



PML

Plymouth Marine
Laboratory

**ANNUAL
REPORT AND
FINANCIAL
STATEMENTS**
YEAR ENDED
31 MARCH 2022

Company
registration
number:
4178503

Charity
registration
number:
1091222



CONTENTS

Foreword by the
Chair of Trustees
4

A Message from
our Chief Executive
5

Our Year
in Numbers
6

Reference and
Administrative Details
8

Trustees'
Report
9

Our
Strategy
11

Delivering our
Strategic Priorities
13

Financial
Review
19

Principal Risks
& Uncertainties
20

Structure, Governance
& Management
22

Statement of Trustees'
Responsibilities
25

Independent
Auditors' Report
26

Consolidated Statement
of Financial Activities
30

Consolidated
Balance Sheet
33

Balance
Sheet
34

Consolidated Statement
of Cash Flows
35

Notes to the
Financial Statements
36

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

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

6.5

tonnes of CO₂ saved
through onsite solar
energy generation

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*

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

The background of the page is a deep blue underwater scene featuring several jellyfish. One large, prominent jellyfish is in the lower right, showing its bell and trailing tentacles. Other jellyfish are visible in the upper left and middle sections, creating a sense of depth and movement.

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:



COLLABORATION



EXCELLENCE



INNOVATION



INTEGRITY



MEANINGFULNESS



RESPECT



RESPONSIBILITY

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 km² 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 be to 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 km² 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 CO₂ 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 on co-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 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 £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:

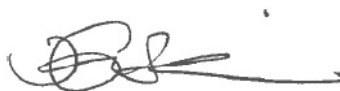
- Strong cash position as identified above.
- Principal funding sources are government backed, e.g. UKRI, European Space Agency, EU (UK government backed).
- Strong signed contracts position.
- The company can meet its short-term debts.
- Strong reserves position.

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

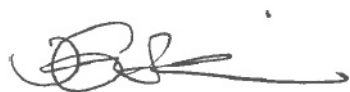
The Trustees (who are also the directors of Plymouth Marine Laboratory for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and 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

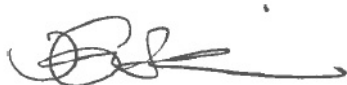
All of the group's activities derive from continuing operations during the above two periods. The funds breakdown for 2021 is shown in note 21.

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

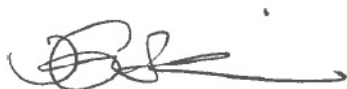
Company Registration Number: 4178503

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

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.

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 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 £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 £ 000	Total 2022 £ 000	Total 2021 £ 000
	Designated £ 000	General £ 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/(Liabilities)	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 Raising 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 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 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.



Charity registration number

1091222 (England & Wales)

Company registration number

4178503

Registered office

Prospect Place, The Hoe, Plymouth, PL1 3DH



PML | Plymouth Marine
Laboratory

Company
registration
number:
4178503

Charity
registration
number:
1091222