Oceansgate facility – depreciation on an asset;
- Fundraising development officer – designation all spent now – initial investment in fundraising activities, paying for a dedicated post;
- New business system – depreciation on an asset;
- Education support fund – investment in studentships, apprenticeships and internships of varying durations and in partnership with local universities or national funding schemes aligning with PML's strategy;
- Research Leader AI/ML – pay costs of new digital leader post;
- Marine Research Plymouth – partnership and shared vision between Marine Biological Association and University of Plymouth to harness the expertise of the UK's largest cluster of marine science researchers and cutting-edge facilities to exploit funding opportunities;
- Scientific Equipment – fund to enable new equipment to be purchased and moved on quickly should opportunities present themselves;
- Fund Raising – follow on investment in fund raising with additional post and consultancy services;
- Generator – depreciation on an asset;
- IT Infrastructure – investment in improved resilience and security and disaster recovery plan;
- External Board Evaluation – Board evaluation exercise using third party consultancy;
- Science Pay review – investment in senior science staff pay to ensure retention and alignment of pay/ rewards;
- Advanced Research Fund – to promote and further PML research in new fields of high impact and excellent science.

22. Analysis of Net Assets Between Funds

Group 2022/23

	Unrestricted Funds - General £ 000	Unrestricted Funds - Designated £ 000	Total Funds at 31 March 2023 £ 000
Intangible Fixed Assets	432	-	432
Tangible Fixed Assets	5,560	2,968	8,527
Fixed Asset Investments	1,284	2,427	3,711
Current Assets	8,779	-	8,779
Current Liabilities	(6,157)	-	(6,157)
Creditors Over 1 Year	(6,849)	-	(6,849)
Total Net Assets	**3,049**	**5,395**	**8,444**

Group 2021/22 for comparison purposes:

	Unrestricted Funds - General £ 000	Unrestricted Funds - Designated £ 000	Total Funds at 31 March 2022 £ 000
Intangible Fixed Assets	426	-	426
Tangible Fixed Assets	6,030	3,182	9,212
Fixed Asset Investments	2,386	1,447	3,833
Current Assets	9,094	-	9,094
Current Liabilities	(7,399)	-	(7,399)
Creditors Over 1 Year	(6,511)	-	(6,511)
Total Net Assets	**4,025**	**4,629**	**8,654**

22. Analysis of Net Assets Between Funds continued

Charity 2022/23

	Unrestricted Funds - General £ 000	Unrestricted Funds - Designated £ 000	Total Funds at 31 March 2023 £ 000
Intangible Fixed Assets	432	-	432
Tangible Fixed Assets	5,559	2,968	8,527
Fixed Asset Investments	1,386	2,425	3,811
Current Assets	8,240	-	8,240
Current Liabilities	(5,844)	-	(5,844)
Creditors Over 1 Year	(6,849)	-	(6,849)
Total Net Assets	**2,925**	**5,393**	**8,317**

Charity 2021/22

	Unrestricted Funds - General £ 000	Unrestricted Funds - Designated £ 000	Total Funds at 31 March 2022 £ 000
Intangible Fixed Assets	426	-	426
Tangible Fixed Assets	6,030	3,182	9,212
Fixed Asset Investments	2,488	1,445	3,933
Current Assets	7,616	-	7,616
Current Liabilities	(6,593)	-	(6,593)
Creditors Over 1 Year	(6,511)	-	(6,511)
Total Net Assets	**3,455**	**4,627**	**8,082**

23. Analysis of Net Debt

Group 2022/23

	At 1 April 2022 £ 000	Financing cash flows £ 000	At 31 March 2023 £ 000
Cash at bank and in hand	6,237	(1,320)	4,917
Net Debt	**6,237**	**(1,320)**	**4,917**

Group 2021/22 for comparison purposes:

	At 1 April 2021 £ 000	Financing cash flows £ 000	At 31 March 2022 £ 000
Cash at bank and in hand	4,934	1,303	6,237
Debt due within one year	(49)	49	-
Net Debt	**4,885**	**1,352**	**6,237**

24. Related Party Transactions

Group

During the year the Group made the following related party transactions:

Blue Marine Foundation

(A Trustee of Plymouth Marine Laboratory is a Director of Blue Marine Foundation.)
The charity provided services totalling £76,856 (2022 – £nil) to Blue Marine Foundation during the year.
At the balance sheet date the amount due to/from Blue Marine Foundation was £Nil (2022 – £Nil).

PML Applications Ltd

(PML Applications Ltd is the wholly owned subsidiary of Plymouth Marine Laboratory.)
In the year, Plymouth Marine Laboratory sold services and recharges of £457,681 to PML Applications Ltd, and received services and recharges of £125,096.
Additionally, Plymouth Marine Laboratory have a loan of £100,000 outstanding from PML Applications Ltd.
At the balance sheet date the amount due from PML Applications Ltd was £256,503 (2022 – £122,871).

PML | Plymouth Marine Laboratory

Charity registration number
1091222 (England & Wales)

Company registration number
4178503

Registered office
Prospect Place, The Hoe, Plymouth, PL1 3DH

Report design **sheisagreatdesigner.com**

PML | Plymouth Marine Laboratory

Company registration number: 4178503

Charity registration number: 1091222

PLYMOUTH MARINE LABORATORY

England & Wales - Charity number 1091222

Accounts

PML | Plymouth Marine Laboratory

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED
31 MARCH 2022

Company registration number: 4178503

Charity registration number: 1091222

ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED
31 MARCH 2022

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FOREWORD BY THE CHAIR OF TRUSTEES

I was delighted to take up the role as Chair of PML in August 2021. Firstly, I would like to thank my predecessor, Admiral Sir James Burnell-Nugent, for his guidance and the leadership expertise he brought to the role over the years.

Secondly, I would like to thank the PML Senior Management Team, staff and students for their significant contribution, during what was yet another year disrupted by Covid-19. The achievements shared later in this report are testament to their excellence, resilience, flexibility and sheer hard work.

There are many highlights including PML's notable participation in COP26, championing the ocean to bring it into the climate talks, and three awards (local, national and international), celebrating our achievements in scientific excellence and environmental responsibility – two of our strategic priorities.

At the end of this reporting year, PML celebrated its 20th anniversary as a charity, building upon a previous history of 30 years as a public research institute. It was an honour for the Board to participate in the event to mark that occasion, and to listen to the messages of congratulations from PML's friends, colleagues and stakeholders from across the globe. Their thoughts on PML's world-leading contribution to marine research and to addressing the challenges faced by the ocean were appreciated.

Equally important was to hear PML's own employees tell us what makes PML a special place to work. The dedication of our employees, and their willingness to embrace change, combined with our scientific excellence and impact, and investment in our future, stand us in good stead to face the different challenges brought about by geopolitical factors in 2022.

Janice Timberlake
Chair of Board of Trustees

A MESSAGE FROM OUR CHIEF EXECUTIVE

Whilst global attention was still very much centred on the Covid-19 pandemic, it was important that PML's own focus remained on delivery of its strategy and specific objectives for the year, whilst ensuring the health, safety and wellbeing of our staff and students.

I am pleased to report that, despite the disruption caused by the pandemic, we were able to realise the majority of the goals we set ourselves, and that PML itself and some of its scientists received external accolades to mark significant achievements.

PML's research spans the globe and the following examples of our scientific excellence in the last year emphasise that reach. A research project led by PML on Artificial Light at Night (ALAN) resulted in a global atlas of artificial light at night under the sea; PML researchers contributed to a *Nature* paper on widespread phytoplankton blooms triggered by the 2019-2020 Australian wildfires. PML authors also contributed to crucial United Nations Intergovernmental Panel on Climate Change Working Group 1 and Working Group 2 reports.

Closer to home, our leadership of Smart Sound Plymouth, a partnership with academia and industry, resulted in the establishment of the world's first 5G marine-focused testbed, cementing Plymouth's position at the forefront of marine and maritime innovation.

Equipment is essential to research, and I would like to thank the Wolfson Foundation for a large grant of £748k for advanced instrumentation to study climate-relevant trace gases, operating in tandem with our autonomous monitoring platforms, unmanned vessels, robotic submarines and data buoys.

I would also like to thank the Natural Environment Research Council (NERC) for its support beyond research funding, enabling us to modernise business systems and to progress with our net zero carbon objectives.

Our focus now turns towards the future, with plans to build upon our fundraising success and for growth through our trading subsidiary, PML Applications Ltd.

The support of our Board of Trustees is very much appreciated in helping us achieve our vision of a healthy and sustainable ocean.

Prof. Icarus Allen
Chief Executive

OUR YEAR IN NUMBERS

6.5
tonnes of CO_2 saved through onsite solar energy generation

Mahasweta Saha –
Asian Women of Achievement 2022

Lauren Biermann –
BOAT International and Blue Marine Foundation Ocean Award science category

Shubha Sathyendranath –
A.G. Huntsman Medal/Award for Excellence in the Marine Sciences

Plymouth Live Business Awards 2021
'Environmental Success of the Year'

4
high profile award wins

18
PhD students

160
ISI (peer-reviewed) publications

75
of which were gold open access

49
first-authored

20
years as a charity...

...building on
30 years of marine research prior to that

£748k
awarded by the Wolfson Foundation for climate science instrumentation

95
live projects (competitive research)

24
events at COP26 included a PML speaker

91%
staff retention rate

Number of policy mentions of PML research during the year
71*

*The Publications Office of the EU, World Bank, OECD, UN FAO, UK Parliament Briefing Notes

REFERENCE AND ADMINISTRATIVE DETAILS

CHARITY NAME

Plymouth Marine Laboratory

Charity Registration Number
1091222 (England & Wales)

Company Registration Number 4178503

Registered Office
Prospect Place, The Hoe,
Plymouth, PL1 3DH

TRUSTEES

The Trustees listed below were Trustees for the whole of the year ended 31 March 2022 and at the date this report was approved unless stated otherwise:

Admiral Sir J Burnell-Nugent KCB, CBE
(retired 1 August 2021) – Chair

J E Timberlake
– Chair (from 2 August 2021)

N B Buckland OBE

M J Butcher

Prof L J Carpenter MBE FRS FRCS
(appointed 6 April 2022)

Dr V Garçon
(appointed 26 April 2022)

N J Godefroy

P R James

Prof T D Jickells OBE

Dr B MacKenzie

Prof R F Rayner

Prof B B Ward
(retired 25 April 2022)

PATRON

James Cameron
Explorer, environmentalist and renowned filmmaker

SENIOR MANAGEMENT TEAM

Prof J I Allen
Chief Executive

Prof S Widdicombe
Deputy Chief Executive & Director of Science

B K Tremain
Director of Operations & Company Secretary

S Coughlin
Head of Financial Services

J Davy
Head of Human Resources

Dr T Smyth
Head of Science

SOLICITORS

Foot Anstey LLP
Salt Quay House
4 North East Quay
Sutton Harbour,
Plymouth PL4 0BN

BANKERS

HSBC Bank Plc
Plymouth City Centre
4 Old Town Street
Plymouth PL1 1DD

AUDITORS

PKF Francis Clark
North Quay House,
Sutton Harbour
Plymouth PL4 0RA

INVESTMENT MANAGERS

Brewin Dolphin Ltd
Vantage Point,
Woodwater Park, Pynes Hill
Exeter EX2 5FD

TRUSTEES' REPORT

TRUSTEES' REPORT

The Trustees (as listed on page 8), who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2022.

The Trustees, who are also Directors of Plymouth Marine Laboratory (PML) for the purposes of the Companies Act, submit their annual report (incorporating the strategic report), together with the audited consolidated financial statements of the charity and its trading subsidiary for the period ended 31 March 2022. The financial statements comply with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Who We Are & What We Do

Plymouth Marine Laboratory (PML) is an independent, not-for-profit research institute. Its mission is to pursue research excellence, enhancing its position as a world leader in the field of marine science. This in turn supports PML's vision of a healthy and sustainable ocean, through the delivery of impactful, cutting-edge environmental and social science.

Our 160+ staff work to understand the ocean, how it sustains life and the human impact upon it, allowing society to benefit from clean, productive and biologically diverse seas, now and for future generations.

PML's vision is set in the context of the United Nations' Sustainable Development Goals (SDGs), and the'double decade' of action: the 'Decade of Ocean Science for Sustainable Development', and the 'Decade of Ecosystem Restoration'.

Our Values

We have a set of seven core values which reflect our organisational culture and underpin the ethos of the PML Group:

Public Benefit Statement

The Trustees can confirm that they have referred to the guidance provided by the Charity Commission, including the guidance 'public benefit: running a charity (PB2)' when reviewing the aims and objectives of the Charity and in planning future activities. The Trustees also give due consideration to how these activities contribute to the aims and objectives set.

PML's charitable objects are:

- to carry out research in environmental science and technology including marine and estuarine environmental science and technology, and disseminate results of such research and data and ideas generated in the course of or in connection with such research for the benefit of the public; and
- to advance public education in the principles and practice of such science and technology.

OUR STRATEGY

OUR STRATEGY

PML's strategy (2020-2025) sets out its strategic aims collated under four strategic priorities as follows:

1. SCIENCE EXCELLENCE & IMPACT

PML's science goals comprise three overarching 'communities of practice'

- Identify how marine ecosystems are fundamentally structured and how they function – fundamental biotic and abiotic processes, interactions, traits and drivers that underpin the structuring and functioning of marine ecosystems.
- Quantify the impacts of multiple human-induced stressors on marine ecosystems – explore how marine ecosystems are likely to respond to the multitude of stressors affecting marine environments.
- Develop solutions and approaches to support the sustainability of marine ecosystems – generate tools, strategies and policies needed to ensure that the health and productivity of marine ecosystems is maintained or improved, and they continue to provide the goods and services humans depend on.

PML will continue to deliver its internationally-recognised and world-leading expertise focused on five new Science to Impact Challenges:

- Understand and mitigate climate change (Climate Change)
- Improve sustainability of fisheries and aquaculture (Sustainable Fisheries & Aquaculture)
- Encourage cleaner seas for nature and society (Cleaner Seas)
- Combat biodiversity loss (Biodiversity)
- Develop marine autonomy, technology and digitization (Autonomy, Technology & Digitization)

2. BUSINESS EXCELLENCE

Ensuring PML is an effective, efficient and sustainable business.

3. SOCIAL RESPONSIBILITY

Engaging and supporting our internal and external communities.

4. ENVIRONMENTAL RESPONSIBILITY

PML has a duty to take a leadership role in environmental responsibility and to reduce the impact of its activities on the environment.

PML wholly owns a trading subsidiary, PML Applications Ltd, a 'for good' commercial business providing consultancy and services to a global client base in the areas of marine biofouling and corrosion, coastal technologies, environmental solutions and geospatial applications.

DELIVERING OUR STRATEGIC PRIORITIES – OUR ACHIEVEMENTS & PERFORMANCE

1 Strategic Priority 1 SCIENCE EXCELLENCE & IMPACT

Science Excellence

Citation analysis, covering the period 2017–2021, shows that 4.6% of PML papers were in **the top 1% of the most cited environmental science papers in the world.** Two of PML's scientists, Prof. Pennie Lindeque and Dr Matt Cole, were named on the annual Highly Cited researchers list from Clarivate.

External recognition of PML's scientific excellence also came in the form of three awards: Dr Shubha Sathyendranath received the prestigious A.G. Huntsman Award from the Royal Society of Canada for Excellence in the Marine Sciences; Dr Mahasweta Saha won the science category of the Asian Women of Achievement Awards and Dr Lauren Biermann was the recipient in May 2021 of the 2021 Ocean Awards science award for detecting marine plastic from space.

Science Strategy

In addition to its overarching science strategy PML has developed a strategy for environmental digital science, which focuses on the application of new tools such as Artificial Intelligence (AI) and autonomy, to support its research goals. PML is currently recruiting new environmental science researchers with experience in the use of AI and autonomy and enhancing skills of existing researchers to progress further into the digital environmental science arena.

New Infrastructure & Equipment

PML was successful in winning funding of £748k from the Wolfson Foundation for advanced autonomous instrumentation to study climate-relevant trace gases to improve climate models and projections. This instrumentation will also make use of the network of autonomous monitoring platforms which form the PML-led Smart Sound initiative.

CASE STUDY ARTIFICIAL LIGHT AT NIGHT ("ALAN")

As coastal areas become increasingly built up, concerns are growing about levels of artificial light at night (ALAN) and its potential impacts on the marine environment. Light pollution is well-studied in terms of its effects on the night sky and astronomy, and on terrestrial ecosystems, but the full extent of ALAN in the oceans was previously unknown.

Funded by the Natural Environment Research Council (NERC) the ALAN study combined various techniques *including computer modelling, satellite technology and in situ* observations in the River Tamar in Devon (England) with a pre-existing world atlas of artificial night sky brightness to build up a picture of the coastal ocean areas being exposed to ALAN.

Many marine species are accustomed to the predictable light changes that occur naturally throughout the day, across seasons and with the lunar cycle. However, light from coastal developments can scatter a long way out to sea and is spectrally quite different to moon and sunlight. It also differs in the wavelengths penetrating the water column.

The study – which brought together researchers from Plymouth Marine Laboratory, University of Plymouth, University of Strathclyde, The Arctic University of Norway, Bar-Ilan University, The Interuniversity Institute for Marine Sciences of Eilat and Beit Berl Academic College – found that up to 1.9 million km^2 of the world's coastal waters are being exposed to biologically significant levels of ALAN.

The study has been heralded as a major step forwards in understanding the full effects of artificial light and further work is now underway to understand how different marine organisms can be affected and how ALAN is changed by factors such as seasons and tides.

With an eye to the future, and with environmental responsibility (Net Zero Oceanography) at its heart, PML commissioned the conceptual design of an autonomous vessel, the 'Oceanus', to provide a fully autonomous, net zero carbon, ocean-going, sampling capability. Our next steps will to be fundraise for progressing the design and build of *Oceanus*.

PML has worked with specialist designers to scope out the design for the replacement of its current vessel the Plymouth Quest with one that has significant green credentials. Again, our next steps will be to seek funding for the realisation of this design.

Science Highlights

PML researchers produced 160 peer-reviewed papers (181 in FY2020–21) during this financial year, 49 of which were first-authored. Some highlights from PML's research undertaken during the year against each of the Science to Impact Challenges are provided below:

Autonomy, Technology & Digitisation

During the year PML became a partner in the Smart Sound Connect project, an ocean-focused 5G network enabling an integrated fleet of autonomous platforms to communicate unprecedented levels of ocean data.

CASE STUDY

SMART SOUND PLYMOUTH

In July 2021, the launch of an 8.5m autonomous data buoy, featuring a set of onboard sensors found nowhere else in the world, marked a milestone for Smart Sound Plymouth – the PML-led initiative to create the UK's premier proving area for the designing, testing and development of cutting-edge products and services for the marine sector.

The buoy is equipped with a sophisticated scientific payload with oceanographic sensors profiling through the water column several times a day. These sensors are measuring standard parameters such as temperature and salinity but also measuring the amount of single cell plants, called phytoplankton, in the ocean. Other important scientific measurements include dissolved oxygen, pH, the clarity of the water and nutrient levels.

Alongside the data buoy, Smart Sound's futuristic fleet of ocean robots includes the *PML Pioneer*, a five-metre AutoNaut uncrewed surface vessel propelled by wave motion and powered by three hundred-watt solar panels, and four autonomous underwater robots from ecoSUB robotics.

The fleet is uniquely linked through 'Smart Sound Connect', a £1.8M high-speed 5G communications network, and is designed to provide unrivalled capabilities for ocean observation.

Biodiversity

A study led by PML scientists increased understanding on how phytoplankton, one of the ocean's smallest but most important organisms, interact with viruses that can affect them. This work is significant as phytoplankton play a crucial role in removing carbon dioxide from the atmosphere and in supporting fisheries.

Cleaner Seas

A project, funded by the Natural Environment Research Council (NERC) and involving PML, national and international scientists is looking at the effects of levels of artificial light at night (ALAN) and its potential impacts on the marine environment. In December 2021 a global atlas was produced showing areas of the ocean most affected by light pollution, and found that up to 1.9 million km^2 of the world's coastal waters are being exposed to biologically significant levels of ALAN (see case study on page 13).

Climate Change

PML scientists contributed to a paper in the journal *Nature* which showed that widespread phytoplankton blooms in the Southern Ocean were triggered by Australian wildfires in 2019–2020, showing how climate change not only affected the local terrestrial ecosystem, but also the marine ecosystem thousands of miles away.

During the year PML scientists contributed to United Nations Intergovernmental Panel on Climate Change (IPCC) reports. Dr Shubha Sathyendranath was one of the lead authors of the second chapter (Changing State of the Climate System) of the Working Group I contribution to the Sixth Assessment Report.

This report provides the latest scientific knowledge about the warming planet and projections for future warming. In addition, Dr Marie-Fanny Racault is one of the IPCC AR6 WGII report's Lead Authors for Chapter 3: "Ocean and coastal ecosystems and their services" and for the Summary for Policy Makers and Technical Summary. She undertook the vast majority of her work for the IPCC report whilst employed by PML and she has recently taken on the role of a PML Honorary Fellow after moving to the University of East-Anglia (UK).

PML's Director of Science, Prof. Steve Widdicombe, is co-chair of the of the Global Ocean Acidification Observing Network (GOA-ON), and was co-lead on the UN Decade of Ocean Science for Sustainable Development endorsed programme 'Ocean Acidification Research for Sustainability' (OARS). This programme sets out a 10-year vision for delivering ocean acidification research to support the health and well-being of marine ecosystems and the human communities that depend upon them.

Sustainable Fisheries & Aquaculture

A PML led paper in the journal Frontiers in *Marine Science* outlined how ocean acidification must be considered with other potential stressors to accurately predict fish stocks in the Arctic, and therefore inform future fish stock management strategies.

Impact

Undertaking science with a purpose is PML's mantra, and impact lies at the heart of its research projects and activities. Below is a high level example of demonstrating delivery of impact and an assessment of PML's impact strategy.

COP26

PML researchers played key roles at the UN Framework Convention on Climate Change (UNFCCC) COP26 meeting in Glasgow in November 2021, highlighting the significant role the ocean plays in sustaining life on Earth, regulating climate and the consequences of a high CO_2 world for the ocean and society. The Rt Hon the Lord Goldsmith Minister for Pacific and the Environment at the Foreign, Commonwealth & Development Office (FCDO) and the Department for Environment, Food and Rural Affairs (Defra) commented in relation to PML's recent 20th anniversary as a charity that

> 'at the UNFCCC climate conference (COP26) I was delighted that nature – including the global ocean – was brought in from the margins of climate politics to its very heart and I want to thank PML for having been instrumental in that.'

PML was also a founding partner of the COP26 Virtual Ocean Pavilion which was designed to raise the visibility of the ocean and showcase why the ocean matters in climate negotiations.

Leading by Example

Following an independent review of more than 70 impact strategies from organisations across the world, PML was highlighted for its exemplar impact strategy.

PML International Office

this has been created to consolidate and build upon successes such as the UNFCCC COP meetings, PML's involvement in the UN Ocean Decade programme, and other global initiatives such as the Global Ocean Acidification Observation Network (GOA-ON). The International Office will focus on developing and extending PML's international network.

Partnerships

Partnerships are instrumental to a research organisation's success and during the year PML has progressed partnerships at the local and international level:

Marine Research Plymouth: PML, with the Marine Biological Association and the University of Plymouth, cemented their relationship in June 2021 with the signing of a Memorandum of Understanding on how the three organisations would work together in pursuit of world-leading marine science, thus building on the strengths of the UK's largest cluster of marine researchers based in Plymouth.

Australian Institute of Marine Sciences: In January 2022 PML also signed a Memorandum of Understanding based onco-operation in marine research and technological development.

2 Strategic Priority 2 BUSINESS EXCELLENCE

There have been several notable achievements under this strategic priority as follows:

Launch of PML's New Website

This project involved internal and external stakeholders to create a much more dynamic website. As well as latest news stories and project updates, visitors to our website can also get a real insight into our facilities through a new virtual tour.

Modernisation of Business Platforms & Information

PML's HR Group implemented a new, integrated HR system which went live on 1 April 2022, improving efficiency in business processes and customer service. PML's IT Group supported the implementation of a new Voice Over Internet Protocol – VOIP telephony system, linking it to Microsoft Teams for business efficiency purposes. Our Financial Services team has made improvements to financial reporting to our science staff who manage research projects.

Industrial & Academic Partnerships

In addition to the Smart Sound Plymouth initiative mentioned above, PML has been working with the Universities of Exeter, Brunel London and an industrial partner on a new method of capturing carbon from seawater which could help tackle climate change. A second phase of the project has now been funded.

Quality Assurance

PML has maintained certification to the ISO9001 Quality Management Standard.

3 Strategic Priority 3 SOCIAL RESPONSIBILITY

Equity, Diversity & Inclusion (EDI)

Building upon the development of its EDI policy, the PML Board approved a range of EDI focused strategic objectives, which will be used as a framework for actions to be undertaken. An EDI strategy will be developed and published in FY 2022-23.

Inclusivity in PML Events

Thanks to funding from NERC and the Kirby Laing Foundation, PML was able to upgrade its audio-visual facilities in its lecture theatre. This has enabled virtual attendance and participation at events (seminars, workshops, conferences, staff meetings) by external stakeholders (in the UK and overseas) and by employees who may not have been able to attend in person previously.

Health, Safety & Wellbeing

PML has maintained certification to the ISO45001 Health and Safety Management Standard. Continuous improvements have been made, including the development of additional codes of practice and the introduction of mental health first aiders. PML augmented its existing flexible working policy to enable employees, where possible and appropriate, to work hybridly between PML's site and from home/ via remote access. This initiative has been viewed positively by employees and also contributes to a reduction in commuting and the associated carbon footprint. Employees' views on their wellbeing are also sought through monthly pulse surveys.

Support to Others

As part of its 20th anniversary as a charity, PML marked the occasion by making a donation to the UK Disasters Emergency Committee Ukraine Appeal and to a local food bank.

4 Strategic Priority 4 ENVIRONMENTAL RESPONSIBILITY

Improvements to Buildings & Estate

During the year PML completed various environmental improvements, including solar panels and LED lighting both inside and outside the building. Their installation has offset the energy used by our Artificial Intelligence datacentre. Following the receipt of funding from NERC, PML commissioned the design and specification of an air source heat pump to replace its existing boilers. Funding is now being sought to take this project to the next stage. As part of the efforts to improve the biodiversity of the estate, a bird survey has been undertaken, and 20 saplings have been secured from the Woodland Trust that were planted by local school children.

Aiming Towards Net Zero Carbon

Following the purchase of software to record our emissions under scope 1 (direct emissions from owned or controlled sources), scope 2 (indirect emissions from the generation of purchased electricity, heating and cooling) and scope 3 (all other indirect emissions from our supply chain), a baseline carbon budget for 2019 (prior to the Covid-19 pandemic) has been established. This will help inform future directions to reduce our carbon footprint.

Investments & Banking

PML's Audit & Finance Committee and Board reviewed its investment policy and made further modifications to ensure its investments align with its environmental objectives. Moreover, a decision has been made to change its banking provision from HSBC to the Co-operative Bank, as the latter's environmental values align with those of PML.

Local Recognition

In November 2021, PML was awarded 'Environmental Success of the Year' at the Plymouth Live Business Awards for its environmental research, and its work in reducing its own environmental footprint.

ISO 14001 (Environmental Management)

PML has made major strides towards achieving certification to this standard and will be assessed against it in the FY 2022–23.

The Trustees recognise the significant achievements of the staff during what has been another challenging year, and would like to thank them for their contributions.

FINANCIAL REVIEW

£464k

Net income for the year amounted to £464k (2021 net income: £722k).

£630k

After adjusting for realised and unrealised investment gains, the net movement in funds for the year amounted to an income of £630k (2021 income: £1,473k).

£8,654k

The total funds carried forward remain in a net asset position of £8,654k (2021 funds carried forward: £8,024k).

Due to a grant from NERC in 2020 and its financial position overall, PML did not need to make use of other government Covid-19 financial support mechanisms provided to businesses.

PRINCIPAL RISKS & UNCERTAINTIES

Risk Management

PML's risk management policy is reviewed annually by the Board. In addition, a comprehensive analysis of risks to which PML is exposed is undertaken and systems identified and put in place to mitigate risk. Under the terms of the risk management policy, the Senior Management Team carries out a periodic evaluation of the risks, by way of a risk register. The Audit & Finance Committee also review the risk register in detail and present to the Board those risks of greatest significance to PML. Principal risks and their mitigation are discussed by the Trustees on a regular basis.

The principal risks and uncertainties faced by PML relate primarily to:

- future funding due to the non-association of the UK with the Horizon Europe research programme, and the risk to the Copernicus programme (also EU funded);
- infrastructure, including computing, resilience and hardware (end of life);
- recruitment of key skills due to the volatility in the job market and skills shortage; and
- inflation.

With respect to:

- PML (as other research organisations and universities) await the development by UK Research & Innovation of a Plan B alternative to EU funding;
- the PML Board has released reserves to improve infrastructure resilience; NERC capital funding is being used to replace a high-performance computer;
- PML strives to ensure it is an attractive place to work with appropriate remuneration and reward packages; and
- provisions are in place which may be used where necessary.

Reserves Policy

A reserves policy was developed and adopted by PML in its first year of operation and subsequently revised. The reserves policy is reviewed annually by the Trustees to ensure it is fit for purpose. The policy provides for the maintenance of general reserves (under unrestricted funds) at a level equivalent to at least 6 months' expenditure (changed from 3 months in July 2021), in order to provide adequate working capital levels for the ongoing operation of PML and completion of existing projects. The reserves are set at a level to withstand any short-term setback, whether operational, in the investment markets, or in key sources of research income. If the free reserves should fall outside the level of 6 months' expenditure, the Trustees would review PML's strategic plan accordingly.

The policy also provides designated reserves (under unrestricted funds), which are funds set aside to assure that capital and other significant expenditure approved by the Trustees can be funded as required over at least the next 12-month period.

Bank balances increased over the year from £4.9M to £6.2M. There were no funds held for partners.

Principal Funding Sources

Income was derived principally from competitive research of £6.4M (2021: £7.8M) from a variety of customers, (including UK Research & Innovation (UKRI), the European Commission, the European Space Agency and Simons Foundation), including over £1.6M received from sub-contractors (2021: £2M), and the UKRI-NERC National Capability funding, amounting to £4.0M (2021: £3.6M).

This income has enabled PML to undertake strategic and applied research, generating knowledge and publications, leading to impact, as well as carrying out the activities listed under Achievements and Performance on page 13.

PML scientists have continued their success in terms of winning competitive research funding. New contracts awarded during the financial year were valued at £3.0M (2021: £4.5M), with a further £1.6M under negotiation/ successful. In addition, NERC has provided capital funding of £300k and Enabling Change funding of £875k which has facilitated modernisation of systems and the implementation of greening initiatives.

Investment Policy

PML's investment policy was reviewed and revised in late 2021 and approved by the Board in January 2022. PML aims to make investments that have a positive impact on environmental issues, whilst achieving the best financial return. PML will only invest in sectors or companies that have a positive tilt to environmental solutions. PML will not invest in sectors with a negative impact on the environment such as oil and gas, and mining, and will only invest in companies that have a clear strategy to achieve net zero as a business.

The portfolio of investments is managed by a professional asset management organisation approved by the Trustees. The assets within the managers' portfolio are held by professional custodians. The activities and performance of the investment managers are monitored through regular reporting to PML's Audit & Finance Committee, which reports to the Trustees.

Trading Subsidiary

PML's trading subsidiary, PML Applications Ltd, reported an operating profit of £537k (2021: £233k), and generated £1.7M (2021: £1.2M) of income for PML. A gift aid payment of £234k was made by PML Applications to PML in the financial year. Following careful consideration, the PML Board of Trustees agreed to accept a deferment of the repayment of the remaining balance of £100k of its loan to PML Applications Ltd for a further year to provide the trading subsidiary with sufficient working capital for future growth. This growth is necessary for generating gift aid to PML, which in turn is used to support investment in areas of the charity deemed necessary by PML.

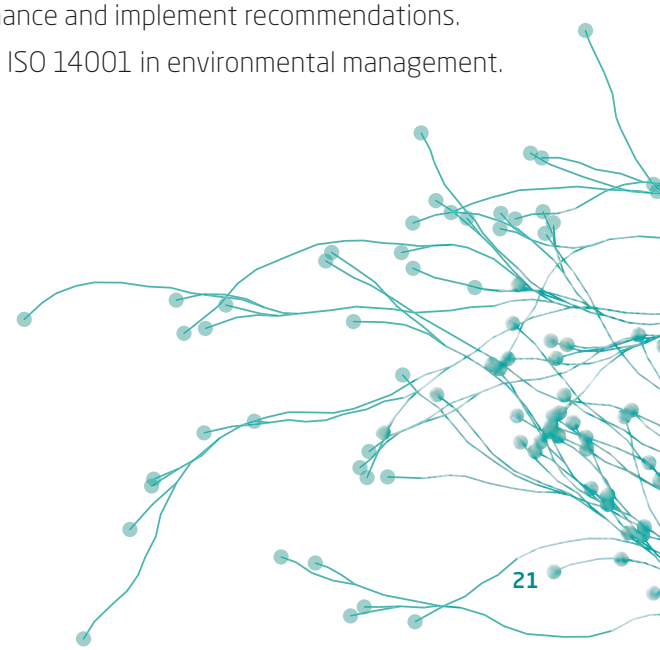
Fundraising Policy

PML's approach to fundraising is to target charitable foundations and trusts, and corporations through their foundations. PML will not embark on fundraising from the general public, whether in person, through events or online. Any crowdfunding initiative will only be undertaken as part of a specific fundraising campaign or proposal for research project or capital funds. PML adheres to the Fundraising Code of Practice. In the last year PML has adhered to the requirements of the Code; there have been no complaints received regarding PML's fundraising practices. PML's complaint procedure is available here.

Plans for Future Periods

PML's plans for the future (2022-23 financial year) are as follows:

- Identify and provide organisational infrastructure and resources to support the implementation of the PML digital science strategy.
- Identify and deliver appropriate research output assessment criteria to ensure individual and organisational science and impact excellence.
- Establish the activities of the International Office as a primary mechanism to maximise PML's international visibility and engagement.
- Increase funding from charitable resources.
- Develop and agree an Equity, Diversity and Inclusion (EDI) strategy.
- Undertake an external evaluation of Board performance and implement recommendations.
- Achieve ISO 14001 in environmental management.



STRUCTURE, GOVERNANCE & MANAGEMENT

Governing Document

PML is a company limited by guarantee and registered as a charity with the Charity Commission. PML is governed by its Articles of Association adopted in July 2010 (following changes in both charity and company law) and amended by special resolutions, most recently 30 April 2021 to incorporate EDI language. Responsibility for the overall governance of PML rests with the Board, who are Trustees for the purposes of the Charities Act and Directors for the purposes of the Companies Act. Members of the charity comprise serving Trustees and the serving Chief Executive, each of whom undertakes to contribute such amount as may be required (not exceeding £10) to PML's assets in the event of PML being wound up.

Appointment of Trustees

Admiral Sir James Burnell-Nugent stepped down as Chair at the end of July 2021, having served a six-year term. The Board would like to thank him for his significant contribution to PML both as a Trustee and Chair. Janice Timberlake took up her appointment as Chair on 2 August 2021, having previously served as a Trustee and been elected to the role by the Trustees.

Trustees must retire after serving a period of five consecutive years, except where such Trustee has been invited, and has agreed to serve, with the approval by resolution of the Trustees and of the members of the Charity, an additional period of office of not more than two years, or if the Trustee is elected as Chair, whereupon his/her term will be deemed to have recommenced. In exceptional circumstances, Trustees may continue beyond a seven-year period, subject to a rigorous review in accordance with the Charity Governance Code, and to approval by resolution of the Trustees and of a special resolution by the members of the Charity.

PML has in place a policy and procedure on the appointment of Trustees. Recruitment of new Trustees is led by a Nominations Committee, the composition of which reflects the skills being sought. This Committee reports to the Board. When recruiting a new Trustee, the Board is mindful of the need to ensure a balance of skills, background and diversity.

For details on individual Board members, please see the relevant section on our website.

Induction & Training of Trustees

PML has in place policies on the induction and training of Trustees. New Trustees undergo a comprehensive induction, meeting other members of the Board of Trustees, as well as the Senior Management Team and staff to learn about its governance, research, impact, financial performance and infrastructure and also the work of its wholly owned trading subsidiary, PML Applications Ltd. Each Trustee receives an induction programme, which is tailored to suit the expertise of the Trustee and their role on the Board. As part of the formal induction programme, new Trustees receive a detailed induction pack containing various documents relating to PML and the duties of a Trustee, including key Charity Commission publications – CC3 'The Essential Trustee' and the Charity Governance Code – the Articles of Association, PML's Strategy, Science Plan and Operating Plan, the most recent set of accounts, as well as various other policy documents. The Company Secretary has overall responsibility for the induction of Trustees. Where specific training is identified as necessary, then this is delivered internally or through external providers, including attendance at seminars or conferences.

Evaluation of Board Performance

Evaluation of Board performance is undertaken annually, with the last evaluation carried out in the summer of 2021. Results were reviewed and actions identified and progressed. In November 2021 the Board agreed to undertake an external evaluation of its performance in the FY 2022–23, and this evaluation is already being progressed.

Organisational Structure

Board of Trustees

The Board of Trustees, which can have up to 11 members, is responsible for the governance of PML. The Board generally meets at least four times per year (or more frequently as required), receiving regular reports on the financial and management aspects of the organisation, and to discuss strategic issues. Average attendance by Trustees over the last year at Board meetings was 81% (2021: 98%).

Sub-Committees

In addition to the main Board, there are three principal sub-committees as follows:

- Audit & Finance Committee: Meets 2-3 times per year and has delegated responsibility for ensuring that PML has in place effective systems and methods of financial control and risk management and that it complies with all aspects of the law, relevant regulations and good practice. It also reviews PML's investments and the performance of the Investment Manager. Trustee members during the reporting period were Nigel Godefroy (Chair), Nick Buckland and Paul James.
- Remuneration Committee: Meets at least once per year to *inter alia* review staff annual pay and benefits and propose recommendations to the Board. Trustee members during the reporting period were Dr MacKenzie and Paul James.
- Science Advisory Council: Meets once per year to review aspects of the science portfolio. Trustee members in the year were Profs. Jickells, Rayner and Ward, as well as external members from the national and international science community.
- Innovation Committee: This Committee met three times during the year to provide strategic advice to the PML Executive on connecting PML's science and technology insights with customer needs, identifying innovation opportunities that might be commercially exploited through PML Applications Ltd. Trustee members during the period were Prof. Rayner (Chair) and Mark Butcher.

Senior Management Team

The Chief Executive is given delegated authority for the day-to-day operation, delivered through the Senior Management Team, including scientific, financial, health and safety, and employment related matters. The specific levels of authority are detailed in a statement of Delegated Authority. The Chief Executive reports regularly to the Board on key aspects of PML's performance as detailed above.

Related Parties

UKRI-NERC

PML is eligible to bid on a competitive basis for funding from UKRI, including from NERC. PML is designated a Delivery Partner for 'National Capability', a funding stream directly procured by NERC which enables the UK to deliver world-leading environmental science.

As part of the transfer of ownership process from NERC to PML in 2002 a staff loan agreement covering NERC employees was in place, which was novated to UKRI in 2018. On 1 April 2022 the remaining 23 UKRI-NERC employees were transferred to PML under TUPE (Transfer of Undertakings [Protection of Employment]).

As a major funder of PML, NERC and PML agreed to an observer attending PML Board meetings and this arrangement has been in place since March 2021.

PML Applications Ltd

PML's wholly owned subsidiary, PML Applications Ltd, was established to undertake more applied and commercial work and facilitate knowledge exchange. It may gift aid its profits to PML.

University of Exeter

PML has a Memorandum of Understanding with the University of Exeter, and until March 2022 a joint appointment, and collaborates on a number of research projects and PhD studentships.

Partnership for Observation of the Global Oceans (POGO)

PML has hosted the secretariat of POGO for eight years, providing accommodation and staffing for the secretariat under a formal agreement. In February 2017 POGO became a Charitable Incorporated Organisation in the UK.

Pay Policy for Senior Staff

All of the Trustees (Directors) give of their time freely and no Trustee received remuneration during the year. Details of Trustees' expenses incurred in the course of their duties are disclosed under note 8. The Chief Executive's remuneration package is reviewed annually by the Board of Trustees who review benchmarking data from the research and charity sector, and assess performance against objectives set for the year.

Of the remaining senior staff (members of the Senior Management Team), up until 31 March 2022 one was a UKRI-NERC employee on loan to PML, fell under UKRI pay policies, and now has been TUPE'd to PML, as described under related parties. All remaining members of the Senior Management Team were PML employees, and remuneration is reviewed by the Remuneration Committee (see above) as part of the entire PML workforce's remuneration, with recommendations made to the Board of Trustees for its approval.

Going Concern and the Impact of Covid-19

PML's cash position (as at 30 April 2022) is strong at £5.05M.

Income and expenditure forecasting was undertaken for financial year ending 2022–23 which demonstrated that PML was likely to achieve a near break-even position. Since approval of the budget for 2022–23, additional risks have appeared, such as the now certain loss of some funding (Copernicus) due to the non-association of the UK with the EU Horizon research programme, and the effects of higher inflation levels. However, PML, has provided for such risks within its provisions policy.

Key assumptions here are that our remaining funders (UK Research & Innovation [UKRI], EU [current Horizon 2020 projects], European Space Agency) will pay as per schedule. For EU Horizon Europe funding, the UK government is providing guarantees of funding for awards to be signed by the end of December 2022. Current signed contracts stand at £24.4M, of which £10.8M has already been recognised up to 31 March 2022. The remaining £13.6M relates to projects which run over the next three financial years.

At year end the Trustees acknowledge that the net current asset position was a relatively modest £1.7M. They take assurance from the fact that within current creditors is £5.1M of cash advances received on competitive research contracts. Due to the nature of this balance the Trustees have strong certainty that the majority can be earnt and released to income over the next financial year to fund staff costs and overheads. As at year end the charity also held an investment portfolio of £3.8M which as a last resort could be realised to fund any deficits that arise as a result of the risks identified above.

The Trustees believe that PML is a going concern on the following basis:

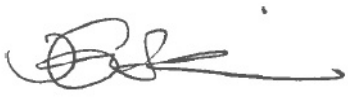
- Strong cash position as identified above.
- Principal funding sources are government backed, e.g. UKRI, European Space Agency, EU (UK government backed).
- Strong signed contracts position.
- The company can meet its short-term debts.
- Strong reserves position.

In conclusion, there are no material uncertainties to cast doubt on PML's ability to continue as a going concern.

Disclosure of Information to Auditor

Each Trustee has taken steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The Trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the Trustees of the charity on 1 July 2022 and signed on its behalf by:



Janice Timberlake
Chair of Board of Trustees

STATEMENT OF TRUSTEES' RESPONSIBILITIES

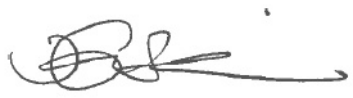
The Trustees (who are also the directors of Plymouth Marine Laboratory for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to 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 the prevention and detection of fraud and other irregularities.

Approved by the Trustees of the charity on 1 July 2022 and signed on its behalf by:



Janice Timberlake
Chair of Board of Trustees

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLYMOUTH MARINE LABORATORY

Opinion

We have audited the financial statements of Plymouth Marine Laboratory (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows 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 United Kingdom Accounting Standards, comprising Charities SORP – FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 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 group 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.

Use of our Report

This report is made solely to the charitable parent 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 group'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 parent company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

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 performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 annual report, 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.

Opinion 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 our knowledge and understanding of the group and the parent 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 Statement of Trustees' Responsibilities (set out on page 24), the Trustees 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 charity'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 charity 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:

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to acts by the company which were contrary to applicable laws and regulations, including fraud.

We considered those laws and regulations that have a direct impact on the preparation of the financial statements, including, but not limited to the reporting framework (FRS 102 and Companies Act 2006) and the relevant tax compliance regulations in the UK. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent financial reporting.

We also considered those laws and regulations that have a direct impact on the operations of the Group, including, but not limited to various environmental and employment laws and regulations (e.g. Environmental Protection Act and The Health and Safety at Work Act 1974) that are applicable in the UK.

Audit procedures performed by the engagement team include, but were not limited to, discussion and inquiries with management of compliance with laws and regulations and review of correspondence and contracts with third parties. We also addressed the risk of management override of internal controls, including testing of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to be come aware of instances of non-compliance. 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, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Duncan Leslie
(Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

North Quay House
Sutton Harbour
Plymouth
PL4 0RA

19 July 2022

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2022

(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds - general £ 000	Unrestricted funds - designated £ 000	Restricted funds £ 000	Total 2022 £ 000
Income and Endowments from:					
Charitable Activities	3	725	1,652	10,864	13,241
Other Trading Activities	4	1,722	-	-	1,722
Investment Income		58	-	-	58
Total Income		**2,505**	**1,652**	**10,864**	**15,021**
Expenditure on:					
Raising Funds		(828)	-	-	(828)
Charitable Activities	5	(2,471)	(371)	(10,864)	(13,705)
Other Expenditure		(24)	-	-	(24)
Total Expenditure		(3,323)	(371)	(10,864)	(14,557)
Net (Expenditure)/Income		(817)	1,282	-	464
Transfers Between Funds		582	(582)	-	-
Gains/(Losses) on Investments Assets		165	-	-	165
Net Movement in Funds		(70)	700	-	630
Reconciliation of Funds					
Total Funds Brought Forward		4,095	3,930	-	8,024
Total Funds Carried Forward	21	**4,025**	**4,629**	**-**	**8,654**

The notes on pages 36 to 62 form an integral part of these financial statements.

YEAR ENDED 31 MARCH 2021

(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

For comparative purposes – financial performance for prior financial year

	Note	Unrestricted funds - general £ 000	Unrestricted funds - designated £ 000	Restricted funds £ 000	Total 2021 £ 000
Income and Endowments from:					
Charitable Activities	3	370	330	12,144	12,844
Other Trading Activities	4	1,376	-	-	1,376
Investment Income		62	-	-	62
Total Income		**1,807**	**330**	**12,144**	**14,281**
Expenditure on:					
Raising Funds		(443)	-	-	(443)
Charitable Activities	5	(698)	(253)	(12,144)	(13,095)
Other Expenditure		(20)	-	-	(20)
Total Expenditure		(1,162)	(253)	(12,144)	(13,559)
Net Expenditure/Income		645	77	-	722
Transfers Between Funds		(139)	139	-	-
Gains/(Losses) on Investment Assets		750	-	-	750
Net Movement in Funds		1,256	216	-	1,473
Reconciliation of Funds					
Total Funds Brought Forward		2,838	3,714	-	6,552
Total Funds Carried Forward	21	**4,095**	**3,930**	**-**	**8,024**

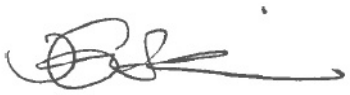
All of the group's activities derive from continuing operations during the above two periods. The funds breakdown for 2021 is shown in note 21.

The notes on pages 36 to 62 form an integral part of these financial statements.

Consolidated Balance Sheet 31 March 2022

	Note	2022 £ 000	2021 £ 000
Fixed Assets			
Intangible Assets	12	426	486
Tangible Assets	13	9,212	10,125
Investments	14	3,833	3,629
		13,471	14,241
Current Assets			
Debtors	15	2,856	3,634
Cash at Bank and in Hand	16	6,237	4,934
		9,094	8,568
Creditors: Amounts Falling Due Within One Year	17	(7,399)	(7,864)
Net Current Assets		1,694	704
Total Assets Less Current Liabilities		15,165	14,945
Creditors: Amounts Falling Due After More Than One Year	18	(6,511)	(6,920)
Net Assets		**8,654**	**8,025**
Funds of the Group:			
Restricted		-	-
Unrestricted - Designated		4,629	3,930
Unrestricted - General		4,025	4,095
Total Funds	21	**8,654**	**8,025**

The financial statements on pages 29 to 61 were approved by the Trustees, and authorised for issue on 1 July 2022 and signed on their behalf by:



J E Timberlake
Chair

N J Godefroy
Trustee

Company Registration Number: 4178503

The notes on pages 36 to 62 form an integral part of these financial statements.

Balance Sheet 31 March 2022

	Note	2022 £ 000	2021 £ 000
Fixed Assets			
Intangible Assets	12	426	486
Tangible Assets	13	9,212	10,124
Investments	14	3,933	3,729
		13,571	14,339
Current Assets			
Debtors	15	2,783	3,440
Cash at Bank and in Hand	16	4,832	4,444
		7,616	7,884
Creditors: Amounts Falling Due Within One Year	17	(6,593)	(7,548)
Net Current Assets		1,022	336
Total Assets Less Current Liabilities		14,593	14,675
Creditors: Amounts Falling Due After More Than One Year	18	(6,511)	(6,920)
Net Assets		**8,082**	**7,755**
Funds of The Group:			
Restricted		-	-
Unrestricted - Designated		4,627	3,928
Unrestricted - General		3,455	3,827
Total Funds	21	**8,082**	**7,755**

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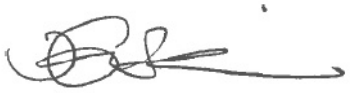


J E Timberlake
Chair

N J Godefroy
Trustee

Company Registration Number: 4178503

The notes on pages 36 to 62 form an integral part of these financial statements.

Consolidated Statement of Cash Flows Year Ended 31 March 2022

	Note	2022 £ 000	2021 £ 000
Cash Flows from Operating Activities			
Net Cash Income		630	1,473
Adjustments to Cash Flows from Non-Cash Items			
Depreciation		1,290	1,107
Amortisation		60	60
Investment Income		(58)	(62)
Interest Payable		3	5
Loss on Disposal of Tangible Fixed Assets		3	-
Fair Value Movement on Investment Assets		(165)	(750)
		1,762	1,832
Working Capital Adjustments			
Decrease/(Increase) in Debtors	15	777	(404)
(Decrease)/Increase in Creditors	17	(1,439)	606
Decrease in Deferred Income	18	(91)	(1,947)
Net Cash Flows from Operating Activities		1,010	87
Cash Flows from Investing Activities			
Interest Receivable and Similar Income		58	62
Purchase of Intangible Fixed Assets	12	-	-
Purchase of Tangible Fixed Assets	13	(380)	(1,846)
Sale of Tangible Fixed Assets		1	-
Capital Grants		704	1,713
Purchase of Investments		(38)	(42)
Net Cash Flows from Investing Activities		344	(113)
Cash Flows from Financing Activities			
Repayment of Loans and Borrowings	17	(49)	(151)
Interest Payable and Similar Charges		(3)	(5)
Net Cash Flows from Financing Activities		(51)	(156)
Net Increase/(Decrease) in Cash and Cash Equivalents		1,303	(182)
Cash and Cash Equivalents at 1 April		4,934	5,118
Cash and Cash Equivalents at 31 March		**6,237**	**4,935**

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 36 to 62 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Charity Status

The charity is limited by share capital, incorporated in England and Wales.

The address of its registered office is:
Prospect Place
The Hoe
Plymouth
PL1 3DH

2. Accounting Policies

Summary of Significant Accounting Policies and Key Accounting Estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of Compliance

The financial statements have been prepared in accordance with accounting and reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006, with the exception that grants in respect of capital expenditure received are deferred and released to the Statement of Financial Activities over the expected useful lives of the relevant assets to which they relate This treatment provides consistency with the treatment adopted by other similarly funded institutions including Universities.

Basis of Preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The functional currency of Plymouth Marine Laboratory is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Plymouth Marine Laboratory meets the definition of a public benefit entity under FRS 102.

Basis of Consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2022.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity had a positive net movement in funds for the financial year of £630,000 (2021 – £1,675,000).

The charity has taken advantage of the exemption not to prepare a cash flow statement, as the charity figures are included in the consolidated cash flow statement and the members have not objected to the exemption being taken.

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Going Concern

PML's cash position (as at 30 April 2022) is strong at £5.05M.

Income and expenditure forecasting was undertaken for financial year ending 2022–23 which demonstrated that PML was likely to achieve a near break-even position. Since approval of the budget for 2022–23, additional risks have appeared, such as the now certain loss of some funding (Copernicus) due to the non-association of the UK with the EU Horizons research programme, and the effects of higher inflation levels. However, PML, has provided for such risks within its provisions policy.

Key assumptions here are that our remaining funders (UK Research & Innovation [UKRI], EU [current Horizon 2020 projects], European Space Agency) will pay as per schedule. For EU Horizon Europe funding, the UK government is providing guarantees of funding for awards to be signed by the end of December 2022.

Current signed contracts stand at £24.4M, of which £10.8M has already been recognised up to 31 March 2022. The remaining £13.6M relates to projects which run over the next 3 financial years.

At year end the Trustees acknowledge that the net asset position was a relatively modest £8.7M. They take assurance from the fact that within current creditors is £5.1M of cash advances received on competitive research contracts. Due to the nature of this balance the Trustees have strong certainty that the majority can be earnt and released to income over the next financial year to fund staff costs and overheads. As at year end the charity also held an investment portfolio of £3.8M which as a last resort could be realised to fund any deficits that arise as a result of the risks identified above.

The Trustees believe that PML is a going concern on the following basis:

- Strong cash position as identified above.
- Principal funding sources are government backed, e.g. UKRI, European Space Agency, EU (UK government backed).
- Strong signed contracts position.
- The company can meet its short-term debts.
- Strong reserves position.

In conclusion, there are no material uncertainties to cast doubt on PML's ability to continue as a going concern.

Critical Accounting Judgements and Key Sources Of Estimation Uncertainty

In the application of the company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The following are the critical judgements and estimates that the directors have made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

- Carrying value of research balances

Provision is made against research debtor balances where costs (including those to complete) exceed contracted income.

Income

All incoming resources are included in the statement of financial activities where the charity is entitled to the income and the amount can be qualified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Investment income is included when receivable.

- Grants in respect of capital expenditure are credited to a deferred capital grants account within creditors, and are released to the Statement of Financial Activities over the expected useful lives of the relevant assets to which they relate.
- Competitive Research – The majority of contracts are for three years duration. During the period of the contract, income is only credited to the Income and Expenditure account if it is matched by activity within the contract. Where income received to date is in excess of this calculated amount, it is deferred, where the income received is less, it is accrued. Should funds be provided within the contract to purchase capital equipment but ownership of that equipment resides with the customer, then the equipment is not capitalised on the Balance Sheet. Should ownership of the equipment reside with the group, the equipment is capitalised and the specific income provided for its purchase is spread over the life of the asset.

Deferred Income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement; or
- The costs that are funded by the grant have yet to be spent.

Expenditure

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

- Costs of generating commercial trading income through the subsidiary, PML Applications Ltd.
- Charitable activities include expenditure associated with the operation of the Charity, and include both the direct costs and support costs relating to those activities.
- Governance costs include those incurred in the governance of the Charity and its assets and are primarily associated with strategic, constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Research and Development and Patents

As an organisation wholly engaged in research, the group does not classify research and development expenditure separately in the accounts. Expenditure in respect of the development of patents has been written off.

Intellectual Property

Intellectual property rights arising from the group's research and development have not been included in these accounts as their market value cannot be readily estimated. The anticipated annual income generated from such rights is not material in value and is credited to the income and expenditure account on receipt.

Pensions

In accordance with the Staff Loan Agreement between NERC and PML, employees who were in post at 31 March 2002 remained employees of NERC (subsequently novated to UKRI). For these employees, payments are made to the Research Council's Pension Scheme – a defined benefits scheme. Employees who joined PML after 31 March 2002 have the option to join the Plymouth Marine Laboratory Group Scheme. This is a defined contribution scheme administered by Royal London. Contributions for both schemes are charged to the accounts as they become payable in accordance with the rules of the schemes.

Value Added Tax

As the group is registered partially exempt for VAT purposes, all expenditure and fixed asset purchases are shown inclusive of VAT where applicable.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Intangible Assets

Intangible assets are stated in the Balance Sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Computer software	2-10 years straight line

Tangible Fixed Assets

Individual fixed assets costing £3k or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and Amortisation

Provision is made for depreciation on all tangible fixed assets at rates calculated to write off the costs of each asset evenly over its expected useful working life.

Fixed assets are depreciated in the month of acquisition, but are not depreciated in the month of disposal. Components of assets with substantially different economic lives are accounted for separately for depreciation purposes and depreciated over their individual useful economic lives.

Asset class	Depreciation method and rate
Scientific Equipment	2-10 years straight line
Computer Equipment	2-5 years straight line
Plant	10 years straight line
Vehicles	4 years straight line
Ships	20 years straight line
Leasehold Buildings	25 years straight line

Fixed Asset Investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Foreign Exchange

Assets and liabilities denominated in foreign currencies are expressed in pounds sterling at rate(s) of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the time of the transaction. All exchange differences are taken to the Statement of Financial Activities.

Fund Structure

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

Designated funds are unrestricted funds which have been assigned by the Trustees for future projects.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes.

Hire Purchase and Finance Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Pensions and Other Post Retirement Obligations

The group operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial Instruments

Financial assets and liabilities are recognised/(derecognised) when the company becomes/(ceases to be) party to the contractual provisions of the instrument. The company holds the following financial assets and liabilities:

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment ("doubtful debts") are recognised in Statement of financial activities before net income.

Loans qualifying as basic financial instruments under FRS102

Loans are initially recorded at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial instruments not qualify as basic under FRS102

Forward exchange contracts are measured at fair value at the balance sheet date. Movements in fair value are charged or credited to the statement of financial activities before net income.

Investments

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

3. Income from Charitable Activities

	Unrestricted		Restricted	Total 2022	Total 2021
	Designated £ 000	General £ 000	£ 000	£ 000	£ 000
NERC Funding (National Capability)	-	-	3,984	3,984	3,600
Research Income	-	-	4,804	4,804	7,481
Designated Income	1,652	-	-	1,652	330
Deferred Income on Capital Expenditure	-	-	1,027	1,027	811
Reimbursements	-	-	-	-	-
VAT Recoverable (Due to Partial Exemption)	-	36	-	36	10
Charges for Secretariat Services – Partnership for Observation of the Global Oceans	-	110	-	110	110
Doctoral Training Grants	-	117	-	117	154
Other Income	-	462	1,049	1,511	347
	1,652	**725**	**10,864**	**13,241**	**12,844**

4. Income from Other Trading Activities

Summary Profit and Loss Account	2022 £ 000	2021 £ 000
Turnover	1,810	1,423
Cost of Sales and Administrative Expenses	(1,270)	(1,187)
Other Income, Including Interest Receivable	-	-
Operating Profit	540	236
Interest Payable on Loan	(3)	(3)
Net Profit	**537**	**233**
The Assets and Liabilities of the Subsidiary were:		
Fixed Assets	-	2
Current Assets	1,604	817
Current Liabilities	(932)	(449)
Total Net Assets/(Liabilties)	**672**	**370**
Aggregate Share Capital and Reserves	**672**	**370**
Reconciliation with Statement of Financial Activities (SOFA)		
Turnover (as above)	1,810	1,423
Less: Income from Parent Charity	(87)	(47)
Per SOFA - Income from Other Trading Activities	1,723	1,376
Cost of Sales and Administrative Expenses (as above)	1,270	1,187
Less: Recharged by Parent Charity	(443)	(744)
Per SOFA - Expenditure on Rasing Funds	827	443

5. Expenditure on Charitable Activities

	Activity undertaken directly £ 000	Activity support costs £ 000	Total expenditure £ 000
Research Staff Costs	5,961	-	5,961
Recurrent Costs - Science	2,770	-	2,770
Recurrent Costs - Science Support	1,231	-	1,231
Depreciation and Amortisation of Assets	1,349	-	1,349
Loan Interest Payable	4	-	4
Restructuring Costs	-	404	404
Senior Management and Administrative Staff Costs	-	1,438	1,438
Administration Costs	-	483	483
Governance Costs	-	65	65
Total for 2022	**11,315**	**2,390**	**13,705**
Total for 2021	**11,264**	**1,831**	**13,095**

In addition to the expenditure analysed above, there are also governance costs of £65,368 (2021 – £38,410) which relate directly to charitable activities. See note 6 for further details.

6. Analysis of Governance and Support Costs

Governance costs	Restricted £ 000	Total 2022 £ 000	Total 2021 £ 000
Audit fees			
Audit of the Financial Statements	22	22	20
Other Fees Paid to Auditors	18	18	19
Trustees Remuneration and Expenses	9	9	-
Other Governance Costs	17	17	-
	65	**65**	**38**

7. Net Incoming/Outgoing Resources

This is stated after charging/(crediting):

	2022 £ 000	2021 £ 000
Audit Fees	22	20
Other Non-Audit Services	35	19
Depreciation and Amortisation of Assets	1,348	1,166
Operating Leases - Other Assets	150	142
Loss on Disposal of Tangible Fixed Assets	3	-
Deferred Grants Released	(1,049)	(810)
Foreign Currency Losses	2	137
Finance Charges Payable	4	5

8. Trustees Remuneration and Expenses

No Trustees, nor any persons connected with them, have received any remuneration from the group during the year.

Trustees expenses amounting to £9k (2021: £0k) were reimbursed during the year.

9. Staff Costs

The aggregate payroll costs were as follows:

	2022 £ 000	2021 £ 000
Staff costs during the year were:		
Wages and Salaries	6,510	6,495
Social Security Costs	694	652
Pension Costs	662	637
Restructuring Costs	404	37
	8,270	**7,821**

The monthly average number of persons (including Senior Management Team) employed by the group during the year expressed as full time equivalents was as follows:

	2022 £ 000	2021 £ 000
Permanent Staff - Science and Support	113	108
Permanent Staff - Management and Admin	49	43
Temporary Staff	16	26
	178	**177**

9. Staff Costs continued

The number of employees whose emoluments fell within the following bands was:

	2022 Number	2021 Number
£60,001 - £70,000	2	3
£70,001 - £80,000	3	2
£80,001 - £90,000	1	1
£100,001 - £110,000	-	1
£120,001 - £130,000	1	-

The total employee benefits of the key management personnel of the group were £587,001 (2021 – £537,205).

10. Auditors' Remuneration

	2022 £ 000	2021 £ 000
Audit of the Financial Statements	22	20
Other Fees to Auditors		
All Other Assurance Services	5	14
All Other Non-Audit Services	14	5
	18	**19**

11. Taxation

The group is a registered charity and is therefore exempt from taxation.

12. Intangible Fixed Assets

Group

	Software £ 000	Total £ 000
Cost		
At 1 April 2021	602	602
At 31 March 2022	602	602
Amortisation		
At 1 April 2021	116	116
Charge for the Year	60	60
At 31 March 2022	176	176
Net Book Value		
At 31 March 2022	**426**	**426**
At 31 March 2021	**486**	**486**

Charity

	Software £ 000	Total £ 000
Cost		
At 1 April 2021	602	602
At 31 March 2022	602	602
Amortisation		
At 1 April 2021	116	116
Charge for the Year	60	60
At 31 March 2022	176	176
Net Book Value		
At 31 March 2022	**426**	**426**
At 31 March 2021	**486**	**486**

13. Tangible Fixed Assets

Group

	Land and buildings £ 000	Furniture and equipment £ 000	Ships and vehicles £ 000	Assets under construction £ 000	Total £ 000
Cost					
At 1 April 2021	7,293	11,632	810	1,923	21,659
Additions	-	-	-	380	380
Disposals	-	(1,401)	-	-	(1,401)
Transfers	328	1,644	141	(2,113)	-
At 31 March 2022	**7,621**	**11,875**	**951**	**190**	**20,638**
Depreciation					
At 1 April 2021	1,671	9,203	659	-	11,533
Charge for the Year	462	784	43	-	1,290
Eliminated on Disposals	-	(1,397)	-	-	(1,397)
Transfers	10	(10)	-	-	-
At 31 March 2022	**2,144**	**8,580**	**702**	**-**	**11,426**
Net Book Value					
At 31 March 2022	**5,477**	**3,295**	**249**	**190**	**9,212**
At 31 March 2021	**5,622**	**2,429**	**151**	**1,923**	**10,125**

Included within the net book value of land and buildings above is £Nil (2021 – £Nil) in respect of freehold land and buildings and £5,477,000 (2021 – £5,622,000) in respect of leaseholds.

Restriction on Title and Pledged as Security

Freehold property with a carrying amount of £Nil (2021: £5,622,000) has been pledged as security for the bank loans. The bank loans were fully repaid in the year.

13. Tangible Fixed Assets continued

Charity

	Land and buildings £ 000	Furniture and equipment £ 000	Ships and vehicles £ 000	Assets under construction £ 000	Total £ 000
Cost					
At 1 April 2021	7,293	11,593	810	1,923	21,620
Additions	-	-	-	380	380
Disposals	-	(1,401)	-	-	(1,401)
Transfers	328	1,644	141	(2,113)	-
At 31 March 2022	**7,621**	**11,836**	**951**	**190**	**20,599**
Depreciation					
At 1 April 2021	1,671	9,166	659	-	11,496
Charge for the Year	462	783	43	-	1,288
Eliminated on Disposals	-	(1,397)	-	-	(1,397)
Transfers	10	(10)	-	-	-
At 31 March 2022	**2,144**	**8,541**	**702**	**-**	**11,387**
Net Book Value					
At 31 March 2022	**5,477**	**3,295**	**249**	**190**	**9,212**
At 31 March 2021	**5,622**	**2,427**	**151**	**1,923**	**10,124**

Included within the net book value of land and buildings above is £Nil (2021 – £Nil) in respect of freehold land and buildings and £5,477,000 (2021 – £5,622,000) in respect of leaseholds.

Restriction on Title and Pledged as Security

Land and buildings with a carrying amount of £Nil (2021 – £5,622,000) has been pledged as security for the bank loans. The bank loans were fully repaid in the year.

14. Fixed Asset Investments

Group

	2022 £ 000	2021 £ 000
Other Investments	**3,833**	**3,629**

Other Investments

	Listed investments £ 000
Cost or Valuation	
At 1 April 2021	3,629
Revaluation	165
Additions	63
Investment Manager Fee	(24)
At 31 March 2022	**3,833**
Net Book Value	
At 31 March 2022	**3,833**
At 31 March 2021	**3,629**

Charity

	2022 £ 000	2021 £ 000
Shares in Group Undertakings and Participating Interests	100	100
Other Investments	3,833	3,629
	3,933	**3,729**

14. Fixed Asset Investments continued

Shares in Group Undertakings and Participating Interests

	Subsidiary undertakings £ 000	Total £ 000
Cost		
At 1 April 2021	100	100
At 31 March 2022	100	100
Net Book Value		
At 31 March 2022	100	100
At 31 March 2021	100	100

Other Investments

	Listed investments £ 000
Cost or Valuation	
At 1 April 2021	3,629
Revaluation	165
Additions	63
Investment Fees	(24)
At 31 March 2022	3,833
Net Book Value	
At 31 March 2022	3,833
At 31 March 2021	**3,629**

14. Fixed Asset Investments continued

Details of Undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2022	2021	
Subsidiary undertakings					
PML Applications Ltd Prospect Place, West Hoe, Plymouth, PL1 3DH	England and Wales	Ordinary shares	100%	100%	Marine research
Smart Sound Plymouth Ltd Prospect Place, West Hoe, Plymouth, PL1 3DH	England and Wales	Ordinary shares	100%	100%	Innovative marine technology development – currently dormant
GenePro Ltd (held by a subsidiary) Prospect Place, West Hoe, Plymouth, PL1 3DH	England and Wales	Ordinary shares	100%	100%	Exploitation of intellectual property – currently dormant

Subsidiaries

The profit for the financial period of PML Applications Ltd was £536,725 (2021 – £233,433) and the aggregate amount of capital and reserves at the end of the period was £671,924 (2021 – £369,693).

The profit for the financial period of Smart Sound Plymouth Ltd was £Nil (2021 – £Nil) and the aggregate amount of capital and reserves at the end of the period was £Nil (2021 – £Nil).

The profit for the financial period of GenePro Ltd (held by a subsidiary) was £Nil (2021 – £Nil) and the aggregate amount of capital and reserves at the end of the period was £Nil (2021 – £Nil).

15. Debtors

	Group		Charity	
	2022 £ 000	2021 £ 000	2022 £ 000	2021 £ 000
Trade Debtors	1,518	2,034	1,437	1,809
Due from Group Undertakings	-	-	124	125
Prepayments	176	177	176	177
Accrued Income	1,151	1,416	1,033	1,323
Other Debtors	12	7	12	7
	2,856	**3,634**	**2,783**	**3,440**

16. Cash and Cash Equivalents

	Group		Charity	
	2022 £ 000	2021 £ 000	2022 £ 000	2021 £ 000
Cash at Bank	**6,237**	**4,934**	**4,832**	**4,444**

Balances held by the group that are not available for use by the group

At year end no cash (2021: £Nil) was held on behalf of other project partners, co-ordinator of EC contracts.

17. Creditors: Amounts Falling Due Within One Year

	Group		Charity	
	2022 £ 000	2021 £ 000	2022 £ 000	2021 £ 000
Bank Loans	-	49	-	49
Trade Creditors	441	672	383	610
Due to Group Undertakings	-	-	1	8
Other Taxation and Social Security	289	257	181	225
Other Creditors	61	56	57	54
Accruals	1,475	2,532	1,428	2,452
Deferred Income	5,133	4,298	4,543	4,151
	7,399	**7,864**	**6,593**	**7,548**

Bank Borrowings

A bank loan to finance the purchase of the West Hoe site is denominated in £ sterling with a nominal interest rate of 1.85% above bank base rate (2021 – 1.85% above bank base rate), and the final instalment was paid on 14 April 2021. The carrying amount at year end is £Nil (2021 – £9,000).

The loan is secured on a first legal mortgage over the leasehold property at Prospect Place, The Hoe, Plymouth.

A bank loan of £200,000 to finance the purchase of a new business management system is denominated in £ sterling with a nominal interest rate of 2.55% above bank base rate (2021 – 2.55% above bank base rate), and the final instalment was paid on 19 January 2022. The carrying amount at year end is £Nil (2021 – £40,000).

The loan was secured on the first legal mortgage over the leasehold property at Prospect Place, The Hoe, Plymouth.

18. Creditors: Amounts Falling Due After One Year

	Group		Charity	
	2022 £ 000	2021 £ 000	2022 £ 000	2021 £ 000
Deferred Income	**6,511**	**6,920**	**6,511**	**6,920**

Deferred Capital Grants

Group and Charity	2022 £ 000	2021 £ 000
Amounts to be Released:		
Within One Year	1,023	970
In Two to Five Years	3,011	3,540
In Over Five Years	3,500	3,368
	7,534	**7,878**

Analysis of Deferred Capital Grants

Group and Charity	2022 £ 000	2021 £ 000
Deferred Capital Grant Brought Forward	(7,878)	(6,975)
Resources Deferred in the Period	(704)	(1,713)
Amounts Released from Previous Periods	1,049	810
Deferred Capital Grant at Year End	**(7,534)**	**(7,878)**

19. Obligations Under Leases and Hire Purchase Contracts

The total value of future minimum lease payments was as follows:

Operating Lease Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Charity	
	2022 £ 000	**2021** £ 000	**2022** £ 000	**2021** £ 000
Land and Buildings				
Within One Year	22	40	22	40
Between One and Five Years	86	84	86	84
After Five Years	140	177	140	177
	248	**301**	**248**	**301**
Other				
Within One Year	122	130	122	130
Between One and Five Years	224	292	224	292
	346	**422**	**346**	**422**

In addition to the financial commitments listed above a long term lease to 2094 has an annual commitment of £57k per annum.

The amount of non-cancellable operating lease payments recognised as an expense during the year was £150k (2021: £142k).

20. Commitments

Group and Charity

Capital Commitments

Commitments for purchase of capital equipment. The total amount contracted for but not provided in the financial statements was £21k (2021 – £850k).

Pension Commitments

On 1 April 2022 the remaining 23 UKRI-NERC employees were transferred to PML under TUPE with their existing pension rights, i.e. that they remain members of the Research Council's PensionScheme (RCPS) which is a defined benefit scheme funded from annual grant-in aid on a pay-as-you-go basis. PML was required to enter into an Admission Agreement with RCPS for pension administrative purposes.

The pension scheme is contributory and the benefits are by analogy to the Principal Civil Service Pension Scheme, except that while the scheme provides retirement and related benefits based on final emoluments, redundancy and injury benefits are as agreed under the staff transfer agreement between UKRI and PML effective 1 April 2022. The pension scheme is administered by the Research Council's Joint Superannuation Service, and the finance administered by the Biotechnology and Biological Sciences Research Council. The scheme is a multi-employer scheme, for which a separate RCPS account is published. NERC are unable to identify their share of the underlying assets and liabilities.

Employees, who joined after 31 March 2002 are entitled to be members of the Plymouth Marine Laboratory Group Pension Scheme. This is a defined contribution scheme administered by Royal London Mutual Insurance Society Ltd. (formerly Scottish Life). Contributions for the year were a minimum of employer's 6.5% and employees 3.5%.

The pension cost charge for the year represents contributions payable by the company to the schemes and amounted to £662k (2021: £637k). Commitments provided for in the accounts amounted to £52k (2021 – £52k). Commitments not provided for in the accounts amounted to £Nil (2021 – £Nil). £Nil relates to pension commitments related to pensions payable to past directors (2021 – £Nil).

21. Funds

Group 2021/22

	Balance at 1 April 2021 £ 000	Incoming resources £ 000	Resources expended £ 000	Transfers £ 000	Other recognised gains/ (losses) £ 000	Balance at 31 March 2022 £ 000
Unrestricted						
General						
Unrestricted Funds - General	4,095	2,505	(3,323)	582	165	4,025
Designated						
Research Fellows	207	-	(89)	-	-	118
Lecture Theatre	297	-	(20)	-	-	277
Head Lease	361	-	(24)	-	-	337
Leasehold Buildings	1,909	-	(100)	(402)	-	1,407
Oceansgate Facility	139	-	(10)	-	-	129
Development Officer	85	-	(45)	-	-	40
New Business System	415	-	(60)	-	-	355
Educational Support Fund	338	100	(22)	-	-	416
MMC AV Equipment	100	-	-	(100)	-	-
New Vessel Design/Virtualisation	80	-	-	(80)	-	-
Research Leader AI/ML	-	200	-	-	-	200
Marine Research Plymouth	-	100	-	-	-	100
Scientific Equipment	-	600	-	-	-	600
Fundraising	-	147	-	-	-	147
Generator	-	80	-	-	-	80
Computing Infrastructure	-	410	-	-	-	410
External Board Evaluation	-	15	-	-	-	15
	3,930	1,652	(370)	(582)	-	4,629
Total Unrestricted	8,024	4,157	(3,693)	-	165	8,654
Restricted						
Restricted Funds	-	10,864	(10,864)	-	-	-
Total Funds	**8,024**	**15,021**	**(14,557)**	**-**	**165**	**8,654**

21. Funds continued

Group 2020/21

	Balance at 1 April 2020 £ 000	Incoming resources £ 000	Resources expended £ 000	Transfers £ 000	Other recognised gains/ (losses) £ 000	Balance at 31 March 2021 £ 000
Unrestricted						
General						
Unrestricted Funds - General	2,839	1,807	(1,162)	(139)	750	4,095
Designated						
Research Fellows	296	-	(89)	-	-	207
Lecture Theatre	179	-	(22)	139	-	297
Head Lease	384	-	(24)	-	-	361
Leasehold Buildings	1,909	-	-	-	-	1,909
Oceansgate Facility	149	-	(10)	-	-	139
Development Officer	122	-	(37)	-	-	85
New Business System	475	-	(60)	-	-	415
Educational Support Fund	200	150	(12)	-	-	338
MMC AV Equipment	-	100	-	-	-	100
New Vessel Design/Virtualisation	-	80	-	-	-	80
	3,714	330	(253)	139	-	3,930
Total Unrestricted	6,553	2,137	(1,415)	-	750	8,024
Restricted						
Restricted Funds	-	12,144	(12,144)	-	-	-
Total Funds	**6,553**	**14,281**	**(13,559)**	**-**	**750**	**8,024**

21. Funds continued

Charity 2021/22

	Balance at 1 April 2021 £ 000	Incoming resources £ 000	Resources expended £ 000	Transfers £ 000	Other recognised gains/ (losses) £ 000	Balance at 31 March 2022 £ 000
Unrestricted						
General						
Unrestricted Funds	3,827	1,461	(2,580)	582	165	3,455
Designated						
Research Fellows	207	-	(89)	-	-	118
Lecture Theatre	296	-	(20)	-	-	276
Head Lease	360	-	(24)	-	-	336
Leasehold Buildings	1,909	-	(100)	(402)	-	1,407
Oceansgate Facility	138	-	(10)	-	-	128
Development Officer	85	-	(45)	-	-	40
New Business System	415	-	(60)	-	-	355
Educational Support Fund	338	100	(22)	-	-	416
MMC AV Equipment	100	-	-	(100)	-	-
New Vessel Design/Virtualisation	80	-	-	(80)	-	-
Research Leader AI/ML	-	200	-	-	-	200
Marine Research Plymouth	-	100	-	-	-	100
Scientific Equipment	-	600	-	-	-	600
Fundraising	-	147	-	-	-	147
Generator	-	80	-	-	-	80
Computing Infrastructure	-	410	-	-	-	410
External Board Evaluation	-	15	-	-	-	15
	3,928	1,652	(370)	(582)	-	4,627
Total Unrestricted	7,755	3,113	(2,950)	-	165	8,082
Restricted						
Restricted Funds	-	10,864	(10,864)	-	-	-
Total Funds	**7,755**	**13,977**	**(13,814)**	**-**	**165**	**8,082**

21. Funds continued

Charity 2020/21

	Balance at 1 April 2020 £ 000	Incoming resources £ 000	Resources expended £ 000	Transfers £ 000	Other recognised gains/ (losses) £ 000	Balance at 31 March 2021 £ 000
Unrestricted						
General						
Unrestricted Funds	2,367	1,612	(763)	(139)	750	3,827
Designated						
Research Fellows	296	-	(89)	-	-	207
Lecture Theatre	179	-	(22)	139	-	296
Head Lease	384	-	(24)	-	-	360
Leasehold Buildings	1,909	-	-	-	-	1,909
Oceansgate Facility	148	-	(10)	-	-	138
Development Officer	122	-	(37)	-	-	85
New Business System	475	-	(60)	-	-	415
Educational Support Fund	200	150	(12)	-	-	338
MMC AV Equipment	-	100	-	-	-	100
New Vessel Design/Virtualisation	-	80	-	-	-	80
	3,713	330	(254)	139	-	3,928
Total Unrestricted	6,080	1,942	(1,017)	-	750	7,755
Restricted						
Restricted Funds	-	12,144	(12,144)	-	-	-
Total Funds	**6,080**	**14,086**	**(13,161)**	**-**	**750**	**7,755**

22. Analysis of Net Assets Between Funds

Group 2021/22

	Unrestricted funds		Total funds at 31 March 2022 £ 000
	General £ 000	Designated £ 000	
Intangible Fixed Assets	426	-	426
Tangible Fixed Assets	6,030	3,182	9,212
Fixed Asset Investments	2,386	1,447	3,833
Current Assets	9,093	-	9,093
Current Liabilities	(7,399)	-	(7,399)
Creditors Over 1 Year	(6,511)	-	(6,511)
Total Net Assets	**4,025**	**4,629**	**8,654**

Group 2020/21

	Unrestricted funds		Total funds at 31 March 2021 £ 000
	General £ 000	Designated £ 000	
Intangible Fixed Assets	486	-	486
Tangible Fixed Assets	6,826	3,299	10,125
Fixed Asset Investments	3,000	629	3,629
Current Assets	8,568	-	8,568
Current Liabilities	(7,864)	-	(7,864)
Creditors Over 1 Year	(6,920)	-	(6,920)
Total Net Assets	**4,096**	**3,928**	**8,024**

22. Analysis of Net Assets Between Funds continued

Charity 2021/22

	Unrestricted funds		Total funds at 31 March 2022 £ 000
	General £ 000	Designated £ 000	
Intangible Fixed Assets	426	-	426
Tangible Fixed Assets	6,030	3,182	9,212
Fixed Asset Investments	2,487	1,445	3,932
Current Assets	7,616	-	7,616
Current Liabilities	(6,593)	-	(6,593)
Creditors Over 1 Year	(6,511)	-	(6,511)
Total Net Assets	**3,455**	**4,627**	**8,082**

Charity 2020/21

	Unrestricted funds		Total funds at 31 March 2021 £ 000
	General £ 000	Designated £ 000	
Intangible Fixed Assets	486	-	486
Tangible Fixed Assets	6,825	3,299	10,124
Fixed Asset Investments	3,100	629	3,729
Current Assets	7,884	-	7,884
Current Liabilities	(7,548)	-	(7,548)
Creditors Over 1 Year	(6,920)	-	(6,920)
Total Net Assets	**3,827**	**3,928**	**7,755**

23. Analysis of Net Debt

Group 2021/22

	At 1 April 2021 £ 000	Financing cash flows £ 000	At 31 March 2022 £ 000
Cash at bank and in hand	4,934	1,303	6,237
Debt due within one year	(49)	49	-
Net Debt	**4,885**	**1,352**	**6,237**

Group 2020/21

	At 1 April 2020 £ 000	Financing cash flows £ 000	At 31 March 2021 £ 000
Cash at bank and in hand	5,118	(184)	4,934
Debt due within one year	(161)	112	(49)
Debt due after more than one year	(39)	39	-
Net Debt	**4,919**	**(34)**	**4,885**

24. Related Party Transactions

Group

During the year the group made the following related party transactions:

Valeport Limited

(A Director of the subsidiary company PML Applications Ltd is a shareholder in Valeport Limited)
The subsidiary company provided services totalling £Nil (2021 – £3,000) to Valeport Limited during the year.
At the balance sheet date the amount due to/from Valeport Limited was £Nil (2021 – £Nil).

The charity has taken advantage of the exemption under FRS102 section 33 not to disclose intra-group transactions with its subsidiary, PML Applications Ltd.

There were no other related party transactions for the group or charity during the year.

PML | Plymouth Marine Laboratory

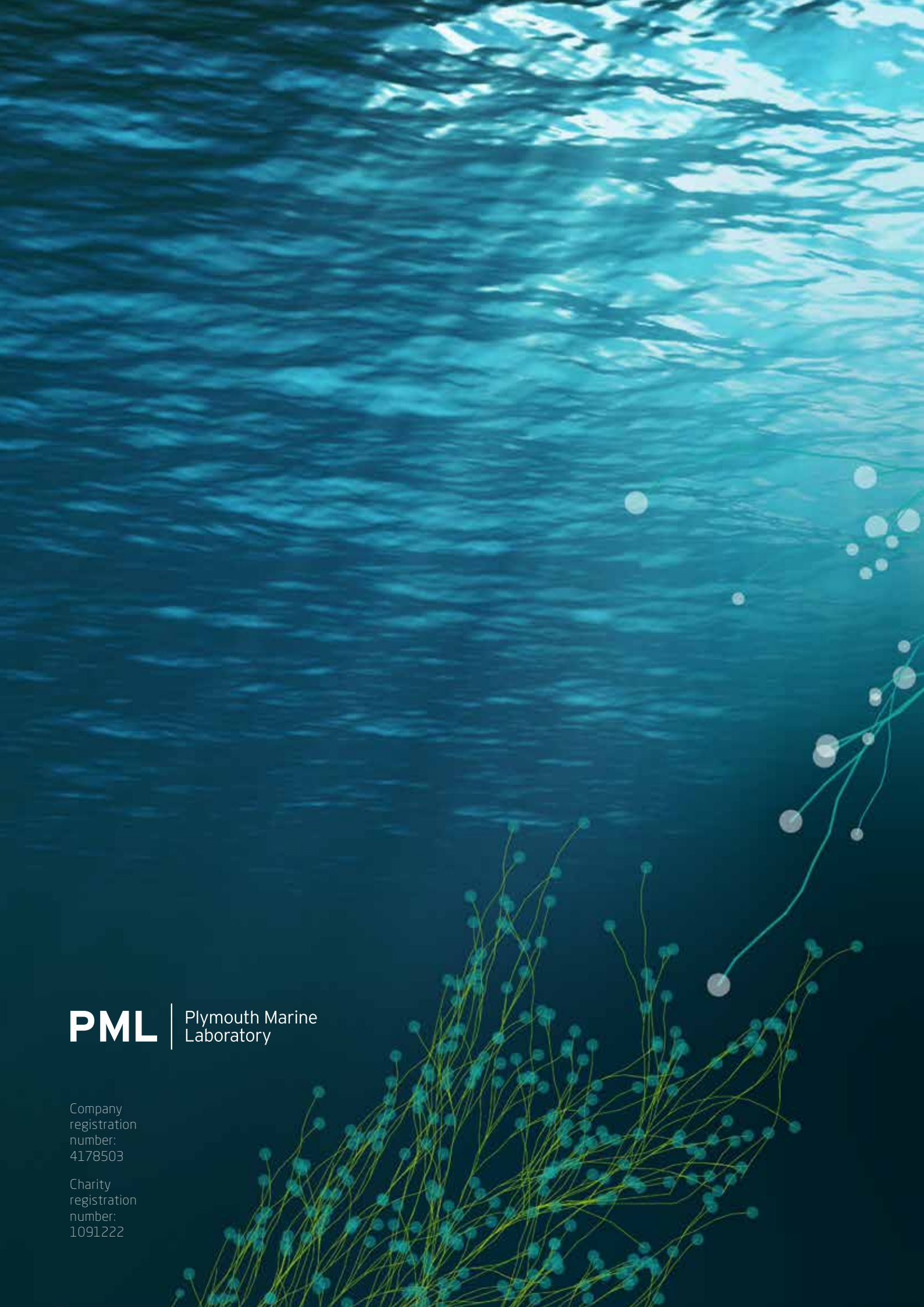
Charity registration number
1091222 (England & Wales)

Company registration number
4178503

Registered office
Prospect Place, The Hoe, Plymouth, PL1 3DH

pml.ac.uk

Report design **sheisagreatdesigner.com**



PML | Plymouth Marine Laboratory

Company registration number: 4178503

Charity registration number: 1091222

PLYMOUTH MARINE LABORATORY

England & Wales - Charity number 1091222

Accounts

PML | Plymouth Marine Laboratory

Plymouth Marine Laboratory

(A company limited by guarantee)

Annual Report and Financial Statements
Year Ended 31 March 2021

Company registration number: 4178503

Charity registration number: 1091222

Plymouth Marine Laboratory

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Plymouth Marine Laboratory

Reference and Administrative Details

Chairman	Admiral Sir J Burnell-Nugent KCB, CBE
Directors and Trustees	Admiral Sir J Burnell-Nugent KCB, CBE N J Godefroy Prof T D Jickells OBE Dr B MacKenzie Prof R F Rayner J E Timberlake Prof B B Ward M J Butcher N B Buckland OBE P R James
Patron	James Cameron - explorer, environmentalist and renowned filmmaker
Senior Management Team	Prof J I Allen, Chief Executive B K Tremain, Director of Operations & Company Secretary Prof S Widdicombe, Deputy Chief Executive & Director of Science S Coughlin, Head of Financial Services J Davy, Head of Human Resources T Smyth, Head of Science
Principal Office	Prospect Place The Hoe Plymouth PL1 3DH
	The charity is incorporated in England and Wales.

Plymouth Marine Laboratory

Reference and Administrative Details

Company Registration Number	4178503
Charity Registration Number	1091222
Solicitors	Foot Anstey LLP Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN
Bankers	HSBC Bank Plc Plymouth City Centre 4 Old Town Street Plymouth PL1 1DD
Investment Managers	Brewin Dolphin Ltd Vantage Point Woodwater Park Pynes Hill Exeter EX2 5FD
Auditor	PKF Francis Clark North Quay House Sutton Harbour Plymouth PL4 0RA

Plymouth Marine Laboratory

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 March 2021.

Trustees

- Admiral Sir J Burnell-Nugent KCB, CBE
- N J Godefroy
- Prof T D Jickells OBE
- Dr B MacKenzie
- Prof R F Rayner
- J E Timberlake
- Prof B B Ward
- M J Butcher (appointed 13 May 2020)
- N B Buckland OBE
- P R James (appointed 28 January 2021)

OBJECTIVES & ACTIVITIES

PML's mission is to pursue research excellence, enhancing its position as a world leader in the field of marine science to support its vision of a healthy and sustainable ocean through the delivery of impactful, cutting edge environmental and social science.

PML's vision is set in the context of the United Nations' Sustainable Development Goals (SDGs), and the "double decade" of action: The Decade of Ocean Science for Sustainable Development, and The Decade of Ecosystem Restoration".

PML's strategy (2020-2025), launched on World Oceans Day 2020, sets out its strategic aims collated under four strategic priorities as follows:

1) **Science Excellence & Impact**: PML will continue to deliver its internationally recognised world-leading expertise focused on five new Science to Impact challenges:

- Understand and mitigate climate change
- Improve sustainability of fisheries and aquaculture
- Encourage cleaner seas for nature and society
- Combat biodiversity loss
- Develop marine autonomy, technology and digitization

2) **Business Excellence**: ensuring PML is an effective, efficient and sustainable business.

3) **Social Responsibility**: engaging and supporting our internal and external communities.

4) **Environmental Responsibility**: PML has a duty to take a leadership role in environmental responsibility and to reduce the impact of its activities on the environment.

Plymouth Marine Laboratory

Trustees' Report

Ensuring Delivery of Objectives

Regular reporting against each of the strategic priorities is undertaken on a quarterly basis by the Chief Executive to the Board of Trustees, with a full review undertaken after the financial year end. New operating objectives mapped onto each strategic priority are agreed at the beginning of each financial year. Specific operating objectives for this year in the light of the covid-19 pandemic included:

- Maximise research project delivery for our customers/beneficiaries, and to ensure financial sustainability
- Maintain and protect key long-term science activities
- Deliver effective and strong communications internally and externally to all our stakeholders
- Provide health and wellbeing support for employees and students
- Undertake a net zero carbon implementation scoping study for PML building.

The Trustees can confirm that they have referred to the guidance provided by the Charity Commission, including the guidance 'public benefit: running a charity (PB2)' when reviewing the aims and objectives of the Charity and in planning future activities. The Trustees also give due consideration to how these activities contribute to the aims and objectives set.

STRATEGIC REPORT FOR THE PURPOSES OF COMPANIES ACT 2006

> ***ACHIEVEMENTS AND PERFORMANCE***

Key Achievements for 2020-21 against specific objectives include:

Objective	Achievement
Maximise research project delivery for our customers/beneficiaries, and to ensure financial sustainability	A plan was developed, trialled and fully implemented enabling laboratory and local fieldwork to be resumed under covid-safe measures. The majority of research projects were able to be progressed through remote working, meeting the requirements of our customers/beneficiaries, and ensuring financial sustainability.
Maintain and protect key long-term science activities	Through good planning and health and safety measures, regular sampling in the Western Channel Observatory was undertaken, hence maintaining this important time series to understand the marine ecosystem. Long-term experiments were also maintained.
Deliver effective and strong communications externally to all our stakeholders	PML's communications team maintained a steady flow of news stories and social media to engage with stakeholders. Advertising value equivalency for the year was £21.6M (global) and £15.5M (UK), a significant increase on the previous year.

Provide health and wellbeing support for employees and students	Significant effort went into ensuring our staff and students were supported during the challenges of the pandemic and resultant lockdowns. A number of support mechanisms and schemes were implemented, including a helpline (external provider), mental health awareness training, guidance, pulse surveys and a buddy system. An assessment against ISO 45001 (Health & Safety) concluded that PML had been trailblazing in its handling of mental health during the pandemic.
Undertake a net zero carbon implementation scoping study for PML building	Thanks to funding from the Natural Environment Research Council (NERC) a heat/energy feasibility study was undertaken, with a report containing various options produced in March 2021. A recommendation will be made to the Board on options to pursue, and funding sources will be identified. In addition as a result of funding from the National Centre for Earth Observation, a solar panel installation to offset carbon generated by a new micro-datacentre has been commissioned.

Other examples of PML's performance, mapped against PML's strategic priorities, are provided below:

Strategic Priority 1: Science Excellence & Impact

- **Science Excellence**: Citation analysis, covering the period 2016-2020, shows 5% of PML papers were in the top 1% of the most cited environmental science papers in the world. Two of PML's scientists, Prof. Pennie Lindeque and Dr Matt Cole, were named on the annual Highly Cited researchers list from Clarivate and more recently PML's Dr Shubha Sathyendranath and the late Prof. Trevor Platt FRS are shown amongst the world's top climate scientists (Reuters Hot List). Prof. Nicola Beaumont was appointed to the Natural Environment Research Council (NERC) Science Committee.

- **NERC Research Excellence Framework assessment**: PML was part of this exercise, which included other national Centres in receipt of NERC National Capability funding. PML scored more highly than any other Centre on the impact category, demonstrating the reach and significance of the impact from its research. All of the impact case studies provided by PML were judged to have outstanding or very considerable impact. The majority of PML's research papers selected for submission were considered to be internationally excellent. Further information can be found here (https://www.pml.ac.uk/News_and_media/News/Science_with_impact_at_PML).

Plymouth Marine Laboratory

Trustees' Report

- **New infrastructure/equipment**: Installation and commissioning of the state-of-the-art Massive GPU cluster for Earth Observation (MAGEO): funded by the NERC Earth Observation Data and Acquisition and Analysis Service (NEODAAS), MAGEO is an incredibly power computer applying artificial intelligence algorithms to Earth Observation data to support research on inter alia microplastic detection, habitat mapping and oil spills. Further information, including on how MAGEO supported covid-19 medical research efforts, can be found here (https://www.pml.ac.uk/News_and_media/News/New_capability_for_developing_environmental_intel. PML was also successful in winning funding for a five-metre AutoNaut uncrewed surface vessel which is propelled by wave motion and powered by 300W solar panels, and four autonomous underwater robots which, together with existing infrastructure and high speed above-water communications (all part of Smart Sound Plymouth), will deliver an unprecedented understanding of the Western Channel off Plymouth.

Plans are also under development to replace PML's research vessel, the Plymouth Quest, with a more environmentally sustainable, vessel with innovative (including autonomous) features.

- **Science highlights**: PML researchers produced 181 peer-reviewed papers during this financial year of which 60 were first-authored. Some highlights from projects undertaken during the year are given below:
    - Plastics from Space: Research led to the publication in April 2020 in Scientific Reports of a pioneering technique to detect plastics floating on the sea surface analysing data from the European Space Agency's Sentinel-2 satellites. Dr Lauren Biermann, who led the publishing of the method, has since won the Science category of the Ocean Awards 2021 (awarded by Blue Marine Foundation & BOAT International). Further work is planned in this area, subject to obtaining funding.
    - Plastics & Mussel Power: a project funded by the Waitrose Plan Plastic, in partnership with environmental charity Hubbub, demonstrated the potential of mussels to help stem the flow of microplastics from polluted estuaries and coastal water, paving the way for this nature-based solution to be deployed - see https://www.youtube.com/watch?v=uCi4cVmZrIU. Further research into natured-based solutions to the problem of microplastics is essential.
    - Marine Protected Areas: PML researcher, Dr Angus Atkinson, co-authored a paper with scientists from China, the UK and Italy, based on research supported by the Worldwide Fund for Nature (WWF) on "refuges" for Antarctic krill in the Indian and Pacific sectors of the Southern Ocean following habitat degradation in the Atlantic sector. Further research on the identification of key spawning grounds for Antarctic krill, which are the primary food source to many iconic species such as whales and penguins, is absolutely critical.
- **Partnerships**: PML has progressed partnerships at the local, regional, national and international level, including with
    - The University of Plymouth and the Marine Biological Association of the United Kingdom, through joints efforts as Marine Research Plymouth, to improve interactions and visibility of Plymouth marine science, e.g. UN Decade of Ocean Science activities;
    - With the University of Exeter and the Met Office on the Joint Centre for Excellence in Environmental Intelligence, and
    - With various international partners working towards events at the UN Framework Convention on Climate Change COP26 meeting in Glasgow in November 2021.

Plymouth Marine Laboratory

Trustees' Report

Strategic Priority 2: Business Excellence

- **Operations Strategy (2020-2025)** : an overarching strategy for the Operations Team was developed, with a vision to provide excellent customer service at every level, meeting the requirements of PML's stakeholders.

- **Modernisation of IT platforms**: PML's IT Group accelerated the roll-out of Microsoft 365, which facilitated remote working for its staff and also engagement with users and beneficiaries of PML's research.

- **Industrial & Academic partnerships**: PML, through its Smart Sound Plymouth initiative, has been involved in discussions with partners at the regional and national level on development of this testbed, including commercial opportunities for PML's trading subsidiary.

- **Quality Assurance**: PML has maintained certification to the ISO9001 Quality Management Standard.

Strategic Priority 3: Social Responsibility

- **Equality, Diversity & Inclusion (EDI)** : Good progress has been made in this area, including revision of PML's EDI policy, setting out our commitments to deliver best practice in line with the UN Sustainable Development Goals to reduce inequality and support gender equality. An LGBT+ Allies network was established to raise awareness and promote inclusivity and other initiatives have included unconscious bias training, and the promotion of international equality events. PML is also seeking funding for an internship programme that will enable talented students from less privileged backgrounds to gain valuable research experience and help them to pursue a scientific career.

- **Health & Safety**: PML has maintained certification to the ISO45001 Health and Safety Management Standard. PML's handling of covid-19 was commended and its support of staff and students' mental health and wellbeing was described by the external assessor as trailblazing.

- **Education**: Due to lockdown a "remote PhD Open Day" was successfully held in November for which a virtual tour of PML was produced. In the last year PML hosted 18 PhD students. PML has also continued to work with the Connect Academy Trust on the development of an ocean curriculum and funding is being sought for this important activity. PML's apprenticeship programme, which commenced in 2016, has been developed further, with its ship apprentice in her second year, and the recruitment of an IT apprentice.

Strategic Priority 4: Environmental Responsibility

- **Improvements to buildings & estate**: PML has produced a biodiversity action plan and implemented a number of measures including the planting of native hedging and wildflower garden, and the introduction of bird boxes and feeding stations. Improvements to the building to reduce PML's carbon footprint have included the installation of solar panels and LED lighting.

- **Aiming towards Net Zero Carbon**: PML has purchased software in order to record our emissions under scope 1 (direct emissions from owned or controlled sources, scope 2 (indirect emissions from the generation of purchased electricity, heating and cooling) and scope3 (all other indirect emissions from our supply chain), and to take mitigating actions to reduce its carbon footprint.

The Trustees recognise the significant efforts and achievements of the staff during a most challenging year, and would like to thank them for their contributions.

Plymouth Marine Laboratory

Trustees' Report

FINANCIAL REVIEW

1. Results for the year

Net income for the year amounted to £722k (2020 net income - £687k), £423k of which relates to the release of provisions against projects that have been completed in prior financial years. After adjusting for realised and unrealised investment gains, the net movement in funds for the year amounted to an income of £1,473k (2020: income - £463k). The total funds carried forward remain in a net asset position of £8,024k (2020: funds carried forward - £6,553k).

PML was provided with a grant of £275k by UK Research & Innovation, supporting those projects affected by the pandemic. Due to this grant and its financial position overall, PML did not need to make use of other government covid-19 financial support mechanisms provided to businesses.

PRINCIPAL RISKS AND UNCERTAINTIES

1. Risk Management

A risk management policy was developed and adopted by PML in its first year of operation and is reviewed annually by the Board. In addition, a comprehensive analysis of risks to which PML is exposed was undertaken and systems identified and put in place to mitigate risk. Under the terms of the risk management policy, the Senior Management Team carries out a periodic evaluation of the risks, by way of a risk register. The Audit & Finance Committee also reviewed the risk register in detail and presented to the Board those risks of greatest significance to PML. Principal risks and their mitigation are discussed by the Trustees on a regular basis.

The principal risk and uncertainties faced by PML relate primarily to the covid-19 pandemic. There has been some impact on research activities and hence consequential impact upon income. There have also been delays to decisions by funding bodies, which cause uncertainty. However, a greater perceived risk from continued remote working caused by sustained periods of lockdown is that of stifling of creativity. With the ease of lockdown in the UK, the vaccination roll-out and PML's plan for hybrid working, sufficient mitigation is in place to largely address this risk. However, the potential for covid variants and resulting lockdowns in the UK could still have impacts both on research activities, income and creativity.

A more immediate risk, which materialised in late March, is that of the UK government's cuts to the Official Development Assistance (ODA) budget, which has led to the reduction of funding of certain research projects, resulting in an estimated loss of income to PML in FY 2021-22 of £485k. Savings in science and operational budgets are being explored to mitigate these reductions, whilst optimising funding opportunities elsewhere. A further risk from these reductions in funding could be that of reputation with our overseas partners.

2. Reserves Policy

A reserves policy was developed and adopted by PML in its first year of operation and subsequently revised. The level of free reserves at the year end was £4,374k (2020 - £3,017k). The reserves policy is reviewed annually by the Trustees to ensure it is fit for purpose. The policy provided for the maintenance of general reserves (under unrestricted funds) at a level equivalent to at least 3 months' expenditure, in order to provide adequate working capital levels for the ongoing operation of PML and completion of existing projects. The policy was revised in July 2021 to provide for a level equivalent to 6 months' expenditure. The reserves are set at a level to withstand any short-term setback, whether operational, in the investment markets, or in key sources of research income. If the free reserves should fall outside the level of 6 months' expenditure, the Trustees would review PML's strategic plan accordingly.

The policy also provides designated reserves (under unrestricted funds), which are funds set aside to assure that capital and other significant expenditure approved by the Trustees can be funded as required over the next 12-month period.

Bank balances decreased over the year from £5.1M to £4.9M. There were £156k of funds held for partners.

3. Principal Funding Sources

Income was derived principally from competitive research of £7.5M (2020: £9.6M) from a variety of customers, (including UK Research & Innovation (UKRI), the European Commission, the European Space Agency and Simons Foundation), including over £2M received from sub-contractors (2020:£4M), and the UKRI-NERC National Capability funding, amounting to £3.6M (2020: £3.8M). This income has enabled PML to undertake strategic and applied research, generating knowledge and publications, leading to impact, as well as carrying out the activities listed under Achievements and Performance.

PML scientists have continued their success in terms of winning competitive research funding. New contracts won during the financial year were valued at £4.5M (2020: £4.9M), with a further £276k under negotiation/successful. In addition, NERC has provided capital funding of £700k for autonomous vehicles for the Smart Sound initiative, as well as additional funding for other science equipment and greening initiatives.

4. Investment Policy

PML's investment policy was reviewed in March 2021. PML aims to make investments that have a positive impact on environmental issues, whilst achieving the best financial return. PML's intent is to only invest in sectors or companies that have a clear direction of travel to zero carbon and have addressed their impact on the environment, as well as those companies that demonstrate a green investment policy and have a positive environmental approach.

The portfolio of investments is managed by a professional asset management organisation approved by the Trustees. The assets within the managers' portfolio are held by professional custodians. The activities and performance of the investment managers are monitored through regular reporting to PML's Audit & Finance Committee, which reports to the Trustees.

Plymouth Marine Laboratory

Trustees' Report

5. Trading Subsidiary

PML's trading subsidiary, PML Applications Ltd, reported an operating profit of £233k (2020: £455k), and generated £1.2M (2020: £1.1M) of income for PML. A gift aid payment of £437k was made by PML Applications to PML in the financial year. Following careful consideration, the PML Board of Trustees agreed to accept a deferment of the repayment of the remaining balance of £100k of its loan to PML Applications Ltd for a further year to provide the trading subsidiary with sufficient working capital for future growth.

FUNDRAISING POLICY

PML's approach to fundraising is to target charitable foundations and trusts, and corporations through their foundations. PML will not embark on fundraising from the general public, whether in person, through events or on-line. Any crowdfunding initiative will only be undertaken as part of a specific fundraising campaign or proposal for research project or capital funds. PML adheres to the Fundraising Code of Practice. In the last year PML has adhered to the requirements of the Code; there have been no complaints received regarding PML's fundraising practices. PML's complaint procedure is available at https://www.pml.ac.uk/System-pages/Legal

PLANS FOR FUTURE PERIODS

PML's plans for the future (2021-22 financial year) are as follows:

- Increase the excellence of PML's science and impact
- Optimise local partnership opportunities
- Prioritise PML's international engagement to maximise impact and visibility
- Enhance PML's profile
- Develop and implement an effective and efficient hybrid working plan
- Progress Equality, Diversity an Inclusion (EDI) initiatives
- Put in place a robust methodology system for carbon accounting for the activities of PML Group.

STRUCTURE, GOVERNANCE & MANAGEMENT

Governing Document

PML is a company limited by guarantee and registered as a charity with the Charity Commission. PML is governed by its Articles of Association adopted in July 2010 (following changes in both charity and company law) and amended by special resolutions, most recently 30 April 2021 to reflect EDI language. Responsibility for the overall governance of PML rests with the Board, who are Trustees for the purposes of the Charities Act and Directors for the purposes of the Companies Act. Members of the charity comprise serving Trustees and the serving Chief Executive, each of whom undertakes to contribute such amount as may be required (not exceeding £10) to PML's assets in the event of PML being wound up.

Appointment of Trustees

As laid down in the Articles of Association, the Chair of the Trustees is appointed by the Trustees. Admiral Sir James Burnell-Nugent will be stepping down as Chair at the end of July 2021, having served a six-year term. The Board would like to thank him for his significant contribution to PML both as a Trustee and Chair. A new Chair, Janice Timberlake, has been elected and will take up her appointment from 1 August 2021, having previously served as a Trustee.

Plymouth Marine Laboratory

Trustees' Report

Trustees must retire after serving a period of five consecutive years, except where such Trustee has been invited, and has agreed to serve, with the approval by resolution of the Trustees and of the members of the Charity, an additional period of office of not more than two years, or if the Trustee is elected as Chair, whereupon his/her term will be deemed to have recommenced. In exceptional circumstances, Trustees may continue beyond a seven-year period, subject to approval by resolution of the Trustees and of a special resolution by the members of the Charity.

During the year a rigorous review, in line with the requirements of the Charity Governance Code, was undertaken in relation to the renewal of a trusteeship beyond a seven-year period.

PML has in place a policy and procedure on the appointment of Trustees. Recruitment of new Trustees is undertaken by the Board, led by the Chair, using a skills matrix to determine needs. When recruiting a new Trustee, the Board is mindful of the need to ensure a balance of skills, background and diversity.

For details on individual Board members, please see the relevant section on our website at www.pml.ac.uk/governance

Induction and Training of Trustees

PML has in place policies on the induction and training of Trustees. New Trustees undergo an induction into PML, meeting other members of the Board of Trustees, as well as the Senior Management Team and staff to learn about its governance, research, impact, financial performance and infrastructure and also the work of its wholly owned trading subsidiary, PML Applications Ltd. Two new Trustees were remotely inducted during the year. Each Trustee receives an induction programme, which is tailored to suit the expertise of the Trustee and their role on the Board. As part of the formal induction programme, new Trustees receive a comprehensive induction pack containing various documents relating to PML and the duties of a Trustee, including key Charity Commission publications - CC3 “The Essential Trustee” and the Charity Governance Code - the Articles of Association, PML’s Strategy, Science Plan and Operating Plan, the most recent set of accounts, as well as various other policy documents. The Company Secretary has overall responsibility for the induction of Trustees. Where specific training is identified as necessary, then this is delivered internally or through external providers, including attendance at seminars or conferences.

During the year inductions were carried out for Mark Butcher and Paul James.

Evaluation of Board Performance

Evaluation of Board performance is undertaken annually, with the last evaluation carried out in the summer of 2020. Results were reviewed and actions identified and progressed. It had been previously agreed by the Board that an external evaluation of Board performance would be considered in 2020. However, due to the covid-19 pandemic this has been deferred.

Organisational Structure

Board of Trustees

The Board of Trustees, which can have up to 11 members, is responsible for the governance of PML. The Board generally meets at least 4 times per year (or more frequently as required), receiving regular reports on the financial and management aspects of the organisation, and to discuss strategic issues. Average attendance by Trustees over the last year at Board meetings was 98% (2020: 94%).

Sub-Committees

In addition to the main Board, there are three principal sub-committees as follows:

Trustees' Report

- Audit & Finance Committee: Meets 2-3 times per year and has delegated responsibility for ensuring that PML has in place effective systems and methods of financial control and risk management and that it complies with all aspects of the law, relevant regulations and good practice. It also reviews PML's investments and the performance of the Investment Manager. Trustee members during the reporting period were Nigel Godefroy (Chair), Nick Buckland and Paul James.
- Remuneration Committee: Meets at least once per year to *inter alia* review staff annual pay and benefits and propose recommendations to the Board. Trustee members during the reporting period were Janice Timberlake (Chair), and Dr MacKenzie.
- Science Advisory Council: Meets once per year to review aspects of the science portfolio. Trustee members are Profs. Rayner (Chair), Jickells and Ward, as well as external members from the international science community.

Each of the above committees reports to the main Board on its activities, with minutes of meetings being made available to Trustees and recommendations being presented.

During the year the Board agreed to the establishment of an Innovation Committee which will hold its first meeting in June 2021. Its purpose is to provide strategic advice to the PML Executive on connecting PML's science and technology insights with customer needs, identifying innovation opportunities that might be commercially exploited through PML Applications Ltd.

Senior Management Team

The Chief Executive is given delegated authority for the day- to-day operation, delivered through the Senior Management Team, including scientific, financial, health and safety, and employment related matters. The specific levels of authority are detailed in a statement of Delegated Authority. The Chief Executive reports regularly to the Board on key aspects of PML's performance as detailed above.

Related Parties

PML is eligible to bid for funding from UKRI, including from NERC. PML is designated a Delivery Partner for "National Capability" and receives this element of funding from NERC via the National Oceanography Centre, who manage marine National Capability on behalf of NERC. A staff loan agreement signed in 2002 as part of the transfer of ownership process from NERC to PML was novated to UKRI in 2018, hence there are a small number of UKRI employees working at PML.

As a major funder of PML, NERC requested and PML agreed to an observer attending PML Board meetings. This initiative is part of a wider process to put in place a strategic relationship agreement between PML and NERC.

PML's wholly owned subsidiary, PML Applications Ltd, was established to undertake more applied and commercial work and facilitate knowledge exchange. It may gift aid its profits to PML. In March 2021 PML Applications received payments of £73,800 against a contract placed by Qinetiq PLC. The Chair of PML was a Director of Qinetiq PLC until December 2020.

PML has a Memorandum of Understanding with the University of Exeter, a joint appointment, and collaborates on a number of research projects and PhD studentships.

Plymouth Marine Laboratory

Trustees' Report

PML has hosted the secretariat of the Partnership for Observation of the Global Oceans (POGO) for eight years, providing accommodation and staffing for the secretariat under a formal agreement. In February 2017 POGO became a Charitable Incorporated Organisation in the UK.

Pay Policy for Senior Staff

All of the Trustees (Directors) give of their time freely and no Trustee received remuneration during the year. Details of Trustees' expenses incurred in the course of their duties are disclosed under note 8. The Chief Executive's remuneration package is reviewed annually by the Board of Trustees who review benchmarking data from comparable sized charities, regional companies and from NERC Research Centres and assess performance against objectives set for the year.

Of the remaining senior staff (members of the Senior Management Team), one is a UKRI employee on loan to PML, as described under related parties, and hence fell under UKRI pay policies. Where a member of the Senior Management Team is a PML employee, remuneration is reviewed by the Remuneration Committee (see above) as part of the entire PML workforce's remuneration, with recommendations made to the Board of Trustees for its approval.

Plymouth Marine Laboratory

Trustees' Report

Going Concern and the impact of Covid-19

PML's cash position (as at 31 May 2021) is strong at £2.45M.

PML has put in place covid-safety measures within its premises, such that if there is a further wave of covid-19 and a consequential lockdown, it would not be adversely affected, i.e. laboratory and local seagoing activities can continue, and hence income can be claimed.

Income forecasting has been undertaken which demonstrates that PML is likely to achieve a break-even/small deficit position at the end of the financial year 2021-22, taking into account the recently notified government reduction in ODA funding as mentioned under Risk Management

Key assumptions here are that our remaining funders (UK Research & Innovation [UKRI], EU, European Space Agency) will pay as per schedule. UKRI also provided an additional funding grant to support grants affected by covid-19, £98k of which has been set aside to support UKRI funded grants held by PML in FY 2021-22.

Current signed contracts stand at £22.5M, of which £9.9M has already been recognised up to 31 March 2021. The remaining £12.6M relates to projects which run over the next 3 financial years.

At year end the Trustees acknowledge that the net asset position was a relatively modest £704k current assets. They take assurance from the fact that within current creditors is £4.3M of cash advances received on competitive research contracts. Due to the nature of this balance the Trustees have strong certainty that the majority can be earnt and released to income over the next financial year to fund staff costs and overheads. As at year end the charity also held an investment portfolio of £3.6M which as a last resort could be realised to fund any deficits that arise as a result of covid-19 or other loss of income.

The Trustees believe that PML is a going concern on the following basis:

- Strong cash position as identified above.
- Principal funding sources are government backed, e.g. UKRI, the EU, European Space Agency.
- Strong signed contracts position.
- The company can meet its short-term debts.
- Strong reserves position

In conclusion, there are no material uncertainties to cast doubt on PML's ability to continue as a going concern.

Plymouth Marine Laboratory

Trustees' Report

Disclosure of information to auditor
Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on .....9 July 2021.. and signed on its behalf by:

.....
Admiral Sir J Burnell-Nugent KCB, CBE
Chairman and Trustee

Plymouth Marine Laboratory

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Plymouth Marine Laboratory for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on ...9 July 2021..... and signed on its behalf by:

.....
Admiral Sir J Burnell-Nugent KCB, CBE
Chairman and Trustee

Plymouth Marine Laboratory

Independent Auditor's Report to the Members of Plymouth Marine Laboratory

Opinion

We have audited the financial statements of Plymouth Marine Laboratory (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2021 and of the group's results 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 group 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.

Use of our report

This report is made solely to the charitable parent 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 group'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 parent company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

Independent Auditor's Report to the Members of Plymouth Marine Laboratory

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, 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.

Opinion 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 and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the and the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 Statement of Trustees' Responsibilities (set out on page 16), the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of Plymouth Marine Laboratory

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:

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to acts by the company which were contrary to applicable laws and regulations, including fraud.

We considered those laws and regulations that have a direct impact on the preparation of the financial statements, including, but not limited to the reporting framework (FRS 102 and Companies Act 2006) and the relevant tax compliance regulations in the UK. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent financial reporting.

We also considered those laws and regulations that have a direct impact on the operations of the Group, including, but not limited to various environmental and employment laws and regulations (e.g. Environmental Protection Act and The Health and Safety at Work Act 1974) that are applicable in the UK.

Audit procedures performed by the engagement team include, but were not limited to, discussion and inquiries with management of compliance with laws and regulations and review of correspondence and contracts with third parties. We also addressed the risk of management override of internal controls, including testing of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to be come aware of instances of non-compliance. 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, collusion, omission or misrepresentation.

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

Plymouth Marine Laboratory

Independent Auditor's Report to the Members of Plymouth Marine Laboratory

.....
Duncan Leslie (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

North Quay House
Sutton Harbour
Plymouth
PL4 0RA

Date: 13/07/21

Plymouth Marine Laboratory

Consolidated Statement of Financial Activities

Year Ended 31 March 2021
(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds - general £ 000	Unrestricted funds - designated £ 000	Restricted funds £ 000	Total 2021 £ 000
Income and Endowments from:					
Charitable activities	3	370	330	12,144	12,844
Other trading activities	4	1,376	-	-	1,376
Investment income		62	-	-	62
Total income		1,807	330	12,144	14,281
Expenditure on:					
Raising funds		(443)	-	-	(443)
Charitable activities	5	(698)	(253)	(12,144)	(13,095)
Other expenditure		(20)	-	-	(20)
Total expenditure		(1,162)	(253)	(12,144)	(13,559)
Net income		645	77		722
Transfers between funds		(139)	139	-	-
Gains/(losses) on investments assets		750	-	-	750
Net movement in funds		1,256	216		1,473
Reconciliation of funds					
Total funds brought forward		2,838	3,714	-	6,552
Total funds carried forward	21	4,095	3,930		8,024

Plymouth Marine Laboratory

Consolidated Statement of Financial Activities

Year Ended 31 March 2021
(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

For comparative purposes - financial performance for prior financial year

	Note	Unrestricted funds £ 000	Unrestricted funds - desigated £ 000	Restricted funds £ 000	Total 2020 £ 000
Income and Endowments from:					
Charitable activities	3	353	200	14,140	14,693
Other trading activities	4	1,594	-	-	1,594
Investment income		129	-	-	129
Total income		2,076	200	14,140	16,416
Expenditure on:					
Raising funds		(367)	-	-	(367)
Charitable activities	5	(971)	(228)	(14,140)	(15,339)
Other expenditure		(22)	-	-	(22)
Total expenditure		(1,359)	(228)	(14,140)	(15,728)
Net income/(expenditure) before transfers		716	(28)		688
Gains/(losses) on investment assets		(224)	-	-	(224)
Net movement in funds		493	(28)		464
Reconciliation of funds					
Total funds brought forward		2,347	3,742	-	6,089
Total funds carried forward	21	2,840	3,714		6,553

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 is shown in note 21.

Plymouth Marine Laboratory

Consolidated Balance Sheet

31 March 2021

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Intangible assets	12	486	546
Tangible assets	13	10,125	9,386
Investments	14	3,629	2,837
		14,241	12,770
Current assets			
Debtors	15	3,634	3,208
Cash at bank and in hand	16	4,934	5,118
		8,568	8,325
Creditors: Amounts falling due within one year	17	(7,864)	(8,210)
Net current assets		704	115
Total assets less current liabilities		14,945	12,885
Creditors: Amounts falling due after more than one year	18	(6,920)	(6,331)
Net assets		8,024	6,553
Funds of the group:			
Restricted			
Unrestricted - designated		3,930	3,714
Unrestricted - general		4,095	2,839
Total funds	21	8,024	6,553

The financial statements on pages 21 to 57 were approved by the trustees, and authorised for issue on ....9 July 2021.... and signed on their behalf by:

.....
Admiral Sir J Burnell-Nugent KCB, CBE
Chairman and Trustee

.....
N J Godefroy
Trustee

Company Registration Number: 4178503

Plymouth Marine Laboratory

Balance Sheet

31 March 2021

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Intangible assets	12	486	546
Tangible assets	13	10,124	9,384
Investments	14	3,729	2,937
		14,339	12,867
Current assets			
Debtors	15	3,440	3,308
Cash at bank and in hand	16	4,444	4,189
		7,884	7,497
Creditors: Amounts falling due within one year	17	(7,548)	(7,954)
Net current assets/(liabilities)		336	(456)
Total assets less current liabilities		14,675	12,411
Creditors: Amounts falling due after more than one year	18	(6,920)	(6,331)
Net assets		7,755	6,080
Funds of the charity:			
Unrestricted - general		3,827	2,367
Unrestricted - designated		3,928	3,713
Restricted		-	-
Total funds	21	7,755	6,080

The financial statements on pages 21 to 57 were approved by the trustees, and authorised for issue on .....9 July 2021..... and signed on their behalf by:

.....
Admiral Sir J Burnell-Nugent KCB, CBE
Chairman and Trustee

.....
N J Godefroy
Trustee

Company Registration Number: 4178503

Plymouth Marine Laboratory

Consolidated Statement of Cash Flows

Year Ended 31 March 2021

	Note	2021 £ 000	2020 £ 000
Cash flows from operating activities			
Net cash income		1,473	465
Adjustments to cash flows from non-cash items			
Depreciation		1,107	1,010
Amortisation		60	56
Investment income		(62)	(129)
Interest payable		5	7
Fair value movement on investment assets		(750)	224
		1,832	1,631
Working capital adjustments			
Increase in debtors	15	(404)	(442)
Increase in creditors	17	606	255
Decrease in deferred income	18	(1,947)	(13)
Net cash flows from operating activities		87	1,432
Cash flows from investing activities			
Interest receivable and similar income		62	129
Purchase of intangible fixed assets	12		(39)
Purchase of tangible fixed assets	13	(1,846)	(1,407)
Capital grants		1,713	1,125
Purchase of investments		(42)	(106)
Sale of investments		-	149
Net cash flows from investing activities		(113)	(149)
Cash flows from financing activities			
Repayment of loans and borrowings	17	(151)	(134)
Interest payable and similar charges		(5)	(7)
Net cash flows from financing activities		(156)	(141)
Net (decrease)/increase in cash and cash equivalents		(182)	1,142
Cash and cash equivalents at 1 April		5,118	3,976
Cash and cash equivalents at 31 March		4,935	5,118

All of the cash flows are derived from continuing operations during the above two periods.

Plymouth Marine Laboratory

Notes to the Financial Statements

Year Ended 31 March 2021

1 Charity status

The charity is limited by share capital, incorporated in England and Wales.

The address of its registered office is:
Prospect Place
The Hoe
Plymouth
PL1 3DH

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
The financial statements have been prepared in accordance with Accounting and reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006, with the exception that grants in respect of capital expenditure received are deferred and released to the Statement of Financial Activities over the expected useful lives of the relevant assets to which they relate This treatment provides consistency with the treatment adopted by other similarly funded institutions including Universities.

Basis of preparation
The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.
The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.
The functional currency of Plymouth Marine Laboratory is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Plymouth Marine Laboratory meets the definition of a public benefit entity under FRS 102.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2021.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity had a positive net movement in funds for the financial year of £1,675,000 (2020 - £287,000).

The charity has taken advantage of the exemption not to prepare a cash flow statement, as the charity figures are included in the consolidated cash flow statement and the members have not objected to the exemption being taken.

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Going concern
PML's cash position (as at 31 May 2021) is strong at £2.45M.

PML has put in place covid-safety measures within its premises, such that if there is a further wave of covid-19 and a consequential lockdown, it would not be adversely affected, i.e. laboratory and local seagoing activities can continue, and hence income can be claimed.

Income forecasting has been undertaken which demonstrates that PML is likely to achieve a break-even/small deficit position at the end of the financial year 2021-22, taking into account the recently notified government reduction in ODA funding as mentioned under Risk Management

Key assumptions here are that our remaining funders (UK Research & Innovation [UKRI], EU, European Space Agency) will pay as per schedule. UKRI also provided an additional funding grant to support grants affected by covid-19, £98k of which has been set aside to support UKRI funded grants held by PML in FY 2021-22.

Current signed contracts stand at £22.5M, of which £9.9M has already been recognised up to 31 March 2021. The remaining £12.6M relates to projects which run over the next 3 financial years.

At year end the Trustees acknowledge that the net asset position was a relatively modest £704k current assets. They take assurance from the fact that within current creditors is £4.3M of cash advances received on competitive research contracts. Due to the nature of this balance the Trustees have strong certainty that the majority can be earnt and released to income over the next financial year to fund staff costs and overheads. As at year end the charity also held an investment portfolio of £3.6M which as a last resort could be realised to fund any deficits that arise as a result of covid-19 or other loss of income.

The Trustees believe that PML is a going concern on the following basis:

- Strong cash position as identified above.
- Principal funding sources are government backed, e.g. UKRI, the EU, European Space Agency.
- Strong signed contracts position.
- The company can meet its short-term debts.
- Strong reserves position

In conclusion, there are no material uncertainties to cast doubt on PML's ability to continue as a going concern.

Critical accounting judgements and key sources of estimation uncertainty
In the application of the company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The following are the critical judgements and estimates that the directors have made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

- Carrying value of research balances

Provision is made against research debtor balances where costs (including those to complete) exceed contracted income.

Income
All incoming resources are included in the statement of financial activities where the charity is entitled to the income and the amount can be qualified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Investment income is included when receivable.
- Grants in respect of capital expenditure are credited to a deferred capital grants account within creditors, and are released to the Statement of Financial Activities over the expected useful lives of the relevant assets to which they relate.
- Competitive Research – The majority of contracts are for 3 years duration. During the period of the contract, income is only credited to the Income and Expenditure account if it is matched by activity within the contract. Where income received to date is in excess of this calculated amount, it is deferred, where the income received is less, it is accrued. Should funds be provided within the contract to purchase capital equipment but ownership of that equipment resides with the customer, then the equipment is not capitalised on the Balance Sheet. Should ownership of the equipment reside with the group, the equipment is capitalised and the specific income provided for its purchase is spread over the life of the asset

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement; or
- The costs that are funded by the grant have yet to be spent.

Expenditure
Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

- Costs of generating commercial trading income through the subsidiary, PML Applications Ltd.
- Charitable activities include expenditure associated with the operation of the Charity, and include both the direct costs and support costs relating to those activities.
- Governance costs include those incurred in the governance of the Charity and its assets and are primarily associated with strategic, constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Research and Development and Patents
As an organisation wholly engaged in research, the group does not classify research and development expenditure separately in the accounts. Expenditure in respect of the development of patents has been written off.

Intellectual Property
Intellectual property rights arising from the group's research and development have not been included in these accounts as their market value cannot be readily estimated. The anticipated annual income generated from such rights is not material in value and is credited to the income and expenditure account on receipt.

Pensions
In accordance with the Staff Loan Agreement between NERC and PML, employees who were in post at 31 March 2002 remained employees of NERC (subsequently novated to UKRI). For these employees, payments are made to the Research Council's Pension Scheme - a defined benefits scheme. Employees who joined PML after 31 March 2002 have the option to join the Plymouth Marine Laboratory Group Scheme. This is a defined contribution scheme administered by Scottish Life. Contributions for both schemes are charged to the accounts as they become payable in accordance with the rules of the schemes.

Value Added Tax
As the group is registered partially exempt for VAT purposes, all expenditure and fixed asset purchases are shown inclusive of VAT where applicable.

Taxation
The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Intangible assets
Intangible assets are stated in the Balance Sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives.

Amortisation
Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Computer software	2-10 years straight line

Tangible fixed assets
Individual fixed assets costing £3k or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation
Provision is made for depreciation on all tangible fixed assets at rates calculated to write off the costs of each asset evenly over its expected useful working life.

Fixed assets are depreciated in the month of acquisition, but are not depreciated in the month of disposal. Components of assets with substantially different economic lives are accounted for separately for depreciation purposes and depreciated over their individual useful economic lives.

Asset class	Depreciation method and rate
Scientific equipment	2-10 years straight line
Computer equipment	2-5 years straight line
Plant	10 years straight line
Vehicles	4 years straight line
Ships	20 years straight line
Leasehold buildings	25 years straight line

Fixed asset investments
Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Borrowings
Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Foreign exchange
Assets and liabilities denominated in foreign currencies are expressed in pounds sterling at rate(s) of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the time of the transaction. All exchange differences are taken to the Statement of Financial Activities.

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

Designated funds are unrestricted funds which have been assigned by the Trustees for future projects.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes.

Hire purchase and finance leases
Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Financial instruments

Financial assets and liabilities are recognised/(derecognised) when the company becomes/(ceases to be) party to the contractual provisions of the instrument. The company holds the following financial assets and liabilities:

- Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment ("doubtful debts") are recognised in Statement of financial activities before net income.

- Loans qualifying as basic financial instruments under FRS102

Loans are initially recorded at transaction price and subsequently measured at amortised cost using the effective interest method.

- Other financial instruments not qualify as basic under FRS102

Forward exchange contracts are measured at fair value at the balance sheet date. Movements in fair value are charged or credited to the statement of financial activities before net income.

Investments

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

3 Income from charitable activities

	Unrestricted funds				
	Designated £ 000	General £ 000	Restricted funds £ 000	Total 2021 £ 000	Total 2020 £ 000
NERC funding (National Capability)	-	-	3,600	3,600	3,773
Research Income	-	-	7,481	7,481	9,566
Designated income	330	-	-	330	200
Deferred income on capital expenditure	-	-	811	811	711
Funding for restructuring	-	-	-	-	40
Reimbursements	-	-	-	-	41
VAT recoverable (due to partial exemption)	-	10	-	10	69
Charges for secretariat services - Partnership for Observation of the Global Oceans	-	110	-	110	101
Doctoral training grants	-	154	-	154	97
Other income	-	96	252	347	95
	330	370	12,144	12,844	14,693

4 Income from other trading activities

Summary profit and loss account	2021	2020
	£'000	£'000
Turnover	1,423	1,617
Cost of sales and administrative expenses	(1,187)	(1,159)
Other income, including interest receivable	-	-
Operating profit	236	458
Interest payable on loan	(3)	(3)
Net profit	233	455

The assets and liabilities of the subsidiary were:	2021	2020
	£'000	£'000
Fixed assets	2	3
Current assets	817	1,172
Current liabilities	(449)	(601)
Total net assets/(liabilities)	370	574
Aggregate share capital and reserves	370	574

Reconciliation with statement of financial activities (SOFA)	2021	2020
	£'000	£'000
Turnover (As above)	1,423	1,617
Less: Income from parent charity	(47)	(23)
Per SOFA - Income from other trading activities	1,376	1,594
Cost of sales and administrative expenses (As above)	1,187	1,159
Less: Recharged by parent charity	(744)	(792)
Per SOFA - Expenditure on raising funds	443	367

5 Expenditure on charitable activities

	Activity undertaken directly £ 000	Activity support costs £ 000	Total 2021 £ 000	Total 2020 £ 000
Research staff costs	6,191	-	6,191	5,945
Recurrent costs - Science	2,761	-	2,761	5,470
Recurrent costs - Science support	1,141	-	1,141	1,371
Depreciation and amortisation of assets	1,166	-	1,166	1,026
Loan interest payable	5	-	5	7
Restructuring costs	-	37	37	84
Senior management and administrative staff costs	-	1,178	1,178	988
Administration costs	-	578	578	404
Governance costs	-	38	38	44
	11,264	1,831	13,095	15,339

£951,000 (2020 - £1,199,000) of the above expenditure was attributable to unrestricted funds and £12,144,000 (2020 - £14,140,000) to restricted funds.

6 Analysis of governance and support costs

Governance costs

	Restricted funds £ 000	Total 2021 £ 000	Total 2020 £ 000
Audit fees			
Audit of the financial statements	20	20	19
Other fees paid to auditors	19	19	15
Trustees remuneration and expenses			11
	38	38	45

7 Net incoming/outgoing resources

This is stated after charging/(crediting):

	2021 £ 000	2020 £ 000
Audit fees	20	18
Other non-audit services	19	15
Depreciation and amortisation of assets	1,166	1,065
Operating leases - other assets	142	141
Deferred grants released	(810)	(712)
Foreign currency losses/(gains)	137	(139)
Finance charges payable	5	7

8 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

Trustees expenses amounting to £0k (2020: £5k) were reimbursed during the year.

9 Staff costs

The aggregate payroll costs were as follows:

	2021 £ 000	2020 £ 000
Staff costs during the year were:		
Wages and salaries	6,491	6,009
Social security costs	656	627
Pension costs	637	640
Restructuring costs	37	84
	7,821	7,360

The monthly average number of persons (including senior management team) employed by the group during the year expressed as full time equivalents was as follows:

	2021 No	2020 No
Permanent staff - Science and support	108	101
Permanent staff - Management and admin	43	43
Temporary staff	26	19
	177	163

The number of employees whose emoluments fell within the following bands was:

	2021 No	2020 No
£60,001 - £70,000	3	1
£70,001 - £80,000	2	4
£80,001 - £90,000	1	1
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-

The total employee benefits of the key management personnel of the group were £537,205 (2020 - £510,844).

10 Auditors' remuneration

	2021 £ 000	2020 £ 000
Audit of the financial statements	20	19
Other fees to auditors		
All other assurance services	14	10
All other non-audit services	5	5
	19	15

11 Taxation

The group is a registered charity and is therefore exempt from taxation.

12 Intangible fixed assets

Group

	Software £ 000	Total £ 000
Cost		
At 1 April 2020	602	602
Additions		
At 31 March 2021	602	602
Amortisation		
At 1 April 2020	56	56
Charge for the year	60	60
At 31 March 2021	116	116
Net book value		
At 31 March 2021	486	486
At 31 March 2020	546	546

Charity

	Software £ 000	Total £ 000
Cost		
At 1 April 2020	602	602
Additions		
At 31 March 2021	602	602
Amortisation		
At 1 April 2020	56	56
Charge for the year	60	60
At 31 March 2021	116	116
Net book value		
At 31 March 2021	486	486
At 31 March 2020	546	546

13 Tangible fixed assets

Group

	Land and buildings £ 000	Furniture and equipment £ 000	Ships and vehicles £ 000	Assets under construction £ 000	Total £ 000
Cost					
At 1 April 2020	7,268	10,609	810	1,125	19,812
Additions	-	3	-	1,844	1,846
Transfers	25	1,020	-	(1,045)	-
At 31 March 2021	7,293	11,632	810	1,923	21,659
Depreciation					
At 1 April 2020	1,239	8,568	619	-	10,426
Charge for the year	432	635	40	-	1,107
At 31 March 2021	1,671	9,203	659	-	11,533
Net book value					
At 31 March 2021	5,622	2,429	151	1,923	10,125
At 31 March 2020	6,029	2,041	191	1,125	9,386

Included within the net book value of land and buildings above is £Nil (2020 - £Nil) in respect of freehold land and buildings and £5,622,000 (2020 - £6,029,000) in respect of leaseholds.

Restriction on title and pledged as security
Freehold property with a carrying amount of £5,622,000 (2020: £6,029,000) has been pledged as security for the bank loans.

Notes to the Financial Statements

Year Ended 31 March 2021

Charity

	Land and buildings £ 000	Furniture and equipment £ 000	Ships and vehicles £ 000	Assets under construction £ 000	Total £ 000
Cost					
At 1 April 2020	7,268	10,570	810	1,125	19,773
Additions	-	3	-	1,844	1,846
Transfers	25	1,020	-	(1,045)	-
At 31 March 2021	7,293	11,593	810	1,923	21,620
Depreciation					
At 1 April 2020	1,239	8,531	619	-	10,390
Charge for the year	432	635	40	-	1,106
At 31 March 2021	1,671	9,166	659	-	11,496
Net book value					
At 31 March 2021	5,622	2,427	151	1,923	10,124
At 31 March 2020	6,029	2,039	191	1,125	9,384

Included within the net book value of land and buildings above is £Nil (2020 - £Nil) in respect of freehold land and buildings and £5,622,000 (2020 - £6,029,000) in respect of leaseholds.

Restriction on title and pledged as security

Land and buildings with a carrying amount of £5,622,000 (2020 - £6,029,000) has been pledged as security for the bank loans.

14 Fixed asset investments

Group

	2021 £ 000	2020 £ 000
Other investments	3,629	2,837

Other investments

	Listed investments £ 000
Cost or Valuation	
At 1 April 2020	2,837
Revaluation	750
Additions	62
Investment manager fee	(20)
At 31 March 2021	3,629
Net book value	
At 31 March 2021	3,629
At 31 March 2020	2,837

Charity

	2021 £ 000	2020 £ 000
Shares in group undertakings and participating interests	100	100
Other investments	3,629	2,837
	3,729	2,937

Shares in group undertakings and participating interests

	Subsidiary undertakings £ 000	Total £ 000
Cost		
At 1 April 2020	100	100
At 31 March 2021	100	100
Net book value		
At 31 March 2021	100	100
At 31 March 2020	100	100

Other investments

	Listed investments £ 000
Cost or Valuation	
At 1 April 2020	2,837
Revaluation	750
Additions	62
Investment fees	(20)
At 31 March 2021	3,629
Net book value	
At 31 March 2021	3,629
At 31 March 2020	2,837

Notes to the Financial Statements

Year Ended 31 March 2021

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2021	2020	
Subsidiary undertakings					
PML Applications Ltd Prospect Place, West Hoe, Plymouth, PL1 3DH	England and Wales	Ordinary shares	100%	100%	Marine research
Smart Sound Plymouth Ltd Prospect Place, West Hoe, Plymouth, PL1 3DH	England and Wales	Ordinary shares	100%	100%	Innovative marine technology development - currently dormant
GenePro Ltd (held by a subsidiary) Prospect Place, West Hoe, Plymouth, PL1 3DH	England	Ordinary	100%	100%	Exploitation of intellectual property currently dormant

Subsidiaries

The profit for the financial period of PML Applications Ltd was £233,433 (2020 - £455,243) and the aggregate amount of capital and reserves at the end of the period was £369,693 (2020 - £573,647).

The profit for the financial period of Smart Sound Plymouth Ltd was £Nil (2020 - £Nil) and the aggregate amount of capital and reserves at the end of the period was £Nil (2020 - £Nil).

The profit for the financial period of GenePro Ltd (held by a subsidiary) was £Nil (2020 - £Nil) and the aggregate amount of capital and reserves at the end of the period was £Nil (2020 - £Nil).

15 Debtors

	Group		Charity	
	2021 £ 000	2020 £ 000	2021 £ 000	2020 £ 000
Trade debtors	2,034	1,453	1,809	1,262
Due from group undertakings	-	-	125	345
Prepayments	177	136	177	136
Accrued income	1,416	1,608	1,323	1,557
VAT recoverable	-	1	-	-
Other debtors	7	9	7	9
	3,634	3,208	3,440	3,308

16 Cash and cash equivalents

	Group		Charity	
	2021 £ 000	2020 £ 000	2021 £ 000	2020 £ 000
Cash at bank	4,934	5,100	4,444	4,171
Short-term deposits	-	18	-	18
	4,934	5,118	4,444	4,189

Balances held by the group that are not available for use by the group
At year end no cash (2020: £Nil) was held on behalf of other project partners, e.g. where PML acts as co-ordinator of EC contracts.

17 Creditors: amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£ 000	£ 000	£ 000	£ 000
Bank loans	49	161	49	161
Trade creditors	672	639	610	633
Due to group undertakings	-	-	8	13
Other taxation and social security	257	192	225	183
Other creditors	56	50	54	45
Accruals	2,532	1,779	2,452	1,727
Deferred income	4,298	5,389	4,151	5,192
	7,864	8,210	7,548	7,954

Bank borrowings

A bank loan to finance the purchase of the West Hoe site is denominated in £ sterling with a nominal interest rate of 1.85% above bank base rate (2020 - 1.85% above bank base rate), and the final instalment is due on 14 April 2021. The carrying amount at year end is £9,000 (2020 - £120,000).

The loan is secured on a first legal mortgage over the leasehold property at Prospect Place, The Hoe, Plymouth.

A bank loan of £200,000 to finance the purchase of a new business management system is denominated in £ sterling with a nominal interest rate of 2.55% above bank base rate (2020 - 2.55% above bank base rate), and the final instalment is due on 19 January 2022. The carrying amount at year end is £40,000 (2020 - £80,000).

The loan was secured on the first legal mortgage over the leasehold property at Prospect Place, The Hoe, Plymouth.

18 Creditors: amounts falling due after one year

	Group		Charity	
	2021	2020	2021	2020
	£ 000	£ 000	£ 000	£ 000
Bank loans	-	39	-	39
Deferred income	6,920	6,292	6,920	6,292
	6,920	6,331	6,920	6,331

Deferred Capital grants - Group and company

	2021	2020
Amounts to be released:	£'000	£'000
Within one year	970	683
In two to five years	3,540	1,547
In over five years	3,368	4,745
	7,878	6,975

Analysis of Deferred capital grants - Group and company

	2021	2020
	£ 000	£ 000
Deferred capital grant brought forward	(6,975)	(6,562)
Resources deferred in the period	(1,713)	(1,125)
Amounts released from previous periods	810	712
Deferred capital grant at year end	(7,878)	(6,975)

19 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Charity	
	2021	2020	2021	2020
	£ 000	£ 000	£ 000	£ 000
Land and buildings				
Within one year	40	41	40	41
Between one and five years	84	86	84	86
After five years	177	194	177	194
	301	322	301	322
Other				
Within one year	130	122	130	122
Between one and five years	292	317	292	317
After five years	-	1	-	1
	422	440	422	440

In addition to the financial commitments listed above a long term lease to 2094 has an annual commitment of £25k per annum.

The amount of non-cancellable operating lease payments recognised as an expense during the year was £142k (2020: £116k).

20 Commitments

Group and charity

Capital commitments

Commitments for purchase of capital equipment.
The total amount contracted for but not provided in the financial statements was £850k (2020 - £158k).

Pension commitments

UKRI-NERC employees are entitled to be members of the Research Council's Pension Scheme which is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. The pension scheme is contributory and the benefits are by analogy to the Principal Civil Service Pension Scheme, except that while the scheme provides retirement and related benefits based on final emoluments, redundancy and injury benefits are administered and funded by the Council. The pension scheme is administered by the Research Council's Joint Superannuation Service, and the finance administered by the Biotechnology Sciences Research Council. The scheme is a multi-employer scheme, for which a separate Research Council's Pension Scheme account is published. NERC are unable to identify their share of the underlying assets and liabilities.

Employees, who joined after 31 March 2002 are entitled to be members of the Plymouth Marine Laboratory Group Pension Scheme. This is a defined contribution scheme administered by Royal London Mutual Insurance Society Ltd. (formerly Scottish Life). Contributions for the year were a minimum of employer's 6.5% and employees 3.5%.

The pension cost charge for the year represents contributions payable by the company to the schemes and amounted to £637k (2020: £640k). Commitments provided for in the accounts amounted to £52,000 (2020 - £46,000). Commitments not provided for in the accounts amounted to £Nil (2020 - £Nil). £Nil relates to pension commitments related to pensions payable to past directors (2020 - £Nil).

21 Funds

Group

	Balance at 1 April 2020 £ 000	Incoming resources £ 000	Resources expended £ 000	Transfers £ 000	Other recognised gains/ (losses) £ 000	Balance at 31 March 2021 £ 000
Unrestricted funds						
General						
Unrestricted funds - general	2,839	1,807	(1,162)	(139)	750	4,095
Designated						
Research Fellows	296	-	(89)	-	-	207
Lecture theatre	179	-	(22)	139	-	297
Head Lease	384	-	(24)	-	-	361
Leasehold land & buildings	1,909	-	-	-	-	1,909
Oceansgate Facility	149	-	(10)	-	-	139
Development Officer	122	-	(37)	-	-	85
New business system	475	-	(60)	-	-	415
Educational support fund	200	150	(12)	-	-	338
MMC AV Equipment	-	100	-	-	-	100
New vessel design/virtualisation	-	80	-	-	-	80
	3,714	330	(253)	139	-	3,930
Total unrestricted funds	6,553	2,137	(1,415)	-	750	8,024
Restricted funds						
Restricted funds	-	12,144	(12,144)	-	-	-
Total funds	6,553	14,281	(13,559)	-	750	8,024

Plymouth Marine Laboratory

Notes to the Financial Statements

Year Ended 31 March 2021

	Balance at 1 April 2019 £ 000	Incoming resources £ 000	Resources expended £ 000	Other recognised gains/(losses) £ 000	Balance at 31 March 2020 £ 000
Unrestricted funds					
General					
Unrestricted funds - general	2,347	2,076	(1,360)	(224)	2,839
Designated					
Research Fellows	400	-	(104)	-	296
Lecture theatre	217	-	(38)	-	179
Head Lease	408	-	(24)	-	384
Leasehold land & buildings	1,909	-	-	-	1,909
Oceansgate Facility	150	-	(1)	-	149
Development Officer	128	-	(6)	-	122
New business system	530	-	(55)	-	475
Educational support fund	-	200	-	-	200
	3,742	200	(228)	-	3,713
Total unrestricted funds	6,089	2,276	(1,588)	(224)	6,553
Restricted funds					
Restricted funds	-	14,140	(14,140)	-	-
Total funds	6,089	16,416	(15,728)	(224)	6,553

Notes to the Financial Statements

Year Ended 31 March 2021

Charity

	Balance at 1 April 2020 £ 000	Incoming resources £ 000	Resources expended £ 000	Transfers £ 000	Other recognised gains/ (losses) £ 000	Balance at 31 March 2021 £ 000
Unrestricted funds						
General						
Unrestricted funds	2,367	1,612	(763)	(139)	750	3,827
Designated						
Research Fellows	296	-	(89)	-	-	207
Lecture theatre	179	-	(22)	139	-	296
Head lease	384	-	(24)	-	-	360
Leasehold land & buildings	1,909	-	-	-	-	1,909
Oceangate Facility	148	-	(10)	-	-	138
Development Officer	122	-	(37)	-	-	85
New Business System	475	-	(60)	-	-	415
Educational support fund	200	150	(12)	-	-	338
MMC AV Equipment	-	100	-	-	-	100
New vessel design/virtualisation	-	80	-	-	-	80
	3,713	330	(254)	139	-	3,928
Total Unrestricted funds	6,080	1,942	(1,017)	-	750	7,755
Restricted funds						
Restricted funds	-	12,144	(12,144)	-	-	-
Total funds	6,080	14,086	(13,161)	-	750	7,755

Notes to the Financial Statements

Year Ended 31 March 2021

	Balance at 1 April 2019 £ 000	Incoming resources £ 000	Resources expended £ 000	Other recognised gains/(losses) £ 000	Balance at 31 March 2020 £ 000
Unrestricted funds					
General					
Unrestricted funds	2,050	1,548	(1,007)	(224)	2,367
Designated					
Research Fellows	400	-	(104)	-	296
Lecture theatre	217	-	(38)	-	179
Head lease	408	-	(24)	-	384
Leasehold land & buildings	1,909	-	-	-	1,909
Oceangate Facility	150	-	(2)	-	148
Development Officer	128	-	(6)	-	122
New Business System	530	-	(55)	-	475
Educational support fund	-	200	-	-	200
	3,742	200	(229)	-	3,713
Total unrestricted funds	5,792	1,748	(1,236)	(224)	6,080
Restricted funds					
Restricted funds	-	14,140	(14,140)	-	-
Total funds	5,792	15,888	(15,377)	(224)	6,080

22 Analysis of net assets between funds

Group

	Unrestricted funds		
	General £ 000	Designated £ 000	Total funds £ 000
Intangible fixed assets	486	-	486
Tangible fixed assets	6,826	3,299	10,125
Fixed asset investments	3,000	629	3,629
Current assets	8,568	-	8,568
Current liabilities	(7,864)	-	(7,864)
Creditors over 1 year	(6,920)	-	(6,920)
Total net assets	4,096	3,928	8,024

	Unrestricted funds		
	General £ 000	Designated £ 000	Total funds at 31 March 2020 £ 000
Intangible fixed assets	546	-	546
Tangible fixed assets	6,290	3,096	9,386
Fixed asset investments	2,219	618	2,837
Current assets	8,325	-	8,325
Current liabilities	(8,210)	-	(8,210)
Creditors over 1 year	(6,331)	-	(6,331)
Total net assets	2,839	3,714	6,553

Notes to the Financial Statements

Year Ended 31 March 2021

Charity

	Unrestricted funds		
	General £ 000	Designated £ 000	Total funds £ 000
Intangible fixed assets	486	-	486
Tangible fixed assets	6,825	3,299	10,124
Fixed asset investments	3,100	629	3,729
Current assets	7,884	-	7,884
Current liabilities	(7,548)	-	(7,548)
Creditors over 1 year	(6,920)	-	(6,920)
Total net assets	3,827	3,928	7,755

	Unrestricted funds		
	General £ 000	Designated £ 000	Total funds at 31 March 2020 £ 000
Intangible fixed assets	546	-	546
Tangible fixed assets	6,289	3,095	9,384
Fixed asset investments	2,319	618	2,937
Current assets	7,498	-	7,498
Current liabilities	(7,955)	-	(7,955)
Creditors over 1 year	(6,331)	-	(6,331)
Total net assets	2,366	3,713	6,079

23 Analysis of net debt

Group

	At 1 April 2020 £ 000	Cash flow £ 000	At 31 March 2021 £ 000
Cash at bank and in hand	5,118	(184)	4,934
Debt due within one year	(161)	112	(49)
Debt due after more than one year	(39)	39	-
Net debt	4,919	(34)	4,885

Group

	At 1 April 2019 £ 000	Cash flow £ 000	Other non-cash changes £ 000	At 31 March 2020 £ 000
Cash at bank and in hand	3,976	1,142	-	5,118
Debt due within one year	(96)	134	(199)	(161)
Debt due after more than one year	(238)	-	199	(39)
Net debt	3,642	1,276	-	4,919

24 Financial instruments

Group

Categorisation of financial instruments

	2021 £ 000	2020 £ 000
Financial assets measured at fair value through profit or loss	-	4

Financial assets measured at fair value

Forward exchange contracts

Comparison of the year end spot rate (which acts as an approximation for the fair value of the contracts) with the contracted rate.

The fair value is £Nil (2020 - £4,000) and the change in value included in profit or loss is £4,000 (2020 - £15,000).

25 Related party transactions

Group
During the year the group made the following related party transactions:

Valeport Limited
(A Director of the subsidiary company PML Applications Ltd is a shareholder in Valeport Limited)
The subsidiary company provided services totalling £3,000 (2020 - £1,000) to Valeport Limited during the year. At the balance sheet date the amount due to/from Valeport Limited was £Nil (2020 - £Nil).

The charity has taken advantage of the exemption under FRS102 section 33 not to disclose intra-group transactions with its subsidiary, PML Applications Ltd.

There were no other related party transactions for the group or charity during the year.