

THE INSTITUTE OF MARINE ENGINEERING, SCIENCE AND TECHNOLOGY

England & Wales · Charity number 212992

Details

Other names	IMAREST
Status	Registered
Legal form	Other
Registered	1963-08-22
Register	View on the Charity Commission register

Contact

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Activities

Objects: TO PROMOTE THE SCIENTIFIC DEVELOPMENT OF MARINE ENGINEERING IN ALL ITS BRANCHES.

Activities: IMarEST is the leading professional membership body and learned society for all marine professionals, with over 20,000 members worldwide. The Institute has a strong international presence with an extensive network of around 50 international branches, offers peer-reviewed journals and an industry-focused magazine, produces conferences and events, and enjoys non-governmental status at IMO.

Classification

- **How:** Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** Education/training
- **Who:** The General Public/mankind

Geography

- Australia
- Bangladesh
- Belgium
- Bermuda
- Burma
- Cyprus
- Egypt
- Greece
- Hong Kong
- Indonesia
- Ireland
- Isle Of Man
- Luxembourg
- Malaysia
- Malta
- Netherlands
- New Zealand
- Nigeria
- Pakistan
- Philippines
- Russia
- Scotland
- Singapore
- South Korea
- Sri Lanka
- Ukraine
- United Arab Emirates
- United States
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-09-30	£3,064,000	£3,444,000	£12,185,000	21
2023-09-30	£2,973,000	£3,114,000	£11,078,000	20
2022-09-30	£2,923,097	£2,794,506	£10,950,941	20
2021-09-30	£2,890,216	£2,854,404	£12,395,056	23
2020-09-30	£2,600,157	£3,388,407	£10,296,354	25

Trustees

Name	Role	Appointed
Kevin Daffey	Chair	2019-03-14
Alexander Frank Walster		2025-03-26
Anthony Edward Hill		2023-06-19
Christopher Hodge		2021-03-15
Claudene Mary Sharp-Patel		2026-04-28
Dr Obed Nimi Abili		2024-04-24
EUR ING Gary John McKenzie		2025-03-26
Francis Byrne Mungo		2022-03-24
Kaushik Roy		2023-03-31
Michael Watt		2025-03-26
Prof. Deborah Mary Greaves		2025-03-26
Prof. Stephen John de Mora		2022-03-24
Rebecca Stanley		2025-03-26
Sarah Grimshaw		2023-11-23
Shangeetha Mahesan		2025-03-26

Linked charities

- ADAM GIRDWOOD AWARD (212992-1)
- JACOBS MURDOCH AND ROBERTSON AWARD (212992-10)
- HERBERT AKROYD STUART LECTURES (212992-13)
- THE YORKSHIRE AWARD (212992-14)
- STANLEY GRAY AWARDS (212992-15)
- INSTITUTE OF MARINE ENGINEERS SCHOLARSHIP FUND (212992-16)
- THE INSTITUTE OF MARINE ENGINEERING, SCIENCE, AND TECHNOLOGY MEMORIAL FUND (212992-17)
- WILLIAM THEODORE BARKER AWARD (212992-2)
- W W MARRINER PRIZE (212992-3)
- SIR ARCHIBALD DENNY AWARD (212992-4)
- J STEPHEN'S LEGACY (212992-5)
- INVERFORTH AWARD (212992-6)
- FRANK ROBERTS AWARD (212992-7)
- DONOR UNKNOWN (212992-8)
- DENNY GOLD MEDAL (212992-9)

Accounts



Annual Report and Accounts 2024



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Chair's Foreword and Review of the Year

Over the last year we have continued our journey to deliver the 2022-2025 strategy, introducing new initiatives and valuable new benefits for our members.

I was delighted to welcome Chris Goldsworthy to the role of Chief Executive in January 2024, replacing Gwynne Lewis who stepped down due to retirement. Our heartfelt thanks to Gwynne who was an exceptional CEO, serving with dedication since mid-2020. Under Gwynne's leadership, we witnessed remarkable achievements, including the recruitment of a talented executive team, and the successful implementation of new IT infrastructure. The Trustees express our heartfelt gratitude for his contributions and wish him a fulfilling and well-deserved retirement.

We're pleased to see the progress Chris has made already in his role as CEO in such a short time, with a focus on refreshing the strategy from next year and ensuring the Institute remains relevant and financially stable for the future. Chris has welcomed several new colleagues to the Executive this year, including a new Business Development Team, who are busy refreshing our corporate offering - I'm excited about this and look forward to seeing the continued positive impact Chris is making at the Institute.

Chris and the Executive have the full support of the Board of Trustees and Council, who play a vital role in the governance at the IMarEST. Our Board of Trustees and Council members continue to collaborate effectively, while our Council Executive Committee - formed last year and Chaired by Paddy Parvin, remains responsible for Council governance, output management, and reporting to the Board of Trustees.

FY24 has seen some changes to personnel in the Board of Trustees and Council. My thanks to Rachel Nicholls-Lee who stood down as a Non-Council Trustee at our AGM - Rachel was Vice Chair of our Board of Trustees; we're pleased to welcome Christy Farrer to this role, following her election at the June Board Meeting.

I am delighted to be joined by a diverse group of elected Council Trustees, a team of experts dedicated to our wonderful Institute. They are Dr. Parviz Sangin, Professor Chris Hodge, Dr. Sajid Hussain, Adthisaya Ganesen Manickam, Frank Mungo. Philip Parvin (to October 2023), Nimi Abili (from April 2024), and Kaushik Roy.

It's always great to meet my fellow Trustees in person at the IMarEST events, in addition to our regular meetings. I enjoyed attending several events over the last year, including the Institute's prestigious Annual Dinner, where we were treated to an after-dinner speech from actor, comedian and engineering-enthusiast Mark Williams. Another great occasion was the IMarEST Annual Conference in Southampton, UK, where we enjoyed technical sessions across the engineering, science and technology professions.

A significant new member benefit we introduced in the last year is IMarEST Connect - our refreshed engagement platform available to all members. It allows international collaboration among members, along with specific categories for each Branch, SIG and other networking groups. One of those groups is the seafarer community and I'm delighted to say we've developed our offering for those employed at sea, so that they pay a reduced membership fee. These are fantastic enhancements to the IMarEST offering - my thanks to the Executive for their support.

Our technical leadership continues to be driven through the events programme, and also through our Special Interest Groups (SIGs) and ongoing intergovernmental policy work. Our Technical and Policy team continue to provide support for our SIGs which this year have included a relaunched Offshore Oil and Gas SIG, and new Polar Regions, and Ship Management SIGs.

CONTINUED



Chair's Foreword and Review of the Year

CONTINUED

National and international accreditations continue to play an important role for the IMarEST. We accredited 146 different courses/training schemes across 28 different institutions in FY24 – plus there are more in the pipeline, so congratulations to all the team. We wouldn't be able to run these accreditations without our specialist team of member volunteers who run the assessments, so we're grateful for their dedication to the cause. We have a network of over 950 volunteers, through Councils, SIGs, Branches and award assessors – their work is invaluable and is the lifeblood of our institution – special thanks to these individuals!

The marine industry is facing an intense period of change, probably the most rapid in its history, and we, the IMarEST, are here to help and support in the coming transitions and beyond. Our fantastic international community is dedicated to the future of the sector, and we will continue to drive the profile of the IMarEST, ensuring its relevance within our wonderful marine industry.



Kevin Daffey



Kevin Daffey
BEng CEng CMarEng FIMarEST MIET
Chair, Board of Trustees



About the IMarEST

The Institute of Marine Engineering, Science and Technology is a registered charity and international professional body and learned society for all marine professionals in over 120 countries - the largest marine organisation of its kind and the first Institute to bring together over 12,500 marine engineers, scientists and technologists into one international multi-disciplinary professional body.

We promote the scientific development of marine engineering, science and technology, providing opportunities for the exchange of ideas and practices and uphold the status, standards and knowledge of marine professionals worldwide.

We are a nominated and licensed body of the Engineering Council (UK), a member of the Science Council and have links with maritime organisations worldwide, unrivalled by similar organisations of their kind, including consultative status at the International Maritime Organization (IMO).

We provide grades of membership for everyone working in a marine-related role, from those seeking to become Chartered or other Professional Recognition, to those just starting out in their careers or studying in education. We enhance the professional development of our members at all stages of their careers. Through our international Branches and multidisciplinary Special Interest Groups (SIGs), we enable marine professionals to engage in relevant topics, share knowledge and drive change. Through our partnerships with academia, industry and regulators, we raise professional standards and awareness.



About the IMarEST

2022-2025 Strategic Plan

The IMarEST's purpose is more critical than ever as we look at how we can make a difference across this decade and beyond. As a home for those working across the marine sector, our role is to support marine professionals throughout their careers, ensuring they continue to develop their skills and stay abreast of the latest knowledge in their fields.

At the centre of our strategic plan to 2025 is a vision of the IMarEST as the trusted voice across the marine sector and as the global community for marine professionals, distinguished as leaders in shaping a sustainable world. As we take the Institute into the next chapter of its life, you will see us focus on six strategic themes:



MEMBERSHIP EXPERIENCE

This theme focuses on creating a tailored membership experience that is accessible, valuable and relevant to all members across the professions and at every stage of their career. This includes delivering professional development, active community engagement and knowledge sharing.

COMMUNITY AND MEMBER ENGAGEMENT

This theme focuses on providing vibrant and engaged forums for members to network, share knowledge and drive change while enhancing the life of the Institute through increased participation in our activities. We aim to become a highly relevant and professional community for our members and to embed diversity and inclusion across our global membership.

TECHNICAL LEADERSHIP

Using the expertise of our members, partners and our uniquely broad view of the marine sector, we will share knowledge, create insight and inform debate on technical and scientific issues.

GROWTH THROUGH INNOVATION AND RELEVANCE

This theme is about understanding and responding to the needs of academia, industry, regulators and members to develop and offer new products and relevant services.

PUBLIC PROFILE AND COMMUNICATIONS

This theme is about providing a platform for members to give expert advice and comment. We want to position the Institute to be the primary authority on marine issues across the professions.

OPERATIONAL EXCELLENCE

This theme is about transforming our operations to ensure that every activity, process, and project delivers an enhanced member experience and value to the organisation. We want to align and develop our staff and volunteers to support the aspirations of the Institute and drive the continual improvement of systems and processes for improved member and stakeholder engagement, information exchange, organisational growth and ultimately the long-term financial sustainability of the Institute.

About the IMarEST

FY24 highlights

Here are some of the highlights from FY24:

2023
OCTOBER

We welcomed naval engineers and defence leaders to Engine as a Weapon X in Bristol, UK



2023
NOVEMBER

We attended the International Maritime Conference (IMC) at the Sydney, Australia, part of IndoPacific2023 Expo.

Susan Foster and Gwynne Lewis visited Australia and New Zealand to engage with members and build new partnerships.

2023
DECEMBER

Our annual Stanley Gray Lecture took place at Trinity House, delivered by Professor John Taylor of the University of Cambridge, who explored ocean Carbon Dioxide Removal



2024
JANUARY

We welcomed our new CEO Chris Goldsworthy. Sajid Hussain was appointed IMO Goodwill Maritime Ambassador, as nominated by the IMarEST.



2024
FEBRUARY

The refreshed annual Member Survey was sent out providing valuable membership trends and feedback about the IMarEST.

2024
MARCH

IMarEST Fellow Andy Wright was honoured by U.S. Coast Guard for his services to the International Maritime Organization as a delegate of the Institute.



About the IMarEST

FY24 highlights

2024

APRIL

We welcome our 121st President, Yves De Leeneer

Our 119th Annual Dinner brought together hundreds of marine professionals for an evening for of fine food and networking – featuring speeches from our President and actor/comedian Mark Williams.

We launched the first Future Leaders Forum to support young professionals as they move through the initial stages of a career within the marine industry.

We attended the 2024 Ocean Decade Conference in Barcelona.



2024

MAY

We launched IMarEST Connect, our new member engagement platform, encouraging international conversation and collaboration.



2024

JUNE

As part of the IMO's Day of the Seafarer campaign, we honoured those employed at sea, with a focus on safety.

2024

JULY

We welcomed international delegates from the engineering, science and technology professions to our 2024 Annual Conference in Southampton, UK.

Hosted by the IMarEST and QinetiQ, teams of students arrived in the UK, for the 2024 European International Submarine Races (eISR).



2024

AUGUST

We published a special open access edition of our member magazine Marine Professional, guest edited by some of our under-35 members, as part of a 'youth takeover' edition.

Re-branded the Career Development Pathway to the Early Career Associates programme – a five-year pathway for graduate members



2024

SEPTEMBER

We launched a new discounted membership rate for seafarers, helping to maximise their career prospects.

We supported important global conferences, organised by our Special Interest Groups: Marine Mammals, Ballast Water Management and Biofouling Management.

T&P submitted 11 technical papers to the IMO through the year

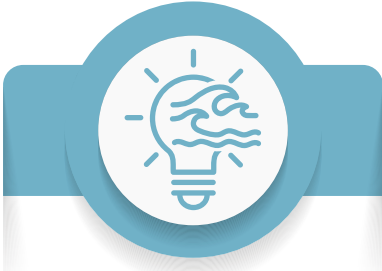




Trustees' Annual Report

CHARITABLE PURPOSES

The IMarEST charitable purposes are delivered to the benefit of either the public at large or the global marine community:



ADVANCEMENT OF MARINE ENGINEERING, SCIENCE AND TECHNOLOGY

Advancing the understanding and practice of marine engineering, marine science and marine technology



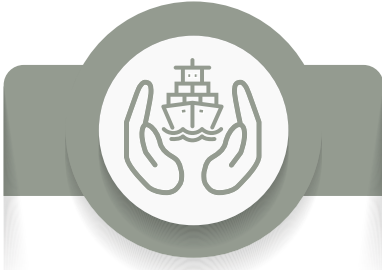
EDUCATIONAL EXCELLENCE

Promoting educational excellence for marine professionals and students



ENVIRONMENTAL SUSTAINABILITY

Promoting environmental sustainability for the benefit of humanity



RELIEF OF POVERTY

Relieving global poverty through the safe and sustainable use of ocean trade and resources



IMPROVED SAFETY

Improving safety for those operating and working in the global marine sector



ETHICAL PROFESSIONALISM

Encouraging ethical professionalism by upholding standards



Trustees' Annual Report

UNDERPINNING MEMBERSHIP EXPERTISE

Delivery of the benefits described above depends upon the IMarEST maintaining a strong body of professional expertise incorporated in a financially robust and sustainable body. This expertise is essential to provide technical and social leadership and advice, and to ensure the safety, effectiveness and sustainability of global marine activities. This expertise is developed and recognised through our membership qualification, registration and professional development processes, through the maintenance of a body of technical information, and through professional and technical support. The IMarEST's own activities as a professional body are not considered to generate detriment or harm.

MEMBERSHIP

The IMarEST could not deliver its charitable purposes to the public benefit without its membership, and the membership subscriptions which are used to fund activities for public benefit. General membership of the IMarEST is open to the whole marine community and, through Affiliate membership, to any member of the public with an interest in marine affairs. Financial barriers to membership are recognised and support provided in a number of key places. Membership for students, apprentices, cadets and others in full-time education is free and an Early Career Associate scheme is in place to offer discounts following graduation. Concessionary rates are in place for those living in certain countries, for active seafarers, for those who have retired and for long-service members. Any member suffering financial hardship may apply for fees to be reduced or waived.

FUNDRAISING

All solicitations are managed internally or through strategic partnership with Think Publishing, without involvement of commercial participators, professional fundraisers or third parties and are focused on generating income to support delivery of our charitable purposes. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the Trustees.

Fundraising income is presented in our accounts as "Donations". The Institute is aware of the UK Fundraising Regulator's guidance, has received no complaints in the year and is confident in its ability to comply.

CHARITY COMMISSION GUIDANCE

The IMarEST Board of Trustees confirms it has complied with the duty outlined in Part 2 of the Charities Act 2011 to have regard to guidance on public benefit published by the Charity Commission when exercising any powers or duties to which the guidance is relevant.



What we will do in 2025

MEMBERSHIP EXPERIENCE

- In FY25 we shall continue to grow our membership and registers across engineering, science and technology by creating a tailored membership experience that is accessible, valuable and relevant to all members at every stage of their career.
- We will continue to work closely with the Engineering Council and the Science Council to ensure all our membership and registration processes and operations are fit for purpose and meet the needs of applicants from the marine sector.
- During FY25 we will continue to deliver academic and professional accreditations and CPD recognitions to organisations, training providers and universities internationally.
- Inspire, support and develop the next generation of marine professionals through a programme of relevant activity and encourage enrolment through our Early Career Associates.
- We will continue to develop partnerships with governments and industry to promote professional development of their staff.
- Having recruited a new Learning and Development Manager in FY24, we will deliver refreshed L&D activity for members through FY25, including plans for a new Learning Management System, further Career Pathways and a new mentoring programme.

COMMUNITY AND MEMBER ENGAGEMENT

- We will run a series of high-quality events and workshops to lead on key technical issues and use a mix of in-person and online formats to create 'hybrid' events for greater accessibility. Key events in the FY25 calendar:
 - International Naval Engineering Conference (INEC) 2024
 - Annual Dinner
 - Future Leaders Forum
 - Oceans of Knowledge
- We will engage with the branches and SIGs, continuing to support them in delivering a range of services to members, including training them to deliver hybrid and online lectures and to record in-person meetings.
- We will provide increased opportunities for members to network and exchange information and expertise with other marine professionals locally and around the world.
- Expand our support of and engagement with Student Sections and encourage the establishment of new Sections.

TECHNICAL LEADERSHIP

- We will use the expertise of our members to provide an invaluable public service, sharing impartial, scientific and engineering expertise within the industry and helping governing bodies with evidence-based decision and policy making.
- We will ensure decisions that directly affect marine engineers, scientists and technologists and the way they undertake their work are communicated to members and ensure policymakers are developing practical regulations that can be implemented by our community.
- We will develop awareness across relevant sectors and specialisms through our Special Interest Groups (SIGs), interdisciplinary content and publications including our two peer-reviewed journals and physical and online magazine.



What we will do in 2025

GROWTH THROUGH INNOVATION AND RELEVANCE

- We will focus on working much more closely with our corporate clients to deepen our understanding of how we can support them.
- We will continue to develop and commercialise our events programme
- We will work with Think Publishing to improve our portfolio of member content and open access content under the established Marine Professional brand, as well as sponsorship and advertising revenue.
- We will also continue to work with Witherby's Seamanship International on our existing book portfolio and seek further book publishing opportunities in FY25 and 26.

PUBLIC PROFILE AND COMMUNICATIONS

- We will evolve our marketing and communications strategy to develop external communications, (including important campaigns targeting seafarers and a focus on learning and development), and PR/media relations to better communicate the work of the Institute for future growth.
- We will continue to develop the website, the use of data and IMarEST Connect to enhance member engagement, resources and the overall user experience.
- We will explore further investment in media training for our senior spokespeople for both the Executive and volunteers.

OPERATIONAL EXCELLENCE

- We will continue developing and enhancing our IT estate, website and CRM to ensure maximum productivity and efficiency in delivering membership and business services.
- We will deliver financial targets and key performance measures as agreed by the Board of Trustees.

Financial review

The table below provides a high-level breakdown of income as shown in the consolidated statement of financial activities and notes to the financial statements.

	2024 £'000	2024 %	2023 £'000	2023 %
Income from charitable activities	2,471	80.65	2,531	85.13
Investment income	561	18.31	410	13.79
Net income from associates	20	0.65	19	0.64
Donations and legacies	12	0.39	13	0.44
	3,064	100.00	2,973	100.00

The IMarEST's overall financial position shows net movement in funds as follows:

	2024 £'000	2023 £'000
Net deficit (excl.pension adjustment) prior to other gains (losses)	(649)	(342)
Pension Scheme Adjustment (Note 18)	269	201
Net income before recognised gains and losses	(380)	(141)
Gains on listed investments	1,193	294
Actuarial gains (loss) on defined benefit pension scheme liability	313	(11)
Foreign exchange losses on translation	(19)	(15)
	1,107	127

Improvements in market conditions have seen a gain in our investment portfolios, totalling £11,193K (2023: £294K). Income from investments has increased year on year at £561K (2023: £410K). The weakening of sterling against other currencies has led to a foreign exchange loss of £19K (2023: £15K). There has been an overall positive movement of £658K (2023: £201K) on the valuation of the Retirement Benefit Scheme deficit.

The Group balance sheet shows total net assets of £12,185K as follows:

	2024 £'000	2023 £'000
Total net assets before pension scheme liability	13,084	12,635
Defined benefit pension scheme liability	(899)	(1,557)
	12,185	11,078

Financial review

CHARITABLE APPLICATION

The table below provides a high-level breakdown of the application of funds to our charitable purposes as shown in the notes to the financial statements.

	2024 £'000	2024 %	2023 £'000	2023 %
Membership Services	1,437	41.69	1,255	40.30
Technical Publications & Books	137	4.00	131	4.21
Conferences & Events	564	16.37	666	21.39
Marine Partners & Members Fees	375	10.88	330	10.60
Accreditation	228	6.65	170	5.46
Technical & Library	676	19.63	548	17.60
Awards	27	0.78	14	0.44
	3,444	100.00	3,114	100.00

CASH AND INVESTMENT POLICY

The Institute's Royal Charter gives the Institute the power 'to invest the monies of the Institute not immediately required in or upon such investments or other property or other assets as the Trustees may think fit.' The Board of Trustees delegates day-to-day management of its investment portfolio to its investment managers and they act on a discretionary basis in accordance with the Statement of Investment Policy and Principle (SIPP) and benchmarks agreed with the Board of Trustees.

The Institute is following a strategy of predictable income using a selection of funds managed by Sarasin and Partners LLP (Sarasin). The SIPP and benchmarks are reviewed annually and adjusted as deemed necessary by the Board of Trustees. In the determination of benchmarks and the review of performance against these benchmarks the Trustees receive advice from an independent Investment Adviser.

The performance* against benchmark for the funds comprising the investment portfolio is given in the following table:

	Benchmark	Portfolio
Sarasin Income and Reserves Fund Class A Inc	10.2%	10.3%
Sarasin Endowments Fund Class A Inc	17.0%	16.5%

*performance is calculated 'net' of investment management fees and takes into account receipts and withdrawals from the portfolio during the period.

The Board of Trustees keeps under review the adequacy of the Treasury to fund immediate cash flow requirements, short-term capital projects and risk mitigation without jeopardising the invested reserves.



Financial review

TOTAL RETURN ACCOUNTING

On 18 September 2018 the Committee of Management of the Memorial Fund (a Permanent Endowment Fund) agreed to adopt a total return investment approach under section 105 of the Charities Act 2011 for the Memorial Fund and that its core value should remain set at £3,044,472 as shown on the Memorial Fund balance sheet for the year ending 30 September 2011. They further agreed that responsibility for the implementation and oversight of adopting a total return basis should be delegated to the Institute's Finance & Investment Committee.

RESERVES AND RESERVES POLICY

In addition to its operating funds (i.e. working capital in current and deposit accounts), the IMarEST maintains a variety of funds and investments with different aims and structures:

- a) **Restricted Funds.** The IMarEST retains two separate Restricted Funds:
 - ii. **The Awards and Scholarships Fund.** This was established from legacies and donations received over time and is used to fund rewards for excellence within the fields of Marine Engineering, Science and Technology, with any unexpended income being retained within the fund. At 30 September 2024 its value was £237K (2023: £243K). It is considered as a reserve for its specific purpose.
 - ii. **The Permanent Endowment Memorial Fund (PEMF).** This was created after the sale of the Mark Lane building from 25% of the net proceeds. It is governed by its own scheme rules, under which dividend income can be used for the charitable purposes of the Institute but the core capital value must be preserved. At 30 September 2023 its core value was £3.044M. The fund is managed on a Total Return basis (in accordance with Charity Commission guidance) wherein capital gain above the core value can be taken as income. The Fund can be considered as part of the reserves – but under normal circumstances only for income generation. At 30 September 2024 the total fund value, including unapplied total return was £4.59M (2023: £3.78M).
- a) **Unrestricted Funds (free reserves).** Further IMarEST investment assets are contained in an investment fund which may be utilized for the general financial needs and charitable purposes of the Institute. At 30 September 2024 its value was £7.45M (2023: £7.73M), and can be considered free reserves.
- b) **Designated Funds.** The Trustees have designated £825K (2023: £891K) of funds relating to tangible fixed assets and cash held overseas to reflect that these cannot easily be realised as cash to apply towards charitable purposes.

The IMarEST requires reserves for the following purposes:

- a) In order to preserve the medium and long-term interests of the charity.
- b) As a source of income to fund the IMarEST's charitable purposes and Retirement Benefit Scheme (RBS) Recovery Plan.
- c) As a contingency fund against recovery from maturing risks.
- d) To meet the mid-term capital requirements of the Institute.

The reserves policy is to maintain the Institute, Memorial and Awards & Scholarship Funds at the required level in order to provide income to support delivery of the Charitable Purposes and RBS Recovery Plan without eroding capital value. A minimum target of £5.0M was set in 2024 for the Unrestricted Free Reserves.

At 30 September 2024 the value of IMarEST free reserves and designated funds as shown on the charity balance sheet is £8.1M (2023: £8.5M).

Financial review

PAY POLICY FOR SENIOR STAFF

The executive team of the Group direct and control the operation of the Group on a day to day basis. The remuneration of the entire executive team is reviewed and approved annually by the IMarEST Remuneration Committee. This Committee is chaired by the Vice Chair of the Board of Trustees. The Committee ensures arrangements are affordable and fair, and are designed to motivate and reward performance in the interest of the Group. Remuneration is benchmarked periodically using external surveys and data which includes both commercial and not-for-profit organisations.

RISK MANAGEMENT

Risk management is embedded within the operations of the Group. Risk registers are regularly maintained by the executive, and reviewed by the trustees. Currently the most significant risks are:

Strategic plan category	Risk	Mitigation
Membership & Professionalism	Ability to recruit members and encourage professional development	Established processes in place for virtual engagement with potential members and professional registrants. Employer engagement through Marine Partnership Programme virtually and physically. Discounts available for hardship and early career stage. Professional development support is under review.
Community & Member Engagement	Ability to recruit and retain Volunteers	Increase face to face engagement between staff and volunteer groups. Making full use of the volunteers in post for Registration and Fellowship activities. Recruitment of New Volunteers. Ensuring volunteers are appropriately supported and recognised for their commitment.
Technical Leadership	Ability to maintain status and influence in Public Policy	Building key relationships, engaging on topics of relevance to governments and ensuring a high quality of expertise within IMarEST.
Operational Excellence	Maintaining systems integrity and information security	Appropriate information policies and procedures have been put in place. Cyber Essentials compliance confirmed.
	Ensuring IMarEST's activities remain financially sustainable	We are reviewing our strategic plan, and developing a 3 year operational plan targeting a move to operational surplus.
	Adherence to a broad range of regulatory and statutory obligations, including financial reporting, direct and indirect tax, employment laws, Charity Commission guidance, data protection etc.	Update operational procedures, seeking ISO9001 certification in FY26. Appropriate staff training and development to ensure we maintain appropriate skills and competencies in house, and supplement with external expertise where necessary.
	Ability to meet defined benefit pension liabilities.	The 2023 valuation was agreed with the RBS Trustees in December 2024, setting an affordable level of contributions until the next valuation in 2026. IMarEST have historically been reliant on the income from Investment Assets to meet this obligation.

Financial review

AUDIT

Financial audit oversight is delegated to the Finance & Investment Committee. Operational and procedural audit matters are overseen directly by the Board.

MEMBERS

The role played by our members, who so generously volunteer their time and expertise to serve the IMarEST, cannot be overestimated. Their contribution is vital across a number of activities, including the Professional Review process by which individuals are assessed for qualification to membership, as accreditors, providing technical lectures, contributing to our publications, as representatives of the IMarEST, through branches, through SIGs (Special Interest Groups), our various Committees, the Council and the Board of Trustees. The IMarEST is very grateful for the contributions of members and recognises that without their efforts there could be no IMarEST.

RELATED PARTIES AND CONNECTED ORGANISATIONS

As detailed in note 9 to the financial statements, IMarEST has two fully owned subsidiary undertakings Marine Management (Holdings) Limited, a company registered (01100685) in England and Wales. and Marine Exhibitions Limited, a company registered (09235513) in England and Wales. Marine Management (Holdings) Ltd is the parent company of MAREST (S) PTE Limited.

The table below gives details of the composition of the Board of Directors of the companies identified above as at 30 September 2023.

Company	IMarEST Trustees	IMarEST Executive	External	Chair
Marine Management (Holdings) Limited	–	2	3	External
MAREST (S) PTE Limited	–	2	1	Executive
Marine Exhibitions Limited	–	2	–	Executive
Marine People Limited	–	1	2	External

The Institute has a close working relationship with the Guild of Benevolence of the IMarEST, which is a separate and independent charity. The Institute provides certain services to the Guild for which charges are made based on the costs incurred by the Institute. The Honorary Treasurer and Secretary of the Institute are ex-officio members of the Guild's Committee of Management but the Institute has no overall control of the charity.

The Institute has historically had a close relationship with the Memorial Fund, which was a separate charity whose exclusive objects were to repair and maintain the property of the Institute, to advance education in engineering, science, and technology in the marine environment, and to advance the general charitable purposes of the IMarEST. Although it remains legally constituted as a separate charity, since July 2012 the Memorial Fund has been linked to the main Institute charity for registration and accounting purposes and no longer has a separate charity registration number. The Trustees of the Institute at any given time also serve as the trustees of the Memorial Fund.

In pursuance of its charitable objectives, the Institute has a working relationship through the joint branch arrangements with the Royal Institution of Naval Architects.



Structure, governance and management

BOARD OF TRUSTEES

The Institute of Marine Engineering, Science and Technology is a body incorporated by Royal Charter (registered number RC000256) and a charity registered in England & Wales (number 212992). It is governed by a Royal Charter, Bylaws and Regulations which were last updated in 2018 and 2023 respectively.

The overall governance and control of IMarEST is managed by a Board of Trustees (the Board) whose members are the charity trustees of IMarEST. The Board is composed of the five Officers of the Institute plus between 9 and 15 other Trustees, of which at least six must be Council Trustees and at least three Non-Council Trustees. Council Trustees are appointed by Council and Non-Council Trustees are appointed by the Board itself. IMarEST recruits trustees with the relevant skillset to support the Institutes activities. All Trustees receive an induction to IMarEST, along with an overview of the responsibilities of trustees. They are encouraged to attend training sessions during their tenure. The Chair of the Board is a Fellow of the IMarEST and appointed by the Board but need not be a member of either the Board or Council at the time of appointment. A Vice-Chair is selected by the Board from among its existing membership. The Board has three committees to focus on specific aspects of its work in detail: Nominations and Remuneration (both composed solely of Board members) and Finance & Investment, composed of Board members and, at the discretion of the Board, one or more individuals with specialist expertise who are not currently members of the Board. In addition, the Presidents' Advisory Committee, composed of past Institute presidents, is considered a Board committee.

COUNCIL

IMarEST Council manages the professional, learned society and technical affairs of the IMarEST on behalf of the Board. Appointed Members of Council are appointed by Council to three-year terms on the recommendation of the Nominations Committee. Elected Members of Council are elected to three-year terms by the Voting Members in the relevant electoral division. Both Appointed Members and Elected Members are eligible to serve two consecutive terms of office and there are currently four electoral divisions: Americas, ANZSPAC (Australia and New Zealand), Asia Pacific and EMEA (Europe, Mid East and Africa). The Honorary Treasurer is elected annually by Voting Members across all electoral divisions. The President of IMarEST serves as the Chair of Council as well as IMarEST's ambassador and is appointed to a one-year term by Council on the recommendation of the Presidents' Advisory Committee.

Council delegates the delivery of specific aspects of its work to its standing committees: Membership Committee, Professional Affairs and Education Committee (PAEC), Publications Supervisory Board (PSB) and Technical Leadership Board (TLB). Council must meet a minimum of twice each year and normally holds one face-to-face and two online/teleconference meetings during the year.



Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the income and expenditure of the group and the charity for that period. In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in 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);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group and charity will continue in operation.

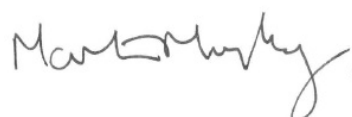
The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's Royal Charter. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by the trustees and signed on their behalf on 4 March 2025 by:



Kevin Daffey
Chair, Board of Trustees



Martin Murphy
Honorary Treasurer

Independent auditor's report to the trustees of the Institute of Marine Engineering, Science & Technology

Opinion

We have audited the financial statements of The Institute of Marine Engineering, Science and Technology ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 30 September 2024 which comprise the consolidated statement of financial activities, the consolidated and Parent Charity balance sheets, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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 Group's and of the Parent Charity's affairs as at 30 September 2024 and of the Group's 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 Charities Act 2011.

Basis for opinion

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

Conclusions related to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Parent Charity'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 and Accounts 2024, other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Charity; or
- the information given in the trustees' annual report is inconsistent in any material respect with the accounts; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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:

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

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias;
- used data analytics to investigate the rationale behind any significant or unusual transactions; and
- tested authorisation controls on expenditure items, ensuring all expenditure was approved in line with the Group and Charity's financial procedures.

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

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

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

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

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

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Edward Finch

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

Date: 5 March 2025

Consolidated Statement of Financial Activities

Year to 30 September 2024

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2024 £'000	Total funds 2023 £'000
Income						
Donations and legacies	1	1	11	–	12	13
Charitable activities	2	2,471	–	–	2,471	2,531
Investment income	3	398	10	153	561	410
Income from associates	3	20	–	–	20	19
Total income		2,890	21	153	3,064	2,973
Expenditure						
Charitable activities	4	3,417	27	–	3,444	3,114
Total expenditure		3,417	27	–	3,444	3,114
Net income (expenditure) before investment gains and losses		(527)	(6)	153	(380)	(141)
Gain / (loss) on listed investments	9a	382	–	811	1,193	294
Net income / (expenditure)		(145)	(6)	964	813	153
Transfers between funds	17	153	–	(153)	–	–
Net income/(expenditure) before other recognised gains and losses		8	(6)	811	813	153
Actuarial (loss) / gains on defined benefit pension scheme	16	313	–	–	313	(11)
Foreign exchange losses		(19)	–	–	(19)	(15)
Net movement in funds		302	(6)	811	1,107	127
Reconciliation of funds						
Total funds brought forward at 30 September		7,060	243	3,775	11,078	10,951
Total funds carried forward at 30 September		7,362	237	4,586	12,185	11,078

All income and expenditure was derived from continuing activities in the above periods and there are no recognised gains or losses other than those stated above.

Balance sheets

As at 30 September 2024

	Notes	Group		Charity	
		2024	2023	2024	2023
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	7	782	834	745	786
Tangible assets	8	38	16	33	11
Investments	9	12,879	11,962	12,855	11,938
		13,699	12,812	13,633	12,735
Current assets					
Debtors	11	554	542	454	642
Cash at bank and in hand		208	201	157	140
		762	743	611	782
Creditors: amounts falling due within one year	13	(1,377)	(920)	(1,315)	(1,028)
Net current assets (liabilities)		(615)	(177)	(704)	(246)
Net assets before pension liability		13,084	12,635	12,929	12,489
Defined pension scheme liability	17	(899)	(1,557)	(899)	(1,557)
Total net assets		12,185	11,078	12,030	10,932
Funds and reserves					
Permanent endowment funds	10	4,586	3,775	4,586	3,775
Restricted funds		237	243	237	243
Unrestricted funds					
. Designated funds	17	826	891	820	887
. General funds	17	7,435	7,726	7,286	7,584
. Pension reserve	16	(899)	(1,557)	(899)	(1,557)
Total funds	17	12,185	11,078	12,030	10,932

The accompanying accounting policies and notes form an integral part of these financial statements.

The financial statements on pages 22 to 48 were approved by the trustees on 4 March 2025 and signed on their behalf by:



Kevin Daffey
Chair of Board of Trustees



Martin Murphy
Honorary Treasurer

Consolidated statement of cash flows

Year to 30 September 2024

	2024 £	2023 £
Cash flows from operating activities		
Net movement in funds for the year before other recognised gains and losses	813	153
Adjustments for		
Depreciation charges tangible assets	14	19
Amortisation charges intangible assets	107	29
Increase in debtors due within one year	(12)	1,202
Increase (decrease) in creditors	457	(447)
DB pension charge contributions net of interest expense	(481)	(136)
Dividends and investment income receivable	(561)	(410)
Net income from associates	(20)	(19)
Gains on listed investments	(1,193)	(294)
Foreign exchange losses	(19)	(15)
Net cash used/(provided by) in operating activities	(895)	82
Cash flows from investing activities		
Dividend received from investments	581	430
Purchase of property, plant and equipment	(37)	(9)
Purchase of intangible assets	(55)	(751)
Proceeds from sale of listed investments	775	-
Purchase of listed investments	(16)	-
Net cash provided by/(used) investing activities	1,248	(330)
Change in cash and cash equivalents in the reporting period	353	(248)
Cash and cash equivalents at 1 October	315	563
Cash and cash equivalents at 30 September	668	315
Analysis of cash and cash equivalents		
Cash at bank and in hand	208	201
Cash held by investment managers	460	114
Total cash and cash equivalents	668	315

The Group holds no external loans. There is therefore no difference between the changes in cash and cash equivalents and the changes in net debt.

Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation

The Financial Statements have been prepared in accordance with the Charities SORP (FRS 102), Accounting and Reporting by Charities: A 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) and the Charities Act 2011. The statements have been prepared under the historic cost convention, with the exception that investments, memorabilia and historic assets are included at market value. The financial statements are rounded to the nearest £.

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

The trustees consider that there are no material uncertainties about the Group and Charity's ability to continue as a going concern. In making their assessment, the trustees have considered the impact that the Covid-19 pandemic has had on the Group and Charity and its beneficiaries.

Basis of consolidation

The accounts consolidate those of the Charity and its wholly owned non-charitable trading subsidiaries: Marine Management (Holdings) Limited, MAREST (S) Pte Limited and Marine Exhibitions Ltd.

As a result of a direction issued by the Charity Commission in July 2012, The Institute of Marine Engineering, Science and Technology Memorial Fund (the Memorial Fund) was linked with the funds of the Institute.

In the year ended 30 September 2006, the Stanley Gray Awards and The Institute of Marine Engineers Scholarship Fund merged with the Donald Maxwell Fund. Donald Maxwell Fund was linked, under a Charity Commission direction, with the funds of the Institute. The resulting linked charity is referred to as the Awards and Scholarship Fund. The Scholarship fund was enhanced by a generous injection of funds in respect of the John Blackburn Main Trust in 2007.

The Memorial Fund and The Awards and Scholarship Fund remain subject to their trusts and the terms under which they were given. The separate charity balance sheet and its related notes include these two funds.

Income

Income is recognised in the period in which the group and the charity has entitlement to income, the amount of the income can be measured reliably and it is probable that the income will be received.

Donations and legacies

Income from donations and legacies is included once the Charity is informed of an entitlement and that there is a probable assurance of receipt. Unless the legacies or donor specifies conditions of receipt, the income is included in the general fund.

Charitable activities

Subscriptions are recognised on an accruals basis. Receipts received in advance of the membership period are held as deferred income. Income is recognised using the stage of completion method and on-going tutorial support is considered to be immaterial. Income generated from consultancy is recognised over the life of the project. Income from technical journals subscriptions and events are recognised in the year it relates to, with payments in advance held as deferred income.

Investment income and interest

Income receivable on deposits and investments is recognised when received. Income from permanently endowed investments is calculated on a total return basis (see note 9).

Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the subsidiary charity.

VAT – Recoverable and irrecoverable

The Institute is regarded as partially exempt under HM Revenue & Customs rules and, therefore is unable to reclaim all the Input VAT it incurs. Where irrecoverable VAT is incurred, it is charged against the category of resources expended for which it was incurred. MAREST (S) Pte Limited is not required to register for Goods and Services Tax as income is under the required threshold.

Allocation of overheads

Where costs cannot be directly attributed to a particular charitable activity, costs are allocated using the best judgement. The allocation of overhead costs is analysed in note 4.

Governance costs

Governance costs have been analysed to show the cost of running the Charity, including strategic planning for its future development, legal advice for the Board of Trustees or Council. All the costs of complying with constitutional and statutory requirements, such as the costs of the Board of Trustees and Council meetings, and of preparing statutory accounts and satisfying public accountability, are allocated to charitable activity using best judgement.

Operating leases

Lease commitments are charged in the statement of financial activities on a straight-line basis over the lease term. Details of the lease commitments are shown in note 14.

Pension costs

The Institute's staff pension scheme incorporates a final salary section and a stakeholder section. The assets of the scheme are held separately from those of the Institute in an independently administered fund. The final salary section of the scheme was closed to new members on 5 April 2002. At that date, the final salary section, which previously was a non-contributory scheme, became a contributory scheme with active members paying 7% of their gross salary.

The final salary section of the pension scheme is accounted for in accordance with FRS 102 section 28 'Retirement Benefits'. The service cost of pension provision relating to the year, together with the cost of any benefits relating to past service if the benefits have vested, is charged to the statement of financial activities. A charge equal to the increase in the present value of the scheme liabilities (because the benefits are closer to settlement) and a credit to the Group's long term expected return on assets (based on the market value of the scheme assets at the start of the year), are also included in the statement of financial activities.

The difference between the market value of the assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability on the balance sheet. Any differences between the actual and expected return on assets during the year are recognised in the statement of financial activities along with the difference arising from experience or assumption changes.

Contributions to the stakeholder section of the pension scheme are charged to the statement of financial activities in the year in which they become payable.

More information about the pension scheme is provided in note 17 to the financial statements.

Intangible assets

Intangible assets comprise the following:

- Goodwill arising on the acquisition of a 30% interest in Marine People Limited.
- Accounting Software
- CRM and Website

Amortisation is charged on a straight line basis over 10 years. The impairment of intangible assets is considered annually, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and provision made when necessary.

Tangible assets

Leasehold property - Leasehold premises and associated acquisition costs are stated at cost. Depreciation is provided to write off the cost of the leasehold premises over the initial 5-year term of the lease.

Other tangible fixed assets - Assets with a value under £250 are not capitalised and all assets are assessed for signs of impairment at each Balance Sheet date.

Depreciation is provided to write off the cost, less estimated residual values, of other tangible fixed assets over their expected useful lives. Fixtures, fittings and equipment are depreciated on a straight-line basis each year at rates between 20% and 33%.

Memorabilia - The Institute holds a collection of heritage assets which relate to the history of the Institution itself and the wider history of Marine Engineering, Science and Technology. Part of the collection is on loan to the South Shields Marine School. No depreciation is provided on the memorabilia and historic assets. Revaluation of these assets will be considered annually and subject to receiving a reliable valuation at a cost commensurate with the benefit to the users of the accounts and to the IMarEST, any increase or decrease in value of the assets from one year to the next will be treated as an unrealised gain or loss.

Investments

Investments in listed stocks and shares are stated at market value at the balance sheet date. Realised and unrealised gains on investments during the year are taken to the fund in which the investments are held. Any increase or decrease in the value of the assets from one year to the next is treated as an unrealised gain or loss.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and either the opening market value or the purchase cost if investments are purchased in the year. Unrealised gains and losses are calculated as the difference between the market value at the year-end and either the opening market value or the purchase cost if investments are purchased in the year. Realised and unrealised gains are not separated in the statement of financial activities.

At 30 September 2024, the Group had a 30% shareholding in Marine People Limited. This shareholding was sold in October 2024.

Taxation

The Institute of Marine Engineers, Science and Technology is a registered Charity and accordingly is exempt from taxation on its charitable activities.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Foreign currency

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling

at the balance sheet date. Any differences are taken to income and expenditure in the statement of financial activities.

The results of overseas operations are translated at the average rates of exchange during the year and the balance sheet translated into sterling at the rates of exchange ruling on the balance sheet date. Exchange differences which arise from translation of the opening net assets and results of foreign subsidiary undertakings are taken to other recognised gains and losses in the statement of financial activities.

Funds

Where income is received, which is subject to donor-imposed restrictions on its future use it is credited to restricted funds in the statement of financial activities. Expenditure of the resources for the specified purpose is charged to the restricted fund, and any balances of unexpended income are carried forward as restricted funds on the Balance Sheet. Where funds received are to be retained as permanent endowment, these are identified separately as endowment funds.

Where the Board of Trustees identifies a need to allocate funds for specific purposes, these funds are shown as designated funds in the balance sheet. Such funds are unrestricted as their designation is at the discretion of the Board of Trustees. All funds other than restricted funds and designated funds are regarded as free reserves and are called other unrestricted funds. Where funds previously designated are no longer required, they are transferred to other unrestricted funds.

Debtors, cash and creditors

Debtors – trade and other debtors are recognised at the settlement amount due after any trade discount offered. Amounts due are initially recognised at fair value and subsequently at amortised cost using the effective interest method where the effect of discounting is material. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand – Cash at bank and cash 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.

Creditors and provisions – Creditors and provisions are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Accounting estimates and judgements

In preparing the accounts, the trustees are required to make estimates and judgements. The matters detailed below are considered to be the most important in understanding the judgements that are involved in preparing the accounts, and the uncertainties that could impact the amounts reported.

Income recognition – a significant portion of the Group’s income is earned over a period of time following invoice. This includes membership subscriptions, registration fees for qualifications and annual centre fees. Income is allocated to each accounting period in accordance with accounting policy. The setting of the recognition methods and periods is an area where judgement is applied, and this is undertaken by reference to product definitions, and individual sales contracts.

Income and cost allocation to charitable purpose – the allocation of income and costs to charitable purposes is an area where judgement is applied and this is undertaken by reference to knowledge of the activities undertaken and to historic data trend.

Actuarial assumptions in respect of defined benefit pension scheme – the application of actuarial assumptions relating to the Institute’s defined benefit pension scheme is incorporated in the accounts in accordance with FRS 102. In setting the assumptions, advice is taken from independent qualified actuaries. These assumptions require significant judgement to be exercised with regard to such areas as future changes in salary and inflation, mortality rates and long-term discount rates.

Overseas bank accounts – there are cash balances in some overseas bank accounts that are difficult to access. The total of these balances at the end of the year was £41K. A full provision has been made against these amounts on the basis that some, if not all, of these balances would be recovered in due course. The provision was decreased by £1K in the current year due to currency revalorisations.

Notes to the Financial Statements

1 Donations and legacies

	Unrestricted funds 2023 £'000	Restricted funds 2023 £'000	Total funds 2023 £'000	Unrestricted funds 2023 £'000	Restricted funds 2023 £'000	Total funds 2023 £'000
Donations	1	11	12	2	11	13

2 Income from charitable activities

	Unrestricted and total funds 2024 £'000	Unrestricted and total funds 2023 £'000
Membership services	1,936	1,947
Technical Publications & Exhibitions	67	99
Conferences & functions	213	335
Marine Partners & members fees	37	64
Accreditation	183	59
Technical & Library	12	11
Support services	23	16
	2,471	2,531

3 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2024 £'000
Listed investments	392	10	153	555
Interest income	6	–	–	6
	398	10	153	561
Income from associates	20	–	–	20
	418	10	153	581

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total Funds 2023 £'000
Listed investments	265	9	129	403
Interest income	7	–	–	7
	272	9	129	410
Income from associates	19	–	–	19
	291	9	129	429

4 Expenditure on charitable activities

	Direct costs £'000	Support costs £'000	Total 2024 £'000	Direct costs £'000	Support costs £'000	Total 2023 £'000
Membership services	632	805	1,437	545	710	1,255
Technical Publications & Books	35	102	137	40	91	131
Conferences & events	275	289	564	411	255	666
Marine Partners & members fees	66	309	375	57	273	330
Accreditation	85	143	228	43	127	170
Technical & Library	264	412	676	185	363	548
Awards	27	-	27	14	-	14
	<u>1,384</u>	<u>2,060</u>	<u>3,444</u>	<u>1,295</u>	<u>1,819</u>	<u>3,114</u>

All of the above expenditure relates to expenditure on unrestricted funds, with the exception of Awards Expenditure, where £27K was restricted (2023: £14K).

Support costs above consist of:

	2024 £'000	2023 £'000
Staff costs	843	763
Office costs	117	95
Governance costs	59	61
Pension Scheme Costs	206	238
Other costs	824	663
	<u>2,049</u>	<u>1,820</u>

Other costs comprise Estates, IT, Marketing, Finance and HR.

5 Staff costs

	2024 £'000	2023 £'000
Wages and salaries	1,613	1,260
Social security costs	173	146
Ordinary pension costs	129	223
	<u>1,915</u>	<u>1,629</u>

Wages and salaries above includes £nil redundancy costs.

During the course of the year IMarEST have capitalised £0K (2023: £201K) of staff costs relating to the development of the new CRM and Website.

The average number of employees during the year was allocated as follows (based on estimated time spent on activities in the year on each charitable activity).

	2024	2023
	No.	No.
Membership services	3	3
Technical Publications & Books	1	1
Conferences & events	1	1
Marine Partners & members fees	1	1
Accreditation	2	2
Technical & Library	2	2
Support	11	10
Total	21	20

The number of staff whose total emoluments (excluding employer's pension contribution and employer's national insurance) for the year was over £60,000 is as follows

	2024	2023
	No.	No.
£ 60,001 - £ 70,000	3	1
£ 70,001 - £ 80,000	2	1
£ 80,001 - £ 90,000	-	-
£90,001 - £100,000	-	1
£100,001 - £110,000	-	-
£110,001 - £120,000	2	1
£120,001 - £130,000	1	1
£140,001 - £150,000	-	-

IMarEST introduced a salary sacrifice scheme in August 2022 which has impacted the emoluments calculation, and the employer pension contributions.

Employer pension contributions in respect of the above higher earners were as follows:

	2024	2023
Contributions to defined contribution schemes, £	78	100
Number of individuals	7	5

Key management personnel and trustees expenses

Key management personnel during the year comprise the members of the board of trustees, the Chief Executive, Finance and Commercial Director, Sales and Business Development Director, Membership and Professional Services Director, Head of Business Systems and Transformation, Head of Technical, Policy & Content, Head of Marketing & Communications, Head of Membership, and Institute Assistant Secretary.

The total remuneration of key management personnel was £1,030K (2023: £809K).

No trustees were remunerated for their role as trustee.

Expenses were reimbursed to the trustees when they were claimed in accordance with the appropriate rules governing the payment of expenses.

	2024	2022
	£'000	£'000
Total expenses claimed, covering travel, subsistence and hotel expenses, £	18	22
Total cost paid directly by IMarEST, £	9	2
Expenditure reimbursed relating to events, £	9	-
Total claim	36	24
No. of trustees reimbursed	11	11

During the year the IMarEST did not receive any donations from the trustees (2023: £nil).

6 Related party transactions

The following transactions and balances occurred between the Charity or its wholly owned subsidiaries and other non-wholly owned undertakings.

- *Marine People Limited*: Dividends totalling £20K were received (2023: £20K).
- *Marine Management (Holdings) Limited (MM(H))*: There was an outstanding account between IMarEST and MM(H) of £71K (2023: £53K). This had arisen following a loan to fund investments in MLA and Marine People.
- *Marine Exhibitions Limited*: Transactions between IMarEST and MEX relate to the IMarEST Events portfolio.

Other than the above, there were no related party transactions.

7 Intangible fixed assets

Group

	Marine People Limited Goodwill £'000	Computer Software Charity Only £'000	Total £'000
Cost			
At 1 October 2023	108	857	965
Additions	-	55	55
At 30 September 2024	<u>108</u>	<u>912</u>	<u>1,020</u>
Amortisation			
At 1 October 2023	60	71	131
Charge for year	11	96	107
At 30 September 2024	<u>71</u>	<u>167</u>	<u>227</u>
Net book values			
At 30 September 2023	<u>48</u>	<u>786</u>	<u>834</u>
At 30 September 2024	<u>37</u>	<u>745</u>	<u>782</u>

8 Tangible fixed assets

Group

	Leasehold acquisition costs £'000	Furniture, fixtures and fittings £'000	Business systems and equipment £'000	Total £'000
Cost or valuation				
At 1 October 2023	9	37	137	183
Additions	-	4	33	37
At 30 September 2024	<u>9</u>	<u>41</u>	<u>170</u>	<u>220</u>
Depreciation				
At 1 October 2023	9	37	122	168
Charge for year	-	-	14	14
At 30 September 2024	<u>9</u>	<u>37</u>	<u>136</u>	<u>182</u>
Net book values				
At 30 September 2023	<u>-</u>	<u>-</u>	<u>15</u>	<u>15</u>
At 30 September 2024	<u>-</u>	<u>4</u>	<u>34</u>	<u>38</u>

Charity

	Leasehold acquisition costs £'000	Furniture, fixtures and fittings £'000	Business systems and equipment £'000	Total £'000
Cost or valuation				
At 1 October 2023	9	37	126	172
Additions	-	4	31	35
At 30 September 2024	9	41	157	207
Depreciation				
At 1 October 2023	9	37	115	161
Charge for year	-	-	13	13
At 30 September 2024	9	37	128	174
Net book values				
At 30 September 2023	-	-	11	11
At 30 September 2024	-	4	29	33

All tangible fixed assets are held at cost. Business systems have been reclassified as intangible assets.

The Institute also holds a collection of heritage assets which relate to the history of the Institution itself and the wider history of Marine Engineering, Science and Technology. Part of the collection is on loan to the South Shields Marine School.

Due to the fact that reliable cost information or comprehensive valuations are not readily available for these assets, and that such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the IMarEST, the values were written down to £nil in FY21 and are retained at that value.

The Trustees recognise the importance of the collection, which they will continue to maintain, and will recognise any expenditure which is required to preserve or prevent deterioration of individual collection items in the income and expenditure account when it is incurred. Expenditure in the current year totals £Nil (2023: £Nil).

9 Investments

		Group 2024	Group 2023	Charity 2024	Charity 2023
	Note	£	£	£	£
Listed investments	a	12,815	11,898	12,815	11,898
Investments in associates	b	64	64	-	-
Subsidiary undertakings	c	-	-	40	40
		12,879	11,962	12,855	11,938

a) Listed investments

Group & Charity	2024 £'000	2023 £'000
Market value at 1 October	11,784	11,488
Additions at cost	16	-
Disposals (proceeds £775K; gain £136K)	(639)	-
Net unrealised (losses) gains on revaluation	1,194	298
Market value at 30 September	12,355	11,784
Cash held with investment managers	460	114
Total listed investments	12,815	11,898
Cost at 30 September	10,999	11,631

b) Investments in associates

Group	2024 £'000	2023 £'000
At 1 October	63	63
Net income from associates	20	18
Adjustments to carrying value	-	(20)
At 30 September	83	63

Marine People Limited is a company registered in England and Wales (Company Registration No. 10632568). The company is a marine specialist permanent recruitment agency. Marine Management (Holdings) Limited has 30% ownership of Marine People Limited. During the financial year ending 30 September 2024, the Group received a £20K dividend from the company (2023: £20K).

c) Subsidiary undertakings

The following subsidiaries are part of the Group.

Name	Nature of business	Parent	Holding	Share capital, £	Address of registered office
Marine Management (Holdings) Limited (MM(H))	Holding Company	IMarEST	100%	30,000	1 Birdcage Walk, London, England, SW1H 9JJ
MAREST (S) PTE Limited	Membership	MM(H)	100%	26,548	16 Raffles Quay, #33-03 Hong Leong Building, Singapore
Marine Exhibitions Limited	Events	MM(H)	100%	10,000	1 Birdcage Walk, London, England, SW1H 9JJ

A summary of the results of each entity is shown below. Marine Exhibitions Limited was dormant in the current and preceding period, and the share capital remains unpaid.

	Marine Exhibitions Limited		MAREST (S) PTE Limited		Marine Management (Holdings) Limited (MM(H))	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Total Income	321	436	180	161	20	20
Cost of Sales	-	-	-	-	-	-
Other operating expenses	(324)	(436)	(176)	(180)	(2)	(1)
Profit/ (Loss) before tax	(3)	-	4	(19)	18	19
Taxation	-	-	-	-	-	-
Retained profit (losses) for the year	(3)	-	4	(19)	18	19
Retained profit (losses) at 30.09.24	(3)	-	(42)	(46)	252	234

Marine Management (Holdings) Limited

Marine Management (Holdings) Ltd, a company registered (Company registration 01100685) in England and Wales is the parent company of MAREST (S) PTE Ltd and Marine Exhibitions Ltd. The IMarEST is the ultimate parent company, owning the entire share capital of Marine Management (Holdings) Ltd. This company itself did not trade during the year, the board maintains its duties as the parent to MAREST (S) PTE Ltd and Marine Exhibitions Ltd and its reported expenditure consists of minor administration/filing charges.

MAREST (S) PTE Limited

MAREST (S) PTE Limited, incorporated on 13 August 2012, is registered in Singapore (201220044C) and is a 100% subsidiary of Marine Management (Holdings) Ltd. The IMarEST owns the entire share capital of Marine Management (Holdings) Limited, a company registered in England and Wales. The principal activity of the company is support for the delivery of IMarEST's charitable purposes in the Asia Pacific region.

Marine Exhibitions Limited

Marine Exhibitions Ltd was incorporated on 25 September 2014 (Company registration 09235513). It is a 100% owned subsidiary of Marine Management (Holdings) Limited, of which the IMarEST owns the entire share capital. The principal activities of the company are those relating to the delivery of conferences, exhibitions and symposia. The company started trading on 1 September 2022.

10 Statement of total returns

	Endowment £'000	Unapplied Total Return £'000	Total Funds 2024 £'000	Total Funds 2023 £'000
30 September 2023				
Permanent Endowment	3,044	-	3,044	3,044
Unapplied total return	-	731	731	637
	<u>3,044</u>	<u>731</u>	<u>3,775</u>	<u>3,681</u>
Movements in the reporting period:				
Investment return: dividends and interest	-	153	153	129
Investment return: realised and unrealised (losses) gains	-	811	811	94
	-	<u>964</u>	<u>964</u>	<u>223</u>
Unapplied total return allocated to income in the reporting period	-	(153)	(153)	(129)
Net movements in reporting period	-	<u>811</u>	<u>811</u>	<u>94</u>
30 September 2024				
Permanent Endowment	3,044	-	3,044	3,044
Unapplied total return	-	1,542	1,542	731
	<u>3,044</u>	<u>1,542</u>	<u>4,586</u>	<u>3,775</u>

The total return allocated to income in the period was transferred to the general funds of the Institute.

11 Debtors due within one year

	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Trade debtors	<u>53</u>	112	<u>48</u>	83
Other debtors	<u>96</u>	227	<u>92</u>	217
Prepayments	<u>234</u>	166	<u>152</u>	144
Amount due from group undertakings	-	-	<u>42</u>	161
Accrued income	<u>171</u>	37	<u>120</u>	37
	<u>554</u>	<u>542</u>	<u>454</u>	<u>642</u>

12 Creditors: amounts falling due within one year

	Group	Group	Charity	Charity
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade creditors	175	161	149	150
Other creditors	91	129	87	127
Tax and National Insurance	44	37	40	34
Accruals	416	247	388	360
Members' subscriptions in advance	543	235	543	235
Amounts due to group undertakings	-	-	60	53
Other deferred income	108	111	48	69
	1,377	920	1,315	1,028
Deferred income movement				
Balance at 1 October	346	476	304	519
Amount released in the year	(346)	(476)	(304)	(519)
Amount deferred in the year	651	330	591	304
Balance at 30 September	651	330	591	304

13 Operating lease commitments

Group	2024		2023	
	Property	Other	Property	Other
	£	£	£	£
Within one year	44	3	138	3
Between one and two years	-	3	44	3
Between two and five years	-	1	-	4
	44	7	182	10

Of the above commitments, £30K (2023: £148K) relate to the Charity. As at 30 September 2024, the lease for the charities head office was nearing the end of its term. The charity has recently signed a new lease for 1 Birdcage Walk until 20 December 2025.

14 Capital Commitments

The Group and Charity had no capital commitments as at 30 September 2024 (2023: £Nil).

15 Auditors' remuneration

Remuneration payable to the group auditor was as follows:

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£	£	£	£
Financial statements audit current year	31	33	30	31
Financial statements audit prior year	-	2	-	2
HR Services	2	2	2	2
VAT & Tax Advice / Services	-	3	-	2
	33	40	32	37

16 Pension schemes

The Group operates a defined benefit and a defined contribution pension scheme. The defined benefit scheme was closed to new entrants and to future service accrual on 5 April 2002. The defined contribution pension scheme was introduced on 5 April 2002 for the benefit of all staff.

The Institute's total contributions to the defined benefit scheme were £353K (2023: £330K).

Defined benefit pension scheme

In preparing these financial statements, the Institute has fully complied with the Financial Reporting Standard 102: "Retirement Benefits" issued by the Accounting Standards Board.

Benefits under the IMarEST Retirement Benefits Scheme (RBS) are based on employees' final remuneration and length of service. All assets of the scheme are held separately from those of the Institute in independently administered funds. The pension expense charged to the statement of financial activities makes no allowance for actuarial gains and losses during the year.

The RBS is in deficit and a recovery plan agreed with the Trustees of the RBS every three years.

In addition to the £353k contribution, administrative and other expenses of the scheme and the Pension Protection Fund levy are paid separately by the Institute. These costs amounted to £126K (2023: £89K)

In preparing these financial statements, the Institute has fully complied with the Financial Reporting Standard 102: "Retirement Benefits" issued by the Accounting Standards Board.

The actuary has computed the following information with respect to the financial position of the scheme as at 30 September 2024:

	2024	2023
Group and charity	£'000	£'000
Fair value of scheme assets	9,244	7,971
Defined benefit obligation	(10,143)	(9,528)
Net defined benefit (liabilities) assets	(899)	(1,557)
Restriction on asset recognised at year end	-	-
Net amount recognised at year end	(899)	(1,557)

The amount recognised in the Statement of Financial Activities was:

	2024	2023
	£'000	£'000
Interest cost	(76)	(84)
Current and past service cost	(8)	(34)
Total recognised in income and expenditure	(84)	(118)
Return on scheme assets	900	(513)
Actuarial gains (losses)	(511)	502
Total amount recognised in statement of financial activities	305	(129)

Changes in the value of scheme assets were as follows:

	2024	2023
	£'000	£'000
At start of the year	7,971	8,460
Benefits paid	(413)	(704)
Administrative expenses	(8)	(34)
Contribution from the employer	353	330
Interest income (expense)	441	432
Return on assets	900	(513)
At end of the year	9,244	7,971

Changes in the value of scheme liabilities were as follows:

	2024	2023
	£'000	£'000
At start of the year	(9,528)	(10,218)
Benefits paid	413	704
Interest income (expense)	(517)	(516)
Past service cost (expense)	-	-
Actuarial gains (losses)	(511)	502
At end of the year	(10,143)	(9,528)

The major categories of scheme assets are as follows:

	2024		2023	
	£'000	%	£'000	%
Return Seeking funds	5,106	55	4,716	59
Fixed Interest Gilts	1,169	13	1,112	14
Index Linked Gilts	575	6	458	6
Hybrid gift fund	1,514	16	1,383	17
Cash	880	10	302	4
	9,244	100	7,971	100

Principal actuarial assumptions used:

	2024	2023
	%	%
Discount rate	5.05	5.55
Inflation assumption – Retail price inflation	3.15	3.40
Inflation assumption – Consumer price inflation	2.15	2.40
Revaluation of deferred pensions – Deferred revaluation	3.15	3.40
Increase for pension payment		
. Benefits accrued prior to 1 October 1999	5.00	5.00
. Benefits accrued after 1 October 1999	3.70	3.85
. Benefits accrued after 1 October 2005	2.15	2.25
Proportion of members opting for early retirement		–
Proportion of members commuting maximum allowable pension for cash at retirement	85.00	85.00

Assuming retirement at age 65, life expectancy in years are as follows:

	2024	2023
Male currently aged 65	86.1	85.7
Female currently aged 65	88.5	87.8
Male currently aged 45	87.0	86.6
Female currently aged 45	89.7	89.0

17 Movement in Funds

Group	At 1 October 2023 £'000	Income £'000	Expenditure £'000	Gains and losses £'000	Transfers £'000	At 30 September 2024 £'000
Unrestricted funds						
General funds	7,726	2,798	(3,653)	363	201	7,435
Designated funds						
Intangible fixed assets fund	786	55	(96)	-		745
Tangible fixed assets fund	15	37	(13)	-		39
Overseas cash	90				(48)	42
Pension reserve	(1,557)		345	313		(899)
Restricted funds						
Awards and scholarships	243	21	(27)	-		237
Endowment funds	3,775	153	-	811	(153)	4,586
	11,078	3,064	(3,444)	1,487	-	12,185

Charity	At 1 October 2023 £'000	Income £'000	Expenditure £'000	Gains and losses £'000	Transfers £'000	At 30 September 2024 £'000
Unrestricted funds						
General funds	7,584	2,718	(3,580)	363	201	7,286
Designated funds						
Intangible fixed assets fund	786	55	(96)			745
Tangible fixed assets fund	11	35	(13)			33
Overseas cash	90				(48)	42
Pension reserve	(1,557)		345	313		(899)
Restricted funds						
Awards and scholarships	243	21	(27)	-	-	237
Endowment funds	3,775	153	-	811	(153)	4,586
	10,932	2,982	(3,371)	1,487	-	12,030

Transfer between funds represent the application of total return on endowment funds (note 10) and movements on designated funds.

Purpose of funds

Designated funds

The trustees have earmarked part of the charity's unrestricted funds as designated funds to be used for the following particular purposes in the future.

The tangible fixed assets fund represents the net book value of the tangible fixed assets owned by the group, excluding historic assets and memorabilia (which are restricted funds). Such assets are vital to the group being able to carry out its charitable work and the value invested in the assets cannot, therefore, be realised in order to meet future expenditure or contingencies. To emphasise this point the net book value of the assets is represented by a specific tangible fixed assets fund.

The designated overseas cash fund was created on 30 September 2014 in respect of those cash at bank balances which cannot be readily transferred to UK and as such are not available to the trustees for charitable purposes.

Restricted funds

The Awards and Scholarships Funds were established via donations and legacies received over the course of time to create separate funds specifically available for rewarding excellence within the field of marine engineering, science and technology. Income arising from these funds is accumulated in the restricted income fund and is used to fund the prizes and awards.

Endowment funds

The permanent endowment funds form part of the funds of the Memorial Fund. On 18 September 2018 the Committee of Management of the Memorial Fund (a Permanent Endowment Fund) agreed to adopt a total return on investment approach under section 105 of the Charities Act 2011 for the Memorial Fund and that its core value should remain set at £3,044,472. They further agreed that responsibility for the implementation and oversight of adopting a total refund basis should be delegated to the Institute's Finance & Investment Committee.

Net assets between funds

Group	Endowment funds £	Restricted funds £	Unrestricted funds			2024 Total funds
			Designated funds £	General funds £	Pension reserve £	
Intangible fixed assets	–	–	745	37	–	782
Tangible fixed assets	–	–	38	–	–	38
Investment assets	4,586	237	42	8,014	–	12,879
Net current liabilities	–	–	–	(615)	–	(615)
DBS pension liability	–	–	–	–	(899)	(899)
	4,586	237	825	7,436	(899)	12,185

Group	Endowment funds £	Restricted funds £	Unrestricted funds			2023 Total funds
			Designated funds £	General funds £	Pension reserve £	
Intangible fixed assets	–	–	786	48	–	834
Tangible fixed assets	–	–	15	–	–	15
Investment assets	3,775	243	90	7,853	–	11,961
Net current assets	–	–	–	(177)	–	(177)
DBS pension liability	–	–	–	–	(1,557)	(1,557)
	3,775	243	891	7,724	(1,557)	11,077

18 Post Balance Sheet Events

There are no post balance sheet events to report

19 Comparative consolidated statement of financial activities

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2023 £'000
Income					
Donations and legacies	1	2	11	–	13
Charitable activities	2	2,531	–	–	2,531
Investment income	3	272	9	129	410
Income from associates	3	19	–	–	19
Total income		2,824	20	129	2,973
Expenditure					
Charitable activities	4	3,100	14	–	3,114
Total expenditure		3,100	14	–	3,114
Net (expenditure) income before investment gains and losses					
		(276)	6	129	(141)
Gain on listed investments	9a	196	4	94	294
Net income		(80)	10	223	153
Transfers between funds	18	129	–	(129)	–
Net income (expenditure) before other recognised gains and losses		49	10	94	153
Actuarial gains on defined benefit pension scheme		(11)	–	–	(11)
Foreign exchange losses		(15)	–	–	(15)
Net movement in funds		23	10	94	127
Reconciliation of funds					
Total funds brought forward at 30 September		7,037	233	3,681	10,951
Total funds carried forward at 30 September		7,060	243	3,775	11,078



Structure, governance and management

MEMBERS OF BOARD OF TRUSTEES

- Chair Board of Trustees
- President
- President-Elect
- Immediate Past President
- Honorary Treasurer
- Rachel Nicholls-Lee (*Vice-Chair, Board of Trustees, to April 2024*)
- Stephen de Mora (*to April 2024*)
- Christy Farrer (*and from June 2024 also Vice Chair BoT*)
- Nimi Abili (*from April 2024*)
- Adthisaya Ganesen Manickam
- Sarah Grimshaw (*from November 2023*)
- Ed Hill CBE Christopher Hodge OBE
- Sajid Hussain
- Frank Mungo
- Philip Parvin (*to October 2023*)
- Kaushik Roy
- Parviz Sangin

MANAGEMENT TEAM

- Chief Executive**
- Gwynne Lewis (*to January 2024*)
- Chris Goldsworthy (*from January 2024*)
- Commercial & Finance Director**
- Sue Arnold
- Sales & Business Development Director**
- Hector Sewell (*to May 2024*)
- Membership & Professional Services Director**
- Susan Foster
- Institute Assistant Secretary**
- Margaret Marchetti
- Head of IT & Business Systems**
- Ronnie van de Laak
- Head of Marketing & Communications**
- Patrick Carpenter
- Head of Technical, Policy & Content**
- Peter Sheppard
- Head of Events**
- Jo Lewis

CHAIR BOARD OF TRUSTEES
Kevin Daffey

PRESIDENT
Yves De Leeneer (*from March 2024*)
Martin Shaw (*to March 2024*)

PRESIDENT-ELECT
Professor Stephen de Mora (*from March 2024*)
Yves De Leeneer (*to March 2024*)

IMMEDIATE-PAST PRESIDENT
Martin Shaw (*from March 2024*)
Alastair Fischbacher (*to March 2024*)

HONORARY TREASURER
Martin Murphy

MEMBERS OF COUNCIL

- President
- President-Elect Immediate Past President
- Chair, Board of Trustee
- Honorary Treasurer
- Iain Anderson
- Christopher Bleasdale (*to April 2024*)
- Barry Brooks (*to April 2024*)
- Anna-Marie Chaffey
- Stephen de Mora (*to April 2024*)
- Valerio De Rossi
- Robert Fitzsimmons (*to April 2024*)
- Adthisaya Ganesen Manickam
- Bradley Golden
- Kenneth Greig (*to April 2024*)
- Christopher Hodge OBE
- Sajid Hussain
- Franklin Joseph
- Sol Judah (*from April 2024*)
- Sergey Karianskyi
- Pete Lambeth
- Jemma-Anne Lonsdale
- Bev Mackenzie
- Daniel Manning (*from April 2024*)
- Stephen Morant
- Frank Mungo
- Philip Parvin (*Vice-Chair of Council, from November 2023*)
- Malek Pourzanjani
- Kaushik Roy
- Parviz Sangin
- Nigel Smith
- George Sotirelis
- Rebecca Stanley (*from April 2024*)
- Alex K M Tang
- Alexander Walster
- Mike Watt
- Elisabeth Wilson

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Accounts



Annual Report and Accounts 2023



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Chair's Foreword and Review of the Year

This last year has seen us embark on an exciting journey of transformation and renewal in line with our 2022-2025 strategy which we unveiled in February 2023.

Part of the strategy involved delivering an IT transformation to improve member and customer experience. The first part of that project is now complete with our financial investment successfully delivering a new IMarEST website and customer relationship management system. The projects were delivered to a very high standard under an extremely tight deadline. This could not have been achieved without the dedication, hard work and collaboration by the Executive team and member volunteers, for which we thank them.

FY23 has also seen changes to personnel to the Board of Trustees, our Council, the Executive, and our team of employees. I am delighted to welcome Christy Farrer MBA, Professor Ed Hill, CBE and Sarah Grimshaw as new Non-Council Trustees. Their collective expertise will undoubtedly contribute to our Institute's success. Paddy Parvin has stepped down from the board as a Council Trustee, but has been elected by Council to become our first Vice-Chair of Council.

We are also fortunate to have a dedicated diverse and highly experienced group of elected Council Trustees who play a vital role in shaping the future of our Institute. They are: Dr. Parviz Sangin, Professor Chris Hodge, Professor Stephen de Mora, Dr. Sajid Hussain, Adthisaya Ganesen Manickam, Frank Mungo, Philip Parvin, and Kaushik Roy.

The Board of Trustees has officially delegated Council with implementing our Charitable Purpose, specific aspects of Operational Management, current strategy delivery, and managing relationships with members, Branches, and other bodies. To ensure continuity, we have established a Vice-Chair of Council and strengthened the Presidential Team.

The Council Executive Committee (CEC) has also been formed, comprising the President (as Chair of the Council), Vice-Chair, Chairs of the Council Committees, President Elect, Immediate Past President, and Delegates to the Engineering and Science Council. The CEC, chaired by the Vice-Chair of Council, will be responsible for governance related to the professional, technical and learned society delegated tasks, reporting to the Board of Trustees.

2023 was the last year that Gwynne Lewis, our Chief Executive, will be at the helm of IMarEST, having announced his forthcoming retirement. Gwynne has been an exceptional CEO, serving with dedication since mid-2020. Under his leadership, we have witnessed remarkable achievements, including the recruitment of a talented executive team, the successful implementation of new IT infrastructure, and the sale of our shares in MLA College Ltd. Gwynne's instrumental role in revitalising our Institute's finances and fostering operational excellence cannot be understated. The Trustees express our heartfelt gratitude for his contributions and wish him a fulfilling and well-deserved retirement, which he will begin in 2024.

It is my pleasure to announce that the Board of Trustees has recruited our new Chief Executive, Chris Goldsworthy, FIMarEST and former Cyprus Branch Chair. He joined the IMarEST in January 2024. Having returned to in-person events in the first half of 2022, I'm pleased to say that FY23 saw a continuation of this trend, with the Institute delivering our International Naval Engineering Conference and Exhibition and Annual Dinner, with plans in place for Oceans of Knowledge Conference and Engine as a Weapon X in FY24.

Our technical leadership in marine subjects continues to be driven not just through this events programme, but also through our Special Interest Groups (SIGs) and ongoing intergovernmental policy work. With a refreshed Technical and Policy team, we have been able to provide greater support for our SIGs and support several groups to refocus their work, including the new Superyacht SIG.

CONTINUED

Chair's Foreword and Review of the Year

CONTINUED

Based on consultation with our SIGs, we also published 'Disruptive Technologies in the Marine Sector: 2023 and beyond' – a report highlighting the potential impact of new technologies for the industry in coming years. Thank you to our SIG chairs for their insights on such projects and which help to demonstrate the expertise within the Institute and raise our profile.

National and international accreditations continued apace. We accredited 35 different courses/training schemes across 6 different institutions in FY23.

The agreements with our publishers once again allowed us to benefit from robust advertising revenue and sponsorship to support our events programme. Plus, our popular member magazine Marine Professional is set for a refreshed look and feel – look out for this in the new membership year.

As we move forward, we remain committed to your continued growth and development as marine professionals. Together, we will shape a brighter and more sustainable future for the marine sector. We must continue to deliver our three-year strategic plan which will allow us to continue to grow and provide value through membership. We must also seek to raise the profile of the IMarEST and the role of the ocean and maritime industries, ensuring their importance is recognised and that they drive positive change for a sustainable future.





About the IMarEST

The Institute of Marine Engineering, Science and Technology is a registered charity and the international professional body and learned society for all marine professionals in over 120 countries - the largest marine organisation of its kind and the first Institute to bring together over 12,000 marine engineers, scientists and technologists into one international multi-disciplinary professional body.

We promote the scientific development of marine engineering, science and technology, providing opportunities for the exchange of ideas and practices and uphold the status, standards and knowledge of marine professionals worldwide.

We are a nominated and licensed body of the Engineering Council (UK), a member of the Science Council and have links with maritime organisations worldwide, unrivalled by similar organisations of their kind, including consultative status at the International Maritime Organization (IMO).

We provide grades of membership for everyone working in a marine-related role, from those seeking to become Chartered or other Professional Recognition, to those just starting out in their careers or studying in education. We enhance the professional development of marine engineers, scientists and technologists at all stages of their careers. Through our international Branches and multidisciplinary Special Interest Groups (SIGs), we enable marine professionals to engage on relevant topics, share knowledge and drive change. Through our partnerships with academia, industry and regulators, we raise professional standards and awareness.

About the IMarEST

2022-2025 Strategic Plan

The IMarEST's purpose is more critical than ever as we look at how we can make a difference across this decade and beyond. As a home for those working across the marine sector, our role is to support marine professionals throughout their careers, ensuring they continue to develop their skills and stay abreast of the latest knowledge in their fields.

At the centre of our strategic plan to 2025 is a vision of the IMarEST as the trusted voice across the marine sector and as the global community for marine professionals, distinguished as leaders in shaping a sustainable world. As we take the Institute into the next chapter of its life, you will see us focus on six strategic themes:



Membership experience

This theme focuses on creating a tailored membership experience that is accessible, valuable and relevant to all members across the professions and at every stage of their career. This includes delivering professional development, active community engagement and knowledge sharing.

Community and member engagement

This theme focuses on providing vibrant and engaged forums for members to network, share knowledge and drive change while enhancing the life of the Institute through increased participation in our activities. We aim to become a highly relevant and professional community for our members and to embed diversity and inclusion across our global membership.

Technical leadership

Using the expertise of our members, partners and our uniquely broad view of the marine sector, we will share knowledge, create insight and inform debate on technical and scientific issues.

Growth through innovation and relevance

This theme is about understanding and responding to the needs of academia, industry, regulators and members to develop and offer new products and relevant services.

Public profile and communications

This theme is about providing a platform for members to give expert advice and comment. We want to position the Institute to be the primary authority on marine issues across the professions.

Operational excellence

This theme is about transforming our operations to ensure that every activity, process, and project delivers an enhanced member experience and value to the organisation. We want to align and develop our staff and volunteers to support the aspirations of the Institute and drive the continual improvement of systems and processes for improved member and stakeholder engagement, information exchange, organisational growth and ultimately the long-term financial sustainability of the Institute.

About the IMarEST

FY23 highlights

Here are some of the highlights from FY23:

2022
OCTOBER

Our report, 'Challenges in the Marine Industry: 2023 and beyond', identified the skills gap as one of the major challenges the marine sector faces over the coming decade.

New edition of *Marine Professional* published



2022
NOVEMBER

More than 250 delegates around the world gathered in Delft for our 16th International Naval Engineering Conference and Exhibition (INEC 2022) incorporating the International Ship Control Systems Symposium (iSCSS).

We appointed two new co-chairs to our Technical Leadership Board (TLB) - Jennifer Gomez Molina and Tim Kent



2022
DECEMBER

We launched a new 'IMarEST China Technology Centre' in Ningbo, China, to support professionalism in the region with access to IMarEST services and events.



2023
JANUARY

Creation of Council Executive Committee (CEC) to oversee the implementation of Council decisions, foster interaction and interworking between and among Council committees, Board of Trustees and the Executive.

2023
FEBRUARY

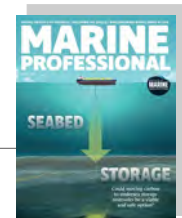
We signed a memorandum of understanding with PETRONAS, to support the professional development of their offshore engineers.

2023
MARCH

We welcome our 120th President, Martin Shaw - his President's Lecture focused on commercial shipping operations and the changes that have taken place over the past half century.

Our 118th Annual Dinner brought together hundreds of marine professionals for an evening for of fine food and networking - featuring speeches from our President, Richard Noble, Dr Kirsi Tikka, and Chief MAK0i

New edition of *Marine Professional* published



About the IMarEST

FY23 highlights

2023
APRIL

We partnered with Offshore Wind Learning IMarEST to help close the skills gap in offshore wind through a series of online courses.

Our Career Development Pathway membership was refreshed to help attract more graduates and young professionals as members.



2023
MAY

We were excited to launch a new Superyacht Special Interest Group (SIG), announced at the Palma Superyacht Show in Mallorca.



2023
JUNE

Our Executive and President attended the IMO Secretariat to meet the Secretary-General Kitack Lim for discussions about future collaboration.

New edition of *Marine Professional* published



2023
JULY

The National University 'Odessa Maritime Academy' was awarded the 2022 IMarEST Outstanding Contribution Award, sponsored by P&S Automation.

2023
AUGUST

Our new customer relationship management (CRM) platform and website went live, providing members an enhanced digital experience and exciting new features.



2023
SEPTEMBER

New edition of *Marine Professional* published

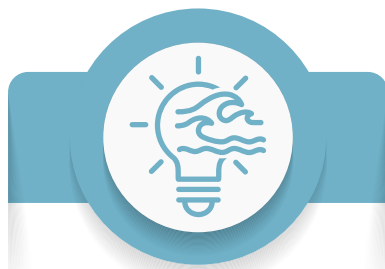




Trustees' Annual Report

Charitable Purposes

The IMarEST charitable purposes are delivered to the benefit of either the public at large or the global marine community:



ADVANCEMENT OF MARINE ENGINEERING, SCIENCE AND TECHNOLOGY

Advancing the understanding and practice of marine engineering, marine science and marine technology



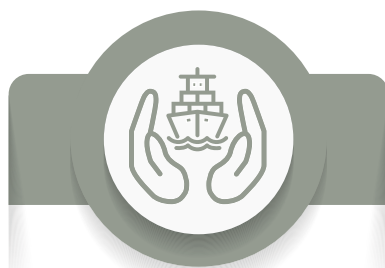
EDUCATIONAL EXCELLENCE

Promoting educational excellence for marine professionals and students



ENVIRONMENTAL SUSTAINABILITY

Promoting environmental sustainability for the benefit of humanity



RELIEF OF POVERTY

Relieving global poverty through the safe and sustainable use of ocean trade and resources



IMPROVED SAFETY

Improving safety for those operating and working in the global marine sector



ETHICAL PROFESSIONALISM

Encouraging ethical professionalism by upholding standards



Trustees' Annual Report

Underpinning membership expertise

Delivery of the benefits described above depends upon the IMarEST maintaining a strong body of professional expertise incorporated in a financially robust and sustainable body. This expertise is essential to provide technical and social leadership and advice, and to ensure the safety, effectiveness and sustainability of global marine activities. This expertise is developed and recognised through our membership qualification, registration and professional development processes, through the maintenance of a body of technical information, and through professional and technical support. The IMarEST's own activities as a professional body are not considered to generate detriment or harm.

Membership

The IMarEST could not deliver its charitable purposes to the public benefit without its membership, and the membership subscriptions which are used to fund activities for public benefit. General membership of the IMarEST is open to the whole marine community and, through Affiliate membership, to any member of the public with an interest in marine affairs. Financial barriers to membership are minimised. Membership for students, apprentices, cadets and others in full-time education is free and a Career Development Pathway scheme is in place to offer discounts following graduation. Concessionary rates are in place for those living in certain countries, for those who have retired and for long-service members. Any member suffering financial hardship may apply for fees to be reduced or waived.

Fundraising

All solicitations are managed internally, without involvement of commercial participators, professional fundraisers or third parties and are focused on generating income to support delivery of our charitable purposes. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the Trustees. Fundraising income is presented in our accounts as "Donations". The Institute is aware of the UK Fundraising Regulator's guidance, has received no complaints in the year and is confident in its ability to comply.

Charity Commission Guidance

The IMarEST Board of Trustees confirms it has complied with the duty outlined in Part 2 of the Charities Act 2011 to have regard to guidance on public benefit published by the Charity Commission when exercising any powers or duties to which the guidance is relevant.



What we will do in 2024

Membership experience

- In FY24 we shall continue to grow our membership and registers across engineering, science and technology by creating a tailored membership experience that is accessible, valuable and relevant to all members at every stage of their career.
- We will continue to work closely with the Engineering Council and the Science Council to ensure all our membership and registration processes and operations are fit for purpose and meet the needs of applicants from the marine sector.
- During FY24 we will continue to deliver academic and professional accreditations and CPD recognitions to organisations, training providers and universities internationally.
- Inspire, support and develop the next generation of marine professionals through a programme of relevant activity and encourage enrolment on the Career Development Pathway.
- We will continue to develop partnerships with governments and industry to promote professional development of their staff.

Community and member engagement

- We will run a series of high-quality events and workshops to lead on key technical issues and use a mix of inperson and online formats to create 'hybrid' events for greater accessibility. Key events in the FY24 calendar:
 - Oceans of Knowledge
 - Engine As A Weapon Symposium X
 - Annual Dinner
 - Future Leaders Forum
 - IMarEST Annual Conference
- We will engage with the branches and SIGs, continuing to support them in delivering a range of services to members, including training them to deliver hybrid and online lectures and to record in-person meetings.
- We will provide increased opportunities for members to network and exchange information and expertise with other marine professionals locally and around the world.
- Expand our support of and engagement with Student Sections and encourage the establishment of new Sections.

Technical leadership

- We will use the expertise of our members to provide an invaluable public service, sharing impartial, scientific and engineering expertise with governing bodies to help them in evidence-based decision and policy making.
- We will ensure decisions that directly affect marine engineers, scientists and technologists and the way they undertake their work are communicated to members and ensure policymakers are developing reasonable regulation that can be implemented by our community.
- We will develop awareness across relevant sectors and specialisms through our interdisciplinary content and magazine.



What we will do in 2024

Growth through innovation and relevance

- We will focus on working much more closely with our corporate clients to deepen our understanding of how we can support them.
- We will further grow and commercialise our events programme
- We will work with Think Publishing to improve our portfolio of member content and open access content under the established Marine Professional brand, as well as sponsorship and advertising revenue.
- We will also continue to work with Witherby's Seamanship International on our existing book portfolio and seek further book publishing opportunities in FY25.
- As we have come to the end of our five-year contract with Taylor & Francis for the publication of our two technical journals, we are actively inviting proposals from alternative publishing houses, as well as an invitation to renew from Taylor & Francis.

Public profile and communications

- We will enhance our marketing and communications strategy to improve external communications and media engagement to better communicate the work of the Institute for future growth.
- We will continue to develop the website to enhance member engagement, resources and the overall user experience.
- We will explore further investment in media training for our senior spokespeople

Operational excellence

- We will continue developing and expanding our IT estate, website and CRM to ensure maximum productivity and efficiency in delivering membership and business services.
- We will deliver financial targets and key performance measures as agreed by the Board of Trustees.

Financial review

The table below provides a high-level breakdown of income as shown in the consolidated statement of financial activities and notes to the financial statements.

	2023 £'000	2023 %	2022 £'000	2022 %
Income from charitable activities	2,531	85.13	2,462	84.23
Investment income	410	13.79	402	13.75
Net income from associates	19	0.64	58	1.98
Donations and legacies	13	0.44	1	0.04
	2,973	100.00	2,923	100.00

The IMarEST's overall financial position shows net movement in funds as follows:

	2023 £'000	2022 £'000
Net deficit (excl.pension adjustment) prior to other gains (losses)	(342)	(125)
Pension Scheme Adjustment (Note 18)	201	254
Net income before recognised gains and losses	(141)	128
(Loss) gains on listed investments	294	(1,680)
Actuarial gains on defined benefit pension scheme liability	(11)	125
Foreign exchange losses on translation	(15)	(17)
	127	(1,444)

The underlying financial performance of the Institute was a deficit of £277k (2022: £125k). The implementation of our the new CRM and website has impacted our revenue generating activities. Improvements in market conditions have seen a gain in our investment portfolios, totalling £294k (2022: (£1,680k)). Income from investments remains broadly consistent year on year at £410k (2022: £402k). The weakening of sterling against other currencies has led to a foreign exchange loss of £15k (2022: £17k). There has been an overall positive movement of £201k (2022: £379k) on the valuation of the Retirement Benefit Scheme deficit.

The Group balance sheet shows total net assets of £11,078k as follows:

	2023 £'000	2022 £'000
Total net assets before pension scheme liability	12,635	12,709
Defined benefit pension scheme liability	(1,557)	(1,758)
	11,078	10,951

Financial review

Charitable application

The table below provides a high-level breakdown of the application of funds to our charitable purposes as shown in the notes to the financial statements.

	2023 £'000	2023 %	2022 £'000	2022 %
Membership Services	1,255	40.30	1,271	44.3
Technical Publications & Books	131	4.21	141	4.92
Conferences & Events	666	21.39	454	15.83
Marine Partners & Members Fees	330	10.60	291	9.87
Accreditation	170	5.46	173	6.01
Technical & Library	548	17.60	527	18.37
Awards	14	0.45	19	0.71
	3,114	100.00	2,876	100.00

Cash and investment policy

The Institute's Royal Charter gives the Institute the power 'to invest the monies of the Institute not immediately required in or upon such investments or other property or other assets as the Trustees may think fit.' The Board of Trustees delegates day-to-day management of its investment portfolio to its investment managers and they act on a discretionary basis in accordance with the Statement of Investment Policy and Principle (SIPP) and benchmarks agreed with the Board of Trustees.

The Institute is following a strategy of predictable income using a selection of funds managed by Sarasin and Partners LLP (Sarasin). The SIPP and benchmarks are reviewed annually and adjusted as deemed necessary by the Board of Trustees. In the determination of benchmarks and the review of performance against these benchmarks the Trustees receive advice from an independent Investment Adviser.

The performance* against benchmark for the funds comprising the investment portfolio is given in the following table:

	Benchmark	Portfolio
Sarasin Income and Reserves Fund Class A Inc	6.0%	4.0%
Sarasin Endowments Fund Class A Inc	9.3%	6.7%

*performance is calculated 'net' of investment management fees and takes into account receipts and withdrawals from the portfolio during the period.

The Board of Trustees keeps under review the adequacy of the Treasury to fund immediate cash flow requirements, short-term capital projects and risk mitigation without jeopardising the invested reserves.



Financial review

Total Return Accounting

On 18 September 2018 the Committee of Management of the Memorial Fund (a Permanent Endowment Fund) agreed to adopt a total return investment approach under section 105 of the Charities Act 2011 for the Memorial Fund and that its core value should remain set at £3,044,472 as shown on the Memorial Fund balance sheet for the year ending 30 September 2011. They further agreed that responsibility for the implementation and oversight of adopting a total return basis should be delegated to the Institute's Finance & Investment Committee.

Reserves and reserves policy

In addition to its operating funds (i.e. working capital in current and deposit accounts), the IMarEST maintains a variety of funds and investments with different aims and structures:

- a) **Restricted Funds.** The IMarEST retains two separate Restricted Funds:
 - ii. **The Awards and Scholarships Fund.** This was established from legacies and donations received over time and is used to fund rewards for excellence within the fields of Marine Engineering, Science and Technology, with any unexpended income being retained within the fund. At 30 September 2023 its value was £243k (2022: £233k). It is considered as a reserve for its specific purpose.
 - ii. **The Permanent Endowment Memorial Fund (PEMF).** This was created after the sale of the Mark Lane building from 25% of the net proceeds. It is governed by its own scheme rules, under which dividend income can be used for the charitable purposes of the Institute but the core capital value must be preserved. At 30 September 2023 its core value was £3.044M. The fund is managed on a Total Return basis (in accordance with Charity Commission guidance) wherein capital gain above the core value can be taken as income. The Fund can be considered as part of the reserves – but under normal circumstances only for income generation. At 30 September 2023 the total fund value, including unapplied total return was £3.78M (2022: £3.68M).
- a) **Unrestricted Funds (free reserves).** Further IMarEST investment assets are contained in an investment fund which may be utilized for the general financial needs and charitable purposes of the Institute. At 30 September 2023 its value was £7.72M (2022: £8.63M), and can be considered free reserves.
- b) **Designated Funds.** The Trustees have designated £892k (2022: £167k) of funds relating to tangible fixed assets and cash held overseas to reflect that these cannot easily be realised as cash to apply towards charitable purposes.

The IMarEST requires reserves for the following purposes:

- a) In order to preserve the medium and long-term interests of the charity.
- b) As a source of income to fund the IMarEST's charitable purposes and Retirement Benefit Scheme (RBS) Recovery Plan.
- c) As a contingency fund against recovery from maturing risks.
- d) To meet the mid-term capital requirements of the Institute.

The reserves policy is to maintain the Institute, Memorial and Awards & Scholarship Funds at the required level in order to provide income to support delivery of the Charitable Purposes and RBS Recovery Plan without eroding capital value. IMarEST have recently updated the strategic plan for the next three years, which will see investment in capability and infrastructure to support efficiencies and growth. The designated funds and current target value of £12-£13m of free reserves will be reviewed in due course.

At 30 September 2023 the value of IMarEST free reserves and designated funds as shown on the charity balance sheet is £8.5M (2022: £8.6M).

Financial review

Pay policy for senior staff

The executive team of the Group direct and control the operation of the Group on a day to day basis. The remuneration of the entire executive team is reviewed and approved annually by the IMarEST Remuneration Committee. This Committee is chaired by the Vice Chair of the Board of Trustees. The Committee ensures arrangements are affordable and fair, and are designed to motivate and reward performance in the interest of the Group. Remuneration is benchmarked periodically using external surveys and data which includes both commercial and not-for-profit organisations.

Risk management

Risk management is embedded within the operations of the Group. Risk registers are regularly maintained by the executive, and reviewed by the trustees. Currently the most significant risks are:

Category	Risk	Mitigation
Compliance	Adherence to a broad range of regulatory and statutory obligations, including financial reporting, direct and indirect tax, employment laws, Charity Commission guidance, data protection etc.	Update operational procedures, seeking ISO9001 certification in FY24. Appropriate staff training and development to ensure we maintain appropriate skills and competencies in house, and supplement with external expertise where necessary.
People	As a small to medium sized business everything we do is highly dependent upon our volunteer network and our employees / executive. Post COVID the local employment market is very buoyant and there is a risk that we might lose key staff and their experience, impacting the business in the short to medium term.	We have reviewed our HR processes including recruitment, development, succession planning and appraisal. We also undertake manager training and conduct regular staff opinion surveys. We are working towards an Investors in People accreditation within the next 12 months.
Systems/Infrastructure	There is a risk that a lack of recent investment in our IT Systems and infrastructure might lead to a failure of the system and a loss of business continuity.	We have completed the first phase of our an IT Transformation Programme which has seen us move to the cloud and implement a new CRM system, website and member portal. We will develop our communities platform during FY24 supporting member interactions with SIG's, Branches and each other.
Financial	Ability to meet defined benefit pension liabilities.	The 2020 valuation was agreed with the RBS Trustees in December 2021, setting an affordable level of contributions until the next valuation in 2023. IMarEST have historically been reliant on the income from Investment Assets to meet this obligation.
Financial	Ensuring that IMarEST's portfolio of activities are financially sustainable.	A 3 year financial plan targeting a move to operational surpluses is currently under review, along with an extension of our strategic plan. A clear framework is used for bottom up budgeting, and forecasting. Internal project committees focus on customer engagement and product development in response to member feedback. Improving engagement with students/ early career professionals is key to longevity.

Financial review

Audit

Financial audit oversight is delegated to the Finance & Investment Committee. Operational and procedural audit matters are overseen directly by the Board.

Members

The role played by our members, who so generously volunteer their time and expertise to serve the IMarEST, cannot be overestimated. Their contribution is vital across a number of activities, including the Professional Review process by which individuals are assessed for qualification to membership, as accreditors, providing technical lectures, contributing to our publications, as representatives of the IMarEST, through branches, through SIGs (Special Interest Groups), our various Committees, the Council and the Board of Trustees. The IMarEST is very grateful for the contributions of members and recognises that without their efforts there could be no IMarEST.

Related parties and connected organisations

As detailed in note 9 to the financial statements, IMarEST has two fully owned subsidiary undertakings Marine Management (Holdings) Limited, a company registered (01100685) in England and Wales. and Marine Exhibitions Limited, a company registered (09235513) in England and Wales. Marine Management (Holdings) Ltd is the parent company of MAREST (S) PTE Limited.

As at 30 September 2023, Marine Management (Holdings) Ltd held a 30% share in Marine People Limited, a marine specialist recruitment agency. The shares in MLA College Ltd held at last year end were sold on 16 December 2022.

The table below gives details of the composition of the Board of Directors of the companies identified above as at 30 September 2023.

Company	IMarEST Trustees	IMarEST Executive	External	Chair
Marine Management (Holdings) Limited	1	2	2	External
MAREST (S) PTE Limited	–	2	1	Executive
Marine Exhibitions Limited	–	2	–	Executive
Marine People Limited	–	1	2	External

The Institute has a close working relationship with the Guild of Benevolence of the IMarEST, which is a separate and independent charity. The Institute provides certain services to the Guild for which charges are made based on the costs incurred by the Institute. The Honorary Treasurer and Secretary of the Institute are ex-officio members of the Guild's Committee of Management but the Institute has no overall control of the charity.

The Institute has historically had a close relationship with the Memorial Fund, which was a separate charity whose exclusive objects were to repair and maintain the property of the Institute, to advance education in engineering, science, and technology in the marine environment, and to advance the general charitable purposes of the IMarEST. Although it remains legally constituted as a separate charity, since July 2012 the Memorial Fund has been linked to the main Institute charity for registration and accounting purposes and no longer has a separate charity registration number. The Trustees of the Institute at any given time also serve as the trustees of the Memorial Fund.

In pursuance of its charitable objectives, the Institute has a working relationship through the joint branch arrangements with the Royal Institution of Naval Architects.



Structure, governance and management

Board of Trustees

The Institute of Marine Engineering, Science and Technology is a body incorporated by Royal Charter (registered number RC000256) and a charity registered in England & Wales (number 212992). It is governed by a Royal Charter, Bylaws and Regulations which were last updated in 2018 and 2023 respectively.

The overall governance and control of IMarEST is managed by a Board of Trustees (the Board) whose members are the charity trustees of IMarEST. The Board is composed of the five Officers of the Institute plus between 9 and 15 other Trustees, of which at least six must be Council Trustees and at least three Non-Council Trustees. Council Trustees are appointed by Council and Non-Council Trustees are appointed by the Board itself. IMarEST recruits trustees with the relevant skillset to support the Institutes activities. All Trustees receive an induction to IMarEST, along with an overview of the responsibilities of trustees. They are encouraged to attend training sessions during their tenure. The Chair of the Board is a Fellow of the IMarEST and appointed by the Board but need not be a member of either the Board or Council at the time of appointment. A Vice-Chair is selected by the Board from among its existing membership. The Board has three committees to focus on specific aspects of its work in detail: Nominations and Remuneration (both composed solely of Board members) and Finance & Investment, composed of Board members and, at the discretion of the Board, one or more individuals with specialist expertise who are not currently members of the Board. In addition, the Presidents' Advisory Committee, composed of past Institute presidents, is considered a Board committee.

Council

The Council is the representative body of the members of the Institute and acts in an advisory capacity to the Board of Trustees. It also provides oversight for the professional, technical and learned society activities of the Institute under delegation from the Board. Appointed Members of Council are appointed by Council to three-year terms on the recommendation of the Nominations Committee. Elected Members of Council are elected to three-year terms by the Voting Members in the relevant electoral division. Both Appointed Members and Elected Members are eligible to serve two consecutive terms of office and there are currently four electoral divisions: Americas, ANZSPAC (Australia and New Zealand), Asia Pacific and EMEA (Europe, Mid East and Africa). The Honorary Treasurer is elected annually by Voting Members across all electoral divisions. The President of IMarEST serves as the Chair of Council as well as IMarEST's ambassador and is appointed to a one-year term by Council on the recommendation of the Presidents' Advisory Committee. The President is supported by the Presidential Team, which consists of the President Elect, Immediate Past President and the Vice Chair of Council. The Vice Chair of Council is appointed for three years and chairs the Council Executive Committee which supervises the work of the Committees of Council.

Council delegates the delivery of specific aspects of its work to its standing committees: Membership Committee, Professional Affairs and Education Committee (PAEC), Publications Supervisory Board (PSB) and Technical Leadership Board (TLB). Council must meet a minimum of twice each year and normally holds two face-to-face and two on-line meetings during the year.



Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the income and expenditure of the group and the charity for that period. In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in 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);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group and charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's Royal Charter. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by the trustees and signed on their behalf on 2 April 2024 by:

Kevin Daffey
Chair of Board of Trustees

Martin Murphy
Honorary Treasurer

Independent auditor's report to the trustees of the Institute of Marine Engineering, Science & Technology

Opinion

We have audited the financial statements of The Institute of Marine Engineering, Science and Technology ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 30 September 2023 which comprise the consolidated statement of financial activities, the consolidated and Parent Charity balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 30 September 2023 and of the Group's incoming resources and application of resources 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 Charities Act 2011.

Basis for opinion

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

Conclusions related to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Parent Charity'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 and Accounts 2022, other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Charity; or
- the information given in the trustees' annual report is inconsistent in any material respect with the accounts; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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:

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

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias;
- used data analytics to investigate the rationale behind any significant or unusual transactions; and
- tested authorisation controls on expenditure items, ensuring all expenditure was approved in line with the Group and Charity's financial procedures.

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

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

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

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

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

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Edward Finch (Senior Statutory Auditor)

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

Date: 2 April 2024

Consolidated Statement of Financial Activities

Year to 30 September 2023

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2023 £'000	Total funds 2022 £'000
Income						
Donations and legacies	1	2	11	–	13	1
Charitable activities	2	2,531	–	–	2,531	2,462
Investment income	3	272	9	129	410	402
Income from associates	3	19	–	–	19	58
Total income		2,824	20	129	2,973	2,923
Expenditure						
Charitable activities	4	3,100	14	–	3,114	2,869
Other expenditure						
Write down of investment in associates	6,12,19	–	–	–	–	(74)
Total expenditure		3,100	14	–	3,114	2,795
Net income (expenditure) before investment gains and losses						
		(276)	6	129	(141)	128
Gain / (loss) on listed investments	9a	196	4	94	294	(1,680)
Net income / (expenditure)		(80)	10	223	153	(1,552)
Transfers between funds	18	129	–	(129)	–	–
Net income/(expenditure) before other recognised gains and losses		49	10	94	153	(1,552)
Actuarial (loss) / gains on defined benefit pension scheme		(11)	–	–	(11)	125
Foreign exchange losses		(15)	–	–	(15)	(17)
Net movement in funds		23	10	94	127	(1,444)
Reconciliation of funds						
Total funds brought forward at 30 September		7,037	233	3,681	10,951	12,395
Total funds carried forward at 30 September		7,060	243	3,775	11,078	10,951

Income and expenditure was derived from continuing activities in the above periods, with the exception of the write down in associates.

Balance sheets

As at 30 September 2023

	Notes	Group		Charity	
		2023	2022	2023	2022
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	7	834	59	786	-
Tangible assets	8	16	77	11	77
Investments	9	11,962	11,737	11,938	11,622
		12,812	11,873	12,735	11,699
Current assets					
Debtors	11	542	1,744	642	1,702
Cash at bank and in hand		201	459	140	407
		743	2,203	782	2,109
Creditors: amounts falling due within one year	13	(920)	(1,367)	(1,028)	(1,302)
Net current assets (liabilities)		(177)	836	(246)	807
Debtors: amounts due after one year	12	-	-	-	45
Net assets before pension liability		12,635	12,709	12,489	12,551
Defined pension scheme liability	17	(1,557)	(1,758)	(1,557)	(1,758)
Total net assets		11,078	10,951	10,932	10,793
Funds and reserves					
Permanent endowment funds	10	3,775	3,681	3,775	3,681
Restricted funds		243	233	243	233
Unrestricted funds					
. Designated funds	18	891	167	887	167
. General funds	18	7,726	8,628	7,584	8,470
. Pension reserve	17	(1,557)	(1,758)	(1,557)	(1,758)
Total funds	18	11,078	10,951	10,932	10,793

The accompanying accounting policies and notes form an integral part of these financial statements. The financial statements on pages 22 to 48 were approved by the trustees on 2 April 2024 and signed on their behalf by:



Kevin Daffey
Chair of Board of Trustees



Martin Murphy
Honorary Treasurer

Consolidated statement of cash flows

Year to 30 September 2023

	2023	2022
	£'000	£'000
Cash flows from operating activities		
Net movement in funds for the year before other recognised gains and losses	153	(1,552)
Adjustments for		
Depreciation charges tangible assets	19	76
Amortisation charges intangible assets	29	11
Write back of negative goodwill	-	(403)
Decrease in stock	-	4
Decrease (increase) in debtors due within one year	1,202	(1,269)
Decrease in debtors due in more than one year	-	1,584
Decrease in creditors	(447)	99
DB pension charge contributions net of interest expense	(136)	(254)
Dividends and investment income receivable	(410)	(402)
Net income from associates	(19)	(58)
Gains on listed investments	(294)	1,680
Foreign exchange losses	(15)	(17)
Net cash used in operating activities	82	(501)
Cash flows from investing activities		
Dividend received from investments	430	450
Purchase of property, plant and equipment	(9)	(8)
Purchase of intangible assets	(751)	-
Proceeds from sale of listed investments	-	250
Purchase of listed investments	-	(7)
Net cash provided by investing activities	(330)	685
Change in cash and cash equivalents in the reporting period	(248)	185
Cash and cash equivalents at 1 October	563	378
Cash and cash equivalents at 30 September	315	563
Analysis of cash and cash equivalents		
Cash at bank and in hand	201	459
Cash held by investment managers	114	104
Total cash and cash equivalents	315	563

The Group holds no external loans. There is therefore no difference between the changes in cash and cash equivalents and the changes in net debt.

Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation

The Financial Statements have been prepared in accordance with the Charities SORP (FRS 102), Accounting and Reporting by Charities: A 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) and the Charities Act 2011. The statements have been prepared under the historic cost convention, with the exception that investments, memorabilia and historic assets are included at market value. The financial statements are rounded to the nearest £'000.

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

The trustees consider that there are no material uncertainties about the Group and Charity's ability to continue as a going concern. The Charity holds significant reserves which will support a budgeted deficit position for the forthcoming year, whilst the income streams are diversified. Should the Charity require additional funding for operational activities, the investments can be realised quickly to ensure that financial obligations are met as they fall due.

Basis of consolidation

The accounts consolidate those of the Charity and its wholly owned non-charitable trading subsidiaries: Marine Management (Holdings) Limited, MAREST (S) Pte Limited and Marine Exhibitions Ltd.

The shareholding in MLA College Ltd was sold in December 2022, discharging the debtor disclosed at the end of last year. Intra-group transactions are eliminated in full.

As a result of a direction issued by the Charity Commission in July 2012, The Institute of Marine Engineering, Science and Technology Memorial Fund (the Memorial Fund) was linked with the funds of the Institute.

In the year ended 30 September 2006, the Stanley Gray Awards and The Institute of Marine Engineers Scholarship Fund merged with the Donald Maxwell Fund. Donald Maxwell Fund was linked, under a Charity Commission direction, with the funds of the Institute. The resulting linked charity is referred to as the Awards and Scholarship Fund. The Scholarship fund was enhanced by a generous injection of funds in respect of the John Blackburn Main Trust in 2007.

The Memorial Fund and The Awards and Scholarship Fund remain subject to their trusts and the terms under which they were given. The separate charity balance sheet and its related notes include these two funds.

Income

Income is recognised in the period in which the group and the charity has entitlement to income, the amount of the income can be measured reliably and it is probable that the income will be received.

Donations and legacies

Income from donations and legacies is included once the Charity is informed of an entitlement and that there is a probable assurance of receipt. Unless the legacies or donor specifies conditions of receipt, the income is included in the general fund.

Charitable activities

Subscriptions are recognised on an accruals basis. Receipts received in advance of the membership period are held as deferred income. Income is recognised using the stage of completion method and on-going tutorial support is considered to be immaterial. Income generated from consultancy is recognised over the life of the project. Income from technical journals subscriptions and events are recognised in the year it relates to, with payments in advance held as deferred income.

Investment income and interest

Income receivable on deposits and investments is recognised when received. Income from permanently endowed investments is calculated on a total return basis (see note 9).

Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Where subsidiary companies undertake charitable activities these are included within the charitable expenditure.

All expenditure is inclusive of irrecoverable VAT.

Allocation of overheads

Where costs cannot be directly attributed to a particular charitable activity, costs are allocated using the best judgement. The allocation of overhead costs is analysed in note 4.

Governance costs

Governance costs have been analysed to show the cost of running the Charity, including strategic planning for its future development, legal advice for the Board of Trustees or Council. All the costs of complying with constitutional and statutory requirements, such as the costs of the Board of Trustees and Council meetings, and of preparing statutory accounts and satisfying public accountability, are allocated to charitable activity using best judgement.

Operating leases

Lease commitments are charged in the statement of financial activities on a straight-line basis over the lease term. Details of the lease commitments are shown in note 14.

Pension costs

The Institute's staff pension scheme incorporates a final salary section and a stakeholder section. The assets of the scheme are held separately from those of the Institute in an independently administered fund. The final salary section of the scheme was closed to new members on 5 April 2002. At that date, the final salary section, which previously was a non-contributory scheme, became a contributory scheme with active members paying 7% of their gross salary.

The final salary section of the pension scheme is accounted for in accordance with FRS 102 section 28 'Retirement Benefits'. The service cost of pension provision relating to the year, together with the cost of any benefits relating to past service if the benefits have vested, is charged to the statement of financial activities. A charge equal to the increase in the present value of the scheme liabilities (because the benefits are closer to settlement) and a credit to the Group's long term expected return on assets (based on the market value of the scheme assets at the start of the year), are also included in the statement of financial activities.

The difference between the market value of the assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability on the balance sheet. Any differences between the actual and expected return on assets during the year are recognised in the statement of financial activities along with the difference arising from experience or assumption changes.

Contributions to the stakeholder section of the pension scheme are charged to the statement of financial activities in the year in which they become payable.

More information about the pension scheme is provided in note 17 to the financial statements.

Intangible assets

Intangible assets comprise the following:

- Goodwill arising on the acquisition of a 30% interest in Marine People Limited.
- Accounting Software
- CRM and Website

Items of software are capitalised where they provide an on-going economic benefit to the charity. Costs incurred are capitalised to the extent that they relate to bringing the asset into a working condition or operating in the manner intended. Intangible assets are held at cost and amortisation is charged over their useful economic life on a straight line basis of 10 years. The impairment of intangible assets is considered annually, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and provision made when necessary.

Tangible assets

Leasehold property - Leasehold premises and associated acquisition costs are stated at cost. Depreciation is provided to write off the cost of the leasehold premises over the initial 5-year term of the lease.

Other tangible fixed assets - Assets with a value under £250 are not capitalised and all assets are assessed for signs of impairment at each Balance Sheet date.

Depreciation is provided to write off the cost, less estimated residual values, of other tangible fixed assets over their expected useful lives. Fixtures, fittings and equipment are depreciated on a straight-line basis each year at rates between 20% and 33%.

Memorabilia - The Institute holds a collection of heritage assets which relate to the history of the Institution itself and the wider history of Marine Engineering, Science and Technology. Part of the collection is on loan to the South Shields Marine School. No depreciation is provided on the memorabilia and historic assets. Revaluation of these assets will be considered annually and subject to receiving a reliable valuation at a cost commensurate with the benefit to the users of the accounts and to the IMarEST, any increase or decrease in value of the assets from one year to the next will be treated as an unrealised gain or loss.

Investments

Investments in listed stocks and shares are stated at market value at the balance sheet date. Realised and unrealised gains on investments during the year are taken to the fund in which the investments are held. Any increase or decrease in the value of the assets from one year to the next is treated as an unrealised gain or loss.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and either the opening market value or the purchase cost if investments are purchased in the year. Unrealised gains and losses are calculated as the difference between the market value at the year-end and either the opening market value or the purchase cost if investments are purchased in the year. Realised and unrealised gains are not separated in the statement of financial activities.

At 30 September 2023, the Group had a 30% shareholding in Marine People Limited. In accordance with FRS 102, these associates have been accounted for using the equity method.

Taxation

The Institute of Marine Engineers, Science and Technology is a registered Charity and accordingly is exempt from taxation on its charitable activities.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Foreign currency

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date. Any differences are taken to income and expenditure in the statement of financial activities.

The results of overseas operations are translated at the average rates of exchange during the year and the balance sheet translated into sterling at the rates of exchange ruling on the balance sheet date. Exchange differences which arise from translation of the opening net assets and results of foreign subsidiary undertakings are taken to other recognised gains and losses in the statement of financial activities.

Funds

Where income is received, which is subject to donor-imposed restrictions on its future use it is credited to restricted funds in the statement of financial activities. Expenditure of the resources for the specified purpose is charged to the restricted fund, and any balances of unexpended income are carried forward as restricted funds on the Balance Sheet. Where funds received are to be retained as permanent endowment, these are identified separately as endowment funds.

Where the Board of Trustees identifies a need to allocate funds for specific purposes, these funds are shown as designated funds in the balance sheet. Such funds are unrestricted as their designation is at the discretion of the Board of Trustees. All funds other than restricted funds and designated funds are regarded as free reserves and are called other unrestricted funds. Where funds previously designated are no longer required, they are transferred to other unrestricted funds.

Debtors, cash and creditors

Debtors – trade and other debtors are recognised at the settlement amount due after any trade discount offered. Amounts due are initially recognised at fair value and subsequently at amortised cost using the effective interest method where the effect of discounting is material. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand – Cash at bank and cash 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.

Creditors and provisions – Creditors and provisions are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Accounting estimates and judgements

In preparing the accounts, the trustees are required to make estimates and judgements. The matters detailed below are considered to be the most important in understanding the judgements that are involved in preparing the accounts, and the uncertainties that could impact the amounts reported.

Intangible assets – The allocation of staff time in support of the implementation of a new CRM and website has been based on prudent estimates provided by departmental managers. In deciding whether this time should be capitalised or expensed, an assessment has been made about whether the time incurred was directly attributable to bringing the asset into use or related to the general administration or training costs. Assessed useful economic life of the asset has been based on best estimate, which has been informed by previous replacement cycles.

Income recognition – a significant portion of the Group's income is earned over a period of time following invoice. This includes membership subscriptions, registration fees for qualifications and annual centre fees. Income is allocated to each accounting period in accordance with accounting policy. The setting of the recognition methods and periods is an area where judgement is applied, and this is undertaken by reference to product definitions, and individual sales contracts.

Income and cost allocation to charitable purpose – the allocation of income and costs to charitable purposes is an area where judgement is applied and this is undertaken by reference to knowledge of the activities undertaken and to historic data trend.

Actuarial assumptions in respect of defined benefit pension scheme – the application of actuarial assumptions relating to the Institute's defined benefit pension scheme is incorporated in the accounts in accordance with FRS 102. In setting the assumptions, advice is taken from independent qualified actuaries. These assumptions require significant judgement to be exercised with regard to such areas as future changes in salary and inflation, mortality rates and long-term discount rates.

Overseas bank accounts – there are cash balances in some overseas bank accounts that are difficult to access. The total of these balances at the end of the year was £42K. A full provision has been made against these amounts on the basis that some, if not all, of these balances would be recovered in due course.

Notes to the Financial Statements

1 Donations and legacies

	Unrestricted funds 2023 £'000	Restricted funds 2023 £'000	Total funds 2023 £'000	Unrestricted funds 2022 £'000	Restricted funds 2022 £'000	Total funds 2022 £'000
Donations	2	11	13	-	1	1

2 Income from charitable activities

	Unrestricted and total funds 2023 £'000	Unrestricted and total funds 2022 £'000
Membership services	1,947	1,987
Technical Publications & Exhibitions	99	64
Conferences & functions	335	157
Marine Partners & members fees	60	70
Accreditation	43	133
Technical & Library	11	21
Support services	36	30
	2,531	2,462

3 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2023 £'000
Listed investments	265	9	129	403
Interest income	7	-	-	7
	272	9	129	410
Income from associates	19	-	-	19
	291	9	129	429

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total Funds 2022 £'000
Listed investments	264	9	129	402
Interest income	-	-	-	-
	264	9	129	402
Income from associates	58	-	-	58
	322	9	129	460

4 Expenditure on charitable activities

	Direct costs £'000	Support costs £'000	Total 2023 £'000	Direct costs £'000	Support costs £'000	Total 2022 £'000
<i>Membership services</i>	545	710	1,255	590	681	1,271
<i>Technical Publications & Books</i>	40	91	131	54	87	141
<i>Conferences & events</i>	411	255	666	208	246	454
<i>Marine Partners & members fees</i>	57	273	330	49	234	283
<i>Accreditation</i>	43	127	170	42	131	172
<i>Technical & Library</i>	185	363	548	146	381	527
<i>Awards</i>	14	-	14	20	-	20
	<u>1,295</u>	<u>1,819</u>	<u>3,114</u>	<u>1,109</u>	<u>1,760</u>	<u>2,869</u>

All of the above expenditure relates to expenditure on unrestricted funds, with the exception of Awards Expenditure, where £14k was restricted (2022: £20k).

Support costs above consist of:

	2023 £'000	2022 £'000
Staff costs	763	753
Office costs	95	106
Governance costs	61	41
Pension Scheme Costs	238	166
Other costs	663	694
	<u>1,819</u>	<u>1,760</u>

Other costs comprise Estates, IT, Marketing, Finance and HR.

5 Staff costs

	2023 £'000	2022 £'000
Wages and salaries	1,260	1,106
Social security costs	146	127
Ordinary pension costs	223	97
	<u>1,629</u>	<u>1,330</u>

Wages and salaries above includes £nil redundancy costs.

During the course of the year IMarEST have capitalised £201k of staff costs (included in figures above) relating to the development of the new CRM and Website. The cost has been transferred in the year to Intangible Assets.

IMarEST introduced a salary sacrifice scheme for employee pension contributions in 2022. Ordinary pension costs for FY23 represent the full employer contribution.

The average number of employees during the year was allocated as follows (based on estimated time spent on activities in the year on each charitable activity).

	2023	2022
	No.	No.
Membership services	3	3
Technical Publications & Books	1	1
Conferences & events	1	1
Marine Partners & members fees	1	1
Accreditation	2	2
Technical & Library	2	2
Support	10	10
Total	20	20

The number of staff whose total emoluments (excluding employer's pension contribution and employer's national insurance) for the year was over £60,000 is as follows

	2023	2022
	No.	No.
£ 60,001 - £ 70,000	1	2
£ 70,001 - £ 80,000	1	1
£ 80,001 - £ 90,000	-	1
£90,001 - £100,000	1	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
£130,001 - £140,000	1	-
£140,001 - £150,000	-	1

IMarEST introduced a salary sacrifice scheme in August 2022 which has impacted the emoluments calculation, and the employer pension contributions.

Employer pension contributions in respect of the above higher earners were as follows:

	2023	2022
Contributions to defined contribution schemes, £	100	57
Number of individuals	5	6

Key management personnel and trustees expenses

Key management personnel during the year comprise the members of the board of trustees, the Chief Executive, Finance and Commercial Director, Sales and Business Development Director, Membership and Professional Services Director, Head of Business Systems and Transformation, Head of Technical, Policy & Content, Head of Marketing & Communications, Head of Membership, and the Institute Assistant Secretary.

The total remuneration of key management personnel was £809K (2022: £804K).

No trustees were remunerated for their role as trustee.

Expenses were reimbursed to the trustees when they were claimed in accordance with the appropriate rules governing the payment of expenses.

	2023	2022
	£'000	£'000
Total expenses claimed, covering travel, subsistence and hotel expenses, £	22	5
Expenditure reimbursed relating to events, £	-	4
Total claim	22	9
No. of trustees reimbursed	11	7

During the year the IMarEST did not receive any donations from the trustees (2022: £nil).

6 Related party transactions

The following transactions and balances occurred between the Charity or its wholly owned subsidiaries and other non-wholly owned undertakings.

- *MLA College Ltd (MLA):* The shareholding was sold on 16 December 2022. There were no charges to the SOFA in the current year relating to this sale. (2022 : £74k).
- *Marine People Limited:* Dividends totalling £20k were received (2022: £48k) and costs of £Nil were paid for recruitment services (2022: £5k). All balances were settled at the year-end.
- *Marine Management (Holdings) Limited (MM(H)):* There was an outstanding amount due from IMarEST to MM(H) of £53k (2022: £27k due from MM(H) to IMarEST). A historical balance related to a loan to fund investments in MLA and Marine People. The change in balance for FY23 relates to the par value of MLA share capital.
- *Marine Exhibitions Limited:* Unpaid shares were transferred from MM(H) to IMarEST during the year, and the share capital was paid up by IMarEST. There was an outstanding amount due from MEX to IMarEST of £147k (2022: £Nil). Transactions between IMarEST and MEX relate to the IMarEST conferences and events portfolio.
- *Marest SPTE Ltd:* There was an outstanding due from Marest to IMarEST of £14k (2022: £10k due from Marest to IMarEST) . These monies relate to charges to supporting IMarEST activities in Asia Pacific region.

Owing to the composition of the Board of Trustees, it is inevitable that IMarEST might have corporate members in which a trustee has an interest. Our standard corporate rates are applied to this membership. During the year £x (2022: £x) was received for corporate membership from such organisations.

Other than the above, there were no related party transactions.

7 Intangible fixed assets

Group

	Marine People Limited Goodwill £'000	Computer Software £'000	Total £'000
Cost			
At October 2022	108	-	108
Transfers from tangible fixed assets	-	106	106
Additions	-	751	751
At 30 September 2023	108	857	965
Amortisation			
At 1 October 2022	49	-	49
Transfers from tangible fixed assets	-	53	53
Charge for year	11	18	29
At 30 September 2023	60	71	131
Net book values			
At 30 September 2022	59	-	59
At 30 September 2023	48	786	834

Of the above assets, £786k (2022: £Nil) of Computer Software is owned by the Charity. Additions relate to new Software brought into use at the end of the financial year. Depreciation will start in FY24 and the assets will be written down over a 10 year period. Historic investment in business systems has been reclassified from tangible fixed assets during the year.

8 Tangible fixed assets

Group

	Leasehold acquisition costs £'000	Furniture, fixtures and fittings £'000	Business systems and equipment £'000	Total £'000
Cost or valuation				
At 1 October 2022	9	364	638	1,011
Additions	-	-	9	9
Transfers to intangible assets	-	-	(106)	(106)
Disposals	-	(51)	(404)	(455)
At 30 September 2023	9	313	137	459
Depreciation				
At 1 October 2022	9	355	569	933
Transfers to intangible assets	-	-	(53)	(53)
Charge for year	-	9	10	19
Depreciation on disposals	-	(51)	(404)	(455)
At 30 September 2023	9	313	122	444
Net book values				
At 30 September 2022	-	9	69	78
At 30 September 2023	-	-	15	15

Charity

	Leasehold acquisition costs £'000	Furniture, fixtures and fittings £'000	Business systems and equipment £'000	Total £'000
Cost or valuation				
At 1 October 2022	9	364	630	1,003
Reclassifications	-	-	(106)	(106)
Additions	-	-	6	6
Disposals	-	(51)	(404)	(455)
At 30 September 2023	9	313	129	448
Depreciation				
At 1 October 2022	9	355	562	926
Reclassifications	-	-	(53)	(53)
Charge for year	-	9	10	19
Depreciation on disposals	-	(51)	(404)	(455)
At 30 September 2023	9	313	115	437
Net book values				
At 30 September 2022	-	9	68	77
At 30 September 2023	-	-	11	11

All tangible fixed assets are held at cost. Business systems have been reclassified as intangible assets.

The Institute also holds a collection of heritage assets which relate to the history of the Institution itself and the wider history of Marine Engineering, Science and Technology. Part of the collection is on loan to the South Shields Marine School.

Due to the fact that reliable cost information or comprehensive valuations are not readily available for these assets, and that such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the IMarEST, the values were written down to £nil in FY21 and are retained at that value.

The Trustees recognise the importance of the collection, which they will continue to maintain, and will recognise any expenditure which is required to preserve or prevent deterioration of individual collection items in the income and expenditure account when it is incurred. Expenditure in the current year totals £Nil (2022: £Nil).

9 Investments

	Note	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Listed investments	a	11,898	11,592	11,898	11,592
Investments in associates	b	64	145	-	-
Subsidiary undertakings	c	-	-	40	30
		11,962	11,737	11,938	11,622

a) Listed investments

Group & Charity	2023 £'000	2022 £'000
Market value at 1 October	11,488	13,412
Additions at cost	-	7
Disposals	-	(215)
Net unrealised gains (losses) on revaluation	296	(1,716)
Market value at 30 September	11,784	11,488
Cash held with investment managers	114	104
Total listed investments	11,898	11,592
Cost at 30 September	11,622	11,622

b) Investments in associates

Group	Marine People Limited £'000	Marine Learning Alliance £'000	2023 £'000
At 1 October 2022	65	80	145
Disposals in year		(80)	(80)
Net income from associates	18	-	18
Adjustments to carrying value	(20)	-	(20)
At 30 September 2023	63	-	63

Marine People Limited is a company registered in England and Wales (Company Registration No. 10632568). The company is a marine specialist permanent recruitment agency. Marine Management (Holdings) Limited has 30% ownership of Marine People Limited. During the financial year ending 30 September 2023, the Group received a £20k dividend from the company (2022: £48k).

MLA College Ltd is a company registered in England and Wales (Company Registration No. 09188277). The company is a provider of marine related e-learning. Marine Management (Holdings) Limited sold its 40% shareholding in MLA College Ltd in December 2022. Note 12 provides further information.

c) Subsidiary undertakings

The following subsidiaries are part of the Group.

Name	Nature of business	Parent	Holding	Share capital, £	Address of registered office
Marine Management (Holdings) Limited (MM(H))	Holding Company	IMarEST	100%	30,000	1 Birdcage Walk, London, England, SW1H 9JJ
MAREST (S) PTE Limited	Membership	MM(H)	100%	26,548	16 Raffles Quay, #33-03 Hong Leong Building, Singapore
Marine Exhibitions Limited	Events	IMarEST	100%	10,000	1 Birdcage Walk, London, England, SW1H 9JJ

A summary of the results of each entity is shown below.

	Marine Exhibitions Limited		MAREST (S) PTE Limited		Marine Management (Holdings) Limited (MM(H))	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Total Income	436	-	161	153	20	48
Cost of Sales	-	-	-	-	-	-
Other operating expenses	(436)	-	(180)	(155)	(1)	(2)
Profit/ (Loss) before tax	-	-	(19)	(2)	19	46
Taxation	-	-	-	-	-	-
Retained profit (losses) for the year	-	-	(19)	(1)	19	46
Retained profit (losses) at 30.09.23	-	-	(46)	(27)	203	184

Marine Management (Holdings) Limited

Marine Management (Holdings) Ltd, a company registered (Company registration 01100685) in England and Wales is the parent company of MAREST (S) PTE Ltd. The IMarEST is the ultimate parent company, owning the entire share capital of Marine Management (Holdings) Ltd. This company itself did not trade during the year, the board maintains its duties as the parent to MAREST (S) PTE Ltd and its reported expenditure consists of minor administration/filing charges.

MAREST (S) PTE Limited

MAREST (S) PTE Limited, incorporated on 13 August 2012, is registered in Singapore (201220044C) and is a 100% subsidiary of Marine Management (Holdings) Ltd. The IMarEST owns the entire share capital of Marine Management (Holdings) Limited, a company registered in England and Wales. The principal activity of the company is support for the delivery of IMarEST's charitable purposes in the Asia Pacific region.

Marine Exhibitions Limited

Marine Exhibitions Ltd was incorporated on 25 September 2014 (Company registration 09235513). It is a 100% owned subsidiary of IMarEST. The principal activities of the company are those relating to the delivery of conferences, exhibitions and symposia. The company started trading on 1 September 2022.

10 Statement of total returns

	Endowment £'000	Unapplied Total Return £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
30 September 2022				
Permanent Endowment	3,044	-	3,044	3,044
Unapplied total return	-	637	637	1,507
	<u>3,044</u>	<u>637</u>	<u>3,681</u>	<u>4,551</u>
Movements in the reporting period:				
Investment return: dividends and interest	-	129	129	128
Investment return: realised and unrealised (losses) gains	-	94	94	(620)
	<u>-</u>	<u>223</u>	<u>223</u>	<u>(492)</u>
Unapplied total return allocated to income in the reporting period	-	(129)	(129)	(378)
Net movements in reporting period	<u>-</u>	<u>94</u>	<u>94</u>	<u>(870)</u>
30 September 2023				
Permanent Endowment	3,044	-	3,044	3,044
Unapplied total return	-	731	731	637
	<u>3,044</u>	<u>731</u>	<u>3,775</u>	<u>3,681</u>

The total return allocated to income in the period was transferred to the general funds of the Institute.

11 Debtors due within one year

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Trade debtors	112	33	83	16
Other debtors	227	81	217	73
Prepayments	166	88	144	77
Amount due from group undertakings	-	-	161	-
Amount due from associates	-	1,320	-	1,320
Accrued income	37	222	37	216
	<u>542</u>	<u>1,744</u>	<u>642</u>	<u>1,702</u>

Other debtors includes income receipts of £191k (2022: £70k) made via 3rd party applications which have yet to be paid over to the charity bank accounts.

At the end of FY22, there was a debt due within one year relating to the Group's interest in MLA College, which was sold in December 2022.

12 Debtors due in more than one year

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Amount due from group undertakings	-	-	-	37
Amount due from associates	-	-	-	8
	-	-	-	45

13 Creditors: amounts falling due within one year

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Trade creditors	161	114	150	108
Other creditors	129	212	127	212
Tax and National Insurance	37	35	34	33
Accruals	247	530	360	518
Members' subscriptions in advance	235	359	235	359
Amounts due to group undertakings	-	-	53	-
Other deferred income	111	117	69	72
	920	1,367	1,028	1,302
Deferred income movement				
Balance at 1 October	476	565	519	551
Amount released in the year	(476)	(565)	(519)	(463)
Amount deferred in the year	346	476	304	430
Balance at 30 September	346	476	304	519

14 Operating lease commitments

Group	2023		2022	
	Property	Other	Property	Other
	£	£	£	£
Within one year	138	3	64	3
Between one and two years	44	3	-	3
Between two and five years	-	4	-	7
	182	10	64	13

Of the above commitments, £148k (2022: £41k) relate to the Charity. As at 30 September 2023, the existing lease for the charities head office had expired. The charity has recently signed a new lease for 1 Birdcage Walk until 20 December 2024.

15 Capital Commitments

The Group and Charity had no capital commitments as at 30 September 2023 (2022: £Nil).

16 Auditors' remuneration

Remuneration payable to the group auditor was as follows:

	Group 2023	Group 2022	Charity 2023	Charity 2022
	£	£	£	£
Financial statements audit current year	33	32	31	29
Financial statements audit prior year	2	3	2	3
HR Services	2	4	2	5
VAT & Tax Advice / Services	3	1	2	-
	40	40	37	37

17 Pension schemes

The Group operates a defined benefit and a defined contribution pension scheme. The defined benefit scheme was closed to new entrants and to future service accrual on 5 April 2002. The defined contribution pension scheme was introduced on 5 April 2002 for the benefit of all staff.

The Institute's total contributions to the defined benefit scheme were £330k (2022: £300k).

Defined benefit pension scheme

In preparing these financial statements, the Institute has fully complied with the Financial Reporting Standard 102: "Retirement Benefits" issued by the Accounting Standards Board.

Benefits under the IMarEST Retirement Benefits Scheme (RBS) are based on employees' final remuneration and length of service. All assets of the scheme are held separately from those of the Institute in independently administered funds. The pension expense charged to the statement of financial activities makes no allowance for actuarial gains and losses during the year.

The RBS is in deficit and a recovery plan agreed with the Trustees of the RBS every three years.

In addition to the £330k contribution, administrative and other expenses of the scheme and the Pension Protection Fund levy are paid separately by the Institute. These costs amounted to £89k (2022: £126k)

In preparing these financial statements, the Institute has fully complied with the Financial Reporting Standard 102: "Retirement Benefits" issued by the Accounting Standards Board.

The actuary has computed the following information with respect to the financial position of the scheme as at 30 September 2023:

	2023	2022
Group and charity	£'000	£'000
Fair value of scheme assets	7,971	8,460
Defined benefit obligation	(9,528)	(10,218)
Net defined benefit (liabilities) assets	(1,557)	(1,758)
Restriction on asset recognised at year end	–	–
Net amount recognised at year end	(1,557)	(1,758)

The amount recognised in the Statement of Financial Activities was:

	2023	2022
	£'000	£'000
Administration expenses	34	–
Net interest expense	84	40
Charge recognised in income and expenditure	118	40
Return on scheme assets	513	5,051
Actuarial gains (losses)	(502)	(5,176)
Charge/(credit) recorded in other comprehensive income	11	(125)
Total defined benefit cost/(credit)	129	(85)

Changes in the value of scheme assets were as follows:

	2023	2022
	£'000	£'000
At start of the year	8,460	13,473
Benefits paid	(704)	(526)
Administrative expenses	(34)	(6)
Contribution from the employer	330	300
Interest income (expense)	432	270
Return on assets	(513)	(5,051)
At end of the year	7,971	8,460

Changes in the value of scheme liabilities were as follows:

	2023	2022
	£'000	£'000
At start of the year	(10,218)	(15,610)
Benefits paid	704	526
Interest income (expense)	(516)	–
Past service cost (expense)	–	(310)
Actuarial gains (losses)	502	5,176
At end of the year	(9,528)	(10,218)

The major categories of scheme assets are as follows:

	2023		2022	
	£'000	%	£'000	%
Return Seeking funds	4,716	59	6,705	79
Fixed Interest Gilts	1,112	14	512	6
Index Linked Gilts	458	6	102	1
Hybrid gift fund	1,383	17	821	10
Cash	302	4	320	4
	7,971	100	8,460	100

Principal actuarial assumptions used:

	2023	2022
	%	%
Discount rate	5.55	5.23
Inflation assumption – Retail price inflation	3.40	3.67
Inflation assumption – Consumer price inflation	2.40	2.87
Revaluation of deferred pensions – Deferred revaluation	3.40	3.67
Increase for pension payment		
. Benefits accrued prior to 1 October 1999	5.00	5.00
. Benefits accrued after 1 October 1999	3.85	3.83
. Benefits accrued after 1 October 2005	2.25	2.43
Proportion of members opting for early retirement	–	–
Proportion of members commuting maximum allowable pension for cash at retirement	85.00	85.00

Assuming retirement at age 65, life expectancy in years are as follows:

	2023	2022
Male currently aged 65	86.3	86.3
Female currently aged 65	88.3	88.3
Male currently aged 45	87.3	87.3
Female currently aged 45	89.6	89.6

18 Movement in Funds

Group	At 1 October 2022 £'000	Income £'000	Expenditure £'000	Gains and losses £'000	Transfers £'000	At 30 September 2023 £'000
Unrestricted funds						
General funds	8,628	2,824	(3,275)	181	(632)	7,726
Designated funds						
Intangible fixed assets fund	-	-	(18)	-	804	786
Tangible fixed assets fund	77	-	(19)	-	(43)	15
Overseas cash	90	-	-	-	-	90
Pension reserve	(1,758)	-	212	(11)	-	(1,557)
Restricted funds						
Awards and scholarships	233	20	(14)	4	-	243
Endowment funds	3,681	129	-	94	(129)	3,775
	10,951	2,973	(3,114)	268	-	11,078

Charity	At 1 October 2022 £'000	Income £'000	Expenditure £'000	Gains and losses £'000	Transfers £'000	At 30 September 2023 £'000
Unrestricted funds						
General funds	8,470	2,544	(2,983)	181	(628)	7,584
Designated funds						
Intangible fixed assets fund	-	-	(18)	-	804	786
Tangible fixed assets fund	77	-	(19)	-	(47)	11
Overseas cash	90	-	-	-	-	90
Pension reserve	(1,758)	-	212	(11)	-	(1,557)
Restricted funds						
Awards and scholarships	233	20	(14)	4	-	243
Endowment funds	3,681	129	-	94	(129)	3,775
	10,793	2,693	(2,822)	268	-	10,932

Transfer between funds represent the application of total return on endowment funds (note 10) and movements on designated funds.

Purpose of funds

Designated funds

The trustees have earmarked part of the charity's unrestricted funds as designated funds to be used for the following particular purposes in the future.

The intangible assets fund represents the net book value of goodwill and software owned by the Group. As a long-term asset, these intangible assets are expected to generate economic returns for the Group in the future.

The tangible fixed assets fund represents the net book value of the tangible fixed assets owned by the group, excluding historic assets and memorabilia (which are restricted funds). Such assets are vital to the group being able to carry out its charitable work and the value invested in the assets cannot, therefore, be realised in order to meet future expenditure or contingencies. To emphasise this point the net book value of the assets is represented by a specific tangible fixed assets fund.

The designated overseas cash fund was created on 30 September 2014 in respect of those cash at bank balances which cannot be readily transferred to UK and as such are not available to the trustees for charitable purposes.

Restricted funds

The Awards and Scholarships Funds were established via donations and legacies received over the course of time to create separate funds specifically available for rewarding excellence within the field of marine engineering, science and technology. Income arising from these funds is accumulated in the restricted income fund and is used to fund the prizes and awards.

Endowment funds

The permanent endowment funds form part of the funds of the Memorial Fund. On 18 September 2018 the Committee of Management of the Memorial Fund (a Permanent Endowment Fund) agreed to adopt a total return on investment approach under section 105 of the Charities Act 2011 for the Memorial Fund and that its core value should remain set at £3,044,472. They further agreed that responsibility for the implementation and oversight of adopting a total refund basis should be delegated to the Institute's Finance & Investment Committee.

Net assets between funds

Group	Endowment funds £	Restricted funds £	Unrestricted funds			2023 Total funds
			Designated funds £	General funds £	Pension reserve £	
Intangible fixed assets	–	–	786	48	–	834
Tangible fixed assets	–	–	15	–	–	15
Investment assets	3,775	243	90	7,853	–	11,962
Net current liabilities	–	–	–	(177)	–	(177)
DBS pension liability	–	–	–	–	(1,557)	(1,557)
	3,775	243	891	7,726	(1,557)	11,078

Group	Endowment funds £	Restricted funds £	Unrestricted funds			2022 Total funds
			Designated funds £	General funds £	Pension reserve £	
Intangible fixed assets	–	–	–	59	–	59
Tangible fixed assets	–	–	77	–	–	77
Investment assets	3,681	233	90	7,733	–	11,737
Net current assets	–	–	–	836	–	836
DBS pension liability	–	–	–	–	(1,758)	(1,758)
	3,681	233	167	8,628	(1,758)	10,951

19 Post Balance Sheet Events

There are no post balance sheet events to report in the current year. In the previous year, we reported the receipt of sale proceeds of £1.4M (£1,320k debt and £80k share capital) relating to the sale of shares in MLA College which completed on 16 December 2022.

20 Comparative consolidated statement of financial activities

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2022 £'000
Income					
Donations and legacies	1	-	1	-	1
Charitable activities	2	2,462	-	-	2,462
Investment income	3	265	9	128	402
Income from associates	3	58	-	-	58
Total income		2,785	10	128	2,923
Expenditure					
Charitable activities	4	2,850	19	-	2,869
Total expenditure		2,850	19	-	2,869
Other expenditure					
Write down of investment in associates		(75)	-	-	(75)
Total Expenditure		2,775	19	-	2,794
Net (expenditure) income before investment gains and losses					
		9	(9)	128	128
Loss on listed investments	9a	(1,019)	(41)	(620)	(1,680)
Net income		(1,010)	(50)	(492)	(1,552)
Transfers between funds		378	-	(378)	-
Net income (expenditure) before other recognised gains and losses		(632)	(50)	(870)	(1,552)
Actuarial gains on defined benefit pension scheme		125	-	-	125
Foreign exchange losses		(17)	-	-	(17)
Net movement in funds		(524)	(50)	(870)	(1,444)
Reconciliation of funds					
Total funds brought forward at 30 September		7,560	283	4,551	12,395
Total funds carried forward at 30 September		7,036	233	3,681	10,951



Structure, governance and management

Members of Board of Trustees

Chair Board of Trustees
President
President-Elect
Immediate Past President
Honorary Treasurer
Rachel Nicholls-Lee (*Vice-Chair, Board of Trustees*)
Barry Brooks (*to Mar'23*)
Nigel Brunning (*to Mar'23*)
Yves De Leeneer (*to Mar'23*)
Stephen de Mora
Christy Farrer (*from Jun'23*)
Adthisaya Ganesen Manickam (*from Mar'23*)
Sarah Grimshaw (*from Nov'23*)
Ed Hill CBE (*from Jun'23*)
Christopher Hodge OBE
Katherine Holmes (*to Oct'22*)
Sajid Hussain
Alan Mills (*to Mar'23*)
Frank Mungo
Philip Parvin (*to Oct'23*)
Louise Rigby (*to May'23*)
Kaushik Roy (*from Mar'23*)
Parviz Sangin

Chair Board of Trustees

Kevin Daffey

President

Martin Shaw
(*from March 2023*)
Alastair Fischbacher
(*to March 2023*)

President-Elect

Yves De Leeneer
(*from March 2023*)
Martin Shaw
(*to March 2023*)

Immediate- Past President

Alastair Fischbacher
(*from March 2023*)
Vacant
(*to March 2023*)

Honorary Treasurer

Martin Murphy

Members of Council

Chair, Board of Trustees
President
President-Elect
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Christopher Bleasdale
Barry Brooks
John Butler (*to Mar'23*)
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Valerio De Rossi (*from Mar'23*)
William Doyle (*to Mar'23*)
Robert Fitzsimmons
Adthisaya Ganesen Manickam (*from Mar'23*)
Bradley Golden
Richard Graham (*to Mar'23*)
Kenneth Greig
Christopher Hodge OBE
Sajid Hussain
Franklin Joseph
Sergey Karianskyi
Pete Lambeth
Jemma- Anne Lonsdale (*from Mar'23*)
Bev Mackenzie
Paul Marshall (*to Mar'23*)
Leonard Michaels (*to Mar'23*)
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Frank Mungo
Philip Parvin
Malek Pourzanjani
Kaushik Roy
Cassandra Ryan (*to Mar'23*)
Parviz Sangin
Nigel Smith (*from Mar'23*)
George Sotirelis (*from Jul'23*)
Alex K M Tang (*from Mar'23*)
Alexander Walster (*from Mar'23*)
Mike Watt
Elisabeth Wilson

Management Team

Chief Executive

Gwynne Lewis (*to Jan '24*)
Chris Goldsworthy (*from Jan '24*)

Commercial & Finance Director

Sue Arnold

Sales & Business Development Director

Hector Sewell

Membership & Professional Services Director

Susan Foster (*from Nov'23*)

Institute Assistant Secretary

Margaret Marchetti

Head of Membership & Partner Services

Richard Goldsbrough (*to December 2022*)
Susan Foster (*from Feb'23 to Oct'23*)

Head of IT & Business Systems

Ronnie van de Laak

Head of Marketing & Communications

Anshie Patel (*to May'23*)
Patrick Carpenter (*from May'23*)

Head of Technical & Policy

Peter Sheppard (*from Feb'23*)

Head of Events

Jo Lewis (*from Feb'23*)

Principal Office

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Charity (registration
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Bankers

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Commercial Bank**
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E14 5HP

Solicitors

Withers LLP
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London
EC4M 7AN

Investment Manager

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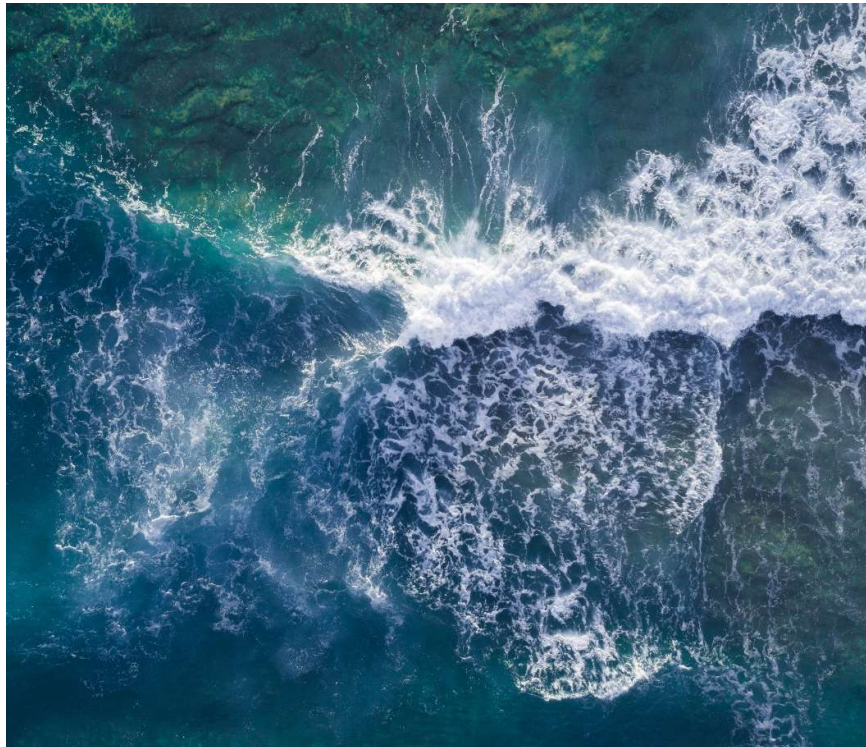
Asia-Pacific Office: 298 Tiong Bahru Road, #05-01 Central Plaza, Singapore 168730 • **Tel:** +65 6472 0096

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Accounts



Annual Report and Accounts 2022



www.imarest.org

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About the IMarEST

Background

The Institute of Marine Engineering, Science and Technology (IMarEST) is the international membership body and learned society for all marine professionals. The IMarEST is a registered charity and the first institute to bring together marine professionals from across the full spectrum of marine engineering, science and technology in a single international, multi-disciplinary professional body. The IMarEST is the largest marine organisation of its kind with a worldwide membership of circa 18,000 individuals based in over 120 countries.

Charitable Purposes



ADVANCEMENT OF MARINE ENGINEERING, SCIENCE AND TECHNOLOGY

Advancing the understanding and practice of marine engineering, marine science and marine technology



EDUCATIONAL EXCELLENCE

Promoting educational excellence for marine professionals and students



ENVIRONMENTAL SUSTAINABILITY

Promoting environmental sustainability for the benefit of humanity



RELIEF OF POVERTY

Relieving global poverty through safe, sustainable use of ocean trade and resources



IMPROVED SAFETY

Improving safety for those operating in the global marine sector

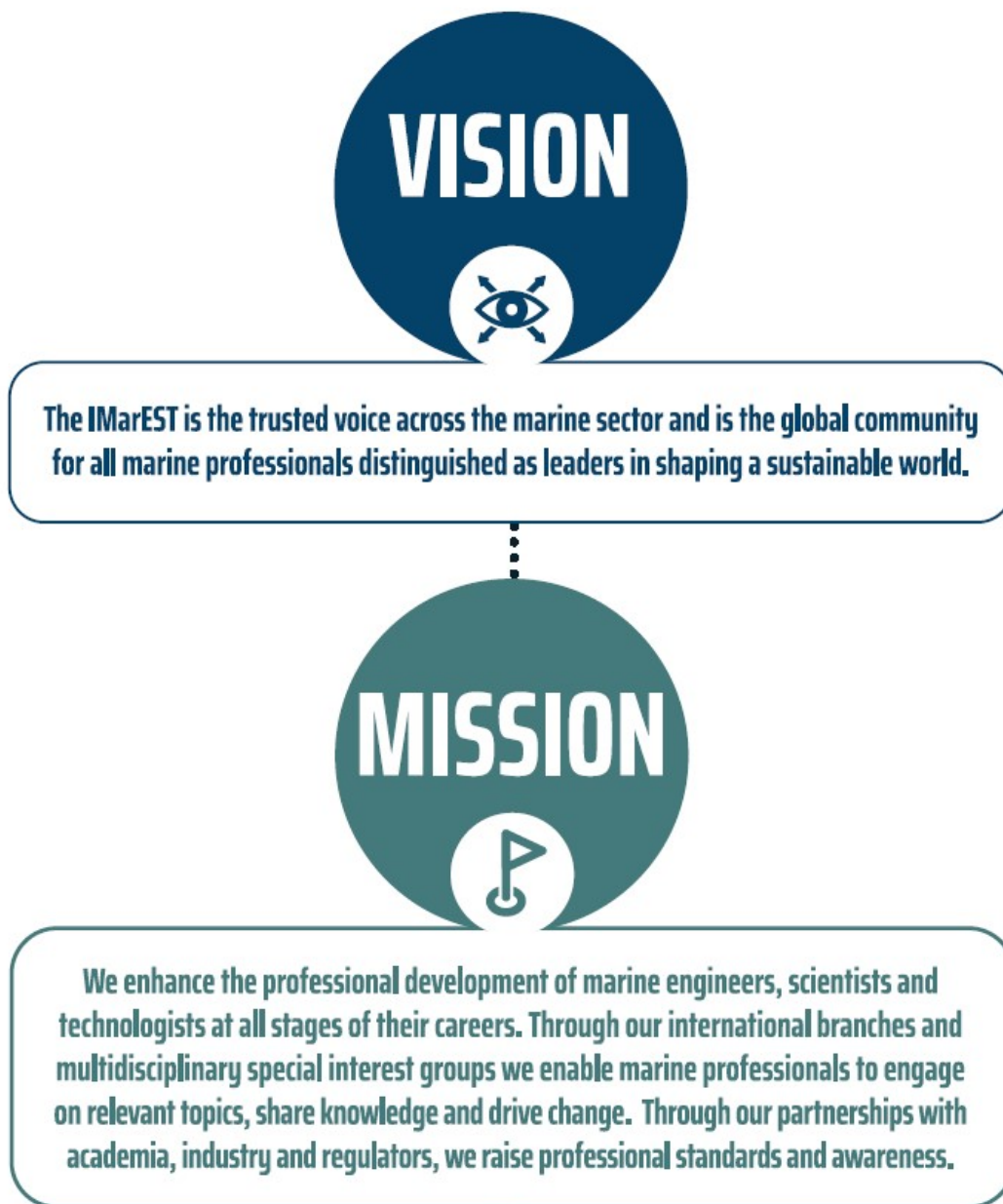


ETHICAL PROFESSIONALISM

Encouraging ethical professionalism by upholding standards

Our Strategy 2022 – 2025

Having come to the end of our 5-year strategic plan (2018 – 2022), we have developed a new 2022–2025 strategic plan for how the Institute will shape its next 3 years of progress. At the centre of the plan is a new Vision to position the IMarEST as the leading voice of the marine sector and the primary forum for the global marine professional community. We have also defined our Mission in recognition of our members being the very heart of our Institute:



As we take the Institute into the next chapter of its life, you will see us focus on six strategic themes: operational excellence, community & member engagement, technical leadership, growth through innovation, public profile & communications, and membership & professionalism.



Chair's Foreword and Review of the Year

The Board continues to monitor financial risk but it is also our duty to ensure that the Institute is sustainably delivering services for its members and partners, as well as fulfilling its charitable purpose for general public benefit. This requires investment, and the end of this year saw us begin an invitation to tender for a new CRM and website as part of the IT Strategy developed last year. This strategy laid out several milestones. . In addition, the IMarEST developed a new 3-year strategy to guide us up to 2025.

Whilst the first half of FY22 (October 2021 – September 2022) saw continued uncertainty stemming from the pandemic and the Omicron variant, we have returned to run in-person events again, beginning with our Oceans of Knowledge conference in October and then the Annual Dinner in March. We also hosted the Engine As A Weapon Symposium online, not forgetting the inclusivity it brings allowing delegates to attend no matter where they were in the world. In total, we delivered 80 events in FY22 including conferences, technical lectures, panel discussions and webinars. We also created the new role of Head of Events to help evolve our programme of events and develop formats for greater commercial success.

Our technical leadership in marine subjects was driven not just through this events programme, but also through our Special Interest Groups (SIGs) and ongoing intergovernmental policy work. We launched a new Artificial Intelligence SIG and our Marine Mammals SIG developed a detailed careers guide to help both students and employers understand the skills required for different career paths. Our Ocean Plastic & Marine Litter SIG presented their extensive work and outputs at the 7th International Marine Debris Conference in September.

Based on a survey of our members and subsequent consultation with our SIGs, we also published a report - 'Challenges in the Marine Sector: 2023 and beyond' - highlighting the pressing issues for the industry in coming years.

National and international accreditations continued apace, with a large proportion taking place in SE Asia and China. We accredited 76 different courses/training schemes across 8 different institutions in FY22.

We also provided members with fresh content and new tools this year. More than 150 videos were added to IMarEST TV and we launched our new and much improved Library in the summer, providing a benefit for members who can now submit their own work to be published or listed in this global repository of marine content. The Library incorporates 130+ years of IMarEST published material and archives.

We worked closely with our publishers to bring in robust advertising revenue and sponsorship to support our events programme. We also created the role of a dedicated Sales & Business Development Director to innovate new income streams, develop deeper relationships with industry and forge new partnerships.

Whilst much has been done in the past year, we must continue to provide value through membership, demanding excellence in our events, technical activities and regular content. We must also seek to raise the profile of the IMarEST and the role of the ocean and maritime industries, ensuring their importance is recognised and that they drive positive change for a sustainable future.

We could not have achieved what we have without the hard work of the member volunteers and the Executive team. I would like to thank them for all the successes of the last year and their dedication to the future success of the Institute.

A handwritten signature in black ink, appearing to read "Kevin Daffey". The signature is fluid and cursive, with the first name "Kevin" and the last name "Daffey" clearly distinguishable.

Kevin Daffey

Chair, Board of Trustees

Trustees' Annual Report

Delivering our charitable purposes for the public benefit

The IMarEST charitable purposes are defined in the opening section of this report. They are delivered to the benefit of either the public at large or the global marine community. The general benefits are described below; specific benefits from activities in the past year are described in the next section.

Benefits arising from charitable purposes

- The general public benefits from safe shipping activities, marine and maritime infrastructure, and from safe and sustainable ocean activities and the conservation of marine resources. The expertise and activities of IMarEST's members contributes to realising these benefits. The general public also benefits from activities that support the generation and dissemination of knowledge, education of the public and making best practice available to our members.
- Governments and intergovernmental organisations benefit from our provision of expert advice through consultation responses and from our published reports. Both public and private sector employers, and through them the wider economy, benefit commercially from employing IMarEST members who have globally recognised professional qualifications.
- Young people can better realise their potential from our efforts to raise interest in marine, science, engineering and technology in schools and colleges; we also encourage and support the young engineers, scientists and technologists of tomorrow.

Underpinning membership expertise

Delivery of the benefits described above depends upon the IMarEST maintaining a strong body of professional expertise incorporated in a financially robust and sustainable body. This expertise is essential to provide technical and social leadership and advice, and to ensure the safety, effectiveness and sustainability of global marine activities. This expertise is developed and recognised through our membership qualification, registration and professional development processes, through the maintenance of a body of technical information, and through professional and technical support. The IMarEST's own activities as a professional body are not considered to generate detriment or harm.

Membership

The IMarEST could not deliver its charitable purposes to the public benefit without its membership, and the membership subscriptions which are used to fund activities for public benefit. General membership of the IMarEST is open to the whole marine community and, through Affiliate membership, to any member of the public with an interest in marine affairs. Financial barriers to membership are minimised. Membership for students, apprentices, cadets and others in full-time education is free and a Graduate Pathway scheme is in place to offer discounts following graduation. Concessionary rates are in place for those living in certain countries, for those who have retired and for long-service members. Any member suffering financial hardship may apply for fees to be reduced or waived.

Fundraising

All solicitations are managed internally, without involvement of commercial participators, professional fundraisers or third parties and are focused on generating income to support delivery of our charitable purposes. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the Trustees. Fundraising income is presented in our accounts as "Donations". The Institute is aware of the UK Fundraising Regulator's guidance, has received no complaints in the year and is confident in its ability to comply.

Charity Commission Guidance

The IMarEST Board of Trustees confirms it has complied with the duty outlined in Part 2 of the Charities Act 2011 to have regard to guidance on public benefit published by the Charity Commission when exercising any powers or duties to which the guidance is relevant.

What we will do in 2023

MEMBERSHIP & PROFESSIONALISM

- In FY23 we shall continue to grow our registers across engineering, science and technology through IPD, CPD recognition and accreditation activities.
- We will continue to work closely with the Engineering Council and the Science Council to ensure all our membership and registration processes and operations are fit for purpose and meet the needs of applicants from the marine sector
- During FY23 we will continue to deliver academic and professional accreditations to organisations and universities across the world.
- Inspire, support and develop the next generation of marine professionals through a programme of relevant activity and encourage enrolment on the Graduate Pathway. In FY23 we will focus our efforts on supporting our existing student membership and in the generation of new student members at universities undergoing the accreditation process.
- We will continue to develop partnerships with governments and industry to promote professional development of their staff.

OPERATIONAL EXCELLENCE

- We will be working in FY23 to develop and update our IT estate, website and CRM to ensure maximum productivity and efficiency in delivering membership and business services.
- We will deliver financial targets and key performance measures as agreed by the Board of Trustees.

COMMUNITY & MEMBER ENGAGEMENT

- We will build upon the post-Covid successes of holding some events online, allowing a much wider international audience of both members and non-members to attend.
- We will run a series of high-quality events and workshops to lead on key technical issues and use a mix of in-person and online formats to create 'hybrid' events for greater accessibility.

Key events in the FY23 calendar:

- International Naval Engineering Conference (INEC)
- Annual Dinner
- IMarEST Annual Conference

Key events in the FY24 calendar:

- Oceans of Knowledge
- Engine As A Weapon Symposium X

- We will engage with the branches and SIGs, continuing to support them in delivering a range of services to members, including training them to deliver hybrid and online lectures and to record in-person meetings.
- We will provide increased opportunities for members to network and exchange information and expertise with other marine professionals locally and around the world
- Expand our support of and engagement with Student Sections and encourage the establishment of new Sections.

GROWTH THROUGH INNOVATION & RELEVANCE

- We will focus on working much more closely with our corporate clients to deepen our understanding of how we can support them. This will result in the further development of both our membership proposition and professional networking services which are help our clients with professional development and business in general. We will use this learning to build a wider portfolio of industrial clients in the marine and science sectors.
- We will further grow and commercialise our events programme
- We will work with Think Publishing to improve our portfolio of member content and open access content under the established Marine Professional brand, as well as sponsorship and advertising revenue.
- We will also continue to work with Witherby's Seamanship International on our existing book portfolio and seek further book publishing opportunities in FY23. Taylor & Francis will remain contracted to produce our two academic journals.

PUBLIC PROFILE & COMMUNICATIONS

- We will implement a PR strategy to improve media engagement and better communicate the work of the Institute for future growth.
- We will invest in media training for our senior spokespeople.

TECHNICAL LEADERSHIP

- We will use the expertise of our members to provide an invaluable public service, sharing impartial, scientific and engineering expertise with governing bodies to help them in evidence-based decision and policy making.
- We will ensure decisions that directly affect marine engineers, scientists and technologists and the way they undertake their work are communicated to members and ensure policymakers are developing reasonable regulation that can be implemented by our community.
- We will create a more “ocean literate” membership with a broader awareness across sectors and specialisms through our interdisciplinary content and magazine
- Deliver against our voluntary commitments to support the implementation of UN Sustainable Development Goal 14.

Financial review

The table below provides a high-level breakdown of income as shown in the consolidated statement of financial activities and notes to the financial statements.

	2022	2022	2021	2021
	£	%	£	%
Income from charitable activities	2,462,193	84.23	2,435,447	84.26
Investment income	401,855	13.75	422,420	14.62
Net income from associates	57,888	1.98	22,213	0.77
Donations and legacies	1,161	0.04	10,136	0.35
	<u>2,923,097</u>	<u>100.00</u>	<u>2,890,216</u>	<u>100.00</u>

The IMarEST’s overall financial position shows net movement in funds as follows:

	2022	2021
	£	£
Net deficit (excl.pension adjustment) prior to other gains (losses)	(125,409)	(158,188)
Pension Scheme Adjustment (Note 18)	254,000	194,000
Net income before recognised gains and losses	128,591	35,812
(Loss) gains on listed investments	(1,680,485)	747,516
Actuarial gains on defined benefit pension scheme liability	125,000	1,433,000
Loss arising from Memorabilia recognition (notes 8 & 9).	-	(107,730)
Foreign exchange losses on translation	(17,221)	(9,896)
	<u>(1,444,115)</u>	<u>2,098,702</u>

The underlying financial performance of the Institute continues on an improving trajectory, with a net deficit position of £125k (2021: £158k). The unprecedented market conditions as at 30 September 2022 have impacted the valuation of our investment portfolios, with a loss of £1,680k (2021: gain £747k). This valuation loss has not impacted cash received of £402k during the year (2021: 422k). The weakening of sterling against other currencies has led to a higher foreign exchange loss of £17k (2021: £10k). There has been an overall positive movement of £379k (2021: £1,627k) on the valuation of the Retirement Benefit Scheme deficit.

The Group balance sheet shows total net assets of £10,950k as follows:

	2022	2021
	£	£
Total net assets before pension scheme liability	12,708,941	14,532,056
Defined benefit pension scheme liability	(1,758,000)	(2,137,000)
	<u>10,950,941</u>	<u>12,395,056</u>

Charitable application

The table below provides a high-level breakdown of the application of funds to our charitable purposes as shown in the notes to the financial statements.

	2022	2022	2021	2021
	£	%	£	%
Membership Services	1,270,959	44.3	1,370,856	48.0
Technical Publications & Books	141,111	4.92	141,071	4.9
Conferences & Events	454,064	15.83	360,359	12.6
Marine Partners & Members Fees	283,165	9.87	159,220	5.6
Accreditation	172,520	6.01	105,589	3.7
Technical & Library	527,176	18.37	658,794	23.1
Awards	20,255	0.71	58,515	2.0
Totals	<u>2,869,250</u>	<u>100</u>	<u>2,854,404</u>	<u>100</u>

Cash and investment policy

The Institute's Royal Charter gives the Institute the power 'to invest the monies of the Institute not immediately required in or upon such investments or other property or other assets as the Trustees may think fit.' The Board of Trustees delegates day-to-day management of its investment portfolio to its investment managers and they act on a discretionary basis in accordance with the Statement of Investment Policy and Principle (SIPP) and benchmarks agreed with the Board of Trustees.

The Institute is following a strategy of predictable income using a selection of funds managed by Sarasin and Partners LLP (Sarasin). The SIPP and benchmarks are reviewed annually and adjusted as deemed necessary by the Board of Trustees. In the determination of benchmarks and the review of performance against these benchmarks the Trustees receive advice from an independent Investment Adviser.

The performance* against benchmark for the funds comprising the investment portfolio is given in the following table:

	Benchmark	Portfolio
Sarasin Income and Reserves Fund Class A Inc	-6.2%	-8.1%
Sarasin Endowments Fund Class A Inc	-18.0%	-18.1%

*performance is calculated 'net' of investment management fees and takes into account receipts and withdrawals from the portfolio during the period.

The Board of Trustees keeps under review the adequacy of the Treasury to fund immediate cash flow requirements, short-term capital projects and risk mitigation without jeopardising the invested reserves.

Total Return Accounting

On 18 September 2018 the Committee of Management of the Memorial Fund (a Permanent Endowment Fund) agreed to adopt a total return investment approach under section 105 of the Charities Act 2011 for the Memorial Fund and that its core value should remain set at £3,044,472 as shown on the Memorial Fund balance sheet for the year ending 30 September 2011. They further agreed that responsibility for the implementation and oversight of adopting a total return basis should be delegated to the Institute's Finance & Investment Committee.

Reserves and reserves policy

In addition to its operating funds (i.e. working capital in current and deposit accounts), the IMarEST maintains a variety of funds and investments with different aims and structures:

- a) **Restricted Funds.** The IMarEST retains two separate Restricted Funds:
 - ii. **The Awards and Scholarships Fund.** This was established from legacies and donations received over time and is used to fund rewards for excellence within the fields of Marine Engineering, Science and Technology, with any unexpended income being retained within the fund. At 30 September 2022 its value was £233k (2021: £283k). It is considered as a reserve for its specific purpose.
 - ii. **The Permanent Endowment Memorial Fund (PEMF).** This was created after the sale of the Mark Lane building from 25% of the net proceeds. It is governed by its own scheme rules, under which dividend income can be used for the charitable purposes of the Institute but the core capital value must be preserved. At 30 September 2022 its core value was £3.044M. The fund is managed on a Total Return basis (in accordance with Charity Commission guidance) wherein capital gain above the core value can be taken as income. The Fund can be considered as part of the reserves – but under normal circumstances only for income generation. At 30 September 2022 the total fund value, including unapplied total return was £3.68M (2021: £4.55M).
- a) **Unrestricted Funds (free reserves).** Further IMarEST investment assets are contained in an investment fund which may be utilized for the general financial needs and charitable purposes of the Institute. At 30 September 2022 its value was £8.63M (2021: £9.46M), and can be considered free reserves.

- b) **Designated Funds.** The Trustees have designated £167k (2021: £235k) of funds relating to tangible fixed assets and cash held overseas to reflect that these cannot easily be realised as cash to apply towards charitable purposes.

The IMarEST requires reserves for the following purposes:

- a) In order to preserve the medium and long-term interests of the charity.
- b) As a source of income to fund the IMarEST's charitable purposes and Retirement Benefit Scheme (RBS) Recovery Plan.
- c) As a contingency fund against recovery from maturing risks.
- d) To meet the mid-term capital requirements of the Institute.

The reserves policy is to maintain the Institute, Memorial and Awards & Scholarship Funds at the required level in order to provide income to support delivery of the Charitable Purposes and RBS Recovery Plan without eroding capital value. IMarEST have recently updated the strategic plan for the next three years, which will see investment in capability and infrastructure to support efficiencies and growth. The designated funds and current target value of £12-£13m of free reserves will be reviewed in due course.

At 30 September 2022 the value of IMarEST free reserves and designated funds as shown on the charity balance sheet is £8.5M (2021: £9.8M).

Pay policy for senior staff

The executive team of the Group direct and control the operation of the Group on a day to day basis. The remuneration of the entire executive team is reviewed and approved annually by the IMarEST Remuneration Committee. This Committee is chaired by the Vice Chair of the Board of Trustees. The Committee ensures arrangements are affordable and fair, and are designed to motivate and reward performance in the interest of the Group. Remuneration is benchmarked periodically using external surveys and data which includes both commercial and not-for-profit organisations.

Risk management

Risk management is embedded within the operations of the Group. Risk registers are regularly maintained by the executive, and reviewed by the trustees. Currently the most significant risks are:

Category	Risk	Mitigation
Compliance	Adherence to a broad range of regulatory and statutory obligations, including financial reporting, direct and indirect tax, employment laws, Charity Commission guidance, data protection etc.	Update operational procedures, seeking ISO9001 certification in FY23. Appropriate staff training and development to ensure we maintain appropriate skills and competencies in house, and supplement with external expertise where necessary.
People	As a small to medium sized business everything we do is highly dependent upon our volunteer network and our employees / executive. Post COVID the local employment market is very buoyant and there is a risk that we might lose key staff and their experience, impacting the business in the short to medium term	We have reviewed our HR processes including recruitment, development, succession planning and appraisal. We also undertake manager training and conduct regular staff opinion surveys. We have recently updated our pay and benefits package, and we will endeavour to remain an attractive employer.
Systems /Infrastructure	There is a risk that a lack of recent investment in our IT Systems and infrastructure might lead to a failure of the system and a loss of business continuity.	We have upgraded our Business Continuity and Disaster Recover systems to the cloud and we initiated a move to cloud-based Office 365 in FY22. We are about to embark on an IT Transformation Programme which will see us complete the move to the cloud and implement a new CRM system, website and member portal towards the end of the year.
Financial	Ability to meet defined benefit pension liabilities.	The 2020 valuation was agreed with the RBS Trustees in December 2021, setting an affordable level of contributions until the next valuation in 2023. IMarEST have historically been reliant on the income from Investment Assets to meet this obligation.
Financial	Ensuring that IMarEST's portfolio of activities are financially sustainable.	A new Strategic Plan has recently been finalised, and the 3 year financial plan targeting a move to operational surpluses is currently under review . A clear framework is used for bottom up budgeting, and forecasting. Internal project committees focus on customer engagement and product development in response to member feedback. Improving engagement with students/early career professionals is key to longevity.

Audit

Financial audit oversight is delegated to the Finance & Investment Committee. Operational and procedural audit matters are overseen directly by the Board.

Members

The role played by our members, who so generously volunteer their time and expertise to serve the IMarEST, cannot be overestimated. Their contribution is vital across a number of activities, including the Professional Review process by which individuals are assessed for qualification to membership, as accreditors, providing technical lectures, contributing to our publications, as representatives of the IMarEST, through branches, through SIGs (Special Interest Groups), our various Committees, the Council and the Board of Trustees. The IMarEST is very grateful for the contributions of members and recognises that without their efforts there could be no IMarEST.

Related parties and connected organisations

As detailed in note 9 to the financial statements, IMarEST has one fully owned subsidiary undertaking Marine Management (Holdings) Limited, a company registered (01100685) in England and Wales. Marine Management (Holdings) Ltd is the parent company of MAREST (S) PTE Limited and of Marine Exhibitions Limited. Marine Exhibitions Limited is currently not trading.

As at 30 September 2022, Marine Management (Holdings) Ltd held a 40% share in MLA College Ltd, a higher education provider, and a 30% share in Marine People Limited, a marine specialist recruitment agency. The shares in MLA College Ltd were sold on 16 December 2022.

The table below gives details of the composition of the Board of Directors of the companies identified above as at 30 September 2022.

Company	IMarEST Trustees	IMarEST Executive	External	Chair
Marine Management (Holdings) Limited	-	2	2	External
MLA College Ltd	-	1	5	External
MAREST (S) PTE Limited	-	1	2	Executive
Marine Exhibitions Limited	-	2	-	Executive
Marine People Limited	-	1	2	External

The Institute has a close working relationship with the Guild of Benevolence of the IMarEST, which is a separate and independent charity. The Institute provides certain services to the Guild for which charges are made based on the costs incurred by the Institute. The Honorary Treasurer and Secretary of the Institute are ex-officio members of the Guild's Committee of Management but the Institute has no overall control of the charity.

The Institute has historically had a close relationship with the Memorial Fund, which was a separate charity whose exclusive objects were to repair and maintain the property of the Institute, to advance education in engineering, science, and technology in the marine environment, and to advance the general charitable purposes of the IMarEST. Although it remains legally constituted as a separate charity, since July 2012 the Memorial Fund has been linked to the main Institute charity for registration and accounting purposes and no longer has a separate charity registration number. The Trustees of the Institute at any given time also serve as the trustees of the Memorial Fund.

In pursuance of its charitable objectives, the Institute has a working relationship through the joint branch arrangements with the Royal Institution of Naval Architects.

Structure, governance and management

Board of Trustees

The overall governance and control of IMarEST is managed by a Board of Trustees (the Board) whose members are the charity trustees of IMarEST. The Board is composed of the five Officers of the Institute plus between 9 and 15 other Trustees, of which at least six must be Council Trustees and at least three Non-Council Trustees. Council Trustees are appointed by Council and Non-Council Trustees are appointed by the Board itself. All Trustees receive an induction to IMarEST, along with an overview of the responsibilities of trustees. They are encouraged to attend training sessions during their tenure. The Chair of the Board is a Fellow of the IMarEST and appointed by the Board but need not be a member of either the Board or Council at the time of appointment. A Vice-Chair is selected by the Board from among its existing membership. The Board has three committees to focus on specific aspects of its work in detail: Nominations and Remuneration (both composed solely of Board members) and Finance & Investment, composed of Board members and, at the discretion of the Board, one or more individuals with specialist expertise who are not currently members of the Board. In addition, the Presidents' Advisory Committee, composed of past Institute presidents, is considered a Board committee.

Council

IMarEST Council manages the professional, learned society and technical affairs of the IMarEST on behalf of the Board. Appointed Members of Council are appointed by Council to three-year terms on the recommendation of the Nominations Committee. Elected Members of Council are elected to three-year terms by the Voting Members in the relevant electoral division. Both Appointed Members and Elected Members are eligible to serve two consecutive terms of office and there are currently four electoral divisions: Americas, ANZSPAC (Australia and New Zealand), Asia Pacific and EMEA (Europe, Mid East and Africa). The Honorary Treasurer is elected annually by Voting Members across all electoral divisions. The President of IMarEST serves as the Chair of Council as well as IMarEST's ambassador and is appointed to a one-year term by Council on the recommendation of the Presidents' Advisory Committee.

Council delegates the delivery of specific aspects of its work to its standing committees: Membership Committee, Professional Affairs and Education Committee (PAEC), Publications Supervisory Board (PSB) and Technical Leadership Board (TLB). Council must meet a minimum of twice each year and normally holds one face-to-face and two online/teleconference meetings during the year. All sessions were held virtually this year due to Covid restrictions.

Approved by the trustees and signed on their behalf on 7 March 2023 by:



Kevin Daffey

Chair of Board of Trustees



Martin Murphy

Honorary Treasurer

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the income and expenditure of the group and the charity for that period. In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in 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);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group and charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's Royal Charter. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by the trustees and signed on their behalf on 7 March 2023 by:



Kevin Daffey

Chair of Board of Trustees



Martin Murphy

Honorary Treasurer

Independent auditor's report to the trustees of the Institute of Marine Engineering, Science & Technology

Opinion

We have audited the financial statements of The Institute of Marine Engineering, Science and Technology ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 30 September 2022 which comprise the consolidated statement of financial activities, the consolidated and Parent Charity balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 30 September 2022 and of the Group's incoming resources and application of resources 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 Charities Act 2011.

Basis for opinion

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

Conclusions related to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Parent Charity'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 and Accounts 2022, other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Charity; or
- the information given in the trustees' annual report is inconsistent in any material respect with the accounts; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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:

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

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias;
- used data analytics to investigate the rationale behind any significant or unusual transactions; and
- tested authorisation controls on expenditure items, ensuring all expenditure was approved in line with the Group and Charity's financial procedures.

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

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

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

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

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

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Edward Finch (Senior Statutory Auditor)

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

Date: 7 March 2023

Consolidated Statement of Financial Activities

Year to 30 September 2022

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2022 £	Total funds 2021 £
Income						
Donations and legacies	1	161	1,000	–	1,161	10,136
Charitable activities	2	2,462,193	–	–	2,462,193	2,435,447
Investment income	3	264,703	8,629	128,523	401,855	422,420
Income from associates	3	57,888	–	–	57,888	22,213
Total income		2,784,945	9,629	128,523	2,923,097	2,890,216
Expenditure						
Charitable activities	4	2,850,128	19,122	–	2,869,250	2,854,404
Other expenditure						
Write down of investment in associates	6,12,19	(74,744)	–	–	(74,744)	–
Total expenditure		2,775,384	19,122	–	2,794,506	2,854,404
Net income (expenditure) before investment gains and losses						
		9,561	(9,493)	128,523	128,591	35,812
Loss on listed investments	9a	(1,019,569)	(40,662)	(620,254)	(1,680,485)	747,516
Net (expenditure) income		(1,010,008)	(50,155)	(491,731)	(1,551,894)	783,328
Transfers between funds	18	378,523	–	(378,523)	–	–
Net income before other recognised gains and losses		(631,485)	(50,155)	(870,254)	(1,551,894)	783,328
Actuarial gains (losses) on defined benefit pension scheme		125,000	–	–	125,000	1,433,000
Loss arising from memorabilia write down		–	–	–	–	(107,730)
Foreign exchange losses		(17,221)	–	–	(17,221)	(9,896)
Net movement in funds		(523,706)	(50,155)	(870,254)	(1,444,115)	2,098,702
Reconciliation of funds						
Total funds brought forward at 30 September		7,560,262	283,534	4,551,261	12,395,056	10,296,354
Total funds carried forward at 30 September		7,036,555	233,379	3,681,007	10,950,941	12,395,056

All income and expenditure was derived from continuing activities in the above periods and there are no recognised gains or losses other than those stated above.

Balance sheets

As at 30 September 2022

	Notes	Group		Charity	
		2022	2021	2022	2021
		£	£	£	£
Fixed assets					
Intangible assets					
. Goodwill	7	59,400	70,200	—	—
. Negative goodwill	7	—	(402,727)	—	—
Tangible assets	8	76,827	145,174	76,604	144,021
Investments	9	11,736,942	13,616,470	11,622,310	13,511,953
		11,873,169	13,429,117	11,698,914	13,655,974
Current assets					
Stock		—	3,788	—	3,788
Debtors	11	1,744,153	474,370	1,702,279	438,224
Cash at bank and in hand		459,036	308,798	406,572	282,640
		2,203,189	786,956	2,108,851	724,652
Creditors: amounts falling due within one year	13	(1,367,417)	(1,268,479)	(1,301,668)	(1,226,880)
Net current assets (liabilities)		835,772	(481,523)	807,183	(502,228)
Debtors: amounts due after one year	12	—	1,584,462	45,086	1,667,499
Net assets before pension liability		12,708,941	14,532,056	12,551,183	14,821,245
Defined pension scheme liability	17	(1,758,000)	(2,137,000)	(1,758,000)	(2,137,000)
Total net assets		10,950,941	12,395,056	10,793,183	12,684,245
Funds and reserves					
Permanent endowment funds	10	3,681,007	4,551,261	3,681,007	4,551,261
Restricted funds		233,379	283,533	233,379	283,533
Unrestricted funds					
. Designated funds	18	167,320	235,577	167,007	235,577
. General funds	18	8,627,235	9,461,685	8,469,790	9,750,874
. Pension reserve	17	(1,758,000)	(2,137,000)	(1,758,000)	(2,137,000)
Total funds	18	10,950,941	12,395,056	10,793,183	12,684,245

The accompanying accounting policies and notes form an integral part of these financial statements. The financial statements on pages 22 to 48 were approved by the trustees on 21 February 2023 and signed on their behalf by:



Kevin Daffey
Chair of Board of Trustees



Martin Murphy
Honorary Treasurer

Consolidated statement of cash flows

Year to 30 September 2022

	2022 £	2021 £
Cash flows from operating activities		
Net movement in funds for the year before other recognised gains and losses	(1,551,894)	783,328
Adjustments for		
Depreciation charges tangible assets	76,062	80,298
Amortisation charges intangible assets	10,800	10,800
Write back of negative goodwill	(402,727)	-
Decrease in stock	3,788	226
Increase in debtors due within one year	(1,269,783)	(57,131)
Decrease in debtors due in more than one year	1,584,462	32,938
Increase (decrease) in creditors	98,938	(111,285)
DB pension charge contributions net of interest expense	(254,000)	(194,000)
Dividends and investment income receivable	(401,855)	(422,420)
Net income from associates	(57,888)	(22,213)
Gains on listed investments	1,680,485	(747,516)
Foreign exchange losses	(17,221)	(9,896)
Net cash used in operating activities	(500,833)	(656,871)
Cash flows from investing activities		
Dividend received from investments	449,712	462,420
Purchase of property, plant and equipment	(7,715)	(9,069)
Proceeds from sale of listed investments	250,000	456,400
Purchase of listed investments	(6,606)	(8,589)
Net cash provided by investing activities	685,391	901,162
Change in cash and cash equivalents in the reporting period	184,558	244,291
Cash and cash equivalents at 1 October	378,211	133,920
Cash and cash equivalents at 30 September	562,769	378,211
Analysis of cash and cash equivalents		
Cash at bank and in hand	459,036	308,798
Cash held by investment managers	103,733	69,413
Total cash and cash equivalents	562,769	378,211

The Group holds no external loans. There is therefore no difference between the changes in cash and cash equivalents and the changes in net debt.

Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation

The Financial Statements have been prepared in accordance with the Charities SORP (FRS 102), Accounting and Reporting by Charities: A 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) and the Charities Act 2011. The statements have been prepared under the historic cost convention, with the exception that investments, memorabilia and historic assets are included at market value. The financial statements are rounded to the nearest £.

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

The trustees consider that there are no material uncertainties about the Group and Charity's ability to continue as a going concern. In making their assessment, the trustees have considered the impact that the Covid-19 pandemic has had on the Group and Charity and its beneficiaries.

Basis of consolidation

The accounts consolidate those of the Charity and its wholly owned non-charitable trading subsidiaries: Marine Management (Holdings) Limited, MAREST (S) Pte Limited and Marine Exhibitions Ltd. Marine Exhibitions Ltd did not trade during the year. On 30 June 2019, 60% of MLA College Ltd was sold. MLA College Ltd has been treated as an associate from this date. Intra-group transactions are eliminated in full.

As a result of a direction issued by the Charity Commission in July 2012, The Institute of Marine Engineering, Science and Technology Memorial Fund (the Memorial Fund) was linked with the funds of the Institute.

In the year ended 30 September 2006, the Stanley Gray Awards and The Institute of Marine Engineers Scholarship Fund merged with the Donald Maxwell Fund. Donald Maxwell Fund was linked, under a Charity Commission direction, with the funds of the Institute. The resulting linked charity is referred to as the Awards and Scholarship Fund. The Scholarship fund was enhanced by a generous injection of funds in respect of the John Blackburn Main Trust in 2007.

The Memorial Fund and The Awards and Scholarship Fund remain subject to their trusts and the terms under which they were given. The separate charity balance sheet and its related notes include these two funds.

Income

Income is recognised in the period in which the group and the charity has entitlement to income, the amount of the income can be measured reliably and it is probable that the income will be received.

Donations and legacies

Income from donations and legacies is included once the Charity is informed of an entitlement and that there is a probable assurance of receipt. Unless the legacies or donor specifies conditions of receipt, the income is included in the general fund.

Charitable activities

Subscriptions are recognised on an accruals basis. Receipts received in advance of the membership period are held as deferred income. Income is recognised using the stage of completion method and on-going tutorial support is considered to be immaterial. Income generated from consultancy is recognised over the life of the project. Income from technical journals subscriptions and events are recognised in the year it relates to, with payments in advance held as deferred income.

Investment income and interest

Income receivable on deposits and investments is recognised when received. Income from permanently endowed investments is calculated on a total return basis (see note 9).

Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the subsidiary charity.

VAT – Recoverable and irrecoverable

The Institute is regarded as partially exempt under HM Revenue & Customs rules and, therefore is unable to reclaim all the Input VAT it incurs. Where irrecoverable VAT is incurred, it is charged against the category of resources expended for which it was incurred. MAREST (S) Pte Limited is not required to register for Goods and Services Tax as income is under the required threshold.

Allocation of overheads

Where costs cannot be directly attributed to a particular charitable activity, costs are allocated using the best judgement. The allocation of overhead costs is analysed in note 4.

Governance costs

Governance costs have been analysed to show the cost of running the Charity, including strategic planning for its future development, legal advice for the Board of Trustees or Council. All the costs of complying with constitutional and statutory requirements, such as the costs of the Board of Trustees and Council meetings, and of preparing statutory accounts and satisfying public accountability, are allocated to charitable activity using best judgement.

Operating leases

Lease commitments are charged in the statement of financial activities on a straight-line basis over the lease term. Details of the lease commitments are shown in note 14.

Pension costs

The Institute's staff pension scheme incorporates a final salary section and a stakeholder section. The assets of the scheme are held separately from those of the Institute in an independently administered fund. The final salary section of the scheme was closed to new members on 5 April 2002. At that date, the final salary section, which previously was a non-contributory scheme, became a contributory scheme with active members paying 7% of their gross salary.

The final salary section of the pension scheme is accounted for in accordance with FRS 102 section 28 'Retirement Benefits'. The service cost of pension provision relating to the year, together with the cost of any benefits relating to past service if the benefits have vested, is charged to the statement of financial activities. A charge equal to the increase in the present value of the scheme liabilities (because the benefits are closer to settlement) and a credit to the Group's long term expected return on assets (based on the market value of the scheme assets at the start of the year), are also included in the statement of financial activities.

The difference between the market value of the assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability on the balance sheet. Any differences between the actual and expected return on assets during the year are recognised in the statement of financial activities along with the difference arising from experience or assumption changes.

Contributions to the stakeholder section of the pension scheme are charged to the statement of financial activities in the year in which they become payable.

More information about the pension scheme is provided in note 17 to the financial statements.

Intangible assets

Intangible assets comprise the following:

- Goodwill arising on the acquisition of a 30% interest in Marine People Limited.
- The negative goodwill arising on the partial disposal and retention of a 40% interest in MLA College Ltd. This has been written back in full during the year ended 30 September 2022.

Amortisation is charged on a straight line basis over 10 years. The impairment of intangible assets is considered annually, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and provision made when necessary.

Tangible assets

Leasehold property - Leasehold premises and associated acquisition costs are stated at cost. Depreciation is provided to write off the cost of the leasehold premises over the initial 5-year term of the lease.

Other tangible fixed assets - Assets with a value under £250 are not capitalised and all assets are assessed for signs of impairment at each Balance Sheet date.

Depreciation is provided to write off the cost, less estimated residual values, of other tangible fixed assets over their expected useful lives. Fixtures, fittings and equipment are depreciated on a straight-line basis each year at rates between 20% and 33%.

Memorabilia - The Institute holds a collection of heritage assets which relate to the history of the Institution itself and the wider history of Marine Engineering, Science and Technology. Part of the collection is on loan to the South Shields Marine School. No depreciation is provided on the memorabilia and historic assets. Revaluation of these assets will be considered annually and subject to receiving a reliable valuation at a cost commensurate with the benefit to the users of the accounts and to the IMarEST, any increase or decrease in value of the assets from one year to the next will be treated as an unrealised gain or loss.

Investments

Investments in listed stocks and shares are stated at market value at the balance sheet date. Realised and unrealised gains on investments during the year are taken to the fund in which the investments are held. Any increase or decrease in the value of the assets from one year to the next is treated as an unrealised gain or loss.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and either the opening market value or the purchase cost if investments are purchased in the year. Unrealised gains and losses are calculated as the difference between the market value at the year-end and either the opening market value or the purchase cost if investments are purchased in the year. Realised and unrealised gains are not separated in the statement of financial activities.

At 30 September 2022, the Group had a 30% shareholding in Marine People Limited and a 40% share in MLA College Ltd. In accordance with FRS 102, these associates have been accounted for using the equity method.

Taxation

The Institute of Marine Engineers, Science and Technology is a registered Charity and accordingly is exempt from taxation on its charitable activities.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Foreign currency

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date. Any differences are taken to income and expenditure in the statement of financial activities.

The results of overseas operations are translated at the average rates of exchange during the year and the balance sheet translated into sterling at the rates of exchange ruling on the balance sheet date. Exchange differences which arise from translation of the opening net assets and results of foreign subsidiary undertakings are taken to other recognised gains and losses in the statement of financial activities.

Funds

Where income is received, which is subject to donor-imposed restrictions on its future use it is credited to restricted funds in the statement of financial activities. Expenditure of the resources for the specified purpose is charged to the restricted fund, and any balances of unexpended income are carried forward as restricted funds on the Balance Sheet. Where funds received are to be retained as permanent endowment, these are identified separately as endowment funds.

Where the Board of Trustees identifies a need to allocate funds for specific purposes, these funds are shown as designated funds in the balance sheet. Such funds are unrestricted as their designation is at the discretion of the Board of Trustees. All funds other than restricted funds and designated funds are regarded as free reserves and are called other unrestricted funds. Where funds previously designated are no longer required, they are transferred to other unrestricted funds.

Debtors, cash and creditors

Debtors – trade and other debtors are recognised at the settlement amount due after any trade discount offered. Amounts due are initially recognised at fair value and subsequently at amortised cost using the effective interest method where the effect of discounting is material. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand – Cash at bank and cash 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.

Creditors and provisions – Creditors and provisions are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Accounting estimates and judgements

In preparing the accounts, the trustees are required to make estimates and judgements. The matters detailed below are considered to be the most important in understanding the judgements that are involved in preparing the accounts, and the uncertainties that could impact the amounts reported.

Income recognition – a significant portion of the Group’s income is earned over a period of time following invoice. This includes membership subscriptions, registration fees for qualifications and annual centre fees. Income is allocated to each accounting period in accordance with accounting policy. The setting of the recognition methods and periods is an area where judgement is applied, and this is undertaken by reference to product definitions, and individual sales contracts.

Income and cost allocation to charitable purpose – the allocation of income and costs to charitable purposes is an area where judgement is applied and this is undertaken by reference to knowledge of the activities undertaken and to historic data trend.

Actuarial assumptions in respect of defined benefit pension scheme – the application of actuarial assumptions relating to the Institute’s defined benefit pension scheme is incorporated in the accounts in accordance with FRS 102. In setting the assumptions, advice is taken from independent qualified actuaries. These assumptions require significant judgement to be exercised with regard to such areas as future changes in salary and inflation, mortality rates and long-term discount rates.

Overseas bank accounts – there are cash balances in some overseas bank accounts that are difficult to access. The total of these balances at the end of the year was £64K. A full provision has been made against these amounts on the basis that some, if not all, of these balances would be recovered in due course. The provision was increased by £22k in the current year.

Recoverability of amounts owed from MLA – Up until 30 June 2019 MLA was a wholly owned subsidiary of the Group. At this date, 60% was sold to BAU Limited. While fully owned, the IMarEST provided financial assistance to MLA in the form of loans. Since the partial disposal, the IMarEST continued to provide financial assistance and charged MLA for the services of seconded staff. As a condition of this sale, the purchaser made guarantees of repayment of £800,000 of the loan. As with any debt, the trustees have considered the recoverability of the remaining amounts owed to the Institute. The remaining shareholding was sold on 16 December 2022. The fair value of the debt as at 30 September 2022 matches the proceeds received of £1,320k as per the terms of this latest sale agreement.

Notes to the Financial Statements

1 Donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations	161	1,000	1,161	136	10,000	10,136

2 Income from charitable activities

	Unrestricted and total funds 2022 £	Unrestricted and total funds 2021 £
Membership services	1,987,080	1,923,984
Technical Publications & Exhibitions	63,666	114,232
Conferences & functions	156,861	129,525
Marine Partners & members fees	70,021	64,011
Accreditation	133,530	59,419
Technical & Library	20,779	46,370
Support services	30,256	97,906
	2,462,193	2,435,447

3 Investment income

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2022 £
Listed investments	264,508	8,629	128,523	401,660
Interest income	195	—	—	195
	264,703	8,629	128,523	401,855
Income from associates	57,888	—	—	57,888
	322,591	8,629	128,523	459,743

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total Funds 2021 £
Listed investments	263,786	8,587	150,026	422,399
Interest income	21	—	—	21
	263,807	8,587	150,026	422,420
Income from associates	22,213	—	—	22,213
	286,020	8,587	150,026	444,633

4 Expenditure on charitable activities

	Direct costs	Support costs	Total 2022	Direct costs	Support costs	Total 2021
	£	£	£	£	£	£
<i>Membership services</i>	589,779	681,180	1,270,959	531,521	839,335	1,370,856
<i>Technical Publications & Books</i>	53,848	87,263	141,111	42,378	98,693	141,071
<i>Conferences & events</i>	208,193	245,871	454,064	108,253	252,106	360,359
<i>Marine Partners & members fees</i>	49,044	234,121	283,165	47,830	111,390	159,220
<i>Accreditation</i>	41,900	130,620	172,520	31,719	73,870	105,589
<i>Technical & Library</i>	145,936	381,240	527,176	201,101	456,693	658,794
<i>Awards</i>	20,255	-	20,255	58,515	-	58,515
	<u>1,108,955</u>	<u>1,760,295</u>	<u>2,869,250</u>	<u>1,022,317</u>	<u>1,832,087</u>	<u>2,854,404</u>

All of the above expenditure relates to expenditure on unrestricted funds, with the exception of Awards Expenditure, where £19,122 was restricted (2021: £24,161).

Support costs above consist of:

	2022	2021
	£	£
Staff costs	753,384	937,048
Office costs	106,564	74,653
Governance costs	40,787	39,867
Other costs	859,562	780,519
	<u>1,760,295</u>	<u>1,832,086</u>

Other costs comprise Estates, IT, Marketing, Finance and HR.

5 Staff costs

	2022	2021
	£	£
Wages and salaries	1,106,257	1,282,798
Social security costs	126,899	155,708
Ordinary pension costs	96,886	111,724
	<u>1,330,042</u>	<u>1,550,230</u>

Wages and salaries above includes £nil redundancy costs.

The average number of employees during the year was allocated as follows (based on estimated time spent on activities in the year on each charitable activity).

	2022	2021
	No.	No.
Membership services	3	3
Technical Publications & Books	1	1
Conferences & events	1	2
Marine Partners & members fees	1	1
Accreditation	2	2
Technical & Library	2	3
Support	10	11
Total	20	23

The number of staff whose total emoluments (excluding employer's pension contribution and employer's national insurance) for the year was over £60,000 is as follows

	2022	2021
	No.	No.
£ 60,001 - £ 70,000	2	2
£ 70,001 - £ 80,000	1	1
£ 80,001 - £ 90,000	1	–
£100,001 - £110,000	1	1
£120,001 - £130,000	–	1
£130,001 - £140,000	–	1
£140,001 - £150,000	1	–

Employer pension contributions in respect of the above higher earners were as follows:

	2022	2021
Contributions to defined contribution schemes, £	57,378	48,612
Number of individuals	6	4

Key management personnel and trustees expenses

Key management personnel during the year comprise the members of the board of trustees, the Chief Executive, , the Finance and Commercial Director, the Sales and Business Development Director, Head of Business Systems and Transformation, Head of Technical, Policy & Content, Head of Marketing & Communications, Head of Membership, and Institute Assistant Secretary.

The total remuneration of key management personnel was £804K (2021: £738K). An internal restructure of key management personnel occurred during the year.

No trustees were remunerated for their role as trustee.

Expenses were reimbursed to the trustees when they were claimed in accordance with the appropriate rules governing the payment of expenses.

	<u>2022</u>	<u>2021</u>
Total expenses claimed, covering travel, subsistence and hotel expenses, £	<u>4,965</u>	-
Expenditure reimbursed relating to events, £	<u>4,090</u>	-
Total claim	<u>9,055</u>	-
No. of trustees reimbursed	<u>7</u>	-

During the year the IMarEST did not receive any donations from the trustees (2021: £nil).

6 Related party transactions

The following transactions and balances occurred between the Charity or its wholly owned subsidiaries and other non-wholly owned undertakings.

- *MLA College Ltd (MLA)*: The charity charged the company £Nil (2021: £62,885) for seconded staff, and received credit notes of £14,456 (2021: £5,823). As at 30 September 2022 MLA owed the Group £1,835,491 (2021: £1,849,947), which has been recorded in these financial statements at its recoverable amount of £1,320,000 (see note 12).

The shareholding was sold on 16 December 2022 as detailed in note 19. The table below details the charge to the SOFA for the current financial year in relation to the value of this associate.

Item	£
Accelerated amortisation of negative goodwill (Note 7)	402,727
Write down of debt in year	(250,006)
Associated legal and professional fees incurred	(77,977)
Total credit to statement of financial activities	<u>74,744</u>

- *Marine People Limited*: Dividends totalling £47,857 were received (2021: £40,000) and costs of £5,000 were paid for recruitment services (2021: £Nil). All balances were settled at the year-end.
- *Marine Management (Holdings) Limited (MM(H))*: There was an outstanding account between IMarEST and MM(H) of £27,143 (2021: £65,000). This had arisen following a loan to fund investments in MLA and Marine People.

Other than the above, there were no related party transactions.

7 Intangible fixed assets

Group

	Goodwill		Total £
	Marine People Limited £	Marine Learning Alliance £	
Cost			
At 1 October 2021	108,000	(402,727)	(294,727)
At 30 September 2022	<u>108,000</u>	<u>(402,727)</u>	<u>(294,727)</u>
Amortisation			
At 1 October 2021	37,800	–	37,800
Charge for year	<u>10,800</u>	<u>(402,727)</u>	<u>(391,927)</u>
At 30 September 2022	<u>48,600</u>	<u>(402,727)</u>	<u>(354,127)</u>
Net book values			
At 30 September 2021	70,200	(402,727)	(332,527)
At 30 September 2022	<u>59,400</u>	<u>-</u>	<u>59,400</u>

At 30 September 2021, the goodwill of the 40% share in MLA was negative £402,727. As detailed in Note 12 and Note 19, an adjustment has been made in the accounts to reflect a sale of shares and debt which was completed in the following year. Accelerated amortisation has been charged for the negative goodwill which had previously arisen due to trading losses.

The Charity does not have any intangible assets.

8 Tangible fixed assets

Group

	Leasehold acquisition costs £	Furniture, fixtures and fittings £	Business systems and equipment £	Total £
	£	£	£	£
Cost or valuation				
At 1 October 2021	9,250	363,848	928,775	1,301,873
Additions	–	–	7,716	7,716
Disposals	–	–	(298,401)	(298,401)
At 30 September 2022	<u>9,250</u>	<u>363,848</u>	<u>638,090</u>	<u>1,011,187</u>
Depreciation				
At 1 October 2021	7,403	311,631	837,665	1,156,699
Charge for year	1,517	45,173	29,372	76,062
Depreciation on disposals	–	–	(298,401)	(298,401)
At 30 September 2022	<u>8,920</u>	<u>356,804</u>	<u>568,636</u>	<u>934,360</u>
Net book values				
At 30 September 2021	1,847	52,217	91,110	145,174
At 30 September 2022	<u>330</u>	<u>7,044</u>	<u>69,454</u>	<u>76,827</u>

Charity

	Leasehold acquisition costs £	Furniture, fixtures and fittings £	Business systems and equipment £	Total £
Cost or valuation				
At 1 October 2021	9,251	363,848	920,604	1,293,703
Additions	-	-	7,716	7,716
Adjustments	(1)	-	-	(1)
Disposals	-	-	(298,401)	(298,401)
At 30 September 2022	<u>9,250</u>	<u>363,848</u>	<u>629,919</u>	<u>1,003,017</u>
Depreciation				
At 1 October 2021	7,403	310,196	832,083	1,149,682
Charge for year	1,517	45,173	28,442	75,132
Depreciation on disposals	-	-	(298,401)	(298,401)
At 30 September 2022	<u>8,920</u>	<u>355,369</u>	<u>562,124</u>	<u>926,413</u>
Net book values				
At 30 September 2021	1,848	53,652	88,521	144,021
At 30 September 2022	<u>330</u>	<u>8,479</u>	<u>67,795</u>	<u>76,604</u>

All tangible fixed assets are held at cost.

The Institute also holds a collection of heritage assets which relate to the history of the Institution itself and the wider history of Marine Engineering, Science and Technology. Part of the collection is on loan to the South Shields Marine School.

Due to the fact that reliable cost information or comprehensive valuations are not readily available for these assets, and that such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the IMarEST, the values were written down to £nil in FY21 and are retained at that value.

The Trustees recognise the importance of the collection, which they will continue to maintain, and will recognise any expenditure which is required to preserve or prevent deterioration of individual collection items in the income and expenditure account when it is incurred. Expenditure in the current year totals £Nil (2021: £2,650).

9 Investments

	Note	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Listed investments	a	11,592,394	13,481,953	11,592,310	13,481,953
Investments in associates	b	144,548	134,517	-	-
Subsidiary undertakings	c	-	-	30,000	30,000
Works of art	d	-	-	-	-
		<u>11,736,942</u>	<u>13,616,470</u>	<u>11,622,310</u>	<u>13,511,953</u>

a) Listed investments

Group & Charity	2022 £	2021 £
Market value at 1 October	13,412,540	13,112,835
Additions at cost	6,606	8,589
Disposals (proceeds £250,000; gain £35,429)	(214,571)	(431,136)
Net unrealised(losses) gains on revaluation	(1,715,914)	722,252
Market value at 30 September	11,488,661	13,412,540
Cash held with investment managers	103,733	69,413
Total listed investments	11,592,394	13,481,953
Cost at 30 September	11,621,548	11,829,703

b) Investments in associates

Group	Marine People Limited £	Marine Learning Alliance £	2022 £
At 1 October 2021	54,517	80,000	134,517
Net income from associates	57,889	—	57,889
Adjustments to carrying value	<u>(47,857)</u>	<u>—</u>	<u>(47,857)</u>
At 30 September 2022	<u>64,549</u>	<u>80,000</u>	<u>144,549</u>

Marine People Limited is a company registered in England and Wales (Company Registration No. 10632568). The company is a marine specialist permanent recruitment agency. Marine Management (Holdings) Limited has 30% ownership of Marine People Limited. During the financial year ending 30 September 2022, the Group received a £47,857 dividend from the company (2021: £40,000).

MLA College Ltd is a company registered in England and Wales (Company Registration No. 09188277). The company is a provider of marine related e-learning. Marine Management (Holdings) Limited has 40% ownership of MLA College Ltd. The shareholding was sold in December 2022. Notes 7, 12 and 19 provide further information.

c) Subsidiary undertakings

The following subsidiaries are part of the Group.

Name	Nature of business	Parent	Holding	Share capital, £	Address of registered office
Marine Management (Holdings) Limited (MM(H))	Holding Company	IMarEST	100%	30,000	1 Birdcage Walk, London, England, SW1H 9JJ
MAREST (S) PTE Limited	Membership	MM(H)	100%	26,548	16 Raffles Quay, #33-03 Hong Leong Building, Singapore
Marine Exhibitions Limited	Events	MM(H)	100%	10,000	1 Birdcage Walk, London, England, SW1H 9JJ

A summary of the results of each entity is shown below. Marine Exhibitions Limited was dormant in the current and preceding period, and the share capital remains unpaid.

	Marine Management (Holdings) Limited (MM(H))		MAREST (S) PTE Limited	
	2022	2021	2022	2021
	£	£	£	£
Total income	47,858	40,000	153,569	159,276
Cost of sales	-	-	-	-
Other operating expenses	(1,538)	(4,066)	(154,899)	(154,398)
Profit before tax	46,320	35,934	(1,857)	4,878
Taxation	-	-	-	-
Retained profit (losses) for the year	46,320	35,983	(1,330)	4,878
Retained profit (losses) at 30 September	184,407	138,087	(26,867)	(25,537)

Marine Management (Holdings) Limited

Marine Management (Holdings) Ltd, a company registered (Company registration 01100685) in England and Wales is the parent company of MAREST (S) PTE Ltd and Marine Exhibitions Ltd. The IMarEST is the ultimate parent company, owning the entire share capital of Marine Management (Holdings) Ltd. This company itself did not trade during the year, the board maintains its duties as the parent to MAREST (S) PTE Ltd and Marine Exhibitions Ltd and its reported expenditure consists of minor administration/filing charges.

MAREST (S) PTE Limited

MAREST (S) PTE Limited, incorporated on 13 August 2012, is registered in Singapore (201220044C) and is a 100% subsidiary of Marine Management (Holdings) Ltd. The IMarEST owns the entire share capital of Marine Management (Holdings) Limited, a company registered in England and Wales. The principal activity of the company is support for the delivery of IMarEST's charitable purposes in the Asia Pacific region.

Marine Exhibitions Limited

Marine Exhibitions Ltd was incorporated on 25 September 2014 (Company registration 09235513). It is a 100% owned subsidiary of Marine Management (Holdings) Limited, of which the IMarEST owns the entire share capital. The principal activities of the company are those relating to the delivery of conferences, exhibitions and symposia. The company did not trade during the financial year.

d) Works of art

As detailed in note 8, the Trustees have concluded that reliable cost information or comprehensive valuations are not readily available for these assets, and such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the IMarEST. Therefore, they were written down to £nil in 2021 and are retained at that value.

10 Statement of total returns

	Endowment £	Unapplied Total Return £	Total Funds 2022 £	Total Funds 2021 £
30 September 2021				
Permanent Endowment	3,044,472	-	3,044,472	3,044,472
Unapplied total return	-	1,506,789	1,506,789	1,546,406
	3,044,472	1,506,789	4,551,261	4,590,878
Movements in the reporting period:				
Investment return: dividends and interest	-	128,523	128,523	150,026
Investment return: realised and unrealised (losses) gains	-	(620,254)	(620,254)	120,383
	-	(491,731)	(491,731)	270,409
Unapplied total return allocated to income in the reporting period	-	(378,523)	(378,523)	(350,026)
Net movements in reporting period	-	(870,254)	(870,254)	(79,617)
30 September 2022				
Permanent Endowment	3,044,472	-	3,044,472	3,044,472
Unapplied total return	-	636,535	636,535	1,466,789
	3,044,472	636,535	3,681,007	4,551,261

The total return allocated to income in the period was transferred to the general funds of the Institute.

11 Debtors due within one year

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade debtors	33,139	77,594	16,380	66,123
Other debtors	81,149	203,491	72,565	195,148
Prepayments	88,093	141,394	77,071	137,768
Amount due from associates	1,320,000	-	1,320,000	-
Accrued income	221,772	51,891	216,263	39,185
	1,744,153	474,370	1,702,279	438,224

12 Debtors due in more than one year

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
Amount due from group undertakings	-	-	37,142	83,087
Amount due from associates	-	1,584,462	7,944	1,584,462
	-	1,584,462	45,086	1,667,499

Due to the post year end sale of the Group's interest in MLA College (note 19) the debt previously due to be recovered over multiple years has been reclassified as due within one year. The debt, which was previously discounted to its net present value, has been adjusted to its recoverable amount. The below table summarises total value of the associated debt in the current and prior year at the values recorded in these financial statement.

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
Amounts due from Associates within one year	1,320,000	-	1,320,000	-
Amounts due from Associates in more than one year	-	1,584,462	-	1,584,462
	1,320,000	1,584,462	1,320,000	1,584,482

13 Creditors: amounts falling due within one year

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
Trade creditors	114,641	145,187	107,865	138,579
Other creditors	211,675	231,791	212,001	231,791
Tax and National Insurance	35,173	38,126	32,703	35,786
Accruals	530,326	287,945	518,610	269,811
Members' subscriptions in advance	358,740	451,111	358,740	451,111
Other deferred income	116,862	114,319	71,749	99,802
	1,367,417	1,268,479	1,301,668	1,226,880
Deferred income movement				
Balance at 1 October	565,430	479,714	550,913	462,656
Amount released in the year	(565,430)	(479,714)	(462,656)	(462,656)
Amount deferred in the year	475,602	565,430	430,489	550,913
Balance at 30 September	475,602	565,430	518,746	550,913

14 Operating lease commitments

Group	2022		2021	
	Property	Other	Property	Other
	£	£	£	£
Within one year	64,546	2,589	165,938	3,369
Between one and two years	–	2,917	61,375	1,933
Between two and five years	–	7,229	–	5,800
	64,546	12,735	227,313	11,102

Of the above commitments, £40,693 (2021: £174,466) relate to the Charity. As at 30 September 2022, the lease for the charities head office was nearing the end of its term. We have signed a heads of terms for a new lease until 31 March 2024.

15 Capital Commitments

The Group and Charity had no capital commitments as at 30 September 2022 (2021: £Nil).

16 Auditors' remuneration

Remuneration payable to the group auditor was as follows:

	Group	Group	Charity	Charity
	2022	2021	2022	2021
	£	£	£	£
Financial statements audit current year	31,773	30,448	29,295	29,324
Financial statements audit prior year	3,000	(1,995)	3,000	-
HR Services	4,900	-	4,900	-
VAT & Tax Advice / Services	600	4,850	-	3,600
	40,273	33,303	37,195	32,924

17 Pension schemes

The Group operates a defined benefit and a defined contribution pension scheme. The defined benefit scheme was closed to new entrants and to future service accrual on 5 April 2002. The defined contribution pension scheme was introduced on 5 April 2002 for the benefit of all staff.

The Institute's total contributions to the defined benefit scheme were £300,000 (2021: £250,000).

Defined benefit pension scheme

In preparing these financial statements, the Institute has fully complied with the Financial Reporting Standard 102: "Retirement Benefits" issued by the Accounting Standards Board.

Benefits under the IMarEST Retirement Benefits Scheme (RBS) are based on employees' final remuneration and length of service. All assets of the scheme are held separately from those of the Institute in independently administered funds. The pension expense charged to the statement of financial activities makes no allowance for actuarial gains and losses during the year.

The RBS is in deficit and a recovery plan agreed with the Trustees of the RBS every three years.

In addition to the £300,000 contribution, administrative and other expenses of the scheme and the Pension Protection Fund levy are paid separately by the Institute. These costs amounted to £121,836 (2021: £121,836)

In preparing these financial statements, the Institute has fully complied with the Financial Reporting Standard 102: "Retirement Benefits" issued by the Accounting Standards Board.

The actuary has computed the following information with respect to the financial position of the scheme as at 30 September 2022:

Group and charity	2022 £'000	2021 £'000
Fair value of scheme assets	8,460	13,473
Defined benefit obligation	(10,218)	(15,610)
Net defined benefit (liabilities) assets	(1,758)	(2,137)
Restriction on asset recognised at year end	–	–
Net amount recognised at year end	(1,758)	(2,137)

The amount recognised in the Statement of Financial Activities was:

	2022 £'000	2021 £'000
Interest cost	(40)	(56)
Current and past service cost	–	–
Total recognised in income and expenditure	(40)	(56)
Return on scheme assets	(5,051)	392
Actuarial gains (losses)	5,176	1,041
Total amount recognised in statement of financial activities	85	1,377

Changes in the value of scheme assets were as follows:

	2022 £'000	2021 £'000
At start of the year	13,473	12,998
Benefits paid	(526)	(365)
Administrative expenses	(6)	
Contribution from the employer	300	250
Interest income (expense)	270	198
Return on assets	(5,051)	392
At end of the year	8,460	13,473

Changes in the value of scheme liabilities were as follows:

	2022 £'000	2021 £'000
At start of the year	(15,610)	(16,762)
Benefits paid	526	365
Interest income (expense)	(310)	(254)
Past service cost (expense)	–	–
Actuarial gains (losses)	5,176	1,041
At end of the year	(10,218)	(15,610)

The major categories of scheme assets are as follows:

	2022		2021	
	£'000	%	£'000	%
Return Seeking funds	6,705	79	9,153	68
Fixed Interest Gilts	512	6	1,414	10
Index Linked Gilts	102	1	790	6
Hybrid gift fund	821	10	2,132	16
Cash	320	4	(16)	—
	8,460	100	13,473	100

Principal actuarial assumptions used:

	2022	2021
	%	%
Discount rate	5.23	2.02
Inflation assumption – Retail price inflation	3.67	3.42
Inflation assumption – Consumer price inflation	2.87	2.62
Revaluation of deferred pensions – Deferred revaluation	3.67	3.42
Increase for pension payment		
. Benefits accrued prior to 1 October 1999	5.00	5.00
. Benefits accrued after 1 October 1999	3.83	3.66
. Benefits accrued after 1 October 2005	2.43	2.40
Proportion of members opting for early retirement	—	—
Proportion of members commuting maximum allowable pension for cash at retirement	85.00	85.00

Assuming retirement at age 65, life expectancy in years are as follows:

	2022	2021
Male currently aged 65	86.3	86.2
Female currently aged 65	88.3	88.2
Male currently aged 45	87.3	87.2
Female currently aged 45	89.6	89.4

18 Movement in Funds

Group	At 1 October 2021 £	Income £	Expenditure £	Gains and losses £	Transfers £	At 30 September 2022 £
Unrestricted funds						
General funds	9,461,684	2,777,230	(2,953,322)	(1,036,790)	378,523	8,627,325
Designated funds						
Tangible fixed assets fund	145,174	7,715	(76,062)	–	–	76,827
Overseas cash	90,403	–	–	–	–	90,403
Pension reserve	(2,137,000)	–	254,000	125,000	–	(1,758,000)
Restricted funds						
Awards and scholarships	283,533	9,629	(19,122)	(40,661)	–	233,379
Endowment funds	4,551,261	128,523	–	(620,254)	(378,523)	3,681,007
	12,395,056	2,923,097	(2,794,506)	(1,572,706)	–	10,950,941

Charity	At 1 October 2021 £	Income £	Expenditure £	Gains and losses £	Transfers £	At 30 September 2022 £
Unrestricted funds						
General funds	9,752,027	2,671,511	(3,297,220)	(1,035,051)	378,523	8,469,790
Designated funds						
Tangible fixed assets fund	144,021	7,715	(75,132)	–	–	76,604
Overseas cash	90,403	–	–	–	–	90,403
Pension reserve	(2,137,000)	–	254,000	125,000	–	(1,758,000)
Restricted funds	–	–	–	–	–	–
Awards and scholarships	283,533	9,629	(19,122)	(40,661)	–	233,379
Endowment funds	4,551,261	128,523	–	(620,254)	(378,523)	3,681,007
	12,684,245	2,817,378	(3,137,474)	(1,570,966)	–	10,793,183

Transfer between funds represent the application of total return on endowment funds (note 10) and movements on designated funds.

Purpose of funds

Designated funds

The trustees have earmarked part of the charity's unrestricted funds as designated funds to be used for the following particular purposes in the future.

The tangible fixed assets fund represents the net book value of the tangible fixed assets owned by the group, excluding historic assets and memorabilia (which are restricted funds). Such assets are vital to the group being able to carry out its charitable work and the value invested in the assets cannot, therefore, be realised in order to meet future expenditure or contingencies. To emphasise this point the net book value of the assets is represented by a specific tangible fixed assets fund.

The designated overseas cash fund was created on 30 September 2014 in respect of those cash at bank balances which cannot be readily transferred to UK and as such are not available to the trustees for charitable purposes.

Restricted funds

The Awards and Scholarships Funds were established via donations and legacies received over the course of time to create separate funds specifically available for rewarding excellence within the field of marine engineering, science and technology. Income arising from these funds is accumulated in the restricted income fund and is used to fund the prizes and awards.

Endowment funds

The permanent endowment funds form part of the funds of the Memorial Fund. On 18 September 2018 the Committee of Management of the Memorial Fund (a Permanent Endowment Fund) agreed to adopt a total return on investment approach under section 105 of the Charities Act 2011 for the Memorial Fund and that its core value should remain set at £3,044,472. They further agreed that responsibility for the implementation and oversight of adopting a total refund basis should be delegated to the Institute's Finance & Investment Committee.

Net assets between funds

Group	Endowment funds £	Restricted funds £	Unrestricted funds			2022 Total funds
			Designated funds £	General funds £	Pension reserve £	
Intangible fixed assets	–	–	–	59,400	–	59,400
Tangible fixed assets	–	–	76,827	–	–	76,827
Investment assets	3,681,007	233,378	90,403	7,732,153	–	11,736,942
Net current liabilities	–	–	–	835,772	–	835,772
DBS pension liability	–	–	–	–	(1,758,000)	(1,758,000)
	3,681,007	233,378	167,230	8,627,325	(1,758,000)	10,950,941

Group	Endowment funds £	Restricted funds £	Unrestricted funds			2021 Total funds
			Designated funds £	General funds £	Pension reserve £	
Intangible fixed assets	–	–	–	70,200	–	70,200
Tangible fixed assets	–	–	145,174	–	–	145,174
Investment assets	4,551,261	283,533	90,403	9,873,007	–	14,798,204
Net current liabilities	–	–	–	(481,523)	–	(481,523)
DBS pension liability	–	–	–	–	(2,137,000)	(2,137,000)
	4,551,261	283,533	235,577	9,461,685	(2,137,000)	12,395,056

19 Post Balance Sheet Events

On 16 December 2022, the Institute and MM(H) completed a transaction to sell the debt and shareholding relating to MLA College. Total sale proceeds of £1.4M were split £1,320k for the debt and £80k for the shareholding, and the valuations in the accounts reflect these figures.

20 Comparative consolidated statement of financial activities

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2021 £
Income					
Donations and legacies	1	136	10,000	–	10,136
Charitable activities	2	2,435,447	–	–	2,435,447
Investment income	3	263,807	8,587	150,026	422,420
Income from associates	3	22,213	–	–	22,213
Total income		2,721,603	18,587	150,026	2,890,216
Expenditure					
Charitable activities	4	2,830,243	24,161	–	2,854,404
Total expenditure		2,830,243	24,161	–	2,854,404
Net (expenditure) income before investment gains and losses		(108,640)	(5,574)	150,026	35,812
Gains on listed investments	9a	611,695	15,438	120,383	747,516
Net income		503,055	9,864	270,409	783,328
Transfers between funds	18	359,799	(9,773)	(350,026)	–
Net income (expenditure) before other recognised gains and losses		862,854	91	(79,617)	783,328
Actuarial gains on defined benefit pension scheme		1,433,000	–	–	1,433,000
Loss arising from memorabilia write down	8	–	(107,730)	–	(107,730)
Foreign exchange losses		(9,896)	–	–	(9,896)
Net movement in funds		2,285,958	(107,639)	(79,617)	2,098,702
Reconciliation of funds					
Total funds brought forward at 30 September		5,274,304	391,172	4,630,878	10,296,354
Total funds carried forward at 30 September		7,560,262	283,533	4,551,261	12,395,056

Chair Board of Trustees

Kevin Daffey (from March 2022)
Richard Vie (to March 2022)

President

Alastair Fischbacher (from March 2022)
Kevin Daffey (to March 2022)

President-Elect

Martin Shaw (from March 2022)
Alastair Fischbacher (to March 2022)

Immediate-Past President

Andrew Tyler CBE (to March 2022)
Position Vacant from March 2022

Honorary Treasurer

Martin Murphy

Members of Board of Trustees

Chair Board of Trustees
President
President-Elect
Immediate Past President
Honorary Treasurer
Rachel Nicholls-Lee (Vice-Chair, Board of Trustees)
Matthew Bolton (to March 2022)
Barry Brooks
Nigel Brunning
Yves De Leeneer (from March 2022)
Stephen de Mora (from March 2022)
Christopher Hodge OBE
Katherine Holmes (to October 2022)
Sajid Hussain
Alan Mills
Frank Mungo (from March 2022)
Philip Parvin
Louise Rigby (from July 2022)
Parviz Sangin

Management Team**Chief Executive**

Gwynne Lewis

Commercial & Finance Director

Sue Arnold

Institute Assistant Secretary

Margaret Marchetti

Head of Membership & Partner Services

Richard Goldsbrough (to December 2022)

Susan Foster (from February 2022)

Head of IT & Business Systems

Ronnie Van De Laak

Head of Marketing & Communications

Anshie Patel

Head of Technical, Policy & Content

Daniel Stoker (to June 2022)

Members of Council

Chair, Board of Trustees
President
President-Elect
Immediate Past President (N/A)
Honorary Treasurer
Iain Anderson (from March 2022)
John Blacklock
Christopher Bleasdale
Matthew Bolton (to March 2022)
Barry Brooks
John Butler
Matthew Bolton (to March 2022)
Anna-Marie Chaffey
Yves De Leeneer
Stephen de Mora
William Doyle
Robert Fitzsimmons
David Gan (to March 2022)
Bradley Golden
Richard Graham (to March 2022)
Alistair Grieg (to March 2022)
Kenneth Greig
Christopher Hodge OBE
Sajid Hussain
Franklin Joseph
Solomon Judah (to March 2022)
Sergey Karianskyi
Pete Lambeth (from March 2022)
Bev Mackenzie (from March 2022)
Paul Marshall
Leonard Michaels
Frank Mungo (from March 2022)
Philip Parvin
Malek Pourzanjani
Kaushik Roy (from March 2022)
Cassandra Ryan
Mayra Sanchez
Parviz Sangin
Kathryn Sherley
Brian Smith (to March 2022)
Ivan Tam (to March 2022)
John Voyce OBE (to July 2022)
Richard Wakefield (to March 2022)
Mike Watt (from March 2022)
Elisabeth Wilson (from March 2022)

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Accounts



Annual Report and Accounts 2021



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Registered Charity No. 212992 • Chief Executive: Gwynne Lewis • Founded 1889. Incorporated by Royal Charter 1933 • Licensed body of the Engineering Council (UK) and the Science Council

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About the IMarEST

Background

The Institute of Marine Engineering, Science and Technology (IMarEST) is the international membership body and learned society for all marine professionals. The IMarEST is a registered charity and the first institute to bring together marine professionals from across the full spectrum of marine engineering, science and technology in a single international, multi-disciplinary professional body. The IMarEST is the largest marine organisation of its kind with a worldwide membership of over 20,000 individuals based in over 120 countries.

Charitable Purposes

1. Relieve global poverty through safe, sustainable use of ocean trade and resources
2. Promote educational excellence for those operating in the global marine sector
3. Improve safety for those operating in the global marine sector
4. Advance the understanding and practice of marine engineering, science and technology
5. Promote environmental sustainability for the benefit of humanity
6. Encourage ethical professionalism by upholding standards

Vision

Our vision is a world where marine resources and activities are sustained, managed and developed for the benefit of humanity.

Mission

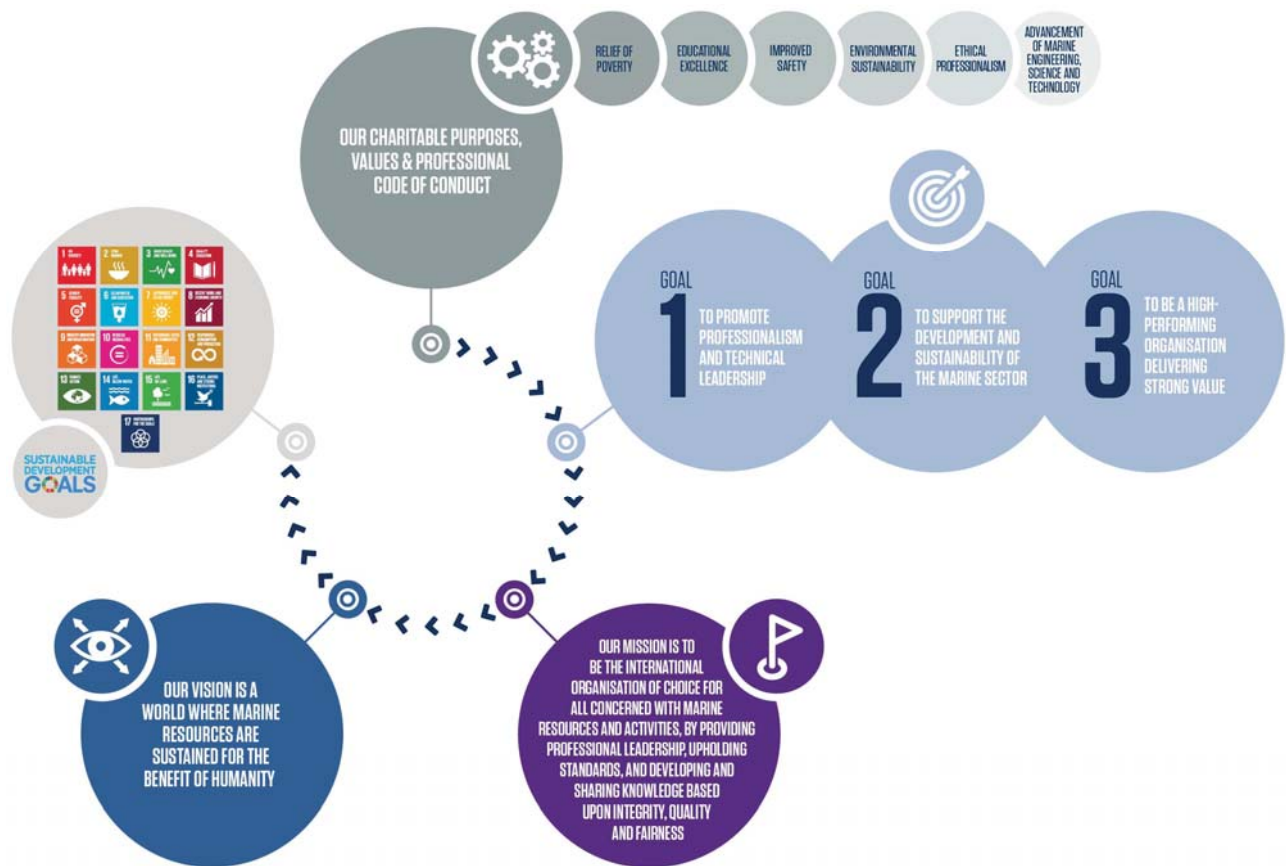
Our mission is to be the international organisation of choice for all concerned with marine resources and activities, by providing professional leadership, upholding standards, and developing and sharing knowledge based upon integrity, quality and fairness.

Strategic Plan

The IMarEST Strategic Plan for 2018-2022 outlines the high-level direction of the Institute and identifies three key goals:

1. To promote professionalism and technical leadership;
2. To support the development and sustainability of the marine sector; and
3. To be a high performing organisation delivering strong value.

These goals, driven by our charitable purposes, are designed to support delivery of our mission and vision and contribute to the delivery of the United Nations Sustainable Development Goals; they build upon our achievements of the previous five years and they continue to go to the very heart of our mission as an Institute.



Chair s Foreword and Review of the Year

Covid-19 continued to have a significant impact on activities in FY21 (October 2020 to September 2021) – sadly the world did not open up as expected when news of the vaccine was announced and its inconsistent rollout worldwide has created uncertainty in all aspects of life and business. The IMarEST was unable to conduct any international travel or host physical events in the year, but adapting to these restrictions meant we continued to deliver value to members throughout the year despite the challenges. In such a restricted year, and whilst many Professional Engineering Institutions struggled to maintain membership, we managed to increase our membership by almost 2% to 19,350 active members and at the same time improve our financial performance through prudent cost control.

The executive team was restructured in January 2021 into five functions (Finance; Marketing & Communications; Business Systems & Transformation; Technical, Content & Policy and; Membership & Partner Services) and they continue to work with the Board and our numerous volunteers towards the achievement of the goals outlined in the Strategic Plan 2018-2022.

With a head start over many of our contemporaries, we were fully equipped to host events virtually from FY20 and have been building on our experience and our technologies ever since. This improving capability allowed us to deliver 80 events in FY21 including: conferences, technical talks, panel discussions, webinars and other events. Additionally, 10,326 hours of new content was recorded and made available on IMarEST TV. We maintained our technical voice not only through this events programme, but also through our Special Interest Groups (SIGs) and ongoing intergovernmental policy work. We launched three new SIGs in: Ship Repair, Maintenance & Safety, Seafarer Mental Health & Wellbeing, and Coastal Science & Engineering. Our peer-reviewed Journal of Marine Engineering & Technology saw a significant rise in its impact factor, bringing it into the top 4 globally for all journals published in the marine, engineering and technology domains.

The weekly digital Marine Professional newsletters, introduced to balance a reduction in print content, were immediately favoured by members, who listed them as one on their top 4 membership benefits in our annual survey. We worked closely with our publishers and together we brought in a healthy advertising revenue and sponsorship to support our events programme and to supplement the traditional ticket sales.

New processes were put into place to allow accreditations to be conducted virtually, avoiding delays for certain institutions although some still require international travel to resume. FY21 saw the establishment of a dedicated B2B team reporting to the Head of Membership & Partner Services. This team increased our engagement with both academia and companies operating in the marine sector and an increase in CPD recognitions, new Marine Members and more organisations subscribing to the Marine Professional magazine.

The much improved performance of the Institute in FY21 was achieved in challenging circumstances and is a credit to everyone involved, including: our members who contribute to the governance of the Institute, those volunteers who provide the scale and outreach so necessary to achieve our charitable activities, assessments and accreditations and the executive team for their flexibility, hard work and willingness to experiment and adopt different approaches and work patterns. There is more to do, of course, but we now have a solid base to build upon.

Whilst the Board continues to monitor financial performance risk, there is also a responsibility for us to ensure that the Institute is sustainably delivering services that its members need now and will need in the future. Remaining ahead of changes in skills and professional development needs remains paramount if we are to retain and grow our membership and stay relevant in this shifting landscape of new technologies and an energy transition. We have made good progress through providing professional recognition and opportunities to share knowledge from the cutting edge of the industry, and this must continue.

The overarching focus for FY22 will be to continue delivering value to our members through our events, technical activities and regular fresh content. As international travel becomes more practicable, we will seek to explore and exploit our global presence and to focus on strengthening our voice in the role that the ocean and maritime industries have in the challenges of climate control.

This will be my last report as Chair of the Board of Trustees before stepping down at the next Annual General Meeting and I would like to take this opportunity to thank all of the Board members, past and present, for their support and valuable service to the Institute over my time in office. Without this, we would not have made the progress we have. I also have to thank our member volunteers and Institute staff for their hard work. They must be congratulated, in such a challenging year, for achieving so much.

A handwritten signature in black ink that reads "Richard Vie." The signature is written in a cursive style with a large, looped initial 'R'.

Richard Vie FREng CEng CMarEng FIMarEST

Chair, Board of Trustees

Trustees' Annual Report

Delivering our charitable purposes for the public benefit

The IMarEST charitable purposes are defined in the opening section of this report. They are delivered to the benefit of either the public at large or the global marine community. The general benefits are described below; specific benefits from activities in the past year are described in the next section.

Benefits arising from charitable purposes

- The general public benefits from safe shipping activities, marine and maritime infrastructure, and from safe and sustainable ocean activities and the conservation of marine resources. The expertise and activities of IMarEST's members contributes to realising these benefits. The general public also benefits from activities that support the generation and dissemination of knowledge, education of the public and making best practice available to our members.
- Governments and intergovernmental organisations benefit from our provision of expert advice through consultation responses and from our published reports. Both public and private sector employers, and through them the wider economy, benefit commercially from employing IMarEST members who have globally recognised professional qualifications.
- Young people can better realise their potential from our efforts to raise interest in marine, science, engineering and technology in schools and colleges; we also encourage and support the young engineers, scientists and technologists of tomorrow.

Underpinning membership expertise

Delivery of the benefits described above depends upon the IMarEST maintaining a strong body of professional expertise incorporated in a financially robust and sustainable body. This expertise is essential to provide technical and social leadership and advice, and to ensure the safety, effectiveness and sustainability of global marine activities. This expertise is developed and recognised through our membership qualification, registration and professional development processes, through the maintenance of a body of technical information, and through professional and technical support. The IMarEST's own activities as a professional body are not considered to generate detriment or harm.

Membership

The IMarEST could not deliver its charitable purposes to the public benefit without its membership, and the membership subscriptions which are used to fund activities for public benefit. General membership of the IMarEST is open to the whole marine community and, through Affiliate membership, to any member of the public with an interest in marine affairs. Financial barriers to membership are minimised. Membership for students, apprentices, cadets and others in full-time education is free and a Graduate Pathway scheme is in place to offer discounts following graduation. Concessionary rates are in place for those living in certain countries, for those who have retired and for long-service members. Any member suffering financial hardship may apply for fees to be reduced or waived.

Fundraising

All solicitations are managed internally, without involvement of commercial participators, professional fundraisers or third parties and are focused on generating income to support delivery of our charitable purposes. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the Trustees. Fundraising income is presented in our accounts as "Donations". The Institute is aware of the UK Fundraising Regulator's guidance, has received no complaints in the year and is confident in its ability to comply.

Charity Commission Guidance

The IMarEST Board of Trustees confirms it has complied with the duty outlined in Part 2 of the Charities Act 2011 to have regard to guidance on public benefit published by the Charity Commission when exercising any powers or duties to which the guidance is relevant.

What we will do in 2022

Supporting Strategic Goal 1: To Promote Professionalism and Technical Leadership

- a) Promote and grow our professional registration offer including accreditation and competency models for specialist post-nominal descriptors. In FY22 we shall continue to grow our registers across engineering, science and technology through IPD, CPD recognition and accreditation activities whilst building on our licensing work undertaken in FY21.
- b) We will continue to work closely with the Engineering Council and the Science Council to ensure all of our membership and registration processes and operations are fit for purpose and meet the needs of applicants from the Marine sector
- c) During FY22 we will continue to deliver academic and professional accreditations to organisations and universities across the world.
- d) We will build upon the success of holding the Annual Conference and INEC/iSCSS online, which enabled a much wider international audience of both members and non-members to attend.
- e) We shall continue to run a series of high-quality events and workshops to lead on key technical issues and use a mix of in-person and online formats to create 'hybrid' events for greater accessibility.
- f) Key events in the FY22 calendar are
 - Oceans of Knowledge 2021
 - Engine As A Weapon Symposium IX
 - IMarEST Annual Conference 2022
 - Resilient Ocean film premiere in association with ITN Productions
 - Stanley Gray lecture
 - 2-Day Conference on Offshore Renewables (sponsored by Fugro)
 - Annual Dinner 2022

We shall continue to:

- Develop partnerships with governments and industry to promote professional development of their staff.
- Deliver quality impartial advice to governments to help inform the intergovernmental decision-making process.

Supporting Strategic Goal 2: To Support the Development and Sustainability of the Marine Sector

- a) Raise awareness of the sector, the challenges and the opportunities to attract, develop and retain the marine workforce through our own activities together with those of Marine People Limited and MLA College Ltd.
- b) Inspire, support and develop the next generation of marine professionals through a programme of relevant activity and encourage enrolment on the Graduate Pathway. In FY22 we will focus our efforts on supporting our existing student membership and in the generation of new student members at universities undergoing the accreditation process.
- c) We will work with Marine People to support our early career professionals with summer work placements and to facilitate their introductions to employers within the marine sector.
- d) Our technical and policy work will continue to be one of the principal ways in which we deliver Strategic Goal 2. During FY22, activities will be focused on three areas:
 - Using the expertise of our members to provide an invaluable public service, sharing impartial, scientific and engineering expertise with governing bodies to help them in evidence-based decision and policy making.
 - Ensuring decisions that directly affect marine engineers, scientists and technologists and the way they undertake their work are communicated to members and ensuring policy makers are developing reasonable regulation that can be implemented by our community.
 - Creating a more “ocean literate” membership with a broader awareness across sectors and specialisms.
- e) In FY22 we will support members in creating policy working groups to enable the development of policy and position statements on emerging and existing issues across the marine sector.
- f) Deliver against our voluntary commitments to support the implementation of UN Sustainable Development Goal, to conserve and sustainably use the oceans, seas and marine resources for sustainable development.

Supporting Strategic Goal 3: To be a High-Performing Organisation Delivering Strong Value

- a) Deliver financial targets and key performance measures as agreed by the Board of Trustees. In FY22 there will likely be continued unpredictable Covid-19 challenges and opportunities.
- b) Engage and recognise our volunteer community to ensure their continued support of the Institute, and provide them with the necessary tools and training to fulfil their vital roles.
- c) We will engage with the branches and SIGs, continuing to support them and train them in their delivery of online lectures and meetings.
- d) We will focus on commercialising existing digital content and future online events.
- e) We will continue to strengthen our relationship with Think Publishing to deliver a portfolio of member content under the established Marine Professional brand, as well as sponsorship and advertising revenue. We will also continue to work with Witherby's Seamanship International on our existing book portfolio and seek further book publishing opportunities in FY22. Taylor & Francis will remain contracted to produce our two academic journals.
- f) Utilising external advice, we will develop an overall IT System and Infrastructure strategy, covering our principal systems.
- g) We will be working in FY22 to develop and update our equipment, website and CRM to ensure maximum productivity and efficiency in delivering membership and business services.
- h) In FY22, we will be investing more in PR and media engagement to better communicate the work of the Institute and how it benefits its members to raise the profile of the IMarEST for future growth.

Financial review

The table below provides a high-level breakdown of income as shown in the consolidated statement of financial activities and notes to the financial statements.

	2021	2021	2020	2020
	£	%	£	%
Income from charitable activities	2,435,447	84.3	2,133,887	82.1
Investment income	422,420	14.6	450,116	17.3
Net income from associates	22,213	0.8	5,564	0.2
Donations and legacies	10,136	0.4	10,590	0.4
	<u>2,890,216</u>	<u>100</u>	<u>2,600,157</u>	<u>100</u>

The IMarEST's overall financial position shows net movement in funds as follows:

	2021 £	2020 £
Net income (expenditure) before other recognised gains and losses	783,328	(522,069)
Actuarial gains (losses) on defined benefit pension scheme liability	1,433,000	(1,726,000)
Loss arising from Memorabilia recognition (notes 8 & 9).	(107,730)	-
Foreign exchange losses on translation	(9,896)	(16,466)
	<u>2,098,702</u>	<u>(2,264,535)</u>

The Group balance sheet shows total net assets of £12,397k as follows:

	2021 £	2020 £
Total net assets before pension scheme liability	14,532,056	14,060,354
Defined benefit pension scheme liability	(2,137,000)	(3,764,000)
	<u>12,395,056</u>	<u>10,296,354</u>

Charitable application

The table below provides a high-level breakdown of the application of funds to our charitable purposes as shown in the notes to the financial statements.

	2021 £	2021 %	2020 £	2020 %
Membership Services	1,370,856	48.0	1,464,200	46.9
Technical Publications & Books	141,071	4.9	239,641	7.7
Conferences & Events	360,359	12.6	441,862	14.2
Marine Partners & Members Fees	159,220	5.6	35,907	1.1
Accreditation	105,589	3.7	167,880	5.4
Technical & Library	658,794	23.1	753,664	24.1
Awards	58,515	2.0	19,768	0.6
Totals	<u>2,854,404</u>	<u>100</u>	<u>3,122,922</u>	<u>100</u>

Cash and investment policy

The Institute's Royal Charter gives the Institute the power 'to invest the monies of the Institute not immediately required in or upon such investments or other property or other assets as the Trustees may think fit.' The Board of Trustees delegates day-to-day management of its investment portfolio to its investment managers and they act on a discretionary basis in accordance with the Statement of Investment Policy and Principle (SIPP) and benchmarks agreed with the Board of Trustees.

The Institute is following a strategy of predictable income using a selection of funds managed by Sarasin and Partners LLP (Sarasin). The SIPP and benchmarks are reviewed annually and adjusted as deemed necessary by the Board of Trustees. In the determination of benchmarks and the review of performance against these benchmarks the Trustees receive advice from an independent Investment Adviser. The performance against benchmark for the funds comprising the investment portfolio is given in the following table:

	Benchmark	Portfolio
Sarasin Income and Reserves Fund Class A Inc	16.8%	11.3%
Sarasin Endowments Fund Class A Inc	2.3%	2.6%

The Board of Trustees keeps under review the adequacy of the Treasury to fund immediate cash flow requirements, short-term capital projects and risk mitigation without jeopardising the invested reserves.

Total Return Accounting

On 18 September 2018 the Committee of Management of the Memorial Fund (a Permanent Endowment Fund) agreed to adopt a total return investment approach under section 105 of the Charities Act 2011 for the Memorial Fund and that its core value should remain set at £3,044,472 as shown on the Memorial Fund balance sheet for the year ending 30 September 2011. They further agreed that responsibility for the implementation and oversight of adopting a total return basis should be delegated to the Institute's Finance & Investment Committee.

Reserves and reserves policy

In addition to its operating funds (i.e. working capital in current and deposit accounts), the IMarEST maintains a variety of funds and investments with different aims and structures:

- a) **Restricted Funds**. The IMarEST retains two separate Restricted Funds:
 - i. **The Awards and Scholarships Fund**. This was established from legacies and donations received over time and is used to fund rewards for excellence within the fields of Marine Engineering, Science and Technology, with any unexpended income being retained within the fund. At 30 September 2021 its value was £283k . It is considered as a reserve for its specific purpose.
 - ii. **The Permanent Endowment Memorial Fund (PEMF)**. This was created after the sale of the Mark Lane building from 25% of the net proceeds. It is governed by its own scheme rules, under which dividend income can be used for the charitable purposes of the Institute but the core capital value must be preserved. At 30 September 2021 its core value was £3.044M. The fund is managed on a Total Return basis (in accordance with Charity Commission guidance) wherein capital gain above the core value can be taken as income. The Fund can be considered as part of the reserves – but under normal circumstances only for income generation. At 30 September 2021 the total fund value, including unapplied total return was £4.5M.
- a) **Unrestricted Funds (free reserves)**. Further IMarEST investment assets are contained in an investment fund which may be utilized for the general financial needs and charitable purposes of the Institute. At 30 September 2021 its value was £9.46M. and can be considered free reserves.

- b) **Designated Funds.** The Trustees have designated £235k of funds relating to tangible fixed assets and cash held overseas to reflect that these cannot easily be realised as cash to apply towards charitable purposes.

The IMarEST requires reserves for the following purposes:

- a) In order to preserve the medium and long-term interests of the charity.
- b) As a source of income to fund the IMarEST's charitable purposes and Retirement Benefit Scheme (RBS) Recovery Plan.
- c) As a contingency fund against recovery from maturing risks.
- d) To meet the mid-term capital requirements of the Institute.

The reserves policy is to maintain the Institute, Memorial and Awards & Scholarship Funds at the required level in order to provide income to support delivery of the Charitable Purposes and RBS Recovery Plan without eroding capital value. IMarEST are currently updating the strategic plan for the next five years, which will see investment in capability and infrastructure to support efficiencies and growth. The designated funds and current target value of £12-£13m of free reserves will be reviewed as part of this exercise.

At 30 September 2021 the value of IMarEST free reserves and designated funds as shown on the charity balance sheet is £9.8M (2020: £9.0M).

Pay policy for senior staff

The executive team of the Group direct and control the operation of the Group on a day to day basis. The remuneration of the entire executive team is reviewed and approved annually by the IMarEST Remuneration Committee. This Committee is chaired by the Vice Chair of the Board of Trustees. The Committee ensures arrangements are affordable and fair, and are designed to motivate and reward performance in the interest of the Group. Remuneration is benchmarked periodically using external surveys and data which includes both commercial and not-for-profit organisations.

Risk management

Risk management is embedded within the operations of the Group. Risk registers are regularly maintained by the executive, and reviewed by the trustees. Currently the most significant risks are:

Category	Risk	Mitigation
Compliance	Adherence to a broad range of regulatory and statutory obligations, including financial reporting, direct and indirect tax, employment laws, Charity Commission guidance, data protection etc.	Update operational procedures, seeking ISO9001 certification in FY22. Appropriate staff training and development to ensure we maintain appropriate skills and competencies in house, and supplement with external expertise where necessary.
People	As a small to medium sized business everything we do is highly dependent upon our volunteer network and our employees / executive. Post COVID the local employment market is very buoyant and there is a risk that we might lose key staff and their experience, impacting the business in the short to medium term	We are reviewing our HR processes including recruitment, development, succession planning and appraisal. We are also undertaking manager training and conduct regular staff opinion surveys. We will endeavour to remain an attractive employer.
Systems /Infrastructure	There is a risk that a lack of recent investment in our IT Systems and infrastructure might lead to a failure of the system and a loss of business continuity.	We have upgraded our Business Continuity and Disaster Recover systems to the cloud and will be migrating to cloud-based Office 365 in FY22. A refresh of the IT Strategy is underway; which, subject to investment, will underpin effectiveness, efficiency and ensure fitness for purpose.
Financial	Ability to meet defined benefit pension liabilities.	The 2020 valuation was agreed with the RBS Trustees in December 2021, setting an affordable level of contributions until the next valuation in 2023. IMarEST are currently reliant on their Investment Assets to meet this obligation.
Financial	Ensuring that IMarEST's portfolio of activities are financially sustainable.	A new Strategic Plan is being developed, together with a 3 year plan targeting a move to operational surplus. A clear framework is used for bottom up budgeting, and forecasting. Internal project committees focus on customer engagement and product development in response to member feedback. Improving engagement with students/early career professionals is key to longevity.

Audit

Financial audit oversight is delegated to the Finance & Investment Committee. Operational and procedural audit matters are overseen directly by the Board.

Members

The role played by our members, who so generously volunteer their time and expertise to serve the IMarEST, cannot be overestimated. Their contribution is vital across a number of activities, including the Professional Review process by which individuals are assessed for qualification to membership, as accreditors, providing technical lectures, contributing to our publications, as representatives of the IMarEST, through branches, through SIGs (Special Interest Groups), our various Committees, the Council and the Board of Trustees. The IMarEST is very grateful for the contributions of members and recognises that without their efforts there could be no IMarEST.

Related parties and connected organisations

As detailed in note 9 to the financial statements, IMarEST has one fully owned subsidiary undertaking Marine Management (Holdings) Limited, a company registered (01100685) in England and Wales. Marine Management (Holdings) Ltd is the parent company of MAREST (S) PTE Limited and of Marine Exhibitions Limited. Marine Exhibitions Limited is currently not trading.

Marine Management (Holdings) Ltd has a 40% share in MLA College Ltd, a higher education provider, and a 30% share in Marine People Limited, a marine specialist recruitment agency.

The table below gives details of the composition of the Board of Directors of the companies identified above as at 30 September 2021.

Company	IMarEST Trustees	IMarEST Executive	External	Chair
Marine Management (Holdings) Limited	1	2	2	External
MLA College Ltd	—	2	4	External
MAREST (S) PTE Limited	—	1	1	Executive
Marine Exhibitions Limited	—	2	—	Executive
Marine People Limited	—	1	2	External

The Institute has a close working relationship with the Guild of Benevolence of the IMarEST, which is a separate and independent charity. The Institute provides certain services to the Guild for which charges are made based on the costs incurred by the Institute. The Honorary Treasurer and Secretary of the Institute are ex-officio members of the Guild's Committee of Management but the Institute has no overall control of the charity.

The Institute has historically had a close relationship with the Memorial Fund, which was a separate charity whose exclusive objects were to repair and maintain the property of the Institute, to advance education in engineering, science, and technology in the marine environment, and to advance the general charitable purposes of the IMarEST. Although it remains legally constituted as a separate charity, since July 2012 the Memorial Fund has been linked to the main Institute charity for registration and accounting purposes and no longer has a separate charity registration number. The Trustees of the Institute at any given time also serve as the trustees of the Memorial Fund.

In pursuance of its charitable objectives, the Institute has a working relationship through the joint branch arrangements with the Royal Institution of Naval Architects.

Structure, governance and management

Board of Trustees

The overall governance and control of IMarEST is managed by a Board of Trustees (the Board) whose members are the charity trustees of IMarEST. The Board is composed of the five Officers of the Institute plus between 9 and 15 other Trustees, of which at least six must be Council Trustees and at least three Non-Council Trustees. Council Trustees are appointed by Council and Non-Council Trustees are appointed by the Board itself. The Chair of the Board is a Fellow of the IMarEST and appointed by the Board but need not be a member of either the Board or Council at the time of appointment. A Vice-Chair is selected by the Board from among its existing membership. The Board has three committees to focus on specific aspects of its work in detail: Nominations and Remuneration (both composed solely of Board members) and Finance & Investment, composed of Board members and, at the discretion of the Board, one or more individuals with specialist expertise who are not currently members of the Board. In addition, the Presidents' Advisory Committee, composed of past Institute presidents, is considered a Board committee.

Council

IMarEST Council manages the professional, learned society and technical affairs of the IMarEST on behalf of the Board. Appointed Members of Council are appointed by Council to three-year terms on the recommendation of the Nominations Committee. Elected Members of Council are elected to three-year terms by the Voting Members in the relevant electoral division. Both Appointed Members and Elected Members are eligible to serve two consecutive terms of office and there are currently four electoral divisions: Americas, ANZSPAC (Australia and New Zealand), Asia Pacific and EMEA (Europe, Mid East and Africa). The Honorary Treasurer is elected annually by Voting Members across all electoral divisions. The President of IMarEST serves as the Chair of Council as well as IMarEST's ambassador and is appointed to a one-year term by Council on the recommendation of the Presidents' Advisory Committee.

Council delegates the delivery of specific aspects of its work to its standing committees: Membership Committee, Professional Affairs and Education Committee (PAEC), Publications Supervisory Board (PSB) and Technical Leadership Board (TLB). Council must meet a minimum of twice each year and normally holds one face-to-face and two online/teleconference meetings during the year. All sessions were held virtually this year due to Covid restrictions.

Approved by the trustees and signed on their behalf on 22 February 2022 by:



Richard Vie

Chair of Board of Trustees



Martin Murphy

Honorary Treasurer

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the income and expenditure of the group and the charity for that period. In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in 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);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group and charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's Royal Charter. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by the trustees and signed on their behalf on 22 February 2022 by:



Richard Vie

Chair of Board of Trustees



Martin Murphy

Honorary Treasurer

Independent auditor's report to the trustees of the Institute of Marine Engineering, Science & Technology

Opinion

We have audited the financial statements of The Institute of Marine Engineering, Science and Technology ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 30 September 2021 which comprise the consolidated statement of financial activities, the consolidated and Parent Charity balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 30 September 2021 and of the Group's incoming resources and application of resources 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 Charities Act 2011.

Basis for opinion

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

Conclusions related to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Parent Charity'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 and Accounts 2021, other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Charity; or
- the information given in the trustees' annual report is inconsistent in any material respect with the accounts; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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:

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

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias;
- used data analytics to investigate the rationale behind any significant or unusual transactions; and
- tested authorisation controls on expenditure items, ensuring all expenditure was approved in line with the Group and Charity's financial procedures.

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

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

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

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

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

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Edward Finch (Senior Statutory Auditor)

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

Date: 2 March 2022

Consolidated Statement of Financial Activities

Year to 30 September 2021

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2021 £	Total funds 2020 £
Income						
Donations and legacies	1	136	10,000	–	10,136	10,590
Charitable activities	2	2,435,447	–	–	2,435,447	2,133,887
Investment income	3	263,807	8,587	150,026	422,420	450,116
Income from associates	3	22,213	–	–	22,213	5,564
Total income		2,721,603	18,587	150,026	2,890,216	2,600,157
Expenditure						
Charitable activities	4	2,830,243	24,161	–	2,854,404	3,122,922
Total expenditure		2,830,243	24,161	–	2,854,404	3,122,922
Other expenditure						
Discounting of long term debtors	12	–	–	–	–	265,485
Total other expenditure		–	–	–	–	265,485
Net (expenditure) income before investment gains and losses		(108,640)	(5,574)	150,026	35,812	(788,250)
Gains on listed investments	9a	611,695	15,438	120,383	747,516	266,181
Net income		503,055	9,864	270,409	783,328	(522,069)
Transfers between funds	18	359,799	(9,773)	(350,026)	–	–
Net income before other recognised gains and losses		862,854	91	(79,617)	783,328	(522,069)
Actuarial losses on defined benefit pension scheme		1,433,000	–	–	1,433,000	(1,726,000)
Loss arising from memorabilia write down	8	–	(107,730)	–	(107,730)	–
Foreign exchange losses		(9,896)	–	–	(9,896)	(16,466)
Net movement in funds		2,285,958	(107,639)	(79,617)	2,098,702	(2,264,535)
Reconciliation of funds						
Total funds brought forward at 30 September		5,274,304	391,172	4,630,878	10,296,354	12,560,889
Total funds carried forward at 30 September		7,560,262	283,533	4,551,261	12,395,056	10,296,354

All income and expenditure was derived from continuing activities in the above periods and there are no recognised gains or losses other than those stated above.

Balance sheets

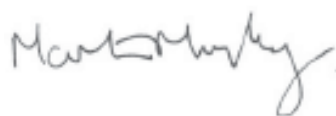
As at 30 September 2021

	Notes	Group		Charity	
		2021	2020	2021	Restated 2020
		£	£	£	£
Fixed assets					
Intangible assets					
. Goodwill	7	70,200	81,000	—	—
. Negative goodwill	7	(402,727)	(402,727)	—	—
Tangible assets	8	145,174	302,983	144,021	300,126
Investments	9	13,616,470	13,345,493	13,511,953	13,223,189
		13,429,117	13,326,749	13,655,974	13,523,315
Current assets					
Stock		3,788	4,014	3,788	4,014
Debtors	11	474,370	417,239	438,224	405,929
Cash at bank and in hand		308,798	74,716	282,640	60,635
		786,956	495,969	724,652	470,578
Creditors: amounts falling due within one year	13	(1,268,479)	(1,379,764)	(1,226,880)	(1,354,525)
Net current liabilities		(481,523)	(883,795)	(502,228)	(883,947)
Debtors: amounts due after one year	12	1,584,462	1,617,400	1,667,499	1,722,400
Net assets before pension liability		14,532,056	14,060,354	14,821,245	14,361,768
Defined pension scheme liability		(2,137,000)	(3,764,000)	(2,137,000)	(3,764,000)
Total net assets		12,395,056	10,296,354	12,684,245	10,597,768
Funds and reserves					
Permanent endowment funds		4,551,261	4,630,878	4,551,261	4,630,878
Restricted funds		283,533	391,172	283,533	391,172
Unrestricted funds					
. Designated funds		235,577	306,806	235,577	303,949
. General funds		9,461,685	8,731,498	9,750,874	9,035,769
. Pension reserve		(2,137,000)	(3,764,000)	(2,137,000)	(3,764,000)
Total funds		12,395,056	10,296,354	12,684,245	10,597,768

The accompanying accounting policies and notes form an integral part of these financial statements. The financial statements on pages 22 to 48 were approved by the trustees on 22 February 2022 and signed on their behalf by:



Richard Vie
Chair of Board of Trustees



Martin Murphy
Honorary Treasurer

Consolidated statement of cash flows

Year to 30 September 2021

	2021 £	2020 £
Cash flows from operating activities		
Net movement in funds for the year before other recognised gains and losses	783,328	(522,069)
Adjustments for		
Depreciation charges tangible assets	80,298	87,195
Amortisation charges intangible assets	10,800	10,800
Decrease (increase) in stock	226	8,817
Increase in debtors due within one year	(57,131)	(62,019)
Increase in debtors due in more than one year	32,938	(95,260)
Increase (decrease) in creditors	(111,285)	536,470
DB pension charge contributions net of interest expense	(194,000)	(40,000)
Dividends and investment income receivable	(422,420)	(450,116)
Net income from associates	(22,213)	(5,564)
Gains on listed investments	(747,516)	(266,181)
Foreign exchange losses	(9,896)	(16,466)
Net cash used in operating activities	(656,871)	(814,393)
Cash flows from investing activities		
Dividend received from investments	462,420	470,116
Purchase of property, plant and equipment	(9,069)	(27,014)
Proceeds from sale of listed investments	456,400	295,857
Purchase of listed investments	(8,589)	(11,107)
Net cash provided by investing activities	901,162	727,852
Change in cash and cash equivalents in the reporting period	244,291	(86,541)
Cash and cash equivalents at 1 October	133,920	220,461
Cash and cash equivalents at 30 September	378,211	133,920
Analysis of cash and cash equivalents		
Cash at bank and in hand	308,798	74,716
Cash held by investment managers	69,413	59,204
Total cash and cash equivalents	378,211	133,920

The Group holds no external loans. There is therefore no difference between the changes in cash and cash equivalents and the changes in net debt.

Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation

The Financial Statements have been prepared in accordance with the Charities SORP (FRS 102), Accounting and Reporting by Charities: A 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) and the Charities Act 2011. The statements have been prepared under the historic cost convention, with the exception that investments, memorabilia and historic assets are included at market value. The financial statements are rounded to the nearest £.

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

The trustees consider that there are no material uncertainties about the Group and Charity's ability to continue as a going concern. In making their assessment, the trustees have considered the impact that the Covid-19 pandemic has had on the Group and Charity and its beneficiaries.

Basis of consolidation

The accounts consolidate those of the Charity and its wholly owned non-charitable trading subsidiaries: Marine Management (Holdings) Limited, MAREST (S) Pte Limited and Marine Exhibitions Ltd. Marine Exhibitions Ltd did not trade during the year. On 30 June 2019, 60% of MLA College Ltd was sold. MLA College Ltd has been treated as an associate from this date. Intra-group transactions are eliminated in full.

As a result of a direction issued by the Charity Commission in July 2012, The Institute of Marine Engineering, Science and Technology Memorial Fund (the Memorial Fund) was linked with the funds of the Institute.

In the year ended 30 September 2006, the Stanley Gray Awards and The Institute of Marine Engineers Scholarship Fund merged with the Donald Maxwell Fund. Donald Maxwell Fund was linked, under a Charity Commission direction, with the funds of the Institute. The resulting linked charity is referred to as the Awards and Scholarship Fund. The Scholarship fund was enhanced by a generous injection of funds in respect of the John Blackburn Main Trust in 2007.

The Memorial Fund and The Awards and Scholarship Fund remain subject to their trusts and the terms under which they were given. The separate charity balance sheet and its related notes include these two funds.

Income

Income is recognised in the period in which the group and the charity has entitlement to income, the amount of the income can be measured reliably and it is probable that the income will be received.

Donations and legacies

Income from donations and legacies is included once the Charity is informed of an entitlement and that there is a probable assurance of receipt. Unless the legacies or donor specifies conditions of receipt, the income is included in the general fund.

Charitable activities

Subscriptions are recognised on an accruals basis. Receipts received in advance of the membership period are held as deferred income. Income is recognised using the stage of completion method and on-going tutorial support is considered to be immaterial. Income generated from consultancy is recognised over the life of the project. Income from technical journals subscriptions and events are recognised in the year it relates to, with payments in advance held as deferred income.

Investment income and interest

Income receivable on deposits and investments is recognised when received. Income from permanently endowed investments is calculated on a total return basis (see note 9).

Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the subsidiary charity.

VAT – Recoverable and irrecoverable

The Institute is regarded as partially exempt under HM Revenue & Customs rules and, therefore is unable to reclaim all the Input VAT it incurs. Where irrecoverable VAT is incurred, it is charged against the category of resources expended for which it was incurred. MAREST (S) Pte Limited is not required to register for Goods and Services Tax as income is under the required threshold.

Allocation of overheads

Where costs cannot be directly attributed to a particular charitable activity, costs are allocated using the best judgement. The allocation of overhead costs is analysed in note 4.

Governance costs

Governance costs have been analysed to show the cost of running the Charity, including strategic planning for its future development, legal advice for the Board of Trustees or Council. All the costs of complying with constitutional and statutory requirements, such as the costs of the Board of Trustees and Council meetings, and of preparing statutory accounts and satisfying public accountability, are allocated to charitable activity using best judgement.

Operating leases

Lease commitments are charged in the statement of financial activities on a straight-line basis over the lease term. Details of the lease commitments are shown in note 14.

Pension costs

The Institute's staff pension scheme incorporates a final salary section and a stakeholder section. The assets of the scheme are held separately from those of the Institute in an independently administered fund. The final salary section of the scheme was closed to new members on 5 April 2002. At that date, the final salary section, which previously was a non-contributory scheme, became a contributory scheme with active members paying 7% of their gross salary.

The final salary section of the pension scheme is accounted for in accordance with FRS 102 section 28 'Retirement Benefits'. The service cost of pension provision relating to the year, together with the cost of any benefits relating to past service if the benefits have vested, is charged to the statement of financial activities. A charge equal to the increase in the present value of the scheme liabilities (because the benefits are closer to settlement) and a credit to the Group's long term expected return on assets (based on the market value of the scheme assets at the start of the year), are also included in the statement of financial activities.

The difference between the market value of the assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability on the balance sheet. Any differences between the actual and expected return on assets during the year are recognised in the statement of financial activities along with the difference arising from experience or assumption changes.

Contributions to the stakeholder section of the pension scheme are charged to the statement of financial activities in the year in which they become payable.

More information about the pension scheme is provided in note 17 to the financial statements.

Intangible assets

Intangible assets comprise the following:

- Goodwill arising on the acquisition of a 30% interest in Marine People Limited.
- Negative goodwill arising on the partial disposal and retention of a 40% interest in MLA College Ltd.

Amortisation is charged on a straight line basis over 10 years. The impairment of intangible assets is considered annually, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and provision made when necessary.

Tangible assets

Leasehold property - Leasehold premises and associated acquisition costs are stated at cost. Depreciation is provided to write off the cost of the leasehold premises over the initial 5-year term of the lease.

Other tangible fixed assets - Assets with a value under £250 are not capitalised and all assets are assessed for signs of impairment at each Balance Sheet date.

Depreciation is provided to write off the cost, less estimated residual values, of other tangible fixed assets over their expected useful lives. Fixtures, fittings and equipment are depreciated on a straight-line basis each year at rates between 20% and 33%.

Memorabilia - The Institute holds a collection of heritage assets which relate to the history of the Institution itself and the wider history of Marine Engineering, Science and Technology. Part of the collection is on loan to the South Shields Marine School. No depreciation is provided on the memorabilia and historic assets. Revaluation of these assets will be considered annually and subject to receiving a reliable valuation at a cost commensurate with the benefit to the users of the accounts and to the IMarEST, any increase or decrease in value of the assets from one year to the next will be treated as an unrealised gain or loss.

Investments

Investments in listed stocks and shares are stated at market value at the balance sheet date. Realised and unrealised gains on investments during the year are taken to the fund in which the investments are held. Any increase or decrease in the value of the assets from one year to the next is treated as an unrealised gain or loss.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and either the opening market value or the purchase cost if investments are purchased in the year. Unrealised gains and losses are calculated as the difference between the market value at the year-end and either the opening market value or the purchase cost if investments are purchased in the year. Realised and unrealised gains are not separated in the statement of financial activities.

At 30 September 2020, the Group had a 30% shareholding in Marine People Limited and a 40% share in MLA College Ltd. In accordance with FRS 102, these associates have been accounted for using the equity method.

Taxation

The Institute of Marine Engineers, Science and Technology is a registered Charity and accordingly is exempt from taxation on its charitable activities.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Foreign currency

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date. Any differences are taken to income and expenditure in the statement of financial activities.

The results of overseas operations are translated at the average rates of exchange during the year and the balance sheet translated into sterling at the rates of exchange ruling on the balance sheet date. Exchange differences which arise from translation of the opening net assets and results of foreign subsidiary undertakings are taken to other recognised gains and losses in the statement of financial activities.

Funds

Where income is received, which is subject to donor-imposed restrictions on its future use it is credited to restricted funds in the statement of financial activities. Expenditure of the resources for the specified purpose is charged to the restricted fund, and any balances of unexpended income are carried forward as restricted funds on the Balance Sheet. Where funds received are to be retained as permanent endowment, these are identified separately as endowment funds.

Where the Board of Trustees identifies a need to allocate funds for specific purposes, these funds are shown as designated funds in the balance sheet. Such funds are unrestricted as their designation is at the discretion of the Board of Trustees. All funds other than restricted funds and designated funds are regarded as free reserves and are called other unrestricted funds. Where funds previously designated are no longer required, they are transferred to other unrestricted funds.

Debtors, cash and creditors

Debtors – trade and other debtors are recognised at the settlement amount due after any trade discount offered. Amounts due are initially recognised at fair value and subsequently at amortised cost using the effective interest method where the effect of discounting is material. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand – Cash at bank and cash 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.

Creditors and provisions – Creditors and provisions are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Accounting estimates and judgements

In preparing the accounts, the trustees are required to make estimates and judgements. The matters detailed below are considered to be the most important in understanding the judgements that are involved in preparing the accounts, and the uncertainties that could impact the amounts reported.

Income recognition – a significant portion of the Group’s income is earned over a period of time following invoice. This includes membership subscriptions, registration fees for qualifications and annual centre fees. Income is allocated to each accounting period in accordance with accounting policy. The setting of the recognition methods and periods is an area where judgement is applied, and this is undertaken by reference to product definitions, and individual sales contracts.

Income and cost allocation to charitable purpose – the allocation of income and costs to charitable purposes is an area where judgement is applied and this is undertaken by reference to knowledge of the activities undertaken and to historic data trend.

Actuarial assumptions in respect of defined benefit pension scheme – the application of actuarial assumptions relating to the Institute’s defined benefit pension scheme is incorporated in the accounts in accordance with FRS 102. In setting the assumptions, advice is taken from independent qualified actuaries. These assumptions require significant judgement to be exercised with regard to such areas as future changes in salary and inflation, mortality rates and long-term discount rates.

Overseas bank accounts – there are cash balances in some overseas bank accounts that are difficult to access. The total of these balances at the end of the year was £64K. A total provision of £42k has been made against these amounts on the basis that some, if not all, of these balances would be recovered in due course. The provision was increased by £8k in the current year.

Recoverability of amounts owed from MLA – Up until 30 June 2019 MLA was a wholly owned subsidiary of the Group. At this date, 60% was sold to BAU Limited. While fully owned, the IMarEST provided financial assistance to MLA in the form of loans. Since disposal, the IMarEST has continued to provide financial assistance and has charged MLA for the services of seconded staff. As a condition of the sale, the purchaser made guarantees of repayment of £800,000 of the loan. As with any debt, the trustees have considered the recoverability of the remaining amounts owed to the Institute. During the year ended 30 September 2020 the trustees reassessed the recoverability of amounts, along with their estimates of the likely repayment period, extending their estimates of the period of repayment, giving rise to a discounted sum of £265,485. The rate and recoverability has been assessed during the year and in the absence of any updated information from MLA, the discount rate has been increased to 3.8% (2020: 3.5%).

Notes to the Financial Statements

1 Donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Donations	136	10,000	10,136	590	10,000	10,590

2 Income from charitable activities

	Unrestricted and total funds 2021 £	Unrestricted and total funds 2020 £
Membership services	1,923,984	1,688,526
Technical Publications & Exhibitions	114,232	84,253
Conferences & functions	129,525	60,109
Marine Partners & members fees	64,011	63,736
Accreditation	59,419	37,050
Technical & Library	46,370	67,231
Support services	97,906	132,982
	2,435,447	2,133,887

3 Investment income

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2021 £
Listed investments	263,786	8,587	150,026	422,399
Interest income	21	—	—	21
	263,807	8,587	150,026	422,420
Income from associates	22,213	—	—	22,213
	286,020	8,587	150,026	444,633

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Listed investments	294,056	8,739	146,643	449,438
Interest income	678	—	—	678
	294,734	8,739	146,643	450,116
Income from associates	5,564	—	—	5,564
	300,298	8,739	146,643	455,680

4 Expenditure on charitable activities

	Direct costs £	Support costs £	Total 2021 £	Direct costs £	Support costs £	Total 2020 £
Membership services	531,521	839,335	1,370,856	494,276	969,924	1,464,200
Technical Publications & Books	42,378	98,693	141,071	88,316	151,325	239,641
Conferences & events	108,253	252,106	360,359	149,161	292,701	441,862
Marine Partners & members fees	47,830	111,390	159,220	12,121	23,786	35,907
Accreditation	31,719	73,870	105,589	56,672	111,208	167,880
Technical & Library Awards	202,101	456,693	658,794	254,418	499,246	753,664
	58,515	-	58,515	19,768	-	19,768
	<u>1,022,317</u>	<u>1,832,087</u>	<u>2,854,404</u>	<u>1,074,732</u>	<u>2,048,190</u>	<u>3,122,922</u>

All of the above expenditure relates to expenditure on unrestricted funds, with the exception of Awards Expenditure, where £24,161 was restricted (2020: £19,768).

Support costs above consist of:

	2021 £	2020 £
Staff costs	1,550,230	1,755,795
Office costs	126,601	154,124
Governance costs	8,031	23,417
Other costs	147,224	114,854
	<u>1,832,086</u>	<u>2,048,190</u>

5 Staff costs

	2021 £	2020 £
Wages and salaries	1,282,798	1,299,690
Social security costs	155,708	156,887
Ordinary pension costs	111,724	131,218
Pension costs relating to past service	-	168,000
	<u>1,550,230</u>	<u>1,755,795</u>

Wages and salaries above includes £nil redundancy costs.

Pension costs relating to past service relate to changes in the estimated pension scheme liability due to the impact of GMP equalisation, in line with the 2018 Lloyds judgement which ruled that GMPs must be equalised across males and females.

The average number of employees during the year was allocated as follows (based on estimated time spent on activities in the year on each charitable activity).

	2021	2020
	No.	No.
Membership services	3	3
Technical Publications & Books	1	1
Conferences & events	2	2
Marine Partners & members fees	1	1
Accreditation	2	1
Technical & Library	3	4
Support	11	13
Total	23	25

The number of staff whose total emoluments (excluding employer's pension contribution and employer's national insurance) for the year was over £60,000 is as follows

	2021	2020
	No.	No.
£60,001 - £70,000	2	2
£70,001 - £80,000	1	-
£100,001 - £110,000	-	1
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
£140,001 - £150,000	-	1

Employer pension contributions in respect of the above higher earners were as follows:

	2021	2020
Contributions to defined contribution schemes, £	48,612	60,862
Number of individuals	4	5

Key management personnel and trustees expenses

Key management personnel during the year comprise the members of the board of trustees, the Chief Executive, Chief Operating Officer, Policy Director, the Finance and Commercial Director, Head of Business Systems and Transformation, Head of Technical, Policy & Content, Head of Marketing & Communications, Head of Membership, and Institute Assistant Secretary.

The total remuneration of key management personnel was £738K (2020: £476k). An internal restructure of key management personnel occurred during the year.

No trustees were remunerated for their role as trustee.

Expenses were reimbursed to the trustees when they were claimed in accordance with the appropriate rules governing the payment of expenses. A move to online virtual meetings because of Covid-19 has reduced the costs.

	<u>2021</u>	<u>2020</u>
Total expenses claimed, covering travel, subsistent and hotel expenses, £	-	20,538
No. of trustees reimbursed	-	12

During the year the IMarEST did not receive any donations from the trustees (2020: none).

6 Related party transactions

The following transactions and balances occurred between the Charity or its wholly owned subsidiaries and other non-wholly owned undertakings.

- *MLA College Ltd (MLA)*: The charity charged the company £62,885 (2020: £117,775) for seconded staff, and received credit notes of £5,823 (2020: £Nil) and settled invoices on behalf of the company of £Nil (2020: £217,809). In addition the post completion loan has been increased by £70,000, comprising £200,000 of the overall balance. As at 30 September 2021 MLA owed the Group £1,849,947 (2020: £1,722,885), which has been recorded in these financial statements at its net present value of £1,584,462 (see note 12).
- *Marine People Limited*: A £40,000 dividend was received (2020: £20,000) and costs of £Nil were paid for recruitment services (2020: £31,200). All balances were settled at the year-end.
- *Marine Management (Holdings) Limited (MM(H))*: There was an outstanding account between IMarEST and MM(H) of £65,000 (2020: £265,000). This had arisen following a loan to fund investments in MLA and Marine People. Other than the above, there were no related party transactions.

7 Intangible fixed assets

Group

	Goodwill		Total £
	Marine People Limited £	Marine Learning Alliance £	
Cost			
At 1 October 2020 and at 30 September 2021	108,000	(402,727)	(294,727)
Amortisation			
At 1 October 2020	27,000	–	27,000
Charge for year	10,800	–	10,800
At 30 September 2021	37,800	–	37,800
Net book values			
At 30 September 2020	81,000	(402,727)	(321,727)
At 30 September 2021	70,200	(402,727)	(332,527)

At 30 September 2021, the goodwill of the 40% share in MLA was negative £402,727. The cost of share capital held in MLA is £80,000, bringing the total value of the investment to negative £322,727.

The Charity does not have any intangible assets.

8 Tangible fixed assets

Group

	Leasehold acquisition costs £	Furniture, fixtures and fittings £	Business systems and equipment £	Memorabilia and historic assets £	Total £
Cost or valuation					
At 1 October 2020	9,250	363,848	919,893	86,580	1,379,571
Additions	–	–	9,069	–	9,069
Disposals	–	–	(187)	–	(187)
Derecognition	–	–	–	(86,580)	(86,580)
At 30 September 2021	9,250	363,848	928,775	–	1,301,873
Depreciation					
At 1 October 2020	6,056	265,758	804,774	–	1,076,588
Charge for year	1,347	45,873	33,078	–	80,298
Depreciation on disposals	–	–	(187)	–	(187)
At 30 September 2021	7,403	311,631	837,665	–	1,156,699
Net book values					
At 30 September 2020	3,194	98,090	115,119	86,580	302,983
At 30 September 2021	1,847	52,217	91,110	–	145,174

Charity

	Leasehold acquisition costs £	Furniture, fixtures and fittings £	Business systems and equipment £	Memorabilia and historic assets £	Total £
Cost or valuation					
At 1 October 2020	9,251	363,848	911,722	86,580	1,371,401
Additions	-	-	9,069	-	9,069
Disposals	-	-	(187)	-	(187)
Write down	-	-	-	(86,580)	(86,580)
At 30 September 2021	<u>9,251</u>	<u>363,848</u>	<u>920,604</u>	<u>-</u>	<u>1,293,703</u>
Depreciation					
At 1 October 2020	6,056	265,004	800,215	-	1,071,275
Charge for year	1,347	45,192	32,055	-	78,594
Depreciation on disposals	-	-	(187)	-	(187)
At 30 September 2021	<u>7,403</u>	<u>310,196</u>	<u>832,083</u>	<u>-</u>	<u>1,149,682</u>
Net book values					
At 30 September 2020	3,195	98,844	111,507	86,580	300,126
At 30 September 2021	<u>1,848</u>	<u>53,652</u>	<u>88,521</u>	<u>-</u>	<u>144,021</u>

All tangible fixed assets are held at cost.

The Institute holds a collection of heritage assets which relate to the history of the Institution itself and the wider history of Marine Engineering, Science and Technology. Part of the collection is on loan to the South Shields Marine School. In the course of reviewing the valuation for the current year, the Trustees have concluded that reliable cost information or comprehensive valuations are not readily available for these assets, and such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the IMarEST. Accordingly, the values have been written down to nil.

The Trustees recognise the importance of the collection, which they will continue to maintain, and will recognise any expenditure which is required to preserve or prevent deterioration of individual collection items in the income and expenditure account when it is incurred. Expenditure in the current year totals £2,650 (2020: £nil).

9 Investments

	Note	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Listed investments	a	13,481,953	13,172,039	13,481,953	13,172,039
Investments in associates	b	134,517	152,304	-	-
Subsidiary undertakings	c	-	-	30,000	30,000
Works of art	d	-	21,150	-	21,150
		<u>13,616,470</u>	<u>13,345,493</u>	<u>13,511,953</u>	<u>13,223,189</u>

a) Listed investments

Group & Charity	2021 £	2020 £
Market value at 1 October	13,112,835	13,131,404
Additions at cost	8,589	11,107
Disposals (proceeds £456,400; gain £25,264)	(431,136)	(286,924)
Net unrealised gains on revaluation	722,252	257,248
Market value at 30 September	13,412,540	13,112,835
Cash held with investment managers	69,413	59,204
Total listed investments	13,481,953	13,172,039
Cost at 30 September	11,829,703	12,219,601

b) Investments in associates

Group	Marine People Limited £	Marine Learning Alliance £	2021 £
At 1 October 2020	72,304	80,000	152,304
Net income from associates	22,213	–	22,213
Adjustments to carrying value	<u>(40,000)</u>	<u>–</u>	(40,000)
At 30 September 2021	<u>54,517</u>	<u>80,000</u>	134,517

Marine People Limited is a company registered in England and Wales (Company Registration No. 10632568). The company is a marine specialist permanent recruitment agency. Marine Management (Holdings) Limited has 30% ownership of Marine People Limited. During the financial year ending 30 September 2021, the Group received a £40,000 dividend from the company (2020: £20,000).

MLA College Ltd is a company registered in England and Wales (Company Registration No. 09188277). The company is a provider of marine related e-learning. Marine Management (Holdings) Limited has 40% ownership of MLA College Ltd.

c) Subsidiary undertakings

The following subsidiaries are part of the Group.

Name	Nature of business	Parent	Holding	Share capital, £	Address of registered office
Marine Management (Holdings) Limited (MM(H))	Holding Company	IMarEST	100%	30,000	1 Birdcage Walk, London, England, SW1H 9JJ
MAREST (S) PTE Limited	Membership	MM(H)	100%	26,548	16 Raffles Quay, #33-03 Hong Leong Building, Singapore
Marine Exhibitions Limited	Events	MM(H)	100%	10,000	1 Birdcage Walk, London, England, SW1H 9JJ

A summary of the results of each entity is shown below. Marine Exhibitions Limited was dormant in the current and preceding period, and the share capital remains unpaid.

	Marine Management (Holdings) Limited (MM(H))		MAREST (S) PTE Limited	
	2021	2020	2021	2020
	£	£	£	£
Total income	40,000	20,006	159,276	145,239
Cost of sales	-	-	-	(7,559)
Other operating expenses	(4,066)	(35)	(154,398)	(144,012)
Profit before tax	35,934	19,971	4,878	(6,332)
Taxation	-	-	-	-
Retained profit (losses) for the year	35,983	19,971	4,878	(6,332)
Retained profit (losses) at 30 September	138,087	102,153	(25,537)	(30,415)

Marine Management (Holdings) Limited

Marine Management (Holdings) Ltd, a company registered (Company registration 01100685) in England and Wales is the parent company of MAREST (S) PTE Ltd and Marine Exhibitions Ltd. The IMarEST is the ultimate parent company, owning the entire share capital of Marine Management (Holdings) Ltd. This company itself did not trade during the year, the board maintains its duties as the parent to MAREST (S) PTE Ltd and Marine Exhibitions Ltd and its reported expenditure consists of minor administration/filing charges.

MAREST (S) PTE Limited

MAREST (S) PTE Limited, incorporated on 13 August 2012, is registered in Singapore (201220044C) and is a 100% subsidiary of Marine Management (Holdings) Ltd. The IMarEST owns the entire share capital of Marine Management (Holdings) Limited, a company registered in England and Wales. The principal activity of the company is support for the delivery of IMarEST's charitable purposes in the Asia Pacific region.

Marine Exhibitions Limited

Marine Exhibitions Ltd was incorporated on 25 September 2014 (Company registration 09235513). It is a 100% owned subsidiary of Marine Management (Holdings) Limited, of which the IMarEST owns the entire share capital. The principal activities of the company are those relating to the delivery of conferences, exhibitions and symposia. The company did not trade during the financial year.

d) Works of art

As detailed in note 8, the Trustees have concluded that reliable cost information or comprehensive valuations are not readily available for these assets, and such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the IMarEST. Therefore, they have been written down to nil.

10 Statement of total returns

	Endowment £	Unapplied Total Return £	Total Funds 2021 £	Total Funds 2020 £
30 September 2020				
Permanent Endowment	3,044,472	-	3,044,472	3,044,472
Unapplied total return	-	1,546,406	1,546,406	1,493,762
	<u>3,044,472</u>	<u>1,546,406</u>	<u>4,590,878</u>	<u>4,538,234</u>
Movements in the reporting period:				
Investment return: dividends and interest	-	150,026	150,026	146,643
Investment return: realised and unrealised gains	-	120,383	120,383	92,644
	-	<u>270,409</u>	<u>270,409</u>	<u>239,287</u>
Unapplied total return allocated to income in the reporting period	-	(350,026)	(350,026)	(146,643)
Net movements in reporting period	-	<u>(79,617)</u>	<u>(79,617)</u>	<u>92,644</u>
30 September 2021				
Permanent Endowment	3,044,472	-	3,044,472	3,044,472
Unapplied total return	-	1,466,789	1,466,789	1,586,406
	<u>3,044,472</u>	<u>1,466,789</u>	<u>4,551,261</u>	<u>4,630,878</u>

The total return allocated to income in the period was transferred to the general funds of the Institute.

11 Debtors due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade debtors	77,594	54,722	66,123	54,203
Other debtors	203,491	167,124	195,148	158,444
Prepayments	141,394	195,393	137,768	193,282
Accrued income	51,891	-	39,185	-
	<u>474,370</u>	<u>417,239</u>	<u>438,224</u>	<u>405,929</u>

12 Debtors due in more than one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 (restated) £
Amount due from group undertakings	-	-	83,037	265,000
Amount due from associates	1,584,462	1,617,400	1,584,462	1,457,400
	<u>1,584,462</u>	<u>1,617,400</u>	<u>1,667,499</u>	<u>1,722,400</u>

During the year the trustees reassessed the expected recovery period of debtors due in more than one year. Due to the anticipated recovery period, these debts due from associates have been discounted to their net present value. The gross value of the debt due to the Group is £1,849,947 (2020: £1,882,885), and the gross value of debt due to the Charity is £1,849,947 (2020: £1,722,885)

13 Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	145,187	333,705	138,579	333,012
Other creditors	231,791	273,280	231,791	273,280
Tax and National Insurance	38,126	200,391	35,786	195,712
Accruals	287,945	92,674	269,811	89,865
Members' subscriptions in advance	451,111	340,440	451,111	340,440
Other deferred income	114,319	139,274	99,802	122,216
	1,268,479	1,379,764	1,226,880	1,354,525
Deferred income movement				
Balance at 1 October	479,714	293,897	462,656	293,528
Amount released in the year	(479,714)	(293,897)	(462,656)	(293,528)
Amount deferred in the year	565,430	479,714	550,913	462,656
Balance at 30 September	565,430	479,714	550,913	462,656

14 Operating lease commitments

Group	2021		2020	
	Property	Other	Property	Other
	£	£	£	£
Within one year	165,938	3,369	147,739	2,508
Between one and two years	61,375	1,933	116,840	665
Between two and five years	-	5,800	29,210	-
	227,313	11,102	293,789	3,173

Of the above commitments, £174,466 (2020: 264,258) relate to the Charity.

15 Capital Commitments

The Group and Charity had no capital commitments as at 30 September 2021 (2020: £Nil).

16 Auditors' remuneration

Remuneration payable to the group auditor was as follows:

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Financial statements audit current year	30,448	24,969	29,324	22,160
Financial statements audit prior year	(1,995)	-	-	-
VAT & Tax Advice / Services	4,850	-	3,600	-
	33,303	24,969	32,924	22,160

17 Pension schemes

The Group operates a defined benefit and a defined contribution pension scheme. The defined benefit scheme was closed to new entrants and to future service accrual on 5 April 2002. The defined contribution pension scheme was introduced on 5 April 2002 for the benefit of all staff.

The Institute's total contributions to the defined benefit scheme were £250,000 (2020: £250,000).

Defined benefit pension scheme

In preparing these financial statements, the Institute has fully complied with the Financial Reporting Standard 102: "Retirement Benefits" issued by the Accounting Standards Board.

Benefits under the IMarEST Retirement Benefits Scheme (RBS) are based on employees' final remuneration and length of service. All assets of the scheme are held separately from those of the Institute in independently administered funds. The pension expense charged to the statement of financial activities makes no allowance for actuarial gains and losses during the year.

The RBS is in deficit and a recovery plan agreed with the Trustees of the RBS every three years.

In addition to the £250,000 contribution, administrative and other expenses of the scheme and the Pension Protection Fund levy are paid separately by the Institute. These costs amounted to £121,836 (2020: £144,061)

In preparing these financial statements, the Institute has fully complied with the Financial Reporting Standard 102: "Retirement Benefits" issued by the Accounting Standards Board.

The actuary has computed the following information with respect to the financial position of the scheme as at 30 September 2021:

Group and charity	2021 £'000	2020 £'000
Fair value of scheme assets	13,473	12,998
Defined benefit obligation	(15,610)	(16,762)
Net defined benefit (liabilities) assets	(2,137)	(3,764)
Restriction on asset recognised at year end	–	–
Net amount recognised at year end	(2,137)	(3,764)

The amount recognised in the Statement of Financial Activities was:

	2021 £'000	2020 £'000
Interest cost	(56)	(42)
Current and past service cost	–	(168)
Total recognised in income and expenditure	(56)	(210)
Return on scheme assets	392	(345)
Actuarial gains (losses)	1,041	(1,381)
Total amount recognised in statement of financial activities	1,377	(1,936)

Changes in the value of scheme assets were as follows:

	2021 £'000	2020 £'000
At start of the year	12,998	13,222
Benefits paid	(365)	(401)
Contribution from the employer	250	250
Interest income (expense)	198	272
Return on assets	392	(345)
At end of the year	13,473	12,998

Changes in the value of scheme liabilities were as follows:

	2021 £'000	2020 £'000
At start of the year	(16,762)	(15,300)
Benefits paid	365	401
Interest income (expense)	(254)	(314)
Past service cost (expense)	–	(168)
Actuarial gains (losses)	1,041	(1,381)
At end of the year	(15,610)	(16,762)

The major categories of scheme assets are as follows:

	2021		2020	
	£'000	%	£'000	%
Return Seeking funds	9,153	68	7,602	58
Fixed Interest Gilts	1,414	10	2,042	16
Index Linked Gilts	790	6	1,055	8
Hybrid gift fund	2,132	16	2,235	17
Cash	(16)	–	64	1
	13,473	100	12,998	100

Principal actuarial assumptions used:

	2021	2020
	%	%
Discount rate	2.0	1.5
Inflation assumption – Retail price inflation	3.4	2.9
Inflation assumption – Consumer price inflation	2.6	2.1
Revaluation of deferred pensions – Deferred revaluation	3.4	2.1
Increase for pension payment		
. Benefits accrued prior to 1 October 1999	5.0	5.0
. Benefits accrued after 1 October 1999	3.7	3.4
. Benefits accrued after 1 October 2005	2.4	2.3
Proportion of members opting for early retirement	–	–
Proportion of members commuting maximum allowable pension for cash at retirement	85.0	85.0

Assuming retirement at age 65, life expectancy in years are as follows:

	2021	2020
Male currently aged 65	86.2	86.2
Female currently aged 65	88.2	88.1
Male currently aged 45	87.2	87.2
Female currently aged 45	89.4	89.4

18 Movement in Funds

Group	At 1 October 2020 £	Income £	Expenditure £	Gains and losses £	Transfers £	At 30 September 2021 £
Unrestricted funds						
. General funds	8,731,498	2,712,534	(2,943,945)	601,799	359,799	9,461,685
. Designated funds						
.. Tangible fixed assets fund	216,403	9,069	(80,298)	–	–	145,174
.. Overseas cash	90,403	–	–	–	–	90,403
. Pension reserve	(3,764,000)	–	194,000	1,433,000	–	(2,137,000)
Restricted funds						
. Awards and scholarships	283,441	18,587	(24,161)	15,439	(9,773)	283,533
. Memorabilia and historic assets	107,731	–	–	(107,731)	–	–
Endowment funds	4,630,878	150,026	–	120,383	(350,026)	4,551,261
	10,296,354	2,890,216	(2,854,404)	2,062,890	–	12,395,056

Charity	At 1 October 2020 (restated) £	Income £	Expenditure £	Gains and losses £	Transfers £	At 30 September 2021 £
Unrestricted funds						
. General funds	9,035,769	2,634,178	(2,879,518)	601,799	386,562	9,778,790
. Designated funds						
.. Tangible fixed assets fund	213,546	8,882	(78,407)	–	–	144,021
.. Overseas cash	90,403	–	–	–	(26,763)	63,640
. Pension reserve	(3,764,000)	–	194,000	1,433,000	–	(2,137,000)
Restricted funds						
. Awards and scholarships	283,441	18,588	(24,161)	15,439	(9,773)	283,533
. Memorabilia and historic assets	107,730	–	–	(107,731)	–	–
Endowment funds	4,630,878	150,026	–	120,383	(350,026)	4,551,261
	10,597,767	2,811,674	(2,788,086)	2,062,890	–	12,684,245

Transfer between funds represent the application of total return on endowment funds (note 10) and movements on designated funds.

Purpose of funds

Designated funds

The trustees have earmarked part of the charity's unrestricted funds as designated funds to be used for the following particular purposes in the future.

The tangible fixed assets fund represents the net book value of the tangible fixed assets owned by the group, excluding historic assets and memorabilia (which are restricted funds). Such assets are vital to the group being able to carry out its charitable work and the value invested in the assets cannot, therefore, be realised in order to meet future expenditure or contingencies. To emphasise this point the net book value of the assets is represented by a specific tangible fixed assets fund.

The designated overseas cash fund was created on 30 September 2014 in respect of those cash at bank balances which cannot be readily transferred to UK and as such are not available to the trustees for charitable purposes.

Restricted funds

The Awards and Scholarships Funds were established via donations and legacies received over the course of time to create separate funds specifically available for rewarding excellence within the field of marine engineering, science and technology. Income arising from these funds is accumulated in the restricted income fund and is used to fund the prizes and awards.

The Memorabilia and Historic Assets Fund represented assets gifted to the charity over the years, together with works of art purchased by the charity. As disclosed in note 8. and note 9. the Trustees are unable to obtain a reliable valuation, and have therefore written down the assets value during the current year.

Endowment funds

The permanent endowment funds form part of the funds of the Memorial Fund. On 18 September 2018 the Committee of Management of the Memorial Fund (a Permanent Endowment Fund) agreed to adopt a total return on investment approach under section 105 of the Charities Act 2011 for the Memorial Fund and that its core value should remain set at £3,044,472. They further agreed that responsibility for the implementation and oversight of adopting a total refund basis should be delegated to the Institute's Finance & Investment Committee.

Net assets between funds

Group	Endowment funds £	Restricted funds £	Unrestricted funds			2021 Total funds
			Designated funds £	General funds £	Pension reserve £	
Intangible fixed assets	—	—	—	70,200	—	70,200
Tangible fixed assets	—	—	145,174	—	—	145,174
Investment assets	4,551,261	283,533	90,403	9,873,008	—	14,798,205
Net current liabilities	—	—	—	(481,523)	—	(481,523)
DBS pension liability	—	—	—	—	(2,137,000)	(2,137,000)
	4,551,261	283,533	235,577	9,461,685	(2,137,000)	12,395,056

Group	Endowment funds £	Restricted funds £	Unrestricted funds			2020 Total funds
			Designated funds £	General funds £	Pension reserve £	
Intangible fixed assets	—	—	—	81,000	—	81,000
Tangible fixed assets	—	86,580	216,403	—	—	302,983
Investment assets	4,630,878	304,592	90,403	9,534,293	—	14,560,166
Net current liabilities	—	—	—	(883,795)	—	(883,795)
DBS pension liability	—	—	—	—	(3,764,000)	(3,764,000)
	4,630,878	391,172	306,806	8,731,498	(3,764,000)	10,296,354

19 Comparative consolidated statement of financial activities

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

20 Prior Period Restatement

The financial statements have been restated as a result of a correction to the disclosure relating to amounts due from subsidiary undertakings. This impacts the Charity only position as outlined below:

	2020
	£
Total funds as at 30 September 2020 as previously stated	10,332,768
Add: Amounts due from subsidiary	<u>265,000</u>
Total funds as at 30 September 2020 as restated	<u><u>10,597,768</u></u>

The balance sheet, note 12 and note 18 have been duly re-stated.

Chair Board of Trustees

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Kevin Daffey

President-Elect

Alastair Fischbacher

Immediate-Past President

Andrew Tyler CBE

Honorary Treasurer

Martin Murphy

Members of Board of Trustees

Chair Board of Trustees

President

President-Elect

Immediate Past President

Honorary Treasurer

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Chair, Board of Trustees in June 2021)

Richard Wakefield (Vice-Chair, Board of

Trustees) (to March 2021)

Matthew Bolton

Barry Brooks

Nigel Brunning

Sarah Dhanda (to March 2021)

Alistair Greig (to March 2021)

Christopher Hodge OBE (from March

2021)

Katherine Holmes (Maternity Leave

from April 2020)

Sajid Hussain

Alan Mills

Philip Parvin (from March 2021)

Parviz Sangin

Management Team**Chief Executive**

Gwynne Lewis

Commercial & Finance Director

Sue Arnold (from April 2021)

Institute Assistant Secretary

Margaret Marchetti

Head of Membership & Partner Services

Richard Goldsbrough

Head of IT & Business Systems

Ronnie Van De Laak

Head of Marketing & Communications

Anshie Patel

Head of Technical, Policy & Content

Daniel Stoker

Members of Council

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Adthisaya Ganesen Manickam (to March 2021)

Bradley Golden (from March 2021)

Richard Graham

Alistair Greig

Kenneth Greig

Christopher Hodge OBE (from March 2021)

Sajid Hussain

Franklin Joseph (from March 2021)

Solomon Judah

Sergey Karianskyi

Paul Marshall

Leonard Michaels

Alan Mills (to March 2021)

Peter Noble (to March 2021)

Philip Parvin (from March 2021)

Malek Pourzanjani (from March 2021)

Cassandra Ryan

Mayra Sanchez (from March 2021)

Parviz Sangin

Kathryn Sherley

Brian Smith

Nigel Smith (to March 2021)

Ivan Tam

John Voyce OBE

Richard Wakefield

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Accounts



Annual Report and Accounts 2020



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About the IMarEST

Background

The Institute of Marine Engineering, Science and Technology (IMarEST) is the international membership body and learned society for all marine professionals. The IMarEST has registered charity status (number 212992) and is the first institute to bring together marine professionals from across the full spectrum of marine engineering, science and technology in a single international, multi-disciplinary professional body. The IMarEST is the largest marine organisation of its kind with a worldwide membership of over 20,000 individuals based in over 120 countries.

Our charitable purposes are to:

1. Relieve global poverty through safe, sustainable use of ocean trade and resources
2. Promote educational excellence for those operating in the global marine sector
3. Improve safety for those operating in the global marine sector
4. Advance the understanding and practice of marine engineering, science and technology
5. Promote environmental sustainability for the benefit of mankind
6. Encourage ethical professionalism by upholding standards

Vision and Mission

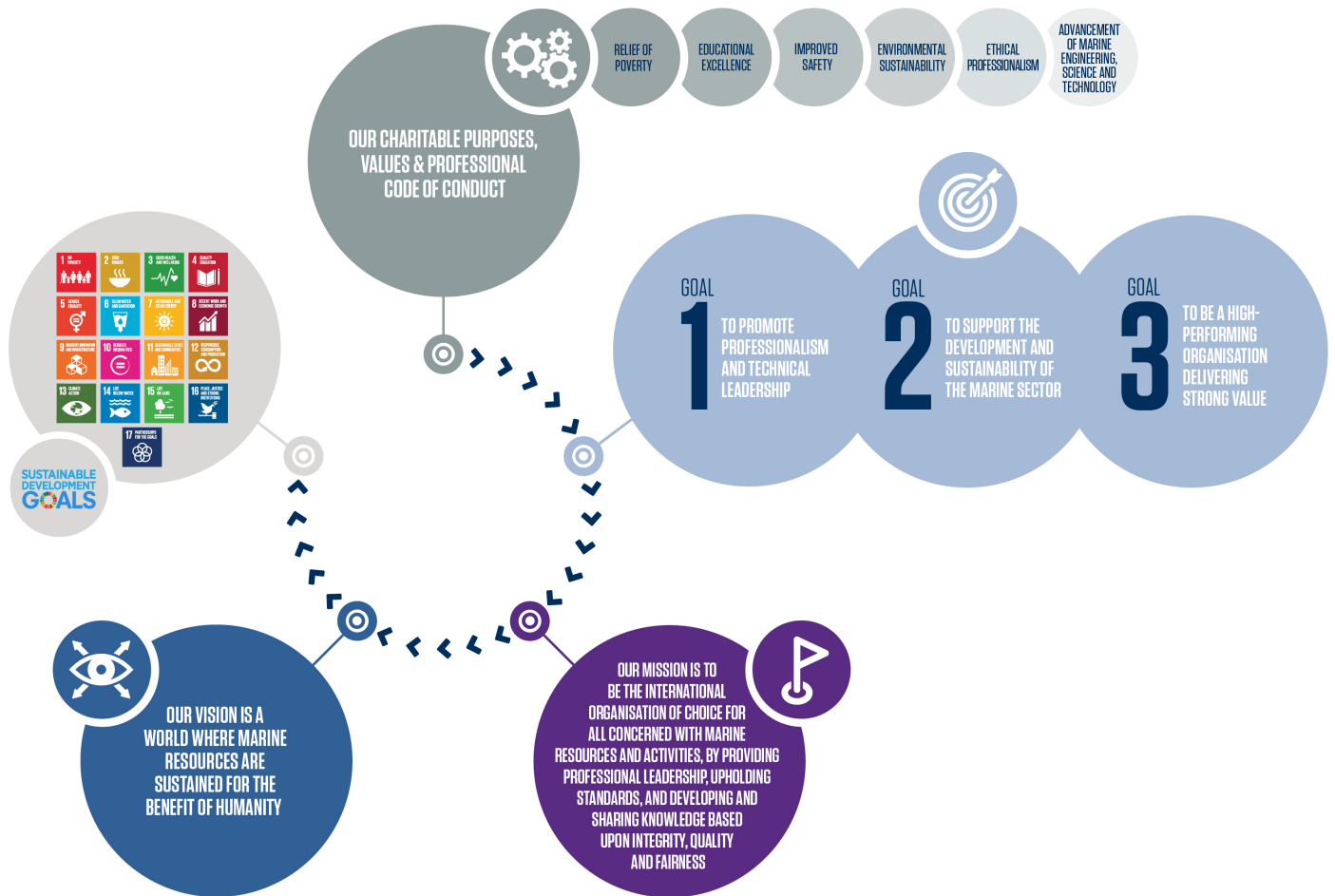
Our vision is a world where marine resources and activities are sustained, managed and developed for the benefit of humanity. Our mission is to be the international organisation of choice for all concerned with marine resources and activities, by providing professional leadership, upholding standards, and developing and sharing knowledge based upon integrity, quality and fairness.

Strategic Plan

The IMarEST Strategic Plan for 2018-2022 outlines the high-level direction of the Institute and identifies three key goals:

1. To promote professionalism and technical leadership;
2. To support the development and sustainability of the marine sector; and
3. To be a high performing organisation delivering strong value.

These goals, driven by our charitable purposes and organisational values, are designed to support delivery of our mission and vision and contribute to the delivery of the United Nations Sustainable Development Goals; they build upon our achievements of the previous five years and they continue to go to the very heart of our mission as an Institute.



Chair's Foreword and Review of the Year

We are now at the end of the third year of our 5-year Strategic Plan, begun in 2018, which lays out the Institute's chief aims through the three strategic goals as outlined in the above diagram. This year has not proceeded as any of us would have expected when it started in October 2019. For the first half of the year the Institute executed the original business plan then, in response to the global crisis brought on by the Covid-19 pandemic, the Institute was forced to amend plans from the middle of March 2020. The remainder of the year was re-focused on initiating the business continuity plan, switching to remote working and responding effectively and quickly to ensure the health, safety and well-being of staff and volunteers. Despite this unprecedented operational challenge, the Institute maintained global delivery of all key member processes and services and continued to deliver value to members using creativity to adapt to the changing environment. Not all activity could be maintained, some physical events and accreditation visits had to be cancelled, although most events could be transformed into a digital format. Resources were swiftly re-allocated to support branches to ensure continuity of their technical programmes in a new digital format and extra support was provided to SIG communities and volunteer committees to aid the transition to digital working.

The Institute's robust IT infrastructure and systems and investment in the digital transformation of our membership proposition over the past five years undoubtedly paid dividends which enabled the Institute to adapt quickly and efficiently to the changing restrictions. However it was the dedication, creativity and flexibility of the staff and volunteers to adopt new ways of working and trialling new ideas that really enabled the Institute to deliver and continue to make progress (despite the Covid-19 crisis) against the three goals in the Strategic Plan 2018-2022: promoting professionalism and technical leadership; supporting the development and sustainability of the marine sector; and establishing the Institute as a high performing organisation delivering strong value.

Strategic Goal 1: To Promote Professionalism and Technical Leadership

The Institute expanded the professional accreditation offer with the first 'Certificate of Excellence' awarded jointly by the IMarEST and the Nautical Institute to the Bangladesh Marine Academy. Academic accreditations were awarded to Ningbo China University, Solent University and the University of Aberdeen and an industry accreditation (IPD) was awarded to Dahra Global. The IMarEST developed and accredited a new defined route for membership and registration for the UK's Maritime and Coastguard Agency and eight further CPD recognition certificates were awarded throughout the year to marine organisations. Eight new organisations joined as Marine Members during the year and eight new NGO Partners were brought onboard.

A workshop was delivered at the Ocean Sciences conference in San Diego, US on the role of professional certification for the oceanographic community. The IMarEST website was updated to promote the professional registration offer and new videos highlighting the benefits of registration and CPD were widely distributed. Work was completed to expand the competency models for a new specialist postnominal descriptor for professionals working with Remotely Operated Vehicles (ROVs) which will be launched in the next year.

The Institute delivered a wide range of CPD opportunities with the number of users of the IMarEST Echo app (for CPD recording and consumption) increasing by 400. The events programme, central to the CPD offering, began with supporting the delivery of the 4th ANZSPAC Biofouling workshop and 1st GloFouling R&D Forum in Melbourne, Australia and the PACIFIC International Maritime Conference in Sydney, Australia. More than 130 international delegates attended the inaugural International Conference on Marine Engineering and Technology (ICMET) Oman which was delivered in partnership with the Military Technological College in Muscat. The third edition of our 'Oceans of Knowledge' event series was held at the Royal Institution in London, followed by an evening reception to celebrate the launch of 'Our Oceans: Our Future', a film produced jointly with ITN Productions, and in December a Lord Kelvin lecture on deep sea mining at Baden Powell House in London was delivered.

In response to the Covid crisis the events programme was transformed into a digital offering and resulted in the successful delivery of the first ever fully digital IMarEST Annual Conference which received a record number of over 3,000 event registrations. Delegates tuned in live from 77 countries and post-event there have been over 8,000 views of content on IMarEST TV. The Executive re-allocated resources to support branches in the online delivery of their technical programmes and supported Special Interest Group (SIG) communities and committees in the transition to digital working throughout the rest of the year. As a result, the HQ events team has maintained delivery of an online series of events with 8,274 people registered to attend events since the Covid crisis began in March.

The Institute's technical leadership was further strengthened with the introduction of five new Special Interest Groups during the year: Marine Mammals, Cyber Risk Management, Global Fisheries Improvements, Ocean Plastics & Marine Litter and Ship Repair, Maintenance & Safety.

The IMarEST technical leadership continued through the delivery of our peer-reviewed technical journals, with the Journal of Operational Oceanography receiving a significant rise in its impact factor bringing it into the Top 4 for all journals published in ocean science globally.

High-level intergovernmental meetings attended included the 51st sessions of the United Nations Intergovernmental Panel on Climate Change (IPCC 51) and the Ministerial Conference on Fishing Vessel Safety and Illegal, Unreported and Unregulated (IUU) Fishing, organised by the International Maritime Organization (IMO) and the Government of Spain. The IMarEST also participated in a Roundtable of Ocean Industry Association Leaders (ROIAL) at the Sustainable Ocean Summit held in Paris, France.

The intergovernmental calendar was impacted by Covid-19 in the second half of the year; however the IMarEST continued to contribute to virtual meetings of the International Maritime Organization (IMO) including the Intersessional Working Group on Greenhouse Gas Emissions (ISWG-GHG) and submitted a member-led paper related to Deep Sea Carbon Capture & Storage (CCS) to the meeting of the London Convention Scientific Group, held by correspondence.

Strategic Goal 2: To Support the Development and Sustainability of the Marine Sector

To support and raise awareness of the marine sector, the Institute partnered with ITN Productions to produce the film 'Our Oceans: Our Future' which explored the critical issues affecting our oceans, and the work being done by marine professionals worldwide for a brighter future. The film was launched at the Royal Institution in London and widely distributed across the sector - to date the film has been viewed over 140,000 times across all digital platforms including YouTube.

Our work to inspire, support and develop the next generation of marine professionals continued throughout the year. The winner of the 2020 David Henderson Inspiring Journey Grant, Michelle Caputo, will be using the £5,000 grant to travel to the remote island of Nosy Faly, off the northwestern coast of Madagascar, where she will study the relationship between fishers and the endangered Indian Ocean humpback dolphin. This year we awarded the second Lady Hamlyn Award bursary to Aidan Hinchcliffe, a marine engineering apprentice at Berthon International. Student bursaries were awarded to undergraduate and postgraduate students to support a variety of marine research projects. Most notably, the prestigious Stanley Gray Fellowship was won by two outstanding candidates - Stephanie Lavelle for her research on ecosystem level responses to marine plastic debris, and Denise Swanborn for her research on seabed and habitat mapping in the Indian Ocean.

The IMarEST supported the upskilling and retention of maritime talent in Singapore through a strategic partnership with the Maritime and Port Authority (MPA) in Singapore which saw the creation of more pathways for professional development and recognition. This will support the sector broadly and specifically benefit marine surveyors and marine hydrographers in MPA, as well as offshore and shore-based maritime professionals.

The IMarEST was awarded a contract from the European Bank for Reconstruction & Development to work in collaboration with the GEF-UNDP-IMO GloFouling Partnerships to conduct national economic assessments of the potential impacts of invasive aquatic species (IAS) transferred through biofouling

and the cost of appropriate control and management. This has been undertaken working with experts in Tunisia and the Ukraine as well as with Plymouth Marine Laboratory, UK. Additional technical outputs include an explainer document on wash water discharge from Exhaust Gas Cleaning Systems (EGCS) and an explainer document on the importance of understanding changes to the polar regions. Online roundtables have explored ballast water compliance monitoring and the risks associated with plastics in aquaculture (held jointly with the World Aquaculture Society (WAS)).

The IMarEST held a Presidential debate on the impact of Covid-19 on the marine sector and specific communications and papers of interest were made available through the IMarEST website under the custodianship of the Human Element Special Interest Group.

The required IMarEST quadrennial report was submitted to the Economic and Social Council of the United Nations which highlighted all the contributions made by the IMarEST to the work of the United Nations in the period between 2016 and 2019.

Strategic Goal 3: To be a High-Performing Organisation Delivering Strong Value

To support growth of products across all disciplines and regions, a new brand identity was rolled out in the first quarter of the year, following consultation with members. Processes for engaging and developing staff were introduced with a new appraisal system in place and the introduction of an employee survey. The Chief Executive hosted a Fellows' event for members from across Australia and extra tools were provided to support SIG volunteer communities in undertaking their technical activities.

An internal review was conducted of the membership and registration processes to identify key areas of improvement to facilitate improved customer service throughout the joining experience. Following this activity a comprehensive improvement plan was developed by the Executive and the Membership Committee and implementation of the plan commenced and will continue into the coming year.

The second half of the year focused heavily on the response to the Covid-19 crisis and prioritising the health and wellbeing of staff, support for volunteers and ensuring business continuity and delivery of key services and continuing to deliver value to members. The 2020 AGM and Council were re-scheduled and convened successfully via video conference - all committees continued in the same manner with minimal disruption.

The 2020 schedule of printed issues of the Marine Professional magazine was reduced from a frequency of 6 to 4 in response to the crisis but a series of Marine Professional e-newsletters was introduced to ensure high quality journalism continued to be delivered to members. The events programme was transformed to online delivery and CPD content continued to be provided for members across all online platforms including IMarEST TV, Echo, Nexus and the IMarEST website and social media platforms.

The Board continues to monitor the risks the Institute faces and the diversity of expertise and perspective that each Board member offers greatly contributes to this. There is more to this goal than just financial performance and mitigating risk, as important as these issues are. Delivering services that members need, at all stages of their careers and professional development, is vitally important if we are to retain and grow the membership. We are making good progress in this area as the ever expanding ways to access knowledge and information and the means to provide professional recognition demonstrate.

Finally, I would like to thank once again all the member volunteers and Institute staff for their hard work. I believe that we can look forward to the future with confidence as we continue to focus on the goals set out in the Strategic Plan.

A handwritten signature in black ink that reads "Richard Vie". The signature is written in a cursive style with a large initial 'R' and a long, sweeping underline.

Richard Vie FREng CEng CMarEng FIMarEST

Chair, Board of Trustees

Trustees' Annual Report

Delivering our charitable purposes for the public benefit

The IMarEST charitable purposes are defined in the opening section of this report. They are delivered to the benefit of either the public at large or the global marine community. The general benefits are described below; specific benefits from activities in the past year are described in the next section.

Benefits arising from charitable purposes

- The general public benefits from safe shipping activities, marine and maritime infrastructure, and from safe and sustainable ocean activities and the conservation of marine resources. The expertise and activities of IMarEST's members contributes to realising these benefits. The general public also benefits from activities that support the generation and dissemination of knowledge, education of the public and making best practice available to our members.
- Governments and intergovernmental organisations benefit from our provision of expert advice through consultation responses and from our published reports. Both public and private sector employers, and through them the wider economy, benefit commercially from employing IMarEST members who have globally recognised professional qualifications.
- Young people can better realise their potential from our efforts to raise interest in marine, science, engineering and technology in schools and colleges; we also encourage and support the young engineers, scientists and technologists of tomorrow.

Underpinning membership expertise

Delivery of the benefits described above depends upon the IMarEST maintaining a strong body of professional expertise incorporated in a financially robust and sustainable body. This expertise is essential to provide technical and social leadership and advice, and to ensure the safety, effectiveness and sustainability of global marine activities. This expertise is developed and recognised through our membership qualification, registration and professional development processes, through the maintenance of a body of technical information, and through professional and technical support. The IMarEST's own activities as a professional body are not considered to generate detriment or harm.

Membership

The IMarEST could not deliver its charitable purposes to the public benefit without its membership, and the membership subscriptions which are used to fund activities for public benefit. General membership of the IMarEST is open to the whole marine community and, through Affiliate membership, to any member of the public with an interest in marine affairs. Financial barriers to membership are minimised. Membership for students, apprentices, cadets and others in full-time education is free and a Graduate Pathway scheme is in place to offer discounts following graduation. Concessionary rates are in place for those living in certain countries, for those who have retired and for long-service members. Any member suffering financial hardship may apply for fees to be reduced or waived.

Fundraising

All solicitations are managed internally, without involvement of commercial participators, professional fundraisers or third parties and are focused on generating income to support delivery of our charitable purposes. The day-to-day management of all income generation is delegated to the executive team, who

are accountable to the Trustees. Fundraising income is presented in our accounts as “Donations”. The Institute is aware of the UK Fundraising Regulator’s guidance, has received no complaints in the year and is confident in its ability to comply.

Charity Commission Guidance

The IMarEST Board of Trustees confirms it has complied with the duty outlined in Part 2 of the Charities Act 2011 to have regard to guidance on public benefit published by the Charity Commission when exercising any powers or duties to which the guidance is relevant.

What we will do in 2021

Supporting Strategic Goal 1: To Promote Professionalism and Technical Leadership

- a) Promote and grow our professional registration offer including accreditation and competency models for specialist postnominal descriptors. In FY21 we shall continue to pilot the licencing of our IMarEST registers with the Society for Underwater Technology (SUT) and the Marine Technology Society (MTS) and seek possible new partnerships with other organisations.
- b) A new B2B and an expanded Operations team now report to the Head of Membership and Partner Services. This group will deliver against an updated Engineering Council registration process that is being rolled out Q1 2021.
- c) During FY20 many academic accreditations were paused due to Covid-19; therefore in FY21 a priority will be to adapt the process to facilitate virtual visits to complete the outstanding accreditations alongside the further development of both the academic and industry (IPD) accreditation propositions.
- d) We will build upon the success of holding the Annual Conference and INEC / iSCSS online, which enabled a much wider international audience of both members and non-members.
- e) We shall continue to run a series of high-quality events and workshops to lead on key technical issues. We hope that the present Covid-19 restrictions will be lifted to permit ‘hybrid’ (mixing in person and online formats) events to be held in the second half of FY21.
- f) Key events in the FY21 calendar are
 - International Naval Engineering Conference and International Ship Control Systems Symposium
 - Sea Level Rise Conference
 - IMarEST Annual Conference
 - Online series of Fellows’ events’
 - Ocean Aware Film Launch in association with ITN Productions
 - President’s Day Lecture and Prestige Lecture Series
- g) We shall continue to:

- Develop partnerships with governments and industry to promote professional development of their staff.
- Deliver quality impartial advice to governments as part of the intergovernmental decision making process.

Supporting Strategic Goal 2: To Support the Development and Sustainability of the Marine Sector

- a) Raise awareness of the sector, the challenges and the opportunities to attract, develop and retain the marine workforce through our own activities together with those of Marine People Limited and Marine Learning Alliance Limited.
- b) Inspire, support and develop the next generation of marine professionals through a programme of relevant activity and encourage enrolment on the Graduate Pathway. In FY21 we will focus our efforts on supporting our existing student membership and in the generation of new student members at universities undergoing the accreditation process.
- c) In FY21 we will continue to populate the Graduate Pathway with IPD opportunities and promote these to those on the pathway.
- d) We will work with Marine People to support our early career professionals with summer work placements and to facilitate their introductions to employers within the marine sector.
- e) Our technical and policy work will continue to be one of the principal ways in which we deliver Strategic Goal 2. During FY21, activities will be focused on three areas:
 - Using the expertise of our members to provide an invaluable public service, sharing impartial, scientific and engineering expertise with governing bodies to help them in evidence-based decision and policy making.
 - Ensuring decisions that directly affect marine engineers, scientists and technologists and the way they undertake their work are communicated to members and ensuring policy makers are developing reasonable regulation that can be implemented by our community.
 - Creating a more “ocean literate” membership with a broader awareness across sectors and specialisms.
- f) We will develop policy and position outputs on emerging and existing technical and societal issues identified in consultation with the membership and our SIGs including, but not limited to: mental health; deep sea mining; decarbonisation of shipping; diversity; equality and inclusion; recycling of ships and offshore structures; environmental monitoring and artificial intelligence.
- g) Our support for capacity development will have a particular focus on supporting Small Island Developing States to develop ocean sustainability initiatives.
- h) Deliver against our voluntary commitments to support the implementation of UN Sustainable Development Goal 14.

Supporting Strategic Goal 3: To be a High-Performing Organisation Delivering Strong Value

- a) Deliver financial targets and key performance measures as agreed by the Board of Trustees. In FY21 there will likely be unpredictable Covid-19 challenges and opportunities.
- b) Engage and recognise our volunteer community to ensure their continued support of the Institute. In FY21 there will be a focused effort on ensuring that all of our volunteers have the required training and necessary tools to fulfil their important roles. This will include comprehensive training for PRI and accreditation assessors.
- c) We will engage with the branches and SIGs, continuing to support them and train them in their delivery of digital meetings and seminars.
- d) We will focus on commercialising existing digital content and future digital events. We will be adapting to the changing market requirements of this new arena and shall seek to retain our edge in the operational delivery of digital events using the advanced tools already in place such as IMarEST TV, Panopto, online reviewing platforms and event apps.
- e) We will continue to develop the relationship with Think Publishing to deliver a portfolio of member content under the established Marine Professional brand. We will also continue to work with Witherby's Seamanship International on our existing book portfolio and seek further book publishing opportunities in FY21. We will also continue our contract with Taylor & Francis for production of our two academic journals and will relaunch Institute Transactions. Our aim for FY21 will be to continue to ensure that the IMarEST is achieving maximum benefit from our strategic suppliers and ensure the contracts are fit for purpose and reduce risk for the Institute.
- f) We will be investing in the website: a critical marketing tool, knowledge sharing platform and a key enabler to delivering the content strategy as well as delivering a range of key membership services.
- g) We shall seek to communicate the IMarEST's activities, reference case studies and membership benefits more widely. Utilising the marketing and communications team to create an environment that supports the strengthening of the opportunity pipeline and the future growth of the Institute.

Financial review

The table below provides a high-level breakdown of income as shown in the consolidated statement of financial activities and notes to the financial statements.

	2020	2020	2019	2019
	£	%	£	%
Income from charitable activities	2,133,887	82.1	2,680,365	84.0
Investment income	450,116	17.3	491,551	15.3
Net income from associates investments	5,564	0.2	2,740	0.1
Donations and legacies	10,590	0.4	21,573	0.6
	<u>2,600,157</u>	<u>100</u>	<u>3,196,229</u>	<u>100</u>

The IMarEST's overall financial position shows a negative net movement in funds as follows:

	2020 £	2019 £
Net (expenditure) income before other recognised gains and losses	(522,069)	810,826
Actuarial losses on defined benefit pension scheme liability	(1,726,000)	(573,000)
Foreign exchange losses on translation	(16,466)	(1,910)
	<u>(2,264,535)</u>	<u>235,916</u>

The Group balance sheet shows total net assets of £10,296k as follows:

	2020 £	2019 £
Total net assets before pension scheme liability	14,060,354	14,638,889
Defined benefit pension scheme liability	(3,764,000)	(2,078,000)
	<u>10,296,354</u>	<u>12,560,889</u>

Charitable application

The table below provides a high-level breakdown of the application of funds to our charitable purposes as shown in the notes to the financial statements.

	2020 £	2020 %	2019 £	2019 %
Membership Services	1,464,200	46.9	1,142,983	34.3
Technical Publications & Books	239,641	7.7	16,476	0.5
Conferences & Events	441,862	14.2	297,480	8.9
Marine Partners & Members Fees	35,907	1.1	125,413	3.8
Accreditation	167,880	5.4	92,129	2.8
Technical & Library	753,664	24.1	601,189	18.0
Learning Activities	–	0.0	1,042,552	31.3
Awards	19,768	0.6	17,169	0.4
Totals	<u>3,122,922</u>	<u>100</u>	<u>3,335,391</u>	<u>100</u>

Cash and investment policy

The Institute's Royal Charter gives the Institute the power 'to invest the monies of the Institute not immediately required in or upon such investments or other property or other assets as the Trustees may think fit.' The Board of Trustees delegates day-to-day management of its investment portfolio to its investment managers and they act on a discretionary basis in accordance with the Statement of Investment Policy and Principle (SIPP) and benchmarks agreed with the Board of Trustees.

The Institute is following a strategy of predictable income using a selection of funds managed by Sarasin and Partners LLP (Sarasin). The SIPP and benchmarks are reviewed annually and adjusted as deemed necessary by the Board of Trustees. In the determination of benchmarks and the review of performance

against these benchmarks the Trustees receive advice from an independent Investment Adviser. The performance against benchmark for the funds comprising the investment portfolio is given in the following table:

	Benchmark	Portfolio
Sarasin Income and Reserves Fund Class A Inc	2.1%	3.5%
Sarasin Endowments Fund Class A Inc	2.0%	6.5%

The Board of Trustees keeps under review the adequacy of the Treasury to fund immediate cash flow requirements, short-term capital projects and risk mitigation without jeopardising the invested reserves.

Total Return Accounting

On 18 September 2018 the Committee of Management of the Memorial Fund (a Permanent Endowment Fund) agreed to adopt a total return investment approach under section 105 of the Charities Act 2011 for the Memorial Fund and that its core value should remain set at £3,044,472 as shown on the Memorial Fund balance sheet for the year ending 30 September 2011. They further agreed that responsibility for the implementation and oversight of adopting a total return basis should be delegated to the Institute's Finance & Investment Committee.

Reserves and reserves policy

In addition to its operating funds (i.e. working capital in current and deposit accounts), the IMarEST maintains a variety of funds and investments with different aims and structures:

- a) **Restricted Funds.** The IMarEST retains two separate Restricted Funds:
 - i. **The Awards and Scholarships Fund.** This was established from legacies and donations received over time and is used to fund rewards for excellence within the fields of Marine Engineering, Science and Technology, with any unexpended income being retained within the fund. At 30 September 2020 its value was £283k. It is considered as a reserve for its specific purpose.
 - ii. **The Permanent Endowment Memorial Fund (PEMF).** This was created after the sale of the Mark Lane building from 25% of the net proceeds. It is governed by its own scheme rules, under which dividend income can be used for the charitable purposes of the Institute but the core capital value must be preserved. At 30 September 2020 its core value was £3.044M. The fund is managed on a Total Return basis (in accordance with Charity Commission guidance) wherein capital gain above the core value can be taken as income. The Fund can be considered as part of the reserves – but under normal circumstances only for income generation.
- a) **Unrestricted Funds (free reserves).** Further IMarEST investment assets are contained in an investment fund which may be utilized for the general financial needs and charitable purposes of the Institute. At 30 September 2020 its value was £8.7M and can be considered free reserves.
- b) **Designated Funds.** The Trustees have designated £307k of funds relating to tangible fixed assets and cash held overseas to reflect that these cannot easily be realised as cash to apply towards charitable purposes.

The IMarEST requires reserves for the following purposes:

- a) In order to preserve the medium and long-term interests of the charity.
- b) As a source of income to fund the IMarEST's charitable purposes and Retirement Benefit Scheme (RBS) Recovery Plan.
- c) As a contingency fund against recovery from maturing risks.
- d) To meet the mid-term capital requirements of the Institute.

The reserves policy is to maintain the Institute, Memorial and Awards & Scholarship Funds at the required level in order to provide income to support delivery of the Charitable Purposes and RBS Recovery Plan without eroding capital value. Once financial sustainability is achieved, the target value of the free reserves will be in the range £12-13M.

At 30 September 2020 the value of IMarEST free reserves as shown on the balance sheet is £9.0M (2019: £9.7M).

Pay policy for senior staff

The executive team of the Group direct and control the operation of the Group on a day to day basis. The remuneration of the entire executive team is reviewed and approved annually by the IMarEST Remuneration Committee. This Committee is chaired by the Vice Chair of the Board of Trustees. The Committee ensures arrangements are affordable and fair, and are designed to motivate and reward performance in the interest of the Group. Remuneration is benchmarked periodically using external surveys and data which includes both commercial and not-for-profit organisations.

Risk management

Risk management is embedded within the operations of the Group. Risk registers are regularly maintained by the executive, and reviewed by the trustees. The currently most significant risks are:

Category	Risk	Mitigation
Capability and capacity	Business Transformation - There is a risk that the Institute cannot transform due to resource capacity leading to an inability to change, to adapt and to invest in new initiatives	This risk is being mitigated by a balance of prioritising activities and recruiting or re-deploying staff to provide the capacity to undertake important activities.
Reputational	Member Dissatisfaction leading to disruptive costs - There is a risk that as a result of a small group of dissatisfied members we have to call an EGM which may lead to a significant financial impact.	This risk is being mitigated by effective communication with members. We will set and agree reasonable expectations and apply our best endeavours to meet these.
Operational	Loss of EC or SC Licences - There is a risk that current licences awarded by the Engineering Council and/or the Science Council are revoked or not renewed as a result of non-compliance resulting in the attrition of registrants and loss of income.	This risk is being mitigated by maintaining a close working relationship with both EC and SC. We will understand their requirements and adapt our processes to ensure compliance.
Engagement	Failure to engage successfully with the Trustees of the Retirement Benefits Scheme - There is a risk that the relationship between the Institute and RBS breaks as a result of personality or policy differences leading to an unconstructive approach to the triannual review.	This risk is being mitigated by the CEO and CD being Employer Nominated Trustees and through a close working relationship with all the RBS Trustees. The RBS Chair provides regular updates to the Finance & Investment Committee.
Financial	Failure to deliver Growth in Membership - There is a risk of failure to deliver growth in membership as a result of a failure to deliver or communicate benefits at the right price point causing a gradual decline in member numbers leading to reputational and financial damage.	This risk is being mitigated by improving our member retention rate via a focus on member communications, member benefits and IT functionality. New members will be attracted to the Institute through marketing and continual review of the product and benefits.
Financial	Investment Income - There is a risk that the investment income does not meet the budgeted level as a result of market conditions leading to IMarEST failing to meet its budgeted gross margin	This risk is being mitigated by the Finance & Investment Committee and the management of Sarasin, our investment managers.
Reputational	Poor publicity - There is a risk that members (current or past), or individuals with some connection with the Institute, make statements or undertake work that by association might bring the Institute into disrepute. This may lead to lack of confidence in IMarEST technical advice either from governments or IGOs or make us less attractive as a membership organisation.	This risk is being mitigated by application of our Code of Conduct and by ensuring that anyone formally representing the Institute is made aware of their responsibility and our technical position.

Audit

Financial audit oversight is delegated to the Finance & Investment Committee. Operational and procedural audit matters are overseen directly by the Board.

Members

The role played by our members, who so generously volunteer their time and expertise to serve the IMarEST, cannot be overestimated. Their contribution is vital across a number of activities, including the Professional Review process by which individuals are assessed for qualification to membership, as accreditors, providing technical lectures, contributing to our publications, as representatives of the IMarEST, through branches, through SIGs (Special Interest Groups), our various Committees, the Council and the Board of Trustees. The IMarEST is very grateful for the contributions of members and recognises that without their efforts there could be no IMarEST.

Related parties and connected organisations

As detailed in note 9 to the financial statements, IMarEST has one fully owned subsidiary undertaking Marine Management (Holdings) Limited, a company registered (01100685) in England and Wales. Marine Management (Holdings) Ltd is the parent company of MAREST (S) PTE Limited and of Marine Exhibitions Limited. Marine Exhibitions Limited is currently not trading.

Marine Management (Holdings) Ltd has a 40% share in Marine Learning Alliance Limited, a higher education provider, and a 30% share in Marine People Limited, a marine specialist recruitment agency.

The table below gives details of the composition of the Board of Directors of the companies identified above as at 30 September 2020.

Company	IMarEST Trustees	IMarEST Executive	External	Chair
Marine Management (Holdings) Limited	1	2	2	External
Marine Learning Alliance Limited	–	2	4	External
MAREST (S) PTE Limited	–	1	1	Executive
Marine Exhibitions Limited	–	2	–	Executive
Marine People Limited	–	1	2	External

The Institute has a close working relationship with the Guild of Benevolence of the IMarEST, which is a separate and independent charity. The Institute provides certain services to the Guild for which charges are made based on the costs incurred by the Institute. The Honorary Treasurer and Secretary of the Institute are ex-officio members of the Guild's Committee of Management but the Institute has no overall control of the charity.

The Institute has historically had a close relationship with the Memorial Fund, which was a separate charity whose exclusive objects were to repair and maintain the property of the Institute, to advance education in engineering, science, and technology in the marine environment, and to advance the general charitable purposes of the IMarEST. Although it remains legally constituted as a separate charity, since July 2012 the Memorial Fund has been linked to the main Institute charity for registration and accounting purposes and no longer has a separate charity registration number. The Trustees of the Institute at any given time also serve as the trustees of the Memorial Fund.

In pursuance of its charitable objectives, the Institute has a working relationship through the joint branch arrangements with the Royal Institution of Naval Architects.

Structure, governance and management

Board of Trustees

The overall governance and control of IMarEST is managed by a Board of Trustees (the Board) whose members are the charity trustees of IMarEST. The Board is composed of the five Officers of the Institute plus between 9 and 15 other Trustees, of which at least six must be Council Trustees and at least three Non-Council Trustees. Council Trustees are appointed by Council and Non-Council Trustees are appointed by the Board itself. The Chair of the Board is a Fellow of the IMarEST and appointed by the Board but need not be a member of either the Board or Council at the time of appointment. A Vice-Chair is selected by the Board from among its existing membership. The Board has three committees to focus on specific aspects of its work in detail: Nominations and Remuneration (both composed solely of Board members) and Finance & Investment, composed of Board members and, at the discretion of the Board, one or more individuals with specialist expertise who are not currently members of the Board. In addition, the Presidents' Advisory Committee, composed of past Institute presidents, is considered a Board committee.

Council

IMarEST Council manages the professional, learned society and technical affairs of the IMarEST on behalf of the Board. Appointed Members of Council are appointed by Council to three-year terms on the recommendation of the Nominations Committee. Elected Members of Council are elected to three-year terms by the Voting Members in the relevant electoral division. Both Appointed Members and Elected Members are eligible to serve two consecutive terms of office and there are currently four electoral divisions: Americas, ANZSPAC (Australia and New Zealand), Asia Pacific and EMEA (Europe, Mid East and Africa). The Honorary Treasurer is elected annually by Voting Members across all electoral divisions. The President of IMarEST serves as the Chair of Council as well as IMarEST's ambassador and is appointed to a one-year term by Council on the recommendation of the Presidents' Advisory Committee.

Council delegates the delivery of specific aspects of its work to its standing committees: Membership Committee, Professional Affairs and Education Committee (PAEC), Publications Supervisory Board (PSB) and Technical Leadership Board (TLB). Council must meet a minimum of twice each year and normally holds one face-to-face and two online/teleconference meetings during the year. All sessions were held virtually this year due to Covid restrictions.

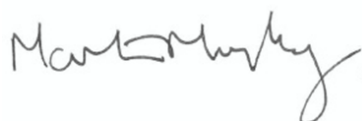
Approved by the trustees and signed on their behalf on 9 February 2021

by:



Richard Vie

Chair of Board of Trustees



Martin Murphy

Honorary Treasurer

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the income and expenditure of the group and the charity for that period. In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in 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);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group and charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's Royal Charter. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by the trustees and signed on their behalf on 9 February 2021

by:



Richard Vie

Chair of Board of Trustees



Martin Murphy

Honorary Treasurer

Independent auditor's report to the trustees of the IMarEST

Opinion

We have audited the financial statements of The Institute of Marine Engineering, Science and Technology ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 30 September 2020 which comprise the consolidated statement of financial activities, the consolidated and Parent Charity balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 30 September 2020 and of the Group's incoming resources and application of resources 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 Charities Act 2011.

Basis for opinion

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

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report and Accounts 2020, other than the financial statements and our auditor's report thereon.

Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion;

- the information given in the trustees' annual report is inconsistent in any material respect with the accounts; or
- sufficient accounting records have not been kept by the Parent Charity; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Edward Finch (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

17 February 2021

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated Statement of Financial Activities

Year to 30 September 2020

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

With the exception of the disposal of Marine Learning Alliance Ltd in 2019 (note 19), all income and expenditure was derived from continuing activities in the above two periods and there are no recognised gains or losses other than those stated above.

Balance sheets

As at 30 September 2020

	Notes	Group		Charity	
		2020	2019	2020	2019
		£	£	£	£
Fixed assets					
Intangible assets					
. Goodwill	7	81,000	91,800	–	–
. Negative goodwill	7	(402,727)	(402,727)	–	–
Tangible assets	8	302,983	270,927	300,126	266,246
Investments	9	13,345,493	13,363,070	13,223,189	13,226,330
		13,326,749	13,323,070	13,523,315	13,492,576
Current assets					
Stock		4,014	12,831	4,014	12,831
Debtors	11	417,239	447,457	405,929	423,967
Cash at bank and in hand		74,716	176,685	60,635	168,245
		495,969	636,973	470,578	605,043
Creditors: amounts falling due within one year	13	(1,379,764)	(843,294)	(1,354,525)	(816,033)
Net current liabilities		(883,795)	(206,321)	(883,947)	(210,990)
Debtors: amounts due after one year	12	1,617,400	1,522,140	1,457,400	1,630,940
Net assets before pension liability		14,060,354	14,638,889	14,096,768	14,912,526
Defined pension scheme liability		(3,764,000)	(2,078,000)	(3,764,000)	(2,078,000)
Total net assets		10,296,354	12,560,889	10,332,768	12,834,526
Funds and reserves					
Permanent endowment funds		4,630,878	4,538,234	4,630,878	4,538,234
Restricted funds		391,172	377,137	391,172	377,136
Unrestricted funds					
. Designated funds		306,806	274,750	303,949	346,863
. General funds		8,731,498	9,448,768	8,770,769	9,650,293
. Pension reserve		(3,764,000)	(2,078,000)	(3,764,000)	(2,078,000)
Total funds		10,296,354	12,560,889	10,332,768	12,834,526

The accompanying accounting policies and notes form an integral part of these financial statements. The financial statements on pages 23 to 46 were approved by the trustees on 9 February 2021 and signed on their behalf by:



Richard Vie
Chair of Board of Trustees



Martin Murphy
Honorary Treasurer

Consolidated statement of cash flows

Year to 30 September 2020

	2020 £	2019 £
Cash flows from operating activities		
Net movement in funds for the year before other recognised gains and losses	(522,069)	810,826
Adjustments for		
Depreciation charges tangible assets	87,195	75,591
Amortisation charges intangible assets	10,800	16,200
Decrease (increase) in stock	8,817	39,223
Increase in debtors due within one year	(62,019)	(136,489)
Increase in debtors due in more than one year	(95,260)	(1,522,140)
Increase (decrease) in creditors	536,470	(191,965)
DB pension charge contributions net of interest expense	(40,000)	(203,000)
Dividends and investment income receivable	(450,116)	(491,551)
Net income from associates	(5,564)	(2,740)
Net change in assets on partial disposal of subsidiary	-	813,712
Gains on listed investments	(266,181)	(524,007)
Foreign exchange losses	(16,466)	(1,910)
Net cash used in operating activities	(814,393)	(1,318,250)
Cash flows from investing activities		
Dividend received from investments	470,116	491,551
Purchase of property, plant and equipment	(27,014)	(4,150)
Purchase of intangible assets	-	-
Proceeds from sale of listed investments	295,857	492,837
Purchase of listed investments	(11,107)	(24,853)
Net cash provided by investing activities	727,852	955,385
Change in cash and cash equivalents in the reporting period	(86,541)	(362,865)
Cash and cash equivalents at 1 October	220,461	583,326
Cash and cash equivalents at 30 September	133,920	220,461
Analysis of cash and cash equivalents		
Cash at bank and in hand	74,716	176,685
Cash held by investment managers	59,204	43,776
Total cash and cash equivalents	133,920	220,461

The Group holds no external loans. There is therefore no difference between the changes in cash and cash equivalents and the changes in net debt.

Statement of accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation

The Financial Statements have been prepared in accordance with the Charities SORP (FRS 102), Accounting and Reporting by Charities: A 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) and the Charities Act 2011. The statements have been prepared under the historic cost convention, with the exception that investments, memorabilia and historic assets are included at market value. The financial statements are rounded to the nearest £.

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

The trustees consider that there are no material uncertainties about the Group and Charity's ability to continue as a going concern. In making their assessment, the trustees have considered the impact that the Covid-19 pandemic has had on the Group and Charity and its beneficiaries.

Basis of consolidation

The accounts consolidate those of the Charity and its wholly owned non-charitable trading subsidiaries: Marine Management (Holdings) Limited, MAREST (S) Pte Limited and Marine Exhibitions Ltd. Marine Exhibitions Ltd did not trade during the year. On 30 June 2019, 60% of Marine Learning Alliance Ltd was sold. Marine Learning Alliance Ltd has been treated as an associate from this date. Intra-group transactions are eliminated in full.

As a result of a direction issued by the Charity Commission in July 2012, The Institute of Marine Engineering, Science and Technology Memorial Fund (the Memorial Fund) was linked with the funds of the Institute.

In the year ended 30 September 2006, the Stanley Gray Awards and The Institute of Marine Engineers Scholarship Fund merged with the Donald Maxwell Fund. Donald Maxwell Fund was linked, under a Charity Commission direction, with the funds of the Institute. The resulting linked charity is referred to as the Awards and Scholarship Fund. The Scholarship fund was enhanced by a generous injection of funds in respect of the John Blackburn Main Trust in 2007.

The Memorial Fund and The Awards and Scholarship Fund remain subject to their trusts and the terms under which they were given. The separate charity balance sheet and its related notes include these two funds.

Income

Income is recognised in the period in which the group and the charity has entitlement to income, the amount of the income can be measured reliably and it is probable that the income will be received.

Donations and legacies

Income from donations and legacies is included once the Charity is informed of an entitlement and that there is a probable assurance of receipt. Unless the legacies or donor specifies conditions of receipt, the income is included in the general fund.

Charitable activities

Subscriptions are recognised on an accruals basis. Receipts received in advance of the membership period are held as deferred income. Income from the learning arm is treated as earned once the cooling off period of 30 days has expired. Income is recognised using the stage of completion method and on-going tutorial support is considered to be immaterial. Income generated from consultancy is recognised over the life of the project. Income from technical journals subscriptions and events are recognised in the year it relates to, with payments in advance held as deferred income.

Investment income and interest

Income receivable on deposits and investments is recognised when received. Income from permanently endowed investments is calculated on a total return basis (see note 9).

Expenditure

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the subsidiary charity.

VAT – Recoverable and irrecoverable

The Institute is regarded as partially exempt under HM Revenue & Customs rules and, therefore is unable to reclaim all the Input VAT it incurs. Where irrecoverable VAT is incurred, it is charged against the category of resources expended for which it was incurred. MAREST (S) Pte Limited is not required to register for Goods and Services Tax as income is under the required threshold.

Allocation of overheads

Where costs cannot be directly attributable to particular charitable activity, costs are allocated using the best judgement. The allocation of overhead costs is analysed in note 4.

Governance costs

Governance costs have been analysed to show the cost of running the Charity, including strategic planning for its future development, legal advice for the Board of Trustees or Council. All the costs of complying with constitutional and statutory requirements, such as the costs of the Board of Trustees and Council meetings, and of preparing statutory accounts and satisfying public accountability, are allocated to charitable activity using best judgement.

Operating leases

Lease commitments are charged in the statement of financial activities on a straight-line basis over the lease term. Details of the lease commitments are shown in note 14.

Pension costs

The Institute's staff pension scheme incorporates a final salary section and a stakeholder section. The assets of the scheme are held separately from those of the Institute in an independently administered fund. The final salary section of the scheme was closed to new members on 5 April 2002. At that date, the final salary section, which previously was a non-contributory scheme, became a contributory scheme with active members paying 7% of their gross salary.

The final salary section of the pension scheme is accounted for in accordance with FRS 102 section 28 'Retirement Benefits'. The service cost of pension provision relating to the year, together with the cost of any benefits relating to past service if the benefits have vested, is charged to the statement of financial activities. A charge equal to the increase in the present value of the scheme liabilities (because the benefits are closer to settlement) and a credit to the Group's long term expected return on assets (based on the market value of the scheme assets at the start of the year), are also included in the statement of financial activities.

The difference between the market value of the assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability on the balance sheet. Any differences between the actual and expected return on assets during the year are recognised in the statement of financial activities along with the difference arising from experience or assumption changes.

Contributions to the stakeholder section of the pension scheme are charged to the statement of financial activities in the year in which they become payable.

More information about the pension scheme is provided in note 17 to the financial statements.

Intangible assets

Intangible assets comprise the following:

- Goodwill arising on the acquisition of a 30% interest in Marine People Limited.
- Negative goodwill arising on the partial disposal and retention of a 40% interest in Marine Learning Alliance Limited.

Amortisation is charged on a straight line basis over 10 years. The impairment of intangible assets is considered annually, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and provision made when necessary.

Tangible assets

Leasehold property - Leasehold premises and associated acquisition costs are stated at cost. Depreciation is provided to write off the cost of the leasehold premises over the initial 5-year term of the lease.

Other tangible fixed assets - Assets with a value under £250 are not capitalised and all assets are assessed for signs of impairment at each Balance Sheet date.

Depreciation is provided to write off the cost, less estimated residual values, of other tangible fixed assets over their expected useful lives. Fixtures, fittings and equipment are depreciated on a straight-line basis each year at rates between 20% and 33%.

No depreciation is provided on the memorabilia and historic assets. Revaluation of these assets will be considered each year and a new valuation be obtained if the cost of such new valuation is warranted given the expected change in value of the assets and the value thus calculated is used as the current market value of the items. Any increase or decrease in the value of the assets from one year to the next is treated as an unrealised gain or loss. Many of the items are irreplaceable; nevertheless the professional valuation that is carried out is reliable and accurate.

Investments

Investments in listed stocks and shares are stated at market value at the balance sheet date. Realised and unrealised gains on investments during the year are taken to the fund in which the investments are held. Any increase or decrease in the value of the assets from one year to the next is treated as an unrealised gain or loss.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and either the opening market value or the purchase cost if investments are purchased in the year. Unrealised gains and losses are calculated as the difference between the market value at the year-end and either the opening market value or the purchase cost if investments are purchased in the year. Realised and unrealised gains are not separated in the statement of financial activities.

At 30 September 2020, the Group had a 30% shareholding in Marine People Limited and a 40% share in Marine Learning Alliance Ltd. In accordance with FRS 102, these associates have been accounted for using the equity method.

Taxation

The Institute of Marine Engineers, Science and Technology is a registered Charity and accordingly is exempt from taxation on its charitable activities.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Foreign currency

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date. Any differences are taken to income and expenditure in the statement of financial activities.

The results of overseas operations are translated at the average rates of exchange during the year and the balance sheet translated into sterling at the rates of exchange ruling on the balance sheet date. Exchange differences which arise from translation of the opening net assets and results of foreign subsidiary undertakings are taken to other recognised gains and losses in the statement of financial activities.

Funds

Where income is received, which is subject to donor-imposed restrictions on its future use it is credited to restricted funds in the statement of financial activities. Expenditure of the resources for the specified purpose is charged to the restricted fund, and any balances of unexpended income are carried forward as restricted funds on the Balance Sheet. Where funds received are to be retained as permanent endowment, these are identified separately as endowment funds.

Where the Board of Trustees identifies a need to allocate funds for specific purposes, these funds are shown as designated funds in the balance sheet. Such funds are unrestricted as their designation is at the discretion of the Board of Trustees. All funds other than restricted funds and designated funds are regarded as free reserves and are called other unrestricted funds. Where funds previously designated are no longer required, they are transferred to other unrestricted funds.

Debtors, cash and creditors

Debtors – trade and other debtors are recognised at the settlement amount due after any trade discount offered. Amounts due are initially recognised at fair value and subsequently at amortised cost using the effective interest method where the effect of discounting is material. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand – Cash at bank and cash 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.

Creditors and provisions – Creditors and provisions are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Accounting estimates and judgements

In preparing the accounts, the trustees are required to make estimates and judgements. The matters detailed below are considered to be the most important in understanding the judgements that are involved in preparing the accounts, and the uncertainties that could impact the amounts reported.

Income recognition – a significant portion of the Group’s income is earned over a period of time following invoice. This includes membership subscriptions, registration fees for qualifications and annual centre fees. Income is allocated to each accounting period in accordance with accounting policy. The setting of the recognition methods and periods is an area where judgement is applied, and this is undertaken by reference to product definitions, and individual sales contracts.

Income and cost allocation to charitable purpose – the allocation of income and costs to charitable purposes is an area where judgement is applied and this is undertaken by reference to knowledge of the activities undertaken and to historic data trend.

Actuarial assumptions in respect of defined benefit pension scheme – the application of actuarial assumptions relating to the Institute’s defined benefit pension scheme is incorporated in the accounts in accordance with FRS 102. In setting the assumptions, advice is taken from independent qualified actuaries. These assumptions require significant judgement to be exercised with regard to such areas as future changes in salary and inflation, mortality rates and long-term discount rates.

Overseas bank accounts – there are cash balances in some overseas bank accounts that are difficult to access. The sum total of these balances at the end of the year was £64K. In 2017 a provision was made for £34k against these amounts on the basis that some, if not all, of these balances would be recovered in due course. This provision remains in place and is reviewed annually.

Recoverability of amounts owed from MLA – Up until 30 June 2019 MLA was a wholly owned subsidiary of the Group. At this date, 60% was sold to BAU Limited. While fully owned, the IMarEST provided financial assistance to MLA in the form of loans. Since disposal, the IMarEST has continued to provide financial assistance and has charged MLA for the services of seconded staff. As a condition of the sale, the purchaser made guarantees of repayment of £800,000 of the loan. As with any debt, the trustees have considered the recoverability of the remaining amounts owed to the Institute. In the prior year the trustees considered it prudent to include a £187,000 provision in the accounts against the risk that amounts over and above the guarantees made were not repaid while the new partnership bedded in. During the year ended 30 September 2020 the trustees reassessed the recoverability of amounts due and concluded that it was appropriate to release the provision previously made. However, the trustees revisited their estimates of the likely repayment period, extending their estimates of the period of repayment. This has resulted in the debtor being discounted to its net present value as discounting is now material. The choice of a relevant discount rate (3.5% - taken by reference to indicative market rates and yield rates) and the assessed recovery period are areas where judgement has been applied.

Notes to the Financial Statements

1 Donations and legacies

	Unrestricted funds	Restricted funds	Total funds 2020	Unrestricted funds 2019	Restricted funds 2019	Total funds 2019
	£	£	£	£	£	£
Donations	590	10,000	10,590	1,573	20,000	21,573

2 Income from charitable activities

	Unrestricted and total funds 2020	Unrestricted and total funds 2019
	£	£
Membership services	1,688,526	1,815,870
Technical Publications & Exhibitions	84,253	94,847
Conferences & functions	60,109	88,374
Marine Partners & members fees	63,736	165,891
Accreditation	37,050	91,796
Technical & Library	67,231	57,472
Support services	132,982	32,763
Learning activities	–	333,352
	2,133,887	2,680,365

3 Investment income

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2020
	£	£	£	£
Listed investments	294,056	8,739	146,643	449,438
Interest income	678	–	–	678
	294,734	8,739	146,643	450,116
Income from associates	5,564	–	–	5,564
	300,298	8,739	146,643	455,680
	<i>Unrestricted funds 2019</i>	<i>Restricted funds 2019</i>	<i>Endowment funds 2019</i>	<i>Total funds 2019</i>
	£	£	£	£
Listed investments	330,381	12,293	147,661	490,335
Interest income	1,216	–	–	1,216
	331,597	12,293	147,661	491,551
Income from associates	2,740	–	–	2,740
	334,337	12,293	147,661	494,291

4 Expenditure on charitable activities

	Direct costs £	Support costs £	Total 2020 £	Direct costs £	Support costs £	Total 2019 £
Membership services	494,276	969,924	1,464,200	397,366	745,617	1,142,983
Technical Publications & Books	88,316	151,325	239,641	5,728	10,748	16,476
Conferences & events	149,161	292,701	441,862	103,421	194,059	297,480
Marine Partners & members fees	12,121	23,786	35,907	43,601	81,812	125,413
Accreditation	56,672	111,208	167,880	32,029	60,100	92,129
Technical & Library	254,418	499,246	753,664	209,007	392,182	601,189
Learning activities	–	–	–	362,450	680,102	1,042,552
Awards	19,768	–	19,768	17,169	–	17,169
	<u>1,074,732</u>	<u>2,048,190</u>	<u>3,122,922</u>	<u>1,170,771</u>	<u>2,164,620</u>	<u>3,335,391</u>

All of the above expenditure relates to expenditure on unrestricted funds, with the exception of Awards expenditure. This was restricted in both years.

Support costs above consist of:

	2020 £	2019 £
Staff costs	1,837,795	1,923,030
Office costs	154,124	161,443
Governance costs	23,417	63,538
Other costs	32,854	16,609
	<u>2,048,190</u>	<u>2,164,620</u>

5 Staff costs

	2020 £	2019 £
Wages and salaries	1,299,690	1,379,319
Social security costs	156,887	143,260
Ordinary pension costs	131,218	150,451
Pension deficit recovery plan payments	250,000	250,000
	<u>1,837,795</u>	<u>1,923,030</u>

Wages and salaries above includes £nil redundancy costs (2019 – £18,333 relating to two employees).

The average number of employees during the year was allocated as follows (based on estimated time spent on activities in the year on each charitable activity).

	2020	<i>2019</i>
	No.	<i>No.</i>
Membership services	3	<i>3</i>
Technical Publications & Books	1	<i>2</i>
Conferences & events	2	<i>1</i>
Marine Partners & members fees	1	<i>1</i>
Accreditation	1	<i>1</i>
Technical & Library	4	<i>2</i>
Learning activities	-	<i>-</i>
Support	13	<i>18</i>
Total	25	<i>28</i>

The number of staff whose total emoluments (excluding employer's pension contribution and employer's national insurance) for the year was over £60,000 is as follows

	2020	<i>2019</i>
	No.	<i>No.</i>
£60,001 - £70,000	2	<i>1</i>
£70,001 - £80,000	-	<i>1</i>
£90,001 - £100,000	-	<i>1</i>
£100,001 - £110,000	1	<i>-</i>
£120,001 - £130,000	1	<i>-</i>
£130,001 - £140,000	-	<i>1</i>
£140,001 - £150,000	1	<i>-</i>
£190,001 - £200,000	-	<i>1</i>

Employer pension contributions in respect of the above higher earners were as follows:

	2020	<i>2019</i>
Contributions to defined contribution schemes, £	60,862	<i>75,816</i>
Number of individuals	5	<i>5</i>

Key management personnel and trustees expenses

Key management personnel comprise the members of the Board of Trustees, the Chief Executive, the Commercial Director and the Chief Operating Officer. The total remuneration of key management personnel (including employer's NI, employer's pension contributions and benefits in kind) was £476K (2019: £411K). In June 2020 there was a change of Chief Executive.

No trustees were remunerated for their role as trustee.

Expenses were reimbursed to the trustees when they were claimed in accordance with the appropriate rules governing the payment of expenses. A move to online virtual meetings because of Covid-19 has reduced the costs.

	<u>2020</u>	<u>2019</u>
Total expenses claimed, covering travel, subsistent and hotel expenses, £	4,600	20,538
No. of trustees reimbursed	12	10

During the year the IMarEST did not receive any donations from the trustees (2019: none).

6 Related party transactions

The following transactions and balances occurred between the Charity or its wholly owned subsidiaries and other non-wholly owned undertakings.

- *Marine Learning Alliance (MLA) Limited*: The charity charged the company £117,755 for seconded staff and settled invoices on behalf of the company of £217,809 (2019: £32,142). As at 30 September 2020 MLA owed the Group £1,722,885 (2019: £1,322,140), which has been recorded in these financial statements at its net present value of £1,457,400 (see note 12).
- *Marine People Limited*: A £20,000 dividend was received (2019: £40,000) and costs of £31,200 were paid for recruitment services (2019: £nil). All balances were settled at the year-end (2019: no outstanding amounts).

Other than the above, there were no related party transactions.

7 Intangible fixed assets

Group

	Goodwill		Total £
	Marine People Limited £	Marine Learning Alliance £	
Cost			
At 1 October 2019 and at 30 September 2020	<u>108,000</u>	<u>(402,727)</u>	<u>(294,727)</u>
Amortisation			
At 1 October 2019	16,200	–	16,200
Charge for year	<u>10,800</u>	<u>–</u>	<u>10,800</u>
At 30 September 2020	<u>27,000</u>	<u>–</u>	<u>27,000</u>
Net book values			
At 30 September 2019	<u>91,800</u>	<u>(402,727)</u>	<u>(310,927)</u>
At 30 September 2020	<u>81,000</u>	<u>(402,727)</u>	<u>(321,727)</u>

At 30 September 2020, the goodwill of the 40% share in MLA was negative £402,727. The cost of share capital held in MLA is £80,000, bringing the total value of the investment to negative £322,727.

The Charity does not have any intangible assets.

8 Tangible fixed assets

Group

	Leasehold acquisition costs £	Furniture, fixtures and fittings £	Business systems and equipment £	Memorabilia and historic assets £	Total £
Cost or valuation					
At 1 October 2019	9,250	363,848	800,642	86,580	1,260,320
Additions	–	–	119,251	–	119,251
At 30 September 2020	<u>9,250</u>	<u>363,848</u>	<u>919,893</u>	<u>86,580</u>	<u>1,379,571</u>
Depreciation					
At 1 October 2019	4,735	215,843	768,815	–	989,393
Charge for year	<u>1,321</u>	<u>49,915</u>	<u>35,959</u>	<u>–</u>	<u>87,195</u>
At 30 September 2020	<u>6,056</u>	<u>265,758</u>	<u>804,774</u>	<u>–</u>	<u>1,076,588</u>
Net book values					
At 30 September 2019	<u>4,515</u>	<u>148,005</u>	<u>31,827</u>	<u>86,580</u>	<u>270,927</u>
At 30 September 2020	<u>3,194</u>	<u>98,090</u>	<u>115,119</u>	<u>86,580</u>	<u>302,983</u>

Charity

	Leasehold acquisition costs £	Furniture, fixtures and fittings £	Business systems and equipment £	Memorabilia and historic assets £	Total £
Cost or valuation					
At 1 October 2019	9,251	363,848	793,582	86,580	1,253,261
Additions	–	–	118,140	–	118,140
At 30 September 2020	<u>9,251</u>	<u>363,848</u>	<u>911,722</u>	<u>86,580</u>	<u>1,371,401</u>
Depreciation					
At 1 October 2019	4,735	215,843	766,437	–	987,015
Charge for year	<u>1,321</u>	<u>49,161</u>	<u>33,778</u>	<u>–</u>	<u>84,260</u>
At 30 September 2020	<u>6,056</u>	<u>265,004</u>	<u>800,215</u>	<u>–</u>	<u>1,071,275</u>
Net book values					
At 30 September 2019	<u>4,516</u>	<u>148,005</u>	<u>27,145</u>	<u>86,580</u>	<u>266,246</u>
At 30 September 2020	<u>3,195</u>	<u>98,844</u>	<u>111,507</u>	<u>86,580</u>	<u>300,126</u>

Other than memorabilia and historic assets, all tangible fixed assets are held at cost. No revaluation was completed during the year for the memorabilia and historic assets as it is considered the cost of a new valuation to be greater than the change in valuation of the assets. The last valuations were completed in 2012 by Charles Miller Ltd and in 2013 by Anderson & Garland.

9 Investments

		Group 2020	Group 2019	Charity 2020	Charity 2019
	Note	£	£	£	£
Listed investments	a	13,172,039	13,175,180	13,172,039	13,175,180
Investments in associates	b	152,304	166,740	–	–
Subsidiary undertakings	c	–	–	30,000	30,000
Works of art		21,150	21,150	21,150	21,150
		13,345,493	13,363,070	13,223,189	13,226,330

a) Listed investments

Group & Charity	2020 £	2019 £
Market value at 1 October 2019	13,131,404	13,075,381
Additions at cost	11,107	24,853
Disposals (proceeds £295,857; gain £8,933)	(286,924)	(492,837)
Net unrealised gains on revaluation	257,248	524,007
Market value at 30 September 2020	13,112,835	13,131,404
Cash held with investment managers	59,204	43,776
Total listed investments	13,172,039	13,175,180
Cost at 30 September 2020	12,219,601	12,495,418

b) Investments in associates

Group	Marine People Limited £	Marine Learning Alliance £	2020 £
At 1 October 2019	86,740	80,000	166,740
Net income from associates	5,564	–	5,564
Adjustments to carrying value	(20,000)	–	(20,000)
At 30 September 2020	72,304	80,000	152,304

Marine People Limited is a company registered in England and Wales (Company Registration No. 10632568). The company is a marine specialist permanent recruitment agency. Marine Management (Holdings) Limited has 30% ownership of Marine People Limited. During the financial year ending 30 September 2020, the Group received a £20,000 dividend from the company.

Marine Learning Alliance Ltd is a company registered in England and Wales (Company Registration No. 09188277). The company is a provider of marine related e-learning. Marine Management (Holdings) Limited has 40% ownership of Marine Learning Alliance Ltd.

c) Subsidiary undertakings

The following subsidiaries are part of the Group.

Name	Nature of business	Parent	Holding	Share capital, £	Address of registered office
Marine Management (Holdings) Limited (MM(H))	Holding Company	IMarEST	100%	30,000	1 Birdcage Walk, London, England, SW1H 9JJ
MAREST (S) PTE Limited	Membership	MM(H)	100%	26,548	16 Raffles Quay, #33-03 Hong Leong Building, Singapore
Marine Exhibitions Limited	Events	MM(H)	100%	10,000	1 Birdcage Walk, London, England, SW1H 9JJ

A summary of the results of each entity is shown below. Marine Exhibitions Limited was dormant in the current and preceding period.

	Marine Management (Holdings) Limited (MM(H))		MAREST (S) PTE Limited	
	2020	2019	2020	2019
	£	£	£	£
Total income	6	54	145,239	281,158
Cost of sales	–	–	(7,559)	(14,727)
Other operating expenses	(35)	–	(144,012)	(294,733)
Profit before tax	(29)	54	(6,332)	(28,302)
Taxation	–	–	–	–
Retained (losses) profit for the year	(29)	54	(6,332)	(28,302)
Retained profit (losses) at 30 September 2020	2,153	2,310	(30,415)	(24,083)

Marine Management (Holdings) Limited

Marine Management (Holdings) Ltd, a company registered (Company registration 01100685) in England and Wales is the parent company of MAREST (S) PTE Ltd and Marine Exhibitions Ltd. The IMarEST is the ultimate parent company, owning the entire share capital of Marine Management (Holdings) Ltd. This company itself did not trade during the year, the board maintains its duties as the parent to MAREST (S) PTE Ltd and Marine Exhibitions Ltd and its expenditure consists of minor administration/filing charges.

MAREST (S) PTE Limited

MAREST (S) PTE Limited, incorporated on 13 August 2012, is registered in Singapore (201220044C) and is a 100% subsidiary of Marine Management (Holdings) Ltd. The IMarEST owns the entire share capital of Marine Management (Holdings) Limited, a company registered in England and Wales. The principal activity of the company is support for the delivery of IMarEST's charitable purposes in the Asia Pacific region.

Marine Exhibitions Limited

Marine Exhibitions Ltd was incorporated on 25 September 2014 (Company registration 09235513). It is a 100% owned subsidiary of Marine Management (Holdings) Limited, of which the IMarEST owns the entire share capital. The principal activities of the company are those relating to the delivery of conferences, exhibitions and symposia. The company did not trade during the financial year.

10 Statement of total returns

	Endowment £	Unapplied Total Return £	Total Funds 2020 £	Total Funds 2019 £
30 September 2019				
Permanent Endowment	3,044,472	-	3,044,472	3,044,472
Unapplied total return	-	1,493,762	1,493,762	1,298,261
	<u>3,044,472</u>	<u>1,493,762</u>	<u>4,538,234</u>	<u>4,342,733</u>
Movements in the reporting period:				
Investment return: dividends and interest	-	146,643	146,643	147,661
Investment return: realised and unrealised gains	-	92,644	92,644	195,501
	-	<u>239,287</u>	<u>239,287</u>	<u>343,162</u>
Unapplied total return allocated to income in the reporting period	-	(146,643)	(146,643)	(147,661)
Net movements in reporting period	-	<u>92,644</u>	<u>92,644</u>	<u>195,501</u>
30 September 2020				
Permanent Endowment	3,044,472	-	3,044,472	3,044,472
Unapplied total return	-	1,586,406	1,586,406	1,493,762
	<u>3,044,472</u>	<u>1,586,406</u>	<u>4,630,878</u>	<u>4,538,234</u>

The total return allocated to income in the period was transferred to the general funds of the Institute.

11 Debtors due within one year

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade debtors	54,722	134,243	54,203	121,778
Other debtors	167,124	60,185	158,444	58,793
Prepayments	195,393	222,782	193,282	216,560
Accrued income	-	30,247	-	26,836
	<u>417,239</u>	<u>447,457</u>	<u>405,929</u>	<u>423,967</u>

12 Debtors due in more than one year

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Amount due from group undertakings	<u>1,617,400</u>	<u>1,522,140</u>	<u>1,457,400</u>	<u>1,630,940</u>

During the year the trustees reassessed the expected recovery period of debtors due in more than one year. Due to an increase in the balance and the anticipated recovery period, these debts have been discounted to their net present value for the year ended 30 September 2020. The gross value of the debt due to the Group is £1,882,885, of which £1,722,885 is due to the Charity.

13 Creditors: amounts falling due within one year

	Group 2020	Group 2019	Charity 2020	Charity 2019
	£	£	£	£
Trade creditors	333,705	116,477	333,012	115,991
Other creditors	273,280	220,448	273,280	203,486
Tax and National Insurance	200,391	43,791	195,712	43,791
Accruals	92,674	168,681	89,865	159,237
Members' subscriptions in advance	340,440	200,000	340,440	200,000
Other deferred income	139,274	93,897	122,216	93,528
	1,379,764	843,294	1,354,525	816,033
Deferred income movement				
Balance at 1 October	293,897	546,500	293,528	381,839
Amount released in the year	(293,897)	(546,500)	(293,528)	(381,839)
Amount deferred in the year	479,714	293,897	462,656	293,528
Balance at 30 September	479,714	293,897	462,656	293,528

14 Operating lease commitments

Group	2020		2019	
	Property	Other	Property	Other
	£	£	£	£
Within one year	147,739	2,508	172,969	2,951
Between one and two years	116,840	665	224,841	3,622
Between two and five years	29,210	-	-	-
	293,789	3,173	397,810	6,573

Of the above commitments, £264,258 relate to the Charity.

15 Capital Commitments

The Group and Charity had no capital commitments as at 30 September 2020.

16 Auditors' remuneration

Remuneration payable to the group auditor was as follows:

	Group 2020	Group 2019	Charity 2020	Charity 2019
	£	£	£	£
Financial statements audit	24,969	20,000	22,160	20,000

17 Pension schemes

The Group operates a defined benefit and a defined contribution pension scheme. The defined benefit scheme was closed to new entrants and to future service accrual on 5 April 2002. The defined contribution pension scheme was introduced on 5 April 2002 for the benefit of all staff.

The Institute's total contributions to the defined benefit scheme were £250,000 (2019: £250,000).

Defined benefit pension scheme

In preparing these financial statements, the Institute has fully complied with the Financial Reporting Standard 102: "Retirement Benefits" issued by the Accounting Standards Board.

Benefits under the IMarEST Retirement Benefits Scheme (RBS) are based on employees' final remuneration and length of service. All assets of the scheme are held separately from those of the Institute in independently administered funds. The pension expense charged to the statement of financial activities makes no allowance for actuarial gains and losses during the year.

The RBS is in deficit and a recovery plan agreed with the Trustees of the RBS has been in place since January 2013. This is reviewed annually.

In addition to the £250,000 contribution, administrative and other expenses of the scheme and the Pension Protection Fund levy are paid separately by the Institute.

In preparing these financial statements, the Institute has fully complied with the Financial Reporting Standard 102: "Retirement Benefits" issued by the Accounting Standards Board.

The actuary has computed the following information with respect to the financial position of the scheme as at 30 September 2020:

Group and charity	2020 £'000	2019 £'000
Fair value of scheme assets	12,998	13,222
Defined benefit obligation	(16,762)	(15,300)
Net defined benefit (liabilities) assets	(3,764)	(2,078)
Restriction on asset recognised at year end	—	—
Net amount recognised at year end	(3,764)	(2,078)

The amount recognised in the Statement of Financial Activities was:

	2020 £'000	2019 £'000
Interest cost	(42)	(47)
Current and past service cost	—	—
Total recognised in income and expenditure	(42)	(47)
Return on scheme assets	(345)	1,395
Actuarial (gains) losses	(1,549)	(1,968)
Total amount recognised in statement of financial activities	(1,936)	(620)

Changes in the value of scheme assets were as follows:

	2020	2019
	£'000	£'000
At start of the year	13,222	11,680
Benefits paid	(401)	(452)
Contribution from the employer	250	250
Interest income (expense)	272	349
Return on assets	(345)	1,395
At end of the year	12,998	13,222

Changes in the value of scheme liabilities were as follows:

	2020	2019
	£'000	£'000
At start of the year	(15,300)	(13,388)
Benefits paid	401	452
Interest income (expense)	(314)	(396)
Actuarial gains (losses)	(1,549)	(1,968)
At end of the year	(16,762)	(15,300)

The major categories of scheme assets are as follows:

	2020		2019	
	£'000	%	£'000	%
Return Seeking funds	7,602	58	9,569	72
Fixed Interest Gilts	2,042	16	2,025	15
Index Linked Gilts	1,055	8	993	8
Hybrid gift fund	2,235	17	—	—
Cash	64	1	635	5
	12,998	100	13,222	100

Principal actuarial assumptions used:

	2020	2019
	%	%
Discount rate	1.5	2.1
Inflation assumption – Retail price inflation	2.9	3.0
Inflation assumption – Consumer price inflation	2.1	1.8
Revaluation of deferred pensions – Deferred revaluation	2.1	1.8
Increase for pension payment		
. Benefits accrued prior to 1 October 1999	5.0	5.0
. Benefits accrued after 1 October 1999	3.4	3.4
. Benefits accrued after 1 October 2005	2.3	2.3
Proportion of members opting for early retirement	—	—
Proportion of members commuting maximum allowable pension for cash at retirement	85.0	85.0

Assuming retirement at age 65, life expectancy in years are as follows:

	<u>2020</u>	2019
Male currently aged 65	86.2	86.5
Female currently aged 65	88.1	88.4
Male currently aged 45	87.2	87.8
Female currently aged 45	89.4	90.0

18 Movement in Funds

Group	At 1 October 2019 £	Income £	Expenditure £	Gains and losses £	Transfers £	At 30 September 2020 £
Unrestricted funds						–
. General funds	9,448,768	2,434,775	(3,321,444)	151,775	17,624	8,731,498
. Designated funds						–
.. Tangible fixed assets fund	184,347		(87,195)		119,251	216,403
.. Overseas cash	90,403					90,403
. Pension reserve	(2,078,000)		40,000	(1,726,000)		(3,764,000)
Restricted funds						–
. Awards and scholarships	269,406	18,739	(19,768)	5,296	9,768	283,441
. Memorabilia and historic assets	107,731					107,731
Endowment funds	4,538,234	146,643		92,644	(146,643)	4,630,878
	12,560,889	2,600,157	(3,388,407)	(1,476,285)	–	10,296,354

Charity	At 1 October 2019 £	Income £	Expenditure £	Gains and losses £	Transfers £	At 30 September 2020 £
Unrestricted funds						–
. General funds	9,727,087	2,401,385	(3,260,126)	(116,312)	18,735	8,770,769
. Designated funds						–
.. Tangible fixed assets fund	179,666		(84,260)		118,140	213,546
.. Overseas cash	90,403					90,403
. Pension reserve	(2,078,000)		40,000	(1,726,000)		(3,764,000)
Restricted funds						–
. Awards and scholarships	269,406	18,739	(19,768)	5,296	9,768	283,441
. Memorabilia and historic assets	107,730					107,730
Endowment funds	4,538,234	146,643		92,644	(146,643)	4,630,878
	12,834,526	2,566,767	(3,324,154)	(1,744,372)	–	10,332,767

Transfer between funds represent the application of total return on endowment funds (note 10) and movements on designated funds.

Purpose of funds

Designated funds

The trustees have earmarked part of the charity's unrestricted funds as designated funds to be used for the following particular purposes in the future.

The tangible fixed assets fund represents the net book value of the tangible fixed assets owned by the group, excluding historic assets and memorabilia (which are restricted funds). Such assets are vital to

the group being able to carry out its charitable work and the value invested in the assets cannot, therefore, be realised in order to meet future expenditure or contingencies. To emphasise this point the net book value of the assets is represented by a specific tangible fixed assets fund.

The designated overseas cash fund was created on 30 September 2014 in respect of those cash at bank balances which cannot be readily transferred to UK and as such are not available to the trustees for charitable purposes.

Restricted funds

The Awards and Scholarships Funds were established via donations and legacies received over the course of time to create separate funds specifically available for rewarding excellence within the field of marine engineering, science and technology. Income arising from these funds is accumulated in the restricted income fund and is used to fund the prizes and awards.

The Memorabilia and Historic Assets Fund represents assets gifted to the charity over the years, together with works of art purchased by the charity.

Endowment funds

The permanent endowment funds form part of the funds of the Memorial Fund. On 18 September 2018 the Committee of Management of the Memorial Fund (a Permanent Endowment Fund) agreed to adopt a total return on investment approach under section 105 of the Charities Act 2011 for the Memorial Fund and that its core value should remain set at £3,044,472. They further agreed that responsibility for the implementation and oversight of adopting a total refund basis should be delegated to the Institute's Finance & Investment Committee.

Net assets between funds

Group	Endowment funds £	Restricted funds £	Unrestricted funds			2020 Total funds
			Designated funds £	General funds £	Pension reserve £	
Intangible fixed assets	—	—	—	81,000	—	81,000
Tangible fixed assets	—	86,580	216,403	—	—	302,983
Investment assets	4,630,878	304,592	90,403	9,534,293	—	14,560,166
Net current liabilities	—	—	—	(883,795)	—	(883,795)
DBS pension liability	—	—	—	—	(3,764,000)	(3,764,000)
	4,630,878	391,172	306,806	8,731,498	(3,764,000)	10,296,354

Group	Endowment funds £	Restricted funds £	Unrestricted funds			2019 Total funds
			Designated funds £	General funds £	Pension reserve £	
Intangible fixed assets	—	—	—	91,800	—	91,800
Tangible fixed assets	—	86,580	184,347	—	—	270,927
Investment assets	4,538,234	290,557	90,403	9,563,290	—	14,482,484
Net current liabilities	—	—	—	(206,322)	—	(206,322)
DBS pension liability	—	—	—	—	(2,078,000)	(2,078,000)
	4,538,234	377,137	274,750	9,448,768	(2,078,000)	12,560,889

19 Comparative consolidated statement of financial activities

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2019 £
Income					
Donations and legacies	1	1,573	20,000	–	21,573
Charitable activities	2	2,680,365	–	–	2,680,365
Investment income	3	331,597	12,293	147,661	491,551
Income from associates	3	2,740	–	–	2,740
Total income		3,016,275	32,293	147,661	3,196,229
Expenditure					
Charitable activities	4	3,318,222	17,169	–	3,335,391
Total expenditure		3,318,222	17,169	–	3,335,391
Net (expenditure) income before investment gains and losses		(301,947)	15,124	147,661	(139,162)
Gains on listed investments	9a	320,819	7,687	195,501	524,007
Gains on partial disposal of subsidiary undertakings		425,981	–	–	425,981
Net income		444,853	22,811	343,162	810,826
Transfers between funds	18	147,661	–	(147,661)	–
Net income before other recognised gains and losses		592,514	22,811	195,501	810,826
Actuarial (losses) gains on defined benefit pension scheme		(573,000)	–	–	(573,000)
Foreign exchange gains (losses)		(1,910)	–	–	(1,910)
Net movement in funds		17,604	22,811	195,501	235,916
Reconciliation of funds					
Total funds brought forward at 30 September 2018		7,627,914	354,326	4,342,733	12,324,973
Total funds carried forward at 30 September 2019		7,645,518	377,137	4,538,234	12,560,889

Gains on the partial disposal of subsidiary undertakings as above related to the sale of shares in Marine Learning Alliance. This entity was a wholly owned subsidiary until 30 June 2019. A 40% interest was retained by the Group (note 9b)

Income and expenditure from discontinued operations relating to this disposal was £333,352 and £362,450 respectively.

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Parviz Sangin (from April 2020)

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Paul James

Chief Operating Officer

Charlotte Lord

Technical and Policy Director

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