

THE NAUTICAL INSTITUTE

**(A Company Limited by Guarantee)
Company No. 2570030**

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2023

Registered Charity No: 1002462

THE NAUTICAL INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2023

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LEGAL AND ADMINISTRATION INFORMATION

Status

The Nautical Institute is a charitable company limited by guarantee, incorporated in England & Wales on 20th December 1990.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the trustees are elected by Council to serve a period of up to 3 years and may be re-elected for a further 3 years.

Trustees

The trustees of the company were:

Mr P B Hinchliffe	Chair	Ms D Lane
Captain D M Telfer	Treasurer	Mr G Lang (resigned 21 March 2024)
Captain M Ahmed (resigned 21 March 2024)		Captain N Nash
Captain K D Austin		Captain D Snider
Captain A Brink (resigned 21 March 2024)		Professor C D Dewey (appointed 7 December 2023)
Captain G Cowling		Mr S D Edmonston (appointed 7 December 2023)
Captain I Goveas		Mr D J Gozdzik (appointed 7 December 2023)
Captain Y Vandeborn (appointed 21 March 2024)		

Secretary Captain P J Lloyd

Chief Executive Officer Captain P J Lloyd

Registered Office 200B Lambeth Road
London
SE1 7JY

Auditors Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers The Royal Bank of Scotland
1 Spinningfields Square
Manchester
M3 3AP

Fund Managers Rathbones
8 Finsbury Circus
London
EC2M 7AZ

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The trustees, who are also the directors for the purposes of company law, present their report and the audited financial statements for the year ended 31st December 2023.

Principal activities

The Institute is registered as a Company limited by guarantee to promote and maintain nautical education.

Public Benefit

The trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit and that the activities carried out by the charity during the year were all undertaken in order to further the charity's aims for the benefit of the Charity's beneficiaries.

Objectives and activities

A detailed explanation is shown under Objectives and Activities on the Annual Report published in the June issue of the Institute's Journal, Seaways.

The work of the Institute continues to provide a public benefit to the maritime community by helping improve safety and enhancing the flow of information and knowledge in key areas of global significance. These include areas such as protections of the marine environment, the implications of the next generation of fuels and a range of safety and operational issues. Sharing lessons learned through MARS, providing updates on best practice in Seaways, through webinars and Branch meetings and in our publications, all form part of this programme. In the past year, this has included work on areas such as maintaining lookout, reducing the need for entry into enclosed spaces, the risks of gantry cranes, bridge procedures, use of AIS and other areas where industry reports have indicated a need for improvement. This sharing of information is central to our role of raising professional standards and improving safety.

Achievements and performance

• **Membership and Branches**

As the leading professional organisation in the maritime community, membership is central to our activities, priorities and engagement. Having a strong presence globally helps ensure key professional messages are shared effectively and is one reason why membership growth is important and branch activities effective.

Membership during 2023 reaped the benefit of significant exposure during the year and at the end of the year, total membership stood at 11,258, of whom 2,915 were student members. The decision to offer free student membership from late 2022 has been a key driver of growth, while special promotions such as offers to Dynamic Positioning Operators (DPOs) and specific branch promotions have helped to deliver significant numbers of new paid memberships.

• **Research and Relationships**

The Nautical Institute's technical engagement is led from the Research and Relationships area of the organisation and helps ensure that our world-leading expertise is delivered and understood in the right forums at the right time.

The NI remains committed to its role as a Non Governmental Organisation (NGO) at the IMO. During 2023, we have been represented at all appropriate meetings including: the main policy-making Committees; the technical Subcommittees; and working groups specialising in maritime. The Institute has submitted papers, participated actively in discussions and in correspondence groups. The commitment to the IMO and physical attendance at meetings is crucial to our impact in this forum.

The NI continues to work closely with IALA and we maintain a close relationship and the IALA secretariat continue to offer contributions to NI publications.

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• **Research and Relationships (continued)**

The NI is also involved in OCEAN (Operator-Centered Enhancement of Awareness in Navigation) Project which is a three year EU Horizon project to improve navigational safety (<https://ocean-navigation-awareness.eu>). The NI leads on two work packages in this project. One focuses on ‘Enhanced Professional Standards for Situation Awareness’ and will result in a report on improved professional standards, a series of videos highlighting improved training standards, and research into improved operator decision making. Another one focuses on dissemination, communication and exploitation of the project findings, making use of a range of media including reports, press releases, website hosting, webinars, social media, and policy papers.

The Navigator magazine, which is a free publication from The Nautical Institute that champions the role of today's professional marine navigators, continues to receive a wide range of praise from many readers, principally from the target audience of junior officers but also from more senior officers, Masters and shore management. The Council is grateful for support from IFAN and the many other financial contributors to this project. Focus areas for The Navigator in 2023 included risk management, shipping and the environment and the hot topic of AIS, with contributions from the IALA and International Chamber of Shipping (ICS) secretariats.

The NI continues the drive to engage our members and the wider community to share ideas and learn from each other. Webinars in 2023 attracted 5,000 participants and the feedback from Q&A and engagement polls feed into areas like Seaways articles and IMO input.

• **Information and Publications**

In the first half of 2023, interim cover was provided by the Chief Executive who oversaw several book reprints and the launch on 1 June of the 13th edition of The Admiralty Manual of Seamanship (AMOS) – a signature title authored by The Royal Navy, with whom the Institute holds a close association.

A new Head of Information and Publications joined the Institute on 1 June 2023, and has spent the first six months setting the department's priorities and developing an ambitious work plan to the end of 2024.

In October 2023, the Institute was pleased to launch the 3rd edition of Bulk Carrier Practice (BCP). A new publication Maritime Security – A Practical Guide for Mariners (Marsec) was published in December 2023. These books, along with our existing titles, delivered the highest annual gross sales of publications in the Institute's publishing history.

• **Qualifications**

Our Dynamic Positioning (DP) accreditation and certification activities remain central to our contribution to wider maritime safety, and the process is kept under continual review.

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• **Qualifications (continued)**

Close cooperation with our stakeholders is a key stage in this process, and we were delighted to host our third face-to-face Regional Training Providers event in Sharm-El-Sheikh, Egypt, in September 2023. The two-day conference discussed safe DP operations, improvement in training standards, and the NI mandatory CPD Scheme (see below) and its implementation. Approximately 100 delegates attended the conference, including 43 training centre representatives.

As part of the ongoing review of the DP qualification process, The Nautical Institute is changing the requirements for revalidation of the NI DPO and Dynamic Positioning Vessel Maintainer (DPVM) certificates. To make sure that DP operators keep pace with developing standards in a fast-changing industry, DPOs and DPVM certificate holders renewing their certificates as of 1 January 2024 will now be asked to demonstrate either NI-approved Continuing Professional Development (CPD) or to complete the DP Refresher and Competency Assessment Course. This is in addition to the mandatory 150 days of DP sea time. The NI website has been updated with all the required information and FAQs.

Over the course of 2023, we received 7,167 online applications for DP certification, of which 2,606 were new applications, 4,533 were for revalidation, and 28 were for conversion.

During the year, NI was also involved in schemes other than DP certification and accreditation. These includes DP Vessel Maintainer (DPVM), Ballast Control Operator (BCO), Oil Spill Response (OSR), Vessel Traffic Services (VTS) and Ice Navigation schemes.

• **NI Academy**

The Nautical Institute Academy (NIA) has had a busy year, with several key milestones achieved on the path to creating a portfolio of courses designed to develop and nurture both seafarers and those employed ashore through focused professional development.

Maintaining the impetus to identify training needs, the Academy has widened the course portfolio. Additionally, the number of course dates (both open and company courses) continues to grow in response to customer confidence and market demand.

Some courses are proving more popular than others, with those courses that enable the student to develop employment pathways being in the highest demand (the ISM Lead Auditor, Designated Person Ashore, and Navigation Assessor courses leading the way).

Activities in 2023 have created a solid base for further development in 2024. In particular, the Academy will be working to develop courses on alternative fuels and bulk cargo vetting (Rightship), while also developing more human element focused courses.

• **Safety and Environment**

The safety of people, ships and the protection of the environment are at the heart of everything we do as an Institute. During 2023, there was again a particular focus on improving safety in the fishing sector and in areas related to the introduction of new fuels. Numerous articles on fishing and the green curriculum were contributed to Seaways and The Navigator. Social media activities included a number of podcasts.

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Financial commentary

The significant success achieved in various areas of the Institute's operations has been reflected in the corresponding financial results for the year. Income for 2023 significantly exceeded budget as activity levels remained strong across the entire portfolio of activities. A gross income of £5,483,004 (2022: £3,855,119) has been achieved against total expenditure of £4,277,142 (2022: £3,490,611) resulting in a surplus for the year of £1,205,862 (2022: £364,508).

The surplus reflects a very successful year across the board, especially in the areas of Qualifications and Information & Publications. Although the return to physical meetings for the Executive Board, Council and various committees resulted in greatly increased travel costs during 2023, overall expenditure for the year remained close to budget due to effective cost control.

The management of the investment portfolio was kept under regular review in what was generally a steady market for investments. Management of the funds is delegated to external investment managers on a discretionary basis with the objective of maximising the total return from capital and income combined while maintaining a medium level of risk. The trustees review the performance of the managers against benchmarks on a regular basis. During the year, the balanced low-medium risk portfolio invested through Rathbones performed satisfactorily against market comparators. The Capital Reserve Fund value at year end was £4,048,078 (2022: £2,868,059) which includes an additional £1 million invested in December 2023 following a very successful year. The investment portfolio resulted in a total return of £180,019 (2022: total loss of £206,530) for the financial year which is a return of 6.28% on the original investment.

Reserves

The Institute holds reserves in order to ensure as far as possible that its objectives may be met in future and that it had adequate cover as a going concern. The target level of total reserve for 2023 was £2,070,000 (2022: £1,680,000) represented by Contingency Reserve of £1,380,000 (2022: £1,120,000) and a Projects Reserve of £690,000 (2022: £560,000). The Contingency Reserve target is calculated based on 33% of annual operating budget and the Projects Reserve is calculated based on 50% of the Contingency Reserve target. The free reserve at year end was £1,172,676 (2022: £1,147,039). The trustees consider that this amount of free reserves is adequate to ensure that the Institute's services are not compromised in the short term. The trustees recognise that the Capital Reserve Fund value at year end was in excess of the target level & are regularly reviewing the reserves policy, its position & possible use.

Risks and risk management

The trustees recognise their duty to anticipate, manage and mitigate the risks to which the charity's activities could be exposed. They acknowledge that risk is inherent in all activities and that its management is crucial to achieving the charity's objects. The trustees take a systematic approach to managing risk, with the executive team regularly monitoring and reporting risks to the board as well as prioritising actions.

Risks are rated by a mixture of a score for the likelihood of a risk from 1 (negligible) to 5 (major) and a score for its severity on a scale from A (very unlikely) to E (very likely). Scores before and after mitigation are calculated using a risk matrix.

The trustees review the Institute's Risk Management Policy at regular intervals. After considering the principal areas of strategic and operational risk, the trustees are confident that the appropriate means of control and mitigation have been adopted. Prudent management practices with awareness of changes in the operating environment are felt to be in place. The management of the Institute is responsible for the day to day management of risk and minimising the effect of any adverse events.

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Risks and risk management

The trustees consider the following as the key risks for the organisation:

- 1 Potential lobby at IMO to move DP qualifications to STCW Part A thus becoming the responsibility of Flag States not 'industry and the NI'. Impact likely to be loss of global market dominance of the NI of this specialisation.

This risk is mitigated by the NI continuing to engage with IMO delegates as well as media and social media campaigns relating to the importance of industry leadership. We also monitor adoption of other qualifications.

- 2 Inability to access bank funds

The Institute's funds are kept in a diversified manner with an operational bank account held with Royal Bank of Scotland while also maintaining an active investment funds with Rathbones. In case of any banking restriction, we are allowed drawdown of funds from our investment accounts held with Rathbones within 2-3 days notice. We also continuously realign spending priorities for short and medium terms as well as regularly adjusting spending forecasts.

- 3 Loss of identity of The Nautical Institute

We mitigate this risk by having a strong governance arrangements in place including carefully managed appointment of trustees; care with branding arrangements; alignment of projects with areas of interest of the NI; clear demonstration of NI ownership of project deliverables.

Future Plans

The Institute plans continuing the activities outlined above in the forthcoming years to achieve the key deliverables on the 2021-2026 Strategic Plan, which can be found on the NI website. Review of the Strategic Plan is due in 2025.

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Structure, governance and management

Governing Document

The Nautical Institute is a charitable company limited by guarantee, incorporated on 20 December 1990 and registered as a charity on 8 April 1991. The Institute was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Executive Board. Under the requirements of the Memorandum and Articles of Association, the members of the Executive Board are elected to serve for a period of three years after which they may be re-elected for a period of another three years. In exceptional circumstances, the appointments may be extended at the discretion of the Council, provided that their total terms of office on the Executive Board does not exceed twelve years.

Trustee Induction and Training

Most trustees are already familiar with the practical work of the Institute having been a member themselves.

Additionally, new trustees are invited and encouraged to attend a series of short training sessions to familiarise themselves with the charity and the context within which it operates. These are jointly led by the Chair of the Executive Board and the Chief Executive of the charity and cover:

- The obligations of Executive Board members.
- The main documents which set out the operational framework for the charity including the Memorandum and Articles.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.

Organisational Structure

The Nautical Institute has an Executive Board of up to 15 members who meet at least three times a year and are responsible for the strategic direction and policy of the charity. At present, the Board has 12 members from a variety of professional backgrounds relevant to the work of the charity.

A scheme of delegation is in place and day to day responsibility for the provision of the services rest with the Chief Executive along with Head of Areas. The Chief Executive is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. The Head of Areas have responsibility for the day to day operational management of their respective areas, individual supervision of the staff team and also ensuring that the team continue to develop their skills and working practices in line with good practice.

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Remuneration

The key management personnel consists of the CEO, Director of Finance and Director of Research & Relationships.

The Institute operates a remuneration policy based on salary scales by grade with annual RPI and other changes determined by the Executive Board during the budget planning process. A delegated group of trustees appraise the Chief Executive at least annually and set remuneration for CEO and other key management personnel for the forthcoming year. A non-contributory pension investment of 9% of salary, is made to staff personal pension schemes.

While trustees are reimbursed travel expenses in connection with their roles as trustees, they do not receive any remuneration for their services as a Trustee. The Institute greatly values the contribution of its trustees and members in the work of the charity which ranges from their roles in the governance structure to representation input to the industry's decision making bodies and writing for the Seaways Journal and other publications. Due to the diversity of these voluntary contributions and the large number of members involved (some 140 in central governance roles), it is not feasible to assess the value in terms of time or money.

Fundraising

The Institute is aware of the requirements of the Fundraising Regulator. It does not use external fundraisers and no complaints have been received during the year. Trustees provide guidance and oversee the institute's fundraising practices, upholding the Charity Commission's fundraising principles.

Auditors

The auditors, Buzzacott LLP are willing to continue in office and resolutions concerning the appointment of Auditors will be submitted to the annual general meeting.

Fixed assets

Changes in the company's fixed assets during the year are shown on the balance sheet.

Trustees

The Trustees of the Charitable Company are stated on page 1.

This report has been prepared in accordance with Statement of Recommended Practice- Accounting and Reporting by Charities and in accordance with special provisions of part 15 of the Companies Act 2006.

Approved by the trustees and signed on their behalf by:



Mr P B Hinchliffe
Chair of Trustees

13 June 2024

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TRUSTEES' RESPONSIBILITIES

Statement of Trustees' Responsibilities

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

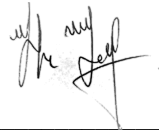
Disclosure of information to the auditor

In accordance with company law, each of the Trustees confirm that:

- so far as they are aware, there is no relevant audit information of which the charity's auditors are unaware; and
- as the Trustees of the charity, they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.



Mr P B Hinchliffe
Chair of Trustees



Captain D M Telfer
Treasurer

Date: 13 June 2024

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Independent Auditor's Report to the members of The Nautical Institute

Opinion

We have audited the financial statements of The Nautical Institute (the 'charitable company') for the year ended 31 December 2023 which comprise the summary income and expenditure account, the statement of financial activities, the balance sheet, the statement of cashflows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice)

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity'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 published in the June issue of the Institute's journal, Seaways, the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' report and financial statements. 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.

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Independent Auditor's Report to the members of The Nautical Institute (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial
- the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- 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; and
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the 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).

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Independent Auditor's Report to the members of The Nautical Institute (continued)

We assessed the susceptibility of the 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 variances;
- tested journal entries to identify unusual transactions;
- tested the authorisation of expenditure and bank payments; and
- reviewed the implementation and design of controls and procedures in place around the grants payable system.

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



Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date 14 June 2024

THE NAUTICAL INSTITUTE
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2023

	2023	2022
	£	£
Income	5,353,193	4,106,016
Gain/(loss) on investments	129,811	(250,897)
Gross income in reporting period	<u>5,483,004</u>	<u>3,855,119</u>
Expenditure	(4,277,142)	(3,490,611)
Net income before tax for the reporting period	<u>1,205,862</u>	<u>364,508</u>
Tax Payable	-	-
Net income for the financial year	<u><u>1,205,862</u></u>	<u><u>364,508</u></u>

All income is unrestricted funds.

A detailed analysis of income and expenditure by source is provided in the Statement of Financial Activities and the notes to the financial statements.

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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2023

	Note	Unrestricted Fund £	Designated Fund £	Total Funds 2023 £	Total Funds 2022 £ Note 21
Income and endowments from:					
Donations and Legacies		353,296	-	353,296	138,580
Charitable activities	2	4,153,320	206	4,153,526	3,420,568
Other trading activities	4	755,953	-	755,953	481,158
Investment income	5	19,879	70,539	90,418	65,710
Total		5,282,448	70,745	5,353,193	4,106,016
Expenditure on:					
Raising funds	6	565,451	20,331	585,782	439,943
Charitable Activities	7	3,691,360	-	3,691,360	3,050,668
Total		4,256,811	20,331	4,277,142	3,490,611
Net gain / (loss) on investments		-	129,811	129,811	(250,897)
Net income		1,025,637	180,225	1,205,862	364,508
Transfers between funds	18	(1,000,000)	1,000,000	-	-
Net movement in funds		25,637	1,180,225	1,205,862	364,508
Reconciliation of funds:					
Total funds brought forward at 1st January	18	1,147,039	2,873,715	4,020,754	3,656,246
Total funds carried forward at 31st December	18	1,172,676	4,053,940	5,226,616	4,020,754

All amounts relate to continuing activities.

All recognised gains and losses for the year are included in the above statements of financial activities.

Comparative information by fund class for the year ended 31 December 2022 is given in note 21.

All amounts above relate to unrestricted funds.

The notes on pages 17 to 25 form part of these financial statements.

THE NAUTICAL INSTITUTE
BALANCE SHEET AS AT 31ST DECEMBER 2023
Company No. 2570030

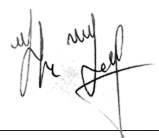
	Note	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	13		70,137		104,389
Investments	14		<u>3,048,077</u>		<u>2,868,058</u>
Total fixed assets			<u>3,118,214</u>		<u>2,972,447</u>
Current assets					
Stocks	15	85,714		52,302	
Debtors	16	1,059,219		404,025	
Cash at bank and in hand		642,276		1,182,196	
Short term deposits	14a	<u>1,000,000</u>		-	
Total current assets		<u>2,787,209</u>		<u>1,638,523</u>	
Liabilities:					
Creditors: amounts falling due within one year	17	<u>(678,807)</u>		<u>(590,217)</u>	
Net current assets			2,108,402		1,048,306
Total net assets or liabilities			<u>5,226,616</u>		<u>4,020,753</u>
The funds of the charity:					
Unrestricted funds:					
Designated funds	18		4,053,940		2,873,715
General funds	18		1,172,676		1,147,039
Total charity funds			<u>5,226,616</u>		<u>4,020,754</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the board of trustees on 13 June 2024 and signed on their behalf by:



Mr P B Hinchliffe
Chair of Trustees



Captain D M Telfer
Treasurer

The notes on pages 17 to 25 form part of these financial statements.

THE NAUTICAL INSTITUTE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2023

<u>Statement of cash flows</u>	Total 2023 £	Total 2022 £
Cash flows from operating activities:		
<i>Net cash provided by (used in) operating activities</i>	477,674	550,665
Cash flows from investing activities:		
Dividends, interest and rents from investments	90,418	65,710
Purchase of property, plant and equipment	(57,804)	(85,664)
Proceeds from sale of investments	252,393	439,874
Purchase of investments	(556,463)	(694,360)
<i>Net cash (used in) investing activities</i>	<u>(271,456)</u>	<u>(274,440)</u>
Cash flows from financing activities:		
Purchase of short term deposits	(1,000,000)	-
<i>Net cash provided by (used in) financing activities</i>	<u>(1,000,000)</u>	<u>-</u>
 <i>Change in cash and cash equivalents in the reporting period</i>	 (793,782)	 276,225
Cash and cash equivalents at the beginning of the reporting period	<u>1,573,383</u>	<u>1,297,158</u>
Cash and cash equivalents at the end of the reporting period	<u><u>779,601</u></u>	<u><u>1,573,383</u></u>
 <u>Reconciliation of net income/(expenditure) to net cash flow from operating activities</u>		
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,205,862	364,508
Adjustments for:		
Depreciation charges	92,057	86,868
(Gains)/Losses on investments	(129,811)	250,897
Dividends, interest and rent from investments	(90,418)	(65,710)
(Increase) in stocks	(33,412)	(12,361)
(Increase) in debtors	(655,194)	(197,605)
Increase in creditors	88,590	124,068
<i>Net cash provided by operating activities</i>	<u><u>477,674</u></u>	<u><u>550,665</u></u>
 <u>Analysis of cash and cash equivalents</u>		
Cash in hand	642,276	1,182,196
Investment capital reserve account	137,325	391,187
Total cash and cash equivalents	<u><u>779,601</u></u>	<u><u>1,573,383</u></u>

The notes on pages 17 to 25 form part of these financial statements.

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation of uncertainty in the preparation of the financial statements are laid out below.

a) Basis of accounting

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with the Companies Act 2006 and follow the recommendations of the 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The financial statements are presented in sterling and are rounded to the nearest pound.

b) Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements. Given the level of liquid assets held in relation to planned expenditure, the Trustees are of the opinion that the charity has sufficient reserves to be able to meet its liabilities as they fall due.

c) Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it.

Income comprises donations and legacies, membership subscriptions, publications, training, certification and accreditation income as well as investment income.

Donations and legacies are included as voluntary income; all amounts are unrestricted in the current and prior year. Income is recognised when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Membership subscriptions are recognised in the financial year to which the subscription relates and deferred if received in advance of that financial year.

Publications, training and accreditation income is recognised as the related goods or services are provided.

Investment income is recognised on a receivable basis

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

1. Accounting policies (continued)

d) Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes the direct costs and support costs associated with generating publication income, together with the fees paid to investment managers in connection with the management of the charity's listed investments.
- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs (including governance costs).

e) Allocation of support costs

50% of travelling and meeting expenses have been allocated to management and administration of the Institute, which reflects the proportion incurred in this activity.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

f) Corporation tax

The company has taken advantage of the tax exemption allowed due to its charitable status.

g) Tangible fixed assets

The charity's policy is to capitalise asset purchases over £1,000. Depreciation is provided on tangible fixed assets so as to write down the cost over the expected useful life.

Furniture and office equipment is depreciated on the straight line basis at cost over its estimated useful life at the rate of 10% per annum. Computer equipment is depreciated at a rate of 33 1/3% per annum on cost.

h) Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise. The charity does not acquire put options, derivatives or other complex financial instruments.

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

1. Accounting policies (continued)

i) Stock

The stock held is the stock of books, both historical and current, and are valued at the lower of cost or net reliable value. The stock of books is reviewed periodically for the professional content and current relevance and a provision is calculated on this basis.

j) Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

k) Cash at bank and short term deposits

Cash at bank represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Cash placed on term deposit with a maturity of greater than three months but not more than twelve months is disclosed as a short term deposit.

l) Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it would pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

m) Funds

The charity has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

Unrestricted funds

Unrestricted funds arise from all the accumulated surpluses and deficits in the provision of general charitable activities.

Designated funds

Designated funds are funds set aside out of general funds by the Trustees and designated for a particular purpose. See note 18 for details of specific designated funds.

n) Operating leases

Rental payments under operating leases are charged as expenditure as incurred over the life of the lease.

n) Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- determining the basis for allocating support costs across expenditure categories;
- the estimation of future income and expenditure for the purposes of assessing going concern.

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

	General Fund	Designated Fund	Total 2023	Total 2022
	£	£	£	£
2 Charitable activities				
Seminars/Conferences & Journals	195,841	-	195,841	337,962
Entrance fees, transfer fees and subscriptions	750,862	-	750,862	766,073
Training and courses	380,318	206	380,524	362,051
Accreditation and Certification	2,826,299	-	2,826,299	1,954,482
	<u>4,153,320</u>	<u>206</u>	<u>4,153,526</u>	<u>3,420,568</u>
3 Seminars/Conferences & Journals				
	Seminar/ Conferences	Seaways Journals	2023	2022
	£	£	£	£
Income				
Conferences and seminars	69,079	-	69,079	178,701
Seaways income (subscribers & Affiliates)	-	109,467	109,467	124,865
Seaways advertising income	-	17,295	17,295	34,396
	<u>69,079</u>	<u>126,762</u>	<u>195,841</u>	<u>337,962</u>
Expenditure				
Conferences/seminars	83,991	-	83,991	142,685
Seaways publications	-	173,325	173,325	169,720
Mars	-	7,000	7,000	6,000
Seaways advertising cost	-	3,191	3,191	7,421
	<u>83,991</u>	<u>183,516</u>	<u>267,507</u>	<u>325,826</u>
Surplus/(deficit) on Seminars/Conferences & Journals	<u>(14,912)</u>	<u>(56,754)</u>	<u>(71,666)</u>	<u>12,136</u>
4 Other trading activities				
	Books	Services	2023	2022
Sales	751,723	4,230	755,953	481,158
Costs of sales				
Opening stocks	49,590	2,712	52,302	39,941
Purchases	520,910	2,947	523,857	371,407
	<u>570,500</u>	<u>5,659</u>	<u>576,159</u>	<u>411,348</u>
Less: closing stocks	(82,948)	(2,766)	(85,714)	(52,302)
Costs of sales	<u>487,552</u>	<u>2,893</u>	<u>490,445</u>	<u>359,046</u>
Surplus on other trading activities	<u>264,172</u>	<u>1,337</u>	<u>265,508</u>	<u>122,112</u>
5 Investments income				
	General Fund	Designated Fund	2023	2022
	£	£	£	£
Bank interest	19,879	10,455	30,334	11,058
Dividends	-	60,084	60,084	54,652
	<u>19,879</u>	<u>70,539</u>	<u>90,418</u>	<u>65,710</u>

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

	Note	General Fund £	Designated Fund £	Total 2023 £	Total 2022 £
6 Raising funds					
Cost of generating funds	4	490,445	-	490,445	359,046
Investment management fees		-	20,331	20,331	17,539
Publicity		75,006	-	75,006	63,358
		565,451	20,331	585,782	439,943
7 Charitable activities					
Cost of activities in furtherance of the Institute's objectives	3	267,507	-	267,507	325,826
Support costs	8	811,687	-	811,687	652,014
Administration & Governance costs	9	582,494	-	582,494	495,228
Projects		425,999	-	425,999	389,368
Training & Courses		193,566	-	193,566	123,540
Membership		196,031	-	196,031	145,480
Accreditation and Certification		1,214,076	-	1,214,076	919,213
		3,691,360	-	3,691,360	3,050,668
8 Support costs				2023	2022
				£	£
Branch subventions & chartership costs				17,863	21,808
Staff costs	11			726,220	612,809
Travelling and meetings				67,604	17,397
				811,687	652,014
9 Administration & Governance costs				2023	2022
				£	£
Postage and telephone				59,876	58,287
Printing and stationery				8,123	5,551
Computer expenses				68,323	58,082
Auditors fees				19,500	5,900
Credit Card & Bank Charges				82,525	50,541
Rent, rates and service charges				80,995	29,573
Insurance				9,101	9,238
Insurance - Members Benefit				8,428	7,600
Office equipment rental				2,677	5,765
General expenses				45,341	22,914
Travelling, meetings and AGM expenses				67,604	17,397
Legal & Professional fees				29,540	40,557
Training Costs				2,954	786
Staff recruitment costs				5,450	64,004
Depreciation				92,057	86,868
Office move				-	32,165
				582,494	495,228
10 Net movement in funds for the year				2023	2022
				£	£
This is stated after charging:					
Depreciation of fixed assets				92,057	86,868
Amounts paid in respect of operating leases				84,170	-
Auditors remuneration (audit services)				19,500	5,900

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

11 Staff costs	2023	2022
	£	£
Salaries & wages	1,675,028	1,441,380
Social security costs	181,833	161,787
Pension	135,006	108,523
<i>Total staff cost including benefits</i>	<u>1,991,867</u>	<u>1,711,690</u>
Less: allocated to cost centres	<u>(1,265,647)</u>	<u>(1,098,881)</u>
<i>Staff costs included within overhead cost.</i>	<u><u>726,220</u></u>	<u><u>612,809</u></u>
No. of employees earning £60,000 to £70,000	4	3
No. of employees earning £70,001 to £80,000	1	-
No. of employees earning £80,001 to £90,000	1	-
No. of employees earning £90,001 to £100,000	1	2
No. of employees earning £100,000 +	<u>1</u>	<u>1</u>
Average number of employees	<u>37</u>	<u>34</u>

The chairman and trustees did not receive any remuneration during the year.

The key management personnel consists of the CEO, Director of Finance and Director of Research & Relationships; their total remuneration was £384,807 for the year ended 31 December 2023 (2022: £376,892). Remuneration of key management personnel is set by the remunerations committee.

12 Taxation

The charitable company is exempt from corporation tax on its charitable activities.

13 Tangible fixed assets	Office furniture & Equipment			Computers	Total
Cost	£	£	£	£	£
At 1st January 2023	79,769	892,801	972,570		
Additions	-	57,804	57,804		
Disposals	-	-	-		
At 31st December 2023	<u>79,769</u>	<u>950,605</u>	<u>1,030,374</u>		
Accumulated depreciation					
At 1st January 2023	70,710	797,470	868,180		
Charge for the year	6,012	86,045	92,057		
Disposals	-	-	-		
At 31st December 2023	<u>76,722</u>	<u>883,515</u>	<u>960,237</u>		
Net book values:					
As at 31st December 2023	<u>3,047</u>	<u>67,090</u>	<u>70,137</u>		
As at 31st December 2022	<u>9,059</u>	<u>95,331</u>	<u>104,390</u>		

14 Investments	2023	2022
	£	£
Market value at 1 January	2,476,871	2,473,282
Acquisition at cost	556,463	694,360
Sales proceeds at market value	(252,393)	(439,874)
Surplus / Loss in the year	<u>129,811</u>	<u>(250,897)</u>
Market value at 31 December	2,910,752	2,476,871
Other Holdings		
Cash	<u>137,325</u>	<u>391,187</u>
Market value at 31 December	<u><u>3,048,077</u></u>	<u><u>2,868,058</u></u>
Market value at 1 January	<u>2,868,058</u>	<u>2,574,588</u>
Historic cost at 31 December	<u><u>2,843,117</u></u>	<u><u>2,556,052</u></u>

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

14 Investments (continued)

The following investments represent more than 5% of the total portfolio value at 31 December 2023:

	Balance £	% holding
SPDR Series Trust	341,373	11.7%
Treasury 4.25% Stock 2032	167,644	5.8%

14a Short term deposits

	2023 £	2022 £
At 1 January	-	-
Purchase of short term deposits	1,000,000	-
At 31 December	<u>1,000,000</u>	<u>-</u>

	2023 £	2022 £
15 Stocks		
Books	82,948	49,590
Member services	2,766	2,712
	<u>85,714</u>	<u>52,302</u>

16 Debtors

Trade debtors	424,018	199,668
Prepayments	159,923	85,446
Other debtors	428,605	102,556
VAT	46,673	16,355
	<u>1,059,219</u>	<u>404,025</u>

17 Liabilities: Creditors: Amounts falling due within one year:

Trade creditors	276,496	199,630
Accruals	157,194	108,031
PAYE & other creditors	69,033	76,290
Deferred income	176,084	206,266
	<u>678,807</u>	<u>590,217</u>

Deferred income includes project and membership income received in advance which is being released to income in the period the income relates to. It also includes a premium from surrendering old office lease which is being recognised over the 5 years term of the current office lease.

	£
Balance brought forward at 1 January 2023	206,266
Release of deferred income in year	(68,333)
New deferrals	38,151
Balance carried forward at 31 December 2023	<u>176,084</u>

18 Funds

	Balance 01.01.2023 £	New Designated £	Utilised/ Realised £	Transferred £	Balance 31.12.2023 £
Designated funds					
Capital Reserve Fund	2,868,059	50,208	129,811	1,000,000	4,048,078
Education fund	5,656	206	-	-	5,862
	<u>2,873,715</u>	<u>50,414</u>	<u>129,811</u>	<u>1,000,000</u>	<u>4,053,940</u>

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

18 Funds (continued)

The Capital Reserve Fund has been set up to create a Contingency Reserve and a Projects Reserve. The Contingency Reserve is to ensure that the Institute's services are not compromised in the short term. The target level of Contingency Reserve is calculated based on 33% of annual operating budget. The Projects Reserve is to enable the Institute to fund specific projects with the approval of the Executive Board of Trustees. The target level of Projects Reserve is calculated based on 50% of the Contingency Reserve target. The level of Capital Reserve Fund is reviewed on a regular basis. During the year a transfer of £1m (2022: £500,000) has been made from the General Fund to the Capital Reserve Fund.

The Education Fund is generated from authors choosing to donate royalties due to them from book sales. The fund is used to provide financial support to junior officers in the maritime sector towards advancing their career. The award of financial support from the Education Fund is made after applications are considered by the nominations committee.

General Fund	Balance 01.01.2023	Unrestricted	Utilised/ Realised	Transferred	Balance 31.12.2023
Brought forward	1,147,039	-	-	-	1,147,039
Transfer in year	-	-	-	(1,000,000)	(1,000,000)
Surplus for year	-	1,025,637	-	-	1,025,637
	<u>1,147,039</u>	<u>1,025,637</u>	<u>-</u>	<u>(1,000,000)</u>	<u>1,172,676</u>

19 Related Party Transactions

No Trustee received any remuneration for services as a Trustee. The amount of £12,523 (2022: £2,944) was reimbursed to Trustees to cover miscellaneous travel expenses in connection with their roles as Trustees.

During the year the charity paid net expenses of £86,793 (2022: £55,986) on behalf of the Nautical Institute Foundation, a charity with trustees in common with the the Nautical Institute. The balance due from the Nautical Institute Foundation at 31 December 2023 was £158,992 (2022: £72,199). There are no concerns in respect of recoverability of this balance. The Foundation's role is to be supportive of Nautical Institute programmes and ethos, but it plays a unique role in being able to support educational needs for the wider maritime community, not just NI members. It aims to raise funds from industry participants and other maritime NGOs to develop and deliver its programmes and has no recourse to permanent funding from the NI itself.

Trustees and Council members use the Institute's services on the same terms as other members. Because of the nature of the Institute's trades it is not practical to quantify the total of transactions with these members during the year. However, only minor balances were owed to and from these members as at 31st December 2023 and any fees paid to these members are shown separately in the Revenue Account. Trustees and Council members are required to be full voting members of the Institute.

Due to the nature of the Institute's trade, a number of the Trustees and Council are also directors/trustees/employees of entities with which the Institute trades, and due to the nature of the trade, it would not be practical to quantify the total of transactions in the period.

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2023

20 Lease commitments

At 31 December 2023, the Institute had the following future lease payments under non-cancellable operating leases:

Land and buildings

	2023 £	2022 £
Not later than one year	84,170	84,170
Later than one year and not later than five years	168,340	252,510

21 Comparative Statement of Financial Activities

	Unrestricted Fund £	Designated Fund £	Total Funds £
Income and endowments from:			
Donations and Legacies	138,580	-	138,580
Charitable activities	3,420,568	-	3,420,568
Other trading activities	481,158	-	481,158
Investment income	3,804	61,906	65,710
Total	<u>4,044,110</u>	<u>61,906</u>	<u>4,106,016</u>
Expenditure on:			
Raising funds	422,404	17,539	439,943
Charitable Activities	3,048,801	1,867	3,050,668
Total	<u>3,471,205</u>	<u>19,406</u>	<u>3,490,611</u>
Net loss on investments	-	(250,897)	(250,897)
Net income	<u>572,905</u>	<u>(208,397)</u>	<u>364,508</u>
Transfers between funds	<u>(501,510)</u>	<u>501,510</u>	<u>-</u>
Net movement in funds	<u>71,395</u>	<u>293,113</u>	<u>364,508</u>
Reconciliation of funds:			
Total funds brought forward at 1st January	1,075,644	2,580,602	3,656,246
Total funds carried forward at 31st December	<u>1,147,039</u>	<u>2,873,715</u>	<u>4,020,754</u>