

THE MARINE BIOLOGICAL ASSOCIATION OF THE UNITED KINGDOM

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

THE MARINE BIOLOGICAL ASSOCIATION OF THE UNITED KINGDOM

CONTENTS

	Page
Reference and administrative details of the Charity, its Trustees and advisers	1
Trustees' report	2
Independent auditors' report on the financial statements	12 - 15
Statement of financial activities	16 - 17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements	20 - 42

THE MARINE BIOLOGICAL ASSOCIATION OF THE UNITED KINGDOM

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2021

Trustees	Dr Gill Rider, President Mr R Mills, Treasurer (elected) Professor P S Rainbow (resigned 2 December 2020) Professor M J Whitaker Professor S Rogers Professor C Frid Dr J Ashworth Professor J A Raven Professor A G Smith Mr R Coombs, Trustee Professor J Petts Professor P J B Hart Professor P M Holligan Professor D Laffoley Professor Ros Rickaby (elected 2 December 2020) Professor Heather Koldewey (elected 2 December 2020)
Company registered number	RC000865
Charity registered number	1155893
Registered office	The Laboratory Citadel Hill Plymouth PL1 2PB
Secretary and Director	Professor W Wilson
Treasurer	Mr R Mills (elected annually)
Independent auditors	Bishop Fleming LLP Chartered Accountants Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

The Trustees present their Annual Report together with the audited financial statements of the charity for the year 1 April 2020 to 31 March 2021. The Annual Report serves the purposes of both a Trustees' report and a Directors' report under company law. The Trustees confirm that the Annual Report and Financial Statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

a. Objectives and activities

The Marine Biological Association (MBA) is a Learned Society of scientists and members in over 40 countries, across 5 continents. Its in-depth scientific research into the interconnected marine environment is carried out from its prestigious laboratory HQ in Plymouth, UK. It has a Royal Charter that recognises its world-leading status in marine biology. Since 1884, the MBA has worked as a voice for the ocean and in the interests of the global marine biological community. The MBA's advanced knowledge has contributed to the work of 12 Nobel Laureates and over 170 Fellows of the Royal Society.

MBA Vision: To be *the* voice of Marine Biology.

Focused on marine biology, our Mission is: to understand the causes and consequences of environmental change in the ocean through discovery and dissemination. This mission is achieved through MBA's offer, which includes: our world class research; membership; information and data services; consultancy; postgraduate education, scientific outreach, public engagement, and training programmes.

The Board of Trustees has given regard to the legislative and regulatory requirements for disclosing how its charitable objectives have provided benefit to the public. The Board of Trustees has complied with the duty set out in Section 17(5) of the Charities Act 2011. This report outlines how our achievements during the period have benefited the public, either directly or indirectly.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Strategic report

Achievements and performance

a. Achievements and performance

The full achievements and the performance of the MBA are described in the Annual Report, which is published separately. A brief review of key achievements and activities during the year is provided below along with key performance indicators (KPIs) in the onward sections.

Financial Performance The Trustees are pleased to report a continued strong financial performance which has been driven by two primary indicators: 1) the merger with the Sir Alister Hardy Foundation for Ocean Science (SAHFOS) in April 2018, a charity that managed the Continuous Plankton Recorder (CPR) Survey (also see onward section on CPR Survey KPIs) and has continued to perform well in parallel with operational savings the merger brought to the MBA; and 2) the grant/contract capture success rate of MBA Research Fellows and CPR Survey Research Scientists remains high at 27% (in value) and 52% (in number), which included another prestigious European Research Council (ERC) grant; which is now 3 ERC grants held by the MBA.

Membership numbers dropped compared to the previous 2 years, largely driven by COVID restrictions which prevented some of our primary recruitment events. However, we conducted a comprehensive strategic review of membership using professional consultants and have ambitious plans to restructure the

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

membership offer with a view to significantly increasing membership numbers and improving the membership offer over the next 10 years.

Scientific Outreach & Public Engagement As we focus increasingly on Climate Change, Health of the Ocean Ecosystem, and their impacts on marine life, the MBA had several high profile stories in the media that were covered by a range of press and social media outlets, as well as numerous articles in the international press. Part of this was through our research on (for example) algal physiology (first observation of calcium ion signaling driving phosphate sensing – huge implications for understanding nutrient uptake in the ocean); impact of ocean deoxygenation on shark distributions (also translated for the *Science Journal for Kids*); long-term data milestones (e.g. we received a Guinness World-Record citation for the “greatest distance sampled by a marine survey” referring to the 7-million nautical mile mark by the CPR Survey); importance of ocean microbes with a £1.35-million award from the Wolfson Foundation to build a Marine Microbiome Centre of Excellence (MMCE) which received positive publicity for the MBA.

Infrastructure Improvement We have now made significant headway in developing a Citadel Hill infrastructure improvement masterplan; with construction managers already appointed and planning at advanced stages for a major refurbishment of the north-wing laboratories (MMCE). Refurbishment of the basement area is now complete and the *Mary Parke Bioimaging Centre* was opened during the period; this will house some of the most powerful light microscopes known and is now the most advanced bioimaging facility for any Marine Research Laboratory in the world.

Staff Achievements We celebrated the achievements of our staff with prestigious awards granted to: Dr Trupti Gaikwad who received the Asian Women of Achievement Award in Science (in association with NatWest); and Professor David Sims who won the Zoological Society of London (ZSL) Marsh Award for contributions of shark research to conservation.

COVID-19 Control Measures This reporting period was dominated by the COVID-19 pandemic. Although this did impact the MBA, most of these impacts will not be noticeable until future reporting periods. We conducted a business impact assessment of different lockdown scenarios in 3 month blocks through to March 2021. This allowed us to identify and prioritise contractual delivery issues; impacts on grant proposal opportunities; impacts of consultancy work drying up; impacts of gaps in time-series research; impacts of staff moving to new positions; impacts of being unable to hire new staff; impacts on infrastructure project. Most of the impacts identified were medium to long-term (2 – 3 years) since some contracts may be delayed and would require no-cost extensions, which would have a small financial risk to the MBA. It is likely there will be an impact to the infrastructure project, with labour and materials costs expected to increase by up to 15% above normal (thought to be driven by a combination of COVID and BREXIT impacts); the full impact of this will be reported next year. We did benefit from the Government Coronavirus Job Retention Scheme (furlough) income largely during the first half of the reporting period. With subsequent Government easement guideline announcements, we were able to bring laboratory research staff back following strict on-site control measures (and/or any staff who could work from home were mandated to do so). Although there was a significant drop (15.3%) in the value of our investment portfolio at the end of the previous reporting period (31st March 2020) driven by a market downturn at the start of the pandemic, this has largely recovered during this current reporting period.

b. Research and postgraduate education

The MBA research programme is driven by world-class scientists based at its Citadel Hill Laboratories. Our science strategy spans overlapping biological scales from microscopic to ocean-basin focusing on 1) Marine Microbiome; 2) Coastal Ecology; and 3) Ocean Biology, which contribute to three broad highly topical strategic science themes:

Climate Change is one of the greatest societal challenges of the 21st Century. The continued collection and interpretation of biological data provides detailed insights into how the ocean is responding to this threat and supports predictions about future impacts.

Blue Economy is best defined as taking inspiration from the ocean to derive economic benefit for a

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

sustainable society. Biodiversity (particularly microbial biodiversity) and sustainable resources are the foundations of a vibrant blue economy, including biotechnology.

Ecosystem Health As a major reservoir of natural capital, the ocean provides global economic benefits valued at \$2.5 Trillion/year. Most of that value depends on healthy ecosystems. Our researchers perform unique health checks at large ecological scales helping to identify anthropogenic threats such as microplastics, pathogens and invasive species.

There are now almost 30 research active Principle Investigators (PIs). These are made up of MBA Fellows, Independent Research Fellows (IRFs), CPR Survey Research Scientists, Associate Fellows and Lankester Research Fellows. It is a rich group of science PIs that all contribute significantly to the MBA's engaging research programme. MBA Fellows and IRFs typically run their own curiosity-driven research groups funded from grant revenues; CPR Survey Research Scientists focus on the science from the CPR Survey, and are also expected to generate grant income. Some of the PIs in these groups have joint appointment arrangements with different universities, which helps increase the reach of our research and education (undergraduate and postgraduate). Associate Fellows and Lankester Research Fellows are typically not employees of the Association, instead are senior experienced independent scientists that base their curiosity-driven research at the MBA. They can apply for grants (and be employed on them), which are administered by the MBA, but importantly they add great depth and experience to the MBA research programme and are a critical link to our eminent history.

The MBA continues to be successful in securing research council responsive mode funding and has secured a number of European Commission (EC) grants as well as funding through charitable bodies and philanthropic foundations. The MBA is holder of three highly prestigious European Research Council Grants, the latest of which was awarded in this reporting period.

The MBA has a dynamic postgraduate education programme that includes providing an MRes in Marine Biology in partnership with the University of Plymouth. The MRes selects 25 – 30 top students to study advanced Marine Biology, a course that reflects the breadth and excitement of the topic through its close links with the MBA's world-class research programme. MBA Research Fellows play an active role in teaching the modules and supervising the student research projects. In addition, the MBA hosts a PhD programme through partnerships with a range of Doctoral Training Partnerships (DTPs) including: AIRIES (University of East Anglia lead); INSPIRE (University of Southampton lead); ACCE (University of Sheffield lead); CENTA (University of Birmingham lead); and SWBio (University of Bath lead). The MBA has invested £500k over a 5-year programme (2019 – 2024) to co-fund PhD students from these DTPs (and other programmes as they become available). The MBA currently takes on between 3 – 5 PhD students annually who are based at the Citadel Hill laboratory.

	2018	2019	2020	2021
Number of new Research Council Grants awarded	3	4	4	2
Number of Charity grants awarded	6	1	3	3
Number of EC grants awarded	5	3	5	1
Number of other grants awarded	16	19	18	18
Number of students gaining PhD	1	5	6	2
Number of students gaining a MRes	19	26	28	28
Number of bursaries given	18	27	23	5

c. CPR Survey

As a large-scale global survey, the CPR Survey provides the scientific and policy communities with a basin-wide and long-term measure of the health of marine plankton. Established in 1931, the CPR Survey is the longest running and most geographically extensive marine ecological survey in the world. It has almost 90 years of experience with working with the commercial shipping industry and is an established platform providing a global network of Ships of Opportunity for scientific research. The merger has strengthened the

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

MBA's position as an international leader in Marine Biology with new scientific synergies and global policy advice. In addition, the CPR Survey has played an important role in the financial strength and diversity of the MBA as it continues to win new contracts from a range of national and international customers.

	2018	2019	2020	2021
Contracts and Grants	18	25	21	22
Miles Towed	104,000	98,000	95,000	98,659
Number of Routes	22	18	22	22

d. Membership

Membership of the Association is open to all and this provides a wide range of member benefits including The Marine Biologist Magazine; the opportunity to apply for bursaries and awards and to gain access to the National Marine Biological Library. Our Royal Charter gives us a representative role for the discipline of Marine Biology. As such, the Association liaises with its members in responding to government consultations and providing advice on policy, both national and international. The MBA has established its first international Special Interest Groups and has sought to engage its members in the UN Decade Of Ocean Science. We also support standards within the discipline and provide career support for marine biologists. We have recently upgraded the processes by which we deliver our membership support (including implementing a new customer relationship management –CRM - system) and have ambitious growth targets for the coming years. Our Marine Biologist Magazine is highly valued and continues to be a key benefit, the move from two to four magazines this year has been welcomed by members, indeed its popularity has seen an increase in the number of quality articles in the magazine's pipeline.

	2018	2019	2020	2021
Number of Fellows (including Honorary Fellows)	31	38	43	49
Number of professional members	513	485	506	525
Number of life members	92	92	90	90
Number of associate members	83	110	109	98
Number of student members	319	332	383	316
Number of corporate / institutional members	9	6	6	8
Number of Young Marine Biologists	338	602	717	556

e. Public benefit

The MBA works with a wide range of stakeholders including from policy, academia, industry and the wider public. The MBA endeavours to influence national, European and international policy and strategy on biodiversity and climate change by providing advice to government bodies and also, where relevant, to industry.

The MBA Research Programme is concerned with understanding the biological mechanisms underlying the functioning of marine ecosystems and the responses to changing environmental pressures. Marine organisms are also studied to address basic biological and biomedical questions. The MBA Research Programme is recognised as world leading and continues to grow the quantity and quality of its outputs benefiting the public. In the past year the MBA has continued to receive significant UKRI funding as well as grants from the EU Horizon 2020 Programme, including the European Research Council. The MBA also hosts the UK Marine Data Archive Centre for benthic survey data of species and habitats (DASSH). DASSH is an accredited Data Archive Centre under the UK Government supported by the Marine Environmental Data Information Network (MEDIN). This information is made available on publically accessible platforms and is often utilised when the MBA is asked to speak to the media. A key development has been the recent restructure of the MBA communications area. This supports the MBA, which continues to be asked to contribute to print media, TV and public engagement events.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

The MBA continues its role as an independent provider of information and advice through Marine Life Information Network (MarLIN) and the Data Team. The category of Young Marine Biologist continues to strengthen, with one of the highest turnouts at their annual summit in 2020 with participants from 35 countries and 5 continents, clearly helped by the virtual platform due to COVID restrictions. Related, COVID did have its casualties, with many of our training and public events being cancelled; we did have a range of *Deep Dive* virtual seminars which continue to be popular and will be a vehicle for future communications as we evolve the concept.

	2018	2019	2020	2021
Number of volunteers	63	50	60	8
Number of Seashore Safaris/Public Events	44	88	25	0
Number of school activities	8	26	10	0
Training courses run at / by the MBA	15	28	18	3
Number of conferences supported or run by the MBA	3	3	3	2

f. Publications

The MBA has published the Journal of the Marine Biological Association (JMBA) since 1887. The MBA also produces a wide range of other publications including the online Gold Open Access journal Marine Biodiversity Records and The Marine Biologist Magazine. Many of these are published online as well as hard copy.

The findings from the MBA Research Programme are published in high ranking, peer viewed scientific journals, including both mainstream subject journals and some of the highest ranking interdisciplinary journals. In addition, scientists also contribute to books, reports, occasional publications and popular scientific articles.

	2018	2019	2020	2021
Peer reviewed publications in ISI Journals	69	73	66	135
Other publications and reports	5	6	6	8

Financial review

a. Going concern

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

b. Reserves

It is the policy of the Council to maintain general reserves, which are included within Unrestricted Funds at a sufficient level to satisfy operational cash flow requirements and the fulfilment of contractual and statutory obligations. This reserve should cover at least three months' operational costs (excluding premises costs) and any projected annual deficit and has a current target level of £1m. Funds of £1.2m (before recognition of USS pension liability of £506,500) were held in this reserve at the year-end. It is planned to increase the general unrestricted reserve following a review of designated funds and maintain an increase in long term reserves in line with inflation.

It is also the policy of the Council to maintain a particular level of income generating reserves to produce sufficient annual income for the specific purpose of the maintenance and running of the premises occupied by the MBA. Whilst these funds are free reserves, they are not available for the general, operational and strategic application of the resources of the MBA. The Council is not bound, however, by any restriction as to application of the funds, and consequently these funds are maintained within the Unrestricted Fund,

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

represented by the Designated Fund described in note 22 on page 24. Surplus income generated shall not be considered to be designated for these purposes. The Designated Premises Fund held £11m at the year-end. This has been increased to allow for the discharge of liabilities in relation to the lease of The Laboratory, Citadel Hill and the commitment for the ongoing infrastructure project - phase 1.

c. Financial Review

The MBA received a total of £5,198,397 of incoming resources which was a decrease compared to the results for 2019/20 where a total of £7,384,112 incoming resources were received. Total resources expended were £5,629,717 resulting in a deficit before investments gains and losses of £431,350 after net investment gains of £2,305,214 and gains on revaluation of assets the net surplus was £2,082,729.

As shown in the Statement of Financial Activities, of the total £5,198,367 of incoming resources from operations, £2,189,869 was generated for restricted purposes including specific research projects. £3,008,498 was generated from voluntary income and other activities to be used for other unrestricted purposes including the knowledge exchange programme and support for laboratory operations and basic infrastructure. At the year-end, a total of £16,081,488 was held as Unrestricted Funds. This includes Designated Funds of £11,019,395 to support the ongoing premises costs including the infrastructure development project and a Fellowship Fund of £2,763,770 to support world-class research.

d. Risks

Under the terms of the Risk Management Policy adopted by the MBA, the strategic, operational and financial risks to which the MBA is exposed are evaluated on a quarterly basis (or more frequently when required) by the Senior Management Team and appropriate systems put into place to mitigate any major risks identified. The Council reviews these risks and is satisfied that the policy of continual monitoring of potential risks to which the MBA is exposed is sufficient to identify those risks on a timely basis and to ensure that the appropriate action may be taken to minimise the perceived risk to an acceptable level.

A comprehensive Risk Register has been established under the control of the Senior Management Team (SMT) and annual review of the three Council Committees (Finance and Management; Membership and Engagement; and Research), the risks being categorised and allocated to the relevant department for ongoing monitoring and to be actioned as appropriate. The Committees report their findings to Council annually.

e. Investment policy and returns

In accordance with the Bylaws of the Association, the Council has the power to invest funds in any investments that it sees fit. The policy is to adopt a medium risk investment strategy with a view to maximising returns.

The performance of the investments held are managed by Professional Fund Managers who report to the Finance and Management Committee who in turn report to Council on a six monthly basis. Additional independent advice is commissioned as necessary. During 2020/21, a large proportion of the investment portfolio was transferred to CCLA who have historically shown a greater return on investment. This decision was also taken due to ethical and responsible investment policy of the CCLA investment fund which is more in tune with the wishes of Members and Trustees. Because of the COVID-19 pandemic, investments took an initial 15.3% hit in 2019/20; during 2020/21 the investment portfolio has recovered well. At 31/03/21 the value of the portfolio stood at a little over £16.5m. It is the intention of the MBA Trustees to draw some of these funds to support future infrastructure investment at Citadel Hill.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Structure, governance and management.

a. Constitution

The Marine Biological Association (MBA) was founded in 1884 and incorporated in 1885 as a company limited by guarantee (registered no. 21401) without a share capital. The MBA was granted a Royal Charter in May 2013, as official recognition of its long and eminent history and status within the field of marine biology. This resulted in the incorporation of a Charter Body (Privy Council reference C951) registered with the Charity Commission under number 1155893. MBA Council and Members agreed to transfer the assets and operations with all pre-existing restrictions over intended use from the existing limited company to this new Charter Body by way of a gift with effect from 1 April 2014.

The chartered corporation is constituted by its Charter and Bylaws. Responsibility for the overall governance of the MBA rests with the Council who are Trustees for the purposes of the Charities Act.

b. Organisation

Review of strategy, policy and delivery of the charitable objectives is the responsibility of the Trustees who are formally elected by the Membership and referred to as 'The MBA Council'. Trustees are selected to provide specific expertise in a wide range of areas including research, business, education, public engagement, communications, policy and operations and are drawn from UK and international academia, funding institutes, statutory agencies and the commercial sector.

Appointed Trustees are composed of a mixture of expertise from both **a)** the wider community nominated by members and/or current MBA staff & Trustees, and **b)** nominated by the founding bodies of the MBA: The Fishmongers' Company; The Royal Society; The University of Cambridge; The University of Oxford; The British Science Association; The Department for Environment, Food and Rural Affairs (Defra); The Physiological Society and the Zoological Society of London. The MBA Regulations were recently updated (and subject to Privy Council of the United Kingdom approval) to limit the term of a Trustee to three years with the possibility of serving a further two terms not exceeding a total of nine years if the MBA Council so decides.

Vice Presidents are non-Trustee members of Council (typically composed of Trustee and Director Alumni) and can advise but not vote on Council matters.

The President, Vice Presidents and the Treasurer are appointed by the MBA Council from those members with voting rights, as defined in the Bylaws and Regulations, and are proposed for election at the Annual General Meeting. The President and Treasurer are individually elected for a term of five years and are eligible for re-election for a further term, but so that the total period of their office does not exceed ten years (recently updated, and subject to Privy Council of the United Kingdom approval).

Trustees serve on a number of Committees. These currently comprise Executive Committee (Chairs of the three other committees); Finance and Management Committee; Research Committee; and Membership and Engagement Committee.

Management of the MBA is devolved from the Council to the Director of the MBA based at its HQ at the Citadel Hill Laboratory in Plymouth. The Director also acts as Secretary to The Council. The Director is assisted by a Senior Management Team with responsibilities for research, finance, HR, policy, membership, health & safety, communications, library, data, estates and operations, sustainability, and the CPR Survey.

c. Trustee induction and training

New Trustees are introduced to the objectives and policies of the MBA and briefed on their legal obligations under Charity and Company Law. They are given an induction pack containing the Charter, Bylaws and regulations of Association as well as its strategy and development document, the Annual Report and Accounts detailing recent financial performance, a list of current Council members, minutes of previous

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Council meetings and other leaflets and notes concerning the activities of the MBA. Where appropriate, formal Trustee training is offered and is provided through external training events and an induction visit to the Laboratory is arranged.

d. The Council

Council members who were Trustees during the period (with Governing organisations where relevant noted in brackets) were:

Dr G Rider (President)
Mr R Mills Treasurer (elected annually)
Professor P S Rainbow (The Zoological Society of London) (resigned 2 December 2020)
Professor M J Whitaker (The Physiological Society)
Professor S Rogers (CEFAS on behalf of DEFRA)
Professor C Frid (The British Science Association)
Dr J Ashworth (The Worshipful Company of Fishmongers)
Professor J A Raven (The Royal Society)
Professor A G Smith (University of Cambridge)
Professor D Laffoley
Mr R Coombs
Professor J Petts
Professor P J B Hart
Professor P M Holligan
Professor Ros Rickaby (University of Oxford) (elected 2 December 2020)
Professor Heather Koldewey (Zoological Society of London) (elected 2 December 2020)

Council members who are not Trustees, and each hold a Vice President role (who can advise, but not vote on Council matters), were approved at the 2 December 2020 AGM and include: Professor G A Boxshall, Professor M Burrows & Professor S Hawkins.

Vice President resignations received during the year include Sir Richard Carew Pole, Sir Neil Chalmers, Sir Crispin Tickell & Professor Michael Whitfield.

e. Remuneration

The Council Members did not receive any remuneration nor any payment for services provided in the year. Travel expenses were £NIL during the year as Council Meetings were conducted virtually using video conference facilities.

f. Related Parties

The Ray Lankester Fund (registered charity number: 206855) provides support for researchers to undertake projects based at the MBA laboratory. Professor W Wilson (MBA Director during the year) is also a Trustee of the Ray Lankester Fund.

The National Marine Biological Library (NMBL) within the MBA houses and curates a significant collection of reports, data and archived material relevant to a range of marine biological and environmental science. The NMBL provides services locally to the Plymouth Marine Laboratory (PML) through a Service Level Agreement.

The Annual Report gives details of the wide range of collaborative projects undertaken by Fellows, students and staff.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Plans for future periods

The MBA is now working from a new institutional strategy: Pathway to 150 Years of MBA. There is obviously a major focus on the first stage of the strategy (2020 – 2024), but it also looks to 10 (to 2029) and 15-year (to 2034) milestones to allow us to be more ambitious in our thinking. Hence, we are considering a focused 5-year plan in the context of a 15-year strategy. This roadmap will lead the MBA to the year 2034, and the 150th Anniversary of the establishment of the MBA.

The new strategy will be designed to set priorities that will prepare the MBA for increased competition for funding in the face of a challenging financial climate. Following final BREXIT negotiations, the path to EU funding will be more challenging (though we are now eligible for the new *Horizon Europe* programmes); hence, we must look more globally for new opportunities, particularly under the auspices of the UN Decade of Ocean Science for Sustainable Development, where the MBA is now involved in several of their endorsed *Programmes*. In addition, we are looking for rejuvenating green shoots of opportunity following the forest fire of the COVID-19 pandemic. The strategy will detail how we will capitalise on the many beacons of excellence within the MBA, from our research, membership, postgraduate education, training, outreach, data and information resources, and facilities. An implementation plan will focus on a triumvirate foundation to build the MBA: 1) Excellence and Growth; 2) Reach and Influence; and 3) Strength and Performance. In addition, we will put new emphasis on commercialisation and philanthropic opportunities, strengthening local & regional partnerships, and ensuring we have effective processes in place to allow our scientists to take advantage of these opportunities and partnerships. Recent progress with the Plymouth-focussed *Marine Research Plymouth* (MRP) will see the MBA building on the synergy created from working more closely with our local partners and bringing new research investment into Plymouth. Improved communication and modernising our approaches will become central to our operation; diversity and inclusion will be core values central to our mission. We are already well into the planning and procurement stages of our infrastructure improvement programme, this will be a major theme over (at least) the next 2 years.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the Directors of the charity for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 group and the charity and of their incoming resources and application of resources, including their 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 SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the Board of Trustees and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Gill Rider', with a long horizontal flourish extending to the right.

Dr Gill Rider
President

Date: 27 October 2021

THE MARINE BIOLOGICAL ASSOCIATION OF THE UNITED KINGDOM

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MARINE BIOLOGICAL ASSOCIATION OF THE UNITED KINGDOM

OPINION

We have audited the financial statements of The Marine Biological Association of the United Kingdom (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MARINE BIOLOGICAL ASSOCIATION OF THE UNITED KINGDOM (CONTINUED)

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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MARINE BIOLOGICAL ASSOCIATION OF THE UNITED KINGDOM (CONTINUED)

AUDITORS' 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 Auditors' 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:

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management and trustees in relation to their own identification and assessment of the risk of irregularities within the entity;
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation;
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to income recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011, Charity SORP 2019, FRS 102 and the terms and conditions attaching to material grants received by the Charity.

In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or avoid a material penalty. These included Maritime Law, Environmental Law and compliance with the Natural Environment Research Council (NERC) H&S framework.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Performing detailed transactional testing in relation to the recognition of income, specifically grants with a particular focus around year-end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MARINE BIOLOGICAL ASSOCIATION OF THE UNITED KINGDOM (CONTINUED)

misstatement in financial statements or non-compliance with regulation, will be detected by us. The risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one-off error, as this may involve intentional concealment, forgery, 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 Auditors' Report.

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Pamela Tuckett FCA DChA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

Salt Quay House

4 North East Quay

Sutton Harbour

Plymouth

PL4 0BN

Date: 2 November 2021

THE MARINE BIOLOGICAL ASSOCIATION OF THE UNITED KINGDOM

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:						
Donations and legacies	4	2,121	162,352	-	164,473	11,814
Charitable activities	5	2,622,233	2,027,517	-	4,649,750	6,767,989
Other trading activities	6	55,399	-	-	55,399	153,467
Investments	7	328,745	-	-	328,745	450,842
Total income and endowments		3,008,498	2,189,869	-	5,198,367	7,384,112
Expenditure on:						
Raising funds		65,027	-	-	65,027	163,511
Charitable activities		2,605,170	2,959,520	-	5,564,690	5,839,624
Total expenditure		2,670,197	2,959,520	-	5,629,717	6,003,135
Net income/ (expenditure) before net gains/(losses) on investments						
		338,301	(769,651)	-	(431,350)	1,380,977
Net gains/(losses) on investments		1,988,458	281,860	34,896	2,305,214	(1,190,871)
Net income/ (expenditure)		2,326,759	(487,791)	34,896	1,873,864	190,106
Transfers between funds	22	(142,894)	142,894	-	-	-
Net movement in funds before other recognised gains		2,183,865	(344,897)	34,896	1,873,864	190,106
Other recognised gains:						
Gains on revaluation of assets		208,865	-	-	208,865	-
Net movement in funds		2,392,730	(344,897)	34,896	2,082,729	190,106

THE MARINE BIOLOGICAL ASSOCIATION OF THE UNITED KINGDOM

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Reconciliation of funds:					
Total funds brought forward	13,688,758	5,133,704	226,044	19,048,506	18,858,400
Net movement in funds	2,392,730	(344,897)	34,896	2,082,729	190,106
Total funds carried forward	16,081,488	4,788,807	260,940	21,131,235	19,048,506

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 20 to 42 form part of these financial statements.


THE MARINE BIOLOGICAL ASSOCIATION OF THE UNITED KINGDOM
REGISTERED NUMBER:RC000865

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	2,546,896	2,368,352
Heritage assets	15	1,276,665	1,067,800
Investments	16	16,637,483	14,379,900
		<u>20,461,044</u>	<u>17,816,052</u>
Current assets			
Stocks	17	63,710	70,095
Debtors	18	1,636,284	1,971,034
Cash at bank and in hand		2,140,645	1,773,912
		<u>3,840,639</u>	<u>3,815,041</u>
Creditors: amounts falling due within one year	19	(2,674,483)	(1,976,306)
Net current assets		<u>1,166,156</u>	<u>1,838,735</u>
Total assets less current liabilities		<u>21,627,200</u>	<u>19,654,787</u>
Creditors: amounts falling due after more than one year	20	(495,965)	(606,281)
Total net assets		<u><u>21,131,235</u></u>	<u><u>19,048,506</u></u>
Charity funds			
Endowment funds	22	260,940	226,044
Restricted funds	22	4,788,807	5,133,704
Unrestricted funds	22	16,081,488	13,688,758
Total funds		<u><u>21,131,235</u></u>	<u><u>19,048,506</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


Dr Gill Rider CB
President
Date: 27 October 2021

The notes on pages 20 to 42 form part of these financial statements.

THE MARINE BIOLOGICAL ASSOCIATION OF THE UNITED KINGDOM

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	778,281	668,189
Cash flows from investing activities		
Dividends, interest and rents from investments	328,745	450,842
Drawdown from investment portfolio	113,403	507,839
Purchase of intangible assets	(556,940)	(1,198,213)
Purchase of investments	(296,756)	(447,264)
Net cash used in investing activities	(411,548)	(686,796)
Change in cash and cash equivalents in the year	366,733	(18,607)
Cash and cash equivalents at the beginning of the year	1,773,912	1,792,519
Cash and cash equivalents at the end of the year	2,140,645	1,773,912

The notes on pages 20 to 42 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. GENERAL INFORMATION

The Charity is a company limited by Royal Charter, incorporated in England within the United Kingdom. The registered number is RC000865 and the address of the registered office is The Laboratory, Citadel Hill, Plymouth, PL1 2PB.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Marine Biological Association of the United Kingdom meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 GOING CONCERN

The accounts have been prepared under the going concern basis. Although the COVID pandemic has impacted the operations, there is no significant impact on the finances of the charity. There are sufficient reserves, and continuing funding streams to continue the operations of the charity. For these reasons the Trustees consider the going concern basis is appropriate.

2.3 FUND ACCOUNTING

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 comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

Endowment funds have been given with a requirement that only the income arising is to be applied for specific purposes but the capital is to be retained permanently.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES (continued)

2.4 INCOME

Voluntary income including donations, gifts and legacies and grants that provide core funding, is included in incoming resources when these are received, except as follows:

When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.

When donors impose conditions which have to be fulfilled under contract before the charity becomes entitled to use such income, the income is deferred to match with future performance under contract.

Investment income is recognised when it is receivable.

Grants and awards to finance specific research programmes and the related expenditure are treated as transactions of restricted funds. Where the MBA is part of a collaborative project with other organisations, only those elements of funding awarded to the MBA or that relate to activities controlled by the MBA are recognised as incoming resources. Funds awarded to other organisations where monies are distributed via the MBA are recorded directly as creditors and not recognised as income.

Incoming resources from knowledge exchange activities are recognised in line with performance of contracts and specific deliverables.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when it is received. Donated staff costs are valued at the equivalent employer payroll cost.

Income is stated net of Value Added Tax.

2.5 EXPENDITURE

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

The following definitions have been adopted in drawing up these accounts:

Costs of generating funds are those costs incurred in attracting voluntary income, being those incurred in activities that raise funds, and an apportionment of support costs.

Charitable activities include all costs relating to activities where the primary aim is part of the objects of the MBA, such as the core research activities and the dissemination of that knowledge, and include both the direct costs and support costs relating to those activities.

Governance costs are those associated with the governance of the MBA which relate to the general running of the charity as a legal entity and which are not connected with the generation of income or with direct charitable expenditure.

Support costs, which include central office and management functions not falling within one of the categories of expenditure above, are allocated on a basis consistent with the use of resources.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES (continued)

2.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying values of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	- Over the remaining term of the lease
Plant and machinery	- 5 years straight line
Research and laboratory equipment	- 20-25% reducing balance
Research vessel	- 10% reducing balance

2.7 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

2.8 INTEREST RECEIVABLE

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

2.9 STOCKS

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

2.10 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 CASH AT BANK AND IN HAND

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES (continued)

2.12 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.13 FINANCIAL INSTRUMENTS

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

2.14 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

2.15 PENSIONS

The institution participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set.

The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a wholly defined contribution scheme.

As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

Further disclosures in respect of the pension scheme are given in the notes to the financial statements.

The MBA also contributes to a defined contribution scheme on behalf of certain members of staff not eligible to belong to the USS, the costs of which are charged to the Statement of Financial Activities as incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES (continued)

2.16 HERITAGE ASSETS

The Association holds heritage assets relating to a nationally and internationally recognised Library of significant scientific importance which dates back to 1888. Many of the works are unique and are the only copies in existence. During the year ended 31 March 2021 the majority of these assets were revalued and have been accounted for as follows:

- Library books, offprints, expedition reports and journals with a value of £1,000 or more have been independently valued and included in the Balance Sheet at replacement value at the time of valuation. Expenditure, which in the Trustees' view is required to preserve the Library, is recognised in the Statement of Financial Activity when it is incurred.
- Scientific instruments, apparatus, paintings and drawings have been independently valued and included in the Balance Sheet at replacement value at the time of valuations.
- Books in everyday use on open shelves with an individual value of less than £1,000 have not been valued as the Trustees believe the benefits of obtaining a valuation for these items would not justify the cost.
- Archive material such as personal letters, diaries etc have not been valued. As these are of a unique nature the Trustees believe the benefits of obtaining valuations for these items could not justify the costs.

2.17 IRRECOVERABLE VAT

All resources expended are classified under activity headings that aggregate all costs related to that category. Irrecoverable VAT is charged against the activity of expenditure for which it was incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

FRS102 makes the distinction between a Group Plan and a multi-employer scheme. A Group Plan consists of a collection of entities under common control typically with a sponsoring employer.

A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in the statement of financial activities.

The Trustees are satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

Critical areas of judgment:

Heritage assets are included in the accounts at market value. The valuation is subject to judgemental of an expert.

There is a judgemental as to whether an provision can be calculated for any dilapidation should be provided on the Citadel. See note 28 for more detail.

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	2,121	-	2,121	11,814
Government grants	-	162,352	162,352	-
	<u>2,121</u>	<u>162,352</u>	<u>164,473</u>	<u>11,814</u>
TOTAL 2020	<u>11,814</u>	<u>-</u>	<u>11,814</u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Research activities	1,657,929	1,988,939	-	3,646,868	5,775,080
Other knowledge exchange activities	481,499	38,578	-	520,077	507,075
Courses and workshops	5,031	-	-	5,031	105,027
Journals	477,774	-	-	477,774	380,807
TOTAL 2021	2,622,233	2,027,517	-	4,649,750	6,767,989
TOTAL 2020	2,740,098	4,023,391	4,500	6,767,989	

6. INCOME FROM OTHER TRADING ACTIVITIES

Income from fundraising events

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Rental income and service charges	-	-	29,893
In-house catering and visitors' facilities	-	-	72,994
Membership subscriptions	55,399	55,399	46,990
Sales of silk	-	-	3,590
	55,399	55,399	153,467
TOTAL 2020	153,467	153,467	

THE MARINE BIOLOGICAL ASSOCIATION OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

7. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Dividends received	328,453	328,453	449,682
Bank deposit interest	292	292	1,160
	<u>328,745</u>	<u>328,745</u>	<u>450,842</u>
TOTAL 2020	<u>450,842</u>	<u>450,842</u>	

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Research activities	3,297,492	1,394,027	4,691,519	4,656,936
Other Knowledge Exchange activities	667,562	162,599	830,161	962,412
Courses and workshops	24,831	2,340	27,171	115,239
Journals	10,223	5,616	15,839	105,037
	<u>4,000,108</u>	<u>1,564,582</u>	<u>5,564,690</u>	<u>5,839,624</u>
TOTAL 2020	<u>3,945,975</u>	<u>1,893,649</u>	<u>5,839,624</u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS

	Research activities 2021 £	Other knowledge exchange 2021 £	Courses and workshops 2021 £	Journals 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	1,979,027	421,812	-	-	2,400,839	2,317,247
Depreciation	499,064	-	-	-	499,064	452,172
Other direct costs	819,401	245,750	24,831	10,223	1,100,205	1,176,556
	<u>3,297,492</u>	<u>667,562</u>	<u>24,831</u>	<u>10,223</u>	<u>4,000,108</u>	<u>3,945,975</u>
TOTAL 2020	<u>3,048,659</u>	<u>684,046</u>	<u>113,724</u>	<u>99,546</u>	<u>3,945,975</u>	

9. Support costs

	2021 £	2020 £
Rent and rates	220,895	248,112
Repairs and maintenance	94,484	158,276
IT costs	82,717	237,215
Travel and staff costs	2,972	35,431
Office costs	45,996	37,755
Insurance	30,516	29,948
Legal and professional	15,825	87,300
Subscriptions and grant costs	52,847	67,039
Bank charges	2,591	3,106
Irrecoverable VAT	83,156	127,091
Pension interest	12,854	11,708
Staff costs	909,401	799,419
Exchange rate variances	(44,559)	(11,634)
Support costs - Governance	54,885	62,883
	<u>1,564,580</u>	<u>1,893,649</u>

THE MARINE BIOLOGICAL ASSOCIATION OF THE UNITED KINGDOM

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. GOVERNANCE COSTS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Auditors' remuneration	10,350	-	10,350	10,350
Trustees' subsistence reimbursed	-	-	-	13,955
Wages and salaries	44,535	-	44,535	38,578
	<u>54,885</u>	<u>-</u>	<u>54,885</u>	<u>62,883</u>
TOTAL 2020	<u>48,928</u>	<u>13,955</u>	<u>62,883</u>	

11. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets - owned by the charitable company	499,064	452,172
Auditors' remuneration - audit	10,350	10,350
Auditors' remuneration - other services	6,300	8,610
	<u>515,714</u>	<u>471,132</u>

12. STAFF COSTS

	2021 £	2020 £
Wages and salaries	2,942,869	2,720,538
Social security costs	227,397	201,041
Contribution to defined contribution pension schemes	184,509	306,588
	<u>3,354,775</u>	<u>3,228,167</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. STAFF COSTS (CONTINUED)

The average number of persons employed by the Charity during the year was as follows:

	2021 No.	2020 No.
Cost of generating funds	2	2
Charitable activities	83	77
Governance	2	2
	<u>87</u>	<u>81</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No.	2020 No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	2	1

13. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, expenses totalling £NIL were reimbursed or paid directly to Trustee (2020 - £13,995 to 13 Trustees).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

14. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Plant and machinery £	Research and laboratory equipment £	Research vessel £	Total £
COST OR VALUATION					
At 1 April 2020	1,132,819	264,277	1,986,938	366,872	3,750,906
Additions	225,825	-	451,783	-	677,608
At 31 March 2021	<u>1,358,644</u>	<u>264,277</u>	<u>2,438,721</u>	<u>366,872</u>	<u>4,428,514</u>
DEPRECIATION					
At 1 April 2020	155,268	112,623	1,000,809	113,854	1,382,554
Charge for the year	47,514	38,257	387,990	25,303	499,064
At 31 March 2021	<u>202,782</u>	<u>150,880</u>	<u>1,388,799</u>	<u>139,157</u>	<u>1,881,618</u>
NET BOOK VALUE					
At 31 March 2021	<u>1,155,862</u>	<u>113,397</u>	<u>1,049,922</u>	<u>227,715</u>	<u>2,546,896</u>
At 31 March 2020	<u>977,551</u>	<u>151,654</u>	<u>986,129</u>	<u>253,018</u>	<u>2,368,352</u>

15. HERITAGE ASSETS

Assets recognised at cost

	Heritage asset 2021 £	Total 2021 £
Carrying value at 1 April 2020	1,067,800	1,067,800
Revaluations	208,865	208,865
CARRYING VALUE AT 31 MARCH 2021	<u>1,276,665</u>	<u>1,276,665</u>

The above represents valuations made for books and similar technical items held in the library (£1,254,860) and for other heritage assets (£21,805).

These assets were valued in 2021 by Dr P Pollack, ABA, FLS and are included in the Balance Sheet at their estimated replacement value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

16. FIXED ASSET INVESTMENTS

	Listed investments £
COST OR VALUATION	
At 1 April 2020	14,379,900
Additions	296,756
Disposals	(47,631)
Revaluations	2,008,458
	<u>16,637,483</u>
AT 31 MARCH 2021	<u>16,637,483</u>
NET BOOK VALUE	
AT 31 MARCH 2021	<u>16,637,483</u>
AT 31 MARCH 2020	<u>14,379,900</u>

The total market value at 31 March 2021 comprises investments quoted on the UK stock exchange £16,538,591 (2020: £7,107,459), other quoted investments outside the UK £Nil (2020: £5,536,550) and cash £98,892 (2020: £1,735,891)

17. STOCKS

	2021 £	2020 £
Finished goods and goods for resale	<u>63,710</u>	<u>70,095</u>

18. DEBTORS

	2021 £	2020 £
DUE WITHIN ONE YEAR		
Trade debtors	855,959	914,728
Other debtors	2,649	2,510
Prepayments and accrued income	167,942	134,808
Grants receivable	609,734	918,988
	<u>1,636,284</u>	<u>1,971,034</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	273,969	238,196
Amounts owed to group undertakings	13,397	13,394
Other taxation and social security	53,316	116,549
Other creditors	13,079	12,518
Accruals and deferred income	2,320,722	1,595,649
	<u>2,674,483</u>	<u>1,976,306</u>

Deferred income represents funding received for specific projects, where entitlement only arises once project costs have been incurred.

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Other creditors	<u>495,965</u>	<u>606,281</u>

Other creditors falling due after more than one year represent a liability to contribute to the USS pension scheme deficit as disclosed in note 29.

21. FINANCIAL INSTRUMENTS

	2021 £	2020 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	<u>16,637,483</u>	<u>14,379,900</u>
	2021 £	2020 £
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>422,128</u>	<u>404,222</u>

Financial assets measured at fair value through income and expenditure comprise investments held at market value.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

22. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Investment reserve	256,907	-	-	-	151,614	408,521
Heritage assets reserve	1,057,800	-	-	-	208,865	1,266,665
Designated premises fund	9,591,146	-	-	-	1,428,249	11,019,395
Designated fellows fund	2,457,640	-	(67,273)	-	373,403	2,763,770
	<u>13,363,493</u>	<u>-</u>	<u>(67,273)</u>	<u>-</u>	<u>2,162,131</u>	<u>15,458,351</u>
GENERAL FUNDS						
General reserve	943,255	3,008,498	(2,714,414)	(142,894)	35,192	1,129,637
Pension liability	(617,990)	-	111,490	-	-	(506,500)
	<u>325,265</u>	<u>3,008,498</u>	<u>(2,602,924)</u>	<u>(142,894)</u>	<u>35,192</u>	<u>623,137</u>
TOTAL UNRESTRICTED FUNDS	<u>13,688,758</u>	<u>3,008,498</u>	<u>(2,670,197)</u>	<u>(142,894)</u>	<u>2,197,323</u>	<u>16,081,488</u>
ENDOWMENT FUNDS						
Southward & Todd Fund	137,661	-	-	-	21,252	158,913
Spooner Bequest	88,383	-	-	-	13,644	102,027
	<u>226,044</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,896</u>	<u>260,940</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

22. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
RESTRICTED FUNDS						
Grants and Research	97,290	1,329,638	(1,553,520)	126,592	-	-
EU Programme Awards	213,604	657,657	(859,897)	-	-	11,364
Browne Bequest	33,213	-	-	-	5,127	38,340
Browne & Bull Library	173,982	-	-	-	26,859	200,841
Mary Parke Bursary	3,048	-	-	-	-	3,048
Morely Neale Fund	1,007	-	-	-	-	1,007
Seawater Hall & Resource Centre	312,219	-	-	-	-	312,219
Capital Grants	635,139	201,598	(171,091)	-	-	665,646
SAHFOS	1,883,052	-	-	-	249,874	2,132,926
NERC - Blue Gold	224,932	-	(241,234)	16,302	-	-
iCPR	1,556,218	976	(133,778)	-	-	1,423,416
	<u>5,133,704</u>	<u>2,189,869</u>	<u>(2,959,520)</u>	<u>142,894</u>	<u>281,860</u>	<u>4,788,807</u>
TOTAL OF FUNDS	<u>19,048,506</u>	<u>5,198,367</u>	<u>(5,629,717)</u>	<u>-</u>	<u>2,514,079</u>	<u>21,131,235</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

22. STATEMENT OF FUNDS (CONTINUED)

The transfers column within the above Statement of Funds note includes both overheads recharged to fund balances and transfers from unrestricted funds to subsidise restricted fund deficit balances.

Restricted funds are as follows:

Grants and Research - The Research Programme combined funds awarded for specific research projects that cannot be used for other purposes. The deficit represented an excess of expenditure over income on restricted research projects in the year. A transfer from unrestricted to restricted reserves was made to offset the deficit. Research Programme funds are now shown as follows:

EU Programme awards - These funds are projects supported through the Interreg Horizon 2020 programmes. Funding awarded covers only a proportion of the full project costs and transfers from unrestricted reserves.

Browne Bequest - for the purchase of apparatus and the publication of books on British Marine Fauna.

Browne and Bull Library Fund - combines specific legacies for the "purchase of rare or valuable books as need or occasion arises" for the MBA's library.

Mary Parke Bursary Fund - to provide bursaries for physiological students at the MBA.

Morley Neale Fund - to provide social facilities to the staff members of the MBA.

Seawater Hall and Resource Centre - Infrastructure grants for the Resource Centre and Seawater Hall are held as restricted funds with a proportion of the depreciation for these assets being charged to the respective fund each year, calculated as the amount that the capital grant bears to the total cost of the asset funded.

Capital grant – This is a grant for capital equipment purchased.

Save our Seas Foundation - This project will provide the first long-term tracking of shortfin mako shark movements and space utilisation in the central North Atlantic Ocean.

SAHFOS - This represents the amount transferred from the Sir Alister Hardy Foundation for Ocean Science. As part of the terms and conditions of transfer, the balance is to be restricted to expenditure relating to Continuous Plankton Recorder Surveys.

Endowment funds are as follows:

Todd Fund - is for the purchase of rare and costly books.

Spooner Bequest - represents a specific legacy for the provision of student bursaries by the MBA.

Southward Bequest - represents a specific legacy to generate income from which books, serial publications or any other scientific papers can be purchased.

Designated funds are as follows:

Investment reserve - This fund represents the difference between the original cost of the investments held and the market value at the balance sheet date, less any funds held in unrestricted general reserves.

Heritage assets reserve - This fund represents the value of the Heritage assets held on the balance sheet at year end.

Premises Fund – This fund is held to provide a capital amount that covers the remaining leasehold liabilities (including repairs and maintenance and the requirement to make good dilapidations) and an income level to cover the annual premises and running costs. A transfer is made to the General Reserve

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

22. STATEMENT OF FUNDS (CONTINUED)

to represent funds drawn down to contribute towards relevant expenditure. A transfer from the General Reserve is made from investment income received to maintain the fund at the required level. The fund has also been increased in relation to the commitment to the ongoing infrastructure project.

Fellows Fund – This supports Research Fellowships by providing underpinning salary and associated costs. A transfer from the General Reserve is made from investment income received.

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Investment reserve	278,162	-	-	-	(21,255)	256,907
Heritage assets reserve	1,057,800	-	-	-	-	1,057,800
Designated premises fund	10,382,059	-	-	-	(790,913)	9,591,146
Designated fellows fund	2,750,103	353	(86,694)	3,383	(209,505)	2,457,640
	<u>14,468,124</u>	<u>353</u>	<u>(86,694)</u>	<u>3,383</u>	<u>(1,021,673)</u>	<u>13,363,493</u>
GENERAL FUNDS						
General reserve	1,290,788	3,355,868	(3,169,979)	(399,949)	(133,473)	943,255
Pension liability	(562,897)	-	(55,093)	-	-	(617,990)
	<u>727,891</u>	<u>3,355,868</u>	<u>(3,225,072)</u>	<u>(399,949)</u>	<u>(133,473)</u>	<u>325,265</u>
TOTAL UNRESTRICTED FUNDS	<u>15,196,015</u>	<u>-</u>	<u>(3,311,766)</u>	<u>(396,566)</u>	<u>(1,155,146)</u>	<u>13,688,758</u>
ENDOWMENT FUNDS						
Southward & Todd Fund	149,012	-	-	-	(11,351)	137,661
Spooner Bequest	95,671	4,500	(4,500)	-	(7,288)	88,383
	<u>244,683</u>	<u>4,500</u>	<u>(4,500)</u>	<u>-</u>	<u>(18,639)</u>	<u>226,044</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

22. STATEMENT OF FUNDS (CONTINUED)

**RESTRICTED
FUNDS**

Grants and Research	(5,581)	926,907	(1,108,041)	284,005	-	97,290
EU Programme Awards	166,103	928,580	(976,052)	94,973	-	213,604
Browne Bequest	35,952	-	-	-	(2,739)	33,213
Browne & Bull Library	188,329	-	-	-	(14,347)	173,982
Mary Parke Bursary	3,048	-	-	-	-	3,048
Morely Neale Fund	1,007	-	-	-	-	1,007
Seawater Hall & Resource Centre	312,219	-	-	-	-	312,219
Capital Grants	193,974	615,369	(191,792)	17,588	-	635,139
SAHFOS	1,883,052	-	-	-	-	1,883,052
NERC - Blue Gold	643,987	-	(419,055)	-	-	224,932
iCPR	-	1,558,698	(2,480)	-	-	1,556,218
	<u>3,422,090</u>	<u>4,029,554</u>	<u>(2,697,420)</u>	<u>396,566</u>	<u>(17,086)</u>	<u>5,133,704</u>
TOTAL OF FUNDS	<u>18,862,788</u>	<u>4,034,054</u>	<u>(6,013,686)</u>	<u>-</u>	<u>(1,190,871)</u>	<u>19,048,506</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

23. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Designated funds	13,363,493	-	(67,273)	-	2,162,131	15,458,351
General funds	325,265	3,008,498	(2,602,924)	(142,894)	35,192	623,137
Endowment funds	226,044	-	-	-	34,896	260,940
Restricted funds	5,133,704	2,189,869	(2,959,520)	142,894	281,860	4,788,807
	<u>19,048,506</u>	<u>5,198,367</u>	<u>(5,629,717)</u>	<u>-</u>	<u>2,514,079</u>	<u>21,131,235</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
Designated funds	14,468,124	353	(86,694)	3,383	(1,021,673)	13,363,493
General funds	727,891	3,355,868	(3,225,072)	(399,949)	(133,473)	325,265
Endowment funds	244,683	4,500	(4,500)	-	(18,639)	226,044
Restricted funds	3,422,090	4,029,554	(2,697,420)	396,566	(17,086)	5,133,704
	<u>18,862,788</u>	<u>7,390,275</u>	<u>(6,013,686)</u>	<u>-</u>	<u>(1,190,871)</u>	<u>19,048,506</u>

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	1,569,030	977,866	-	2,546,896
Fixed asset investments	14,071,785	2,309,258	256,440	16,637,483
Heritage assets	1,276,665	-	-	1,276,665
Current assets	390,285	3,445,854	4,500	3,840,639
Creditors due within one year	(730,312)	(1,944,171)	-	(2,674,483)
Creditors due in more than one year	(495,965)	-	-	(495,965)
TOTAL	<u>16,081,488</u>	<u>4,788,807</u>	<u>260,940</u>	<u>21,131,235</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Tangible fixed assets	1,463,875	904,477	-	2,368,352
Fixed asset investments	12,275,973	1,882,383	221,544	14,379,900
Heritage assets	1,067,800	-	-	1,067,800
Current assets	149,117	3,661,422	4,500	3,815,039
Creditors due within one year	(661,727)	(1,314,578)	-	(1,976,305)
Creditors due in more than one year	(606,281)	-	-	(606,281)
TOTAL	13,688,757	5,133,704	226,044	19,048,505

25. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	1,873,864	190,106
ADJUSTMENTS FOR:		
Depreciation charges	499,064	452,172
Gains/(losses) on investments	(2,305,214)	1,190,871
Dividends, interest and rents from investments	(328,745)	(450,842)
Decrease/(increase) in stocks	6,385	(4,722)
Decrease/(increase) in debtors	334,750	(680,318)
Increase/(decrease) in creditors	698,177	(24,690)
NET CASH PROVIDED BY OPERATING ACTIVITIES	778,281	672,577

26. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand	2,140,645	1,773,912
TOTAL CASH AND CASH EQUIVALENTS	2,140,645	1,773,912

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

27. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2020	Cash flows	At 31 March 2021
	£	£	£
Cash at bank and in hand	1,773,912	366,733	2,140,645

28. CONTINGENT LIABILITIES

Under the terms of the lease from the Crown Estate relating to the site and premises at Citadel Hill there is a requirement to meet the cost of making good dilapidations and of vacating the premises should the MBA transfer to new premises. The premises undergo a rolling programme of repairs and refurbishment, funded by a drawdown from the Designated Premises Fund to ensure they are routinely maintained in good condition. Council therefore considers that there are not expected to be any significant costs associated with dilapidations that would be without a normal annual maintenance budget. Any costs or settlement associated with vacating the premises cannot be reliably estimated at present and hence it is not possible to make a reliable estimate of the potential costs of any contingent liability.

29. PENSION COMMITMENTS

University Superannuation Scheme

The latest available full actuarial valuation of the scheme was at 31 March 2018 ("the valuation date"), which was carried out using the projected unit method. Since the institution cannot identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The 2018 valuation was the fourth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £7.5 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)

Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.

Discount rate (forward rates)

Years 1-10: CPI + 0.14 % reducing linearly to CPI – 0.73%

Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21

Years 21 +: CPI + 1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table

Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females

Post retirement: 97.6% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females

Future improvements to mortality

CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

29. PENSION COMMITMENTS (CONTINUED)

1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2021	2020
Males currently aged 65 (years)	24.4	24.4
Females currently aged 65 (years)	25.9	25.9
Males currently aged 45 (years)	26.3	26.3
Females currently aged 45 (years)	27.7	27.7

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021, at which point the rate will increase to 6%.

	2021	2020
Discount rate	2.12%	2.08%
Pensionable salary growth	N/A	N/A
Pension increases (CPI)	1.80%	2.11%

30. RELATED PARTY TRANSACTIONS

The Ray Lankester Fund (registered charity number: 206855) is a related party of the MBA. Professor W Wilson (MBA Director during the year) is a Trustee of the Ray Lankester Fund. The Ray Lankester Fund provides support for researchers to undertake projects based at the MBA laboratory. During the year, the MBA made recharges of £20,113 (2020: £NIL) to the Ray Lankester Fund. At the year end the balance owed to the MBA was £Nil (2020: £Nil)

Due to the structure of the board and management team, no members of management have been deemed to meet the definition of key management personnel and therefore no disclosure of key management personnel has been made within these financial statements.