



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

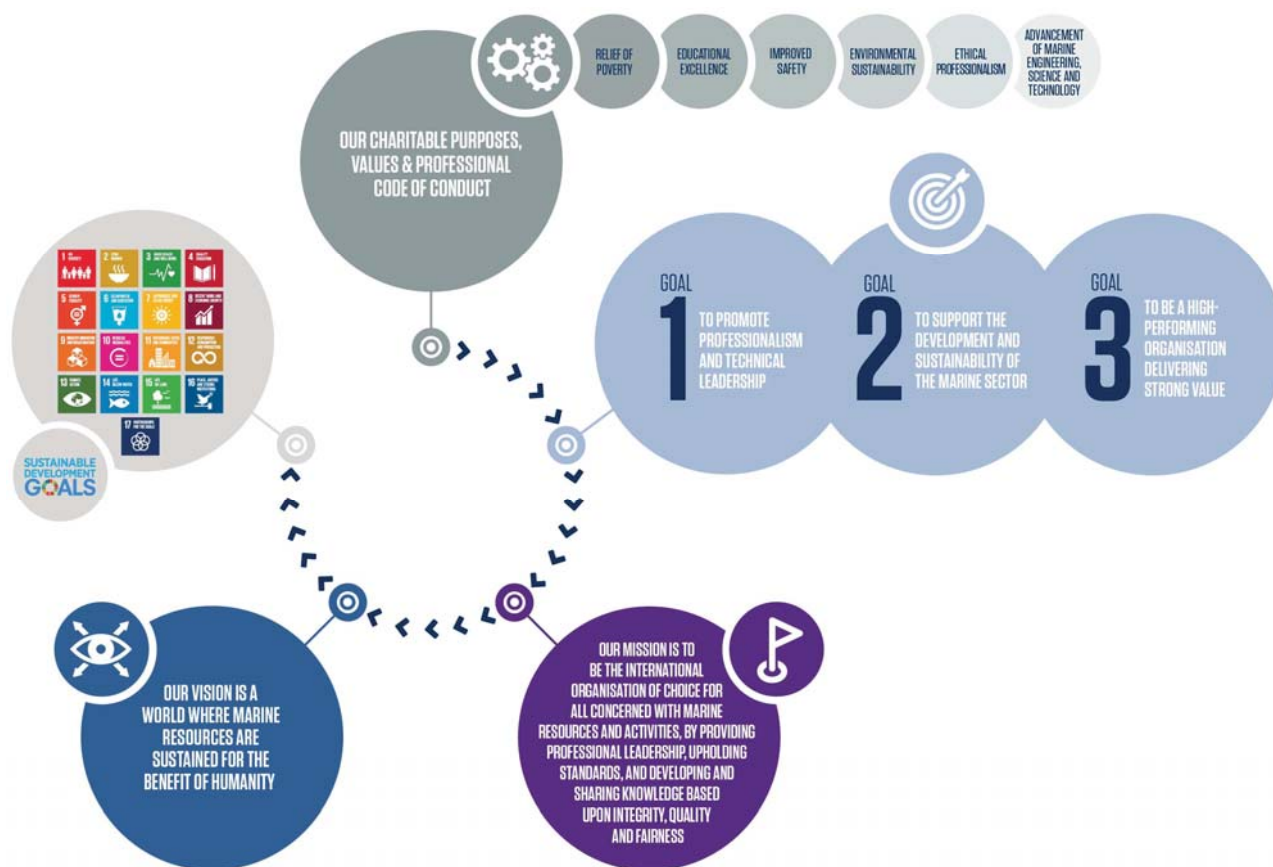
Our mission is to be the international organisation of choice for all concerned with marine resources and activities, by providing professional leadership, upholding standards, and developing and sharing knowledge based upon integrity, quality and fairness.

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 'R' and a distinct 'V'.

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.	<p>A new Strategic Plan is being developed, together with a 3 year plan targeting a move to operational surplus.</p> <p>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.</p>

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

		Unrestricted funds	Restricted funds	Endowment funds	Total funds 2021	Total funds 2020
	Notes	£	£	£	£	£
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

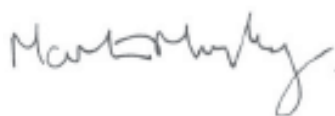
The accompanying accounting policies and notes form an integral part of these financial statements.

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 £
<i>Membership services</i>	531,521	839,335	1,370,856	494,276	969,924	1,464,200
<i>Technical Publications & Books</i>	42,378	98,693	141,071	88,316	151,325	239,641
<i>Conferences & events</i>	108,253	252,106	360,359	149,161	292,701	441,862
<i>Marine Partners & members fees</i>	47,830	111,390	159,220	12,121	23,786	35,907
<i>Accreditation</i>	31,719	73,870	105,589	56,672	111,208	167,880
<i>Technical & Library</i>	202,101	456,693	658,794	254,418	499,246	753,664
<i>Awards</i>	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		
	Marine People Limited £	Marine Learning Alliance £	Total £
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	9,251	363,848	920,604	-	1,293,703
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	7,403	310,196	832,083	-	1,149,682
Net book values					
At 30 September 2020	3,195	98,844	111,507	86,580	300,126
At 30 September 2021	1,848	53,652	88,521	-	144,021

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
		13,616,470	13,345,493	13,511,953	13,223,189

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	(40,000)	—	(40,000)
At 30 September 2021	54,517	80,000	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
	3,044,472	1,546,406	4,590,878	4,538,234
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
	-	270,409	270,409	239,287
Unapplied total return allocated to income in the reporting period	-	(350,026)	(350,026)	(146,643)
Net movements in reporting period	-	(79,617)	(79,617)	92,644
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
	3,044,472	1,466,789	4,551,261	4,630,878

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	-
	474,370	417,239	438,224	405,929

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
	1,584,462	1,617,400	1,667,499	1,722,400

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

	2021		2020	
Group	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

		Unrestricted funds	Restricted funds	Endowment funds	Total funds 2020
	Notes	£	£	£	£
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.

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Parviz Sangin

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Commercial & Finance Director

Sue Arnold (from April 2021)

Institute Assistant Secretary

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Honorary Treasurer

John Blacklock

Christopher Bleasdale (from March 2021)

Christopher Bolton (to March 2021)

Matthew Bolton

Barry Brooks

John Butler

Anna-Marie Chaffey (from March 2021)

David Cory (to March 2021)

Yves De Leeneer

Stephen de Mora

William Doyle

Robert Fitzsimmons

David Gan

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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