



**REPORT AND FINANCIAL STATEMENTS
31 MARCH 2010**

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**PLYMOUTH MARINE LABORATORY
A COMPANY LIMITED BY GUARANTEE**

REPORT OF THE TRUSTEES

The Trustees, who are also Directors of Plymouth Marine Laboratory (PML) for the purposes of the Companies Act, submit their annual report and the audited financial statements for the period ended 31 March 2010. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP), revised in 2005, in preparing the annual report and financial statements of PML.

Reference and Administrative Details

Plymouth Marine Laboratory; also known as PML

Charity number

1091222

Company number

4178503

Registered office

Prospect Place, The Hoe, Plymouth, PL1 3DH

Directors and Trustees

The Directors of the charitable company ("PML") are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees. The Trustees serving during the year and since the year end were as follows:-

Mr T Lewis FRCS (Chairman)
Admiral Sir James Burnell-Nugent KCB, CBE
Dr H Cattle (retired 4 April 2010)
Mr A Dixon OBE (appointed 27 August 2009)
Prof J Field (retired 26 March 2010)
Prof C Knowles (resigned 1 March 2010)
Mrs K Morgan OBE
Mr D Peat (Honorary Treasurer) (retired 4 April 2010)
Prof R Rayner
Dr C Roy (appointed 26 April 2010)
Prof B Ward (appointed 27 April 2010)

Senior Management Team

Day to day management of PML is delegated by the Trustees to the Senior Management Team. The members of the Senior Management Team during the reporting period were:-

Prof S de Mora
Dr P Claridge
Mr I Allen
Dr M Austen
Mr D Loynes
Mrs C Smith
Mr D Robins
Mrs B Tremain (Company Secretary)

Auditors

Bishop Fleming, Cobourg House, Mayflower Street, Plymouth, PL1 1LG

**PLYMOUTH MARINE LABORATORY
A COMPANY LIMITED BY GUARANTEE**

REPORT OF THE TRUSTEES

Bankers

HSBC Bank Plc, Plymouth City Centre, 4 Old Town Street, Plymouth, PL1 1DD

Solicitors

Foot Anstey, Salt Quay House, 4 North East Quay, Sutton Harbour, Plymouth, PL4 0BN

Investment Managers

Brewin Dolphin Ltd, Vantage Point, Woodwater Park, Pynes Hill, Exeter, EX2 5FD

STRUCTURE, GOVERNANCE & MANAGEMENT

Governing Document

Plymouth Marine Laboratory (PML) is a company limited by guarantee governed by its Memorandum and Articles of Association dated 13 May 2001 and amended by special resolutions. As part of good governance PML is undertaking a full review of its Memorandum and Articles of Association to bring these documents up-to-date, reflecting changes in company and charity law. This review will be completed soon. PML is registered as a charity with the Charity Commission. Membership of PML is open to any individual or organisation interested in promoting the Objects. There are currently eight members, each of whom undertakes to contribute such amount as may be required (not exceeding £10) to PML's assets in the event of it being wound up.

Appointment of Trustees

As laid down in the Articles of Association, the Chair of the Trustees, as well as the Treasurer and other honorary offices are appointed by the Trustees. Trustees must retire after serving a period of five consecutive years, except where such Trustee has been invited, and has agreed to serve, with the approval by resolution of the Trustees and of the members of the Charity, an additional period of office of not more than two years, or if the Trustee is elected as Chairman, whereupon his/her term will be deemed to have recommenced.

The Charity has in place a policy and procedure on the appointment of Trustees. Recruitment of new Trustees is undertaken by the Trustees and nomination committees are set up as appropriate.

The following Trustees retired just prior to or after the financial year end having served a full term of seven years: Dr Cattle, Prof. Field and Mr Peat. In addition Prof. Knowles resigned after serving almost six years. The Trustees, Senior Management Team and staff are extremely grateful to them all for their guidance, support and efforts on behalf of PML. Mr Dixon OBE was appointed during the year and two new Trustee appointments – Dr Roy and Prof. Ward - were made post financial year end.

Induction and Training of Trustees

New Trustees spend time at PML meeting other members of the Board of Trustees, Senior Management Team and staff and learning about the research and knowledge exchange activities undertaken by PML and also the activities of its wholly owned trading subsidiary, PML Applications Ltd. The induction programme is tailored to suit the expertise of the Trustee and his/her role on the Board. As part of the formal induction programme, new Trustees receive a comprehensive induction pack containing various documents relating to the Charity and the duties of a Trustee, including the Charity Commission publication CC3 "The Essential Trustee", the Memorandum & Articles of Association, PML's Strategic and Operating Plans, the most recent set of accounts, as well as various other policy documents. An explanation of these documents is given by the Company Secretary to the new Trustee. Where specific training is identified, then this is delivered by internal or external providers, including attendance at seminars or conferences. PML has in place policies on the induction and training of Trustees.

REPORT OF THE TRUSTEES

Organisational Structure

The Board of Trustees, which can have up to 9 members, administers PML. The Board meets at least 3 times per year (or more frequently as required). The Chief Executive is given delegated authority for the day to day operation, delivered through the Senior Management Team, including scientific, financial and employment related matters. The specific levels of authority are detailed in a statement of Delegated Authority. The Chief Executive submits an Annual Statement on Internal Control, reporting to the Board on all areas of PML's operations, including Governance & Management, Financial Management, Research Management and Safety, Health & Environment.

Related Parties

PML is an Established Collaborative Centre of the Natural Environment Research Council (NERC), a body incorporated by Royal Charter, and as such provides a UK strategic research capability. NERC is one of PML's principal "customers" for research and by way of a staff loan agreement a number of NERC staff work for PML. PML is currently working on a co-ordinated strategic research programme called *Oceans 2025* (which commenced in April 2007) funded by the NERC. This has involved PML collaborating with six other UK marine institutions – the National Oceanography Centre, Southampton, the Proudman Oceanographic Laboratory (both these bodies have now merged to form the National Oceanography Centre), the Sea Mammal Research Unit, the Scottish Association for Marine Science, the Marine Biological Association of the United Kingdom, and the Sir Alister Hardy Foundation for Ocean Science – the last three of which are charities.

PML is eligible to bid for funding from NERC under its three main categories – National Capability (NC), Research Programme (RP) and Responsive Mode (RM). During the year PML agreed a contract with NERC for NC and the *Oceans 2025* related Research Programme funding. In the future the NC contract will be managed for NERC by the National Oceanography Centre; the details of this new arrangement are awaited.

PML is a member of the Plymouth Marine Sciences Partnership (PMSP) through a Memorandum of Understanding and has good relationships with its fellow members, which include three charities and a university. As reported in the last Trustees' Report PML worked with its partners in the PMSP to submit a business case to the South West Regional Development Agency (SWRDA) in late 2008 for a marine science cluster. Unfortunately, SWRDA advised in the summer of 2009 that the business case was unsuccessful.

PML is also a member of the National Centre for Ocean Forecasting through a Memorandum of Understanding, which has formalised collaborations with inter alia the Met Office. During the year PML signed a Memorandum of Understanding with the University of Exeter to collaborate in particular areas of research. Other Memoranda of Understanding are in place with various partners with whom PML collaborates to undertake activities.

PML's wholly owned subsidiary, PML Applications Ltd was established to undertake more applied and commercial work and facilitate knowledge exchange. It gift aids its surplus profits to PML.

Risk management

A risk management policy was developed and adopted by PML in its first year of operation. In addition, a comprehensive analysis of risks to which PML is exposed was undertaken and systems identified and put in place to mitigate risk. A risk register has been in place for seven years and, under the terms of the risk management policy, the Executive (Senior Management Team) carry out a periodic evaluation of the risks and report its findings, identifying the major risks, to the Trustees for their review, together with formal appraisal of risk evaluation on an annual basis.

REPORT OF THE TRUSTEES

AIMS & OBJECTIVES FOR PUBLIC BENEFIT

The objects of PML, as set out in the Memorandum of Association, are:

To carry out research in environmental science and technology, including marine and estuarine environmental science and technology, and to disseminate results of such research and data and ideas generated in the course of or in connection with such research for the benefit of the public and to advance public education in the principles and practice of such science and technology.

The Charity's main aim (mission) is to develop and apply world leading, integrated scientific understanding of interactions between the marine environment and society in order to sustain coastal and upper ocean ecosystems and their services under conditions of global change.

The Charity's objects, mission and vision can be encapsulated in one strategic objective:

To undertake cutting-edge, interdisciplinary research in anticipation of societal needs and to promote stewardship of marine ecosystems.

The key strategic science areas for PML's research are:

- Socio-economics and marine planning
- Science and application of remote sensing
- Biogeochemical cycling of life-sustaining elements and climatically active gases
- Marine ecology and molecular science
- Ecosystem modelling

Each of these areas has specific aims and objectives.

During the year PML's new Strategic Plan (2010-2014) was developed, which was approved and adopted by the Board of Trustees in December 2009. The three strategic aims defined for PML are as follows:

1. To undertake research in environmental science and technology of outstanding quality and relevance for the benefit of society.
2. To conduct research in a focused, effective and cost-effective manner in acknowledgement of the contributions received from public, private and charitable sources of funding.
3. To behave responsibly towards staff and society, and to disseminate the results of PML's research, data and ideas as widely as possible in order to advance public well-being and education.

Ensuring Delivery of Aims and Objectives

Regular reporting on aims and objectives is undertaken on a quarterly basis by the Chief Executive to the Board of Trustees, with a full review undertaken after the financial year end. New operating objectives are agreed at the beginning of each financial year. The Trustees can confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the Charity and in planning future activities. The Trustees also give due consideration to how these activities contribute to the aims and objectives set.

In addition to PML's principal (core) activities, specific operating objectives for this year included the production of a new overarching Strategic Plan (as mentioned above), development of plans for each of the strategic science areas and identification and progression of key partnerships.

REPORT OF THE TRUSTEES

ACHIEVEMENTS & PERFORMANCE

How the Charity's Activities Delivered Public Benefit

PML's performance can be measured by two key performance indicators:-

- 1) the level of commissioned research income won to undertake research activities, and
- 2) its publication output.

PML has once again achieved a record level of commissioned research, in that new contracts won during the financial year, valued at £4.8 million in total, exceeded the target set by almost £1 million. Particular success has been achieved in winning funding from the European Commission (EC); other notable funders have included the Natural Environment Research Council (NERC), the Biotechnology & Biological Sciences Research Council (BBSRC), the European Space Agency and the Carbon Trust.

In terms of publication output, PML scientists have continued to produce high quality publications. The total number of publications for the calendar year 2009 was 130 with 60 papers being first authored. Of these papers, 103 were ISI publications with a number of papers being published in very high impact journals.

The Trustees acknowledge the considerable efforts made by PML's scientists in both their success at winning new research contracts and producing this level of publications, reflecting research excellence.

During the course of the reporting year PML has continued to operate at the international, national and local level. In terms of international activities, fieldwork has taken place globally in locations ranging from the Arctic to the upwelling regions off the northwest African coast. Projects operating at the international level during the year have included:-

- an EC funded Framework 7 large integrated project, for which PML is also the co-ordinator, which uses a modelling approach to investigate the impact of climate drivers (e.g. acidification, temperature) and direct anthropogenic drivers (e.g. fishing, pollution) on the marine environment;
- an EC funded Framework 7 programme, again for which PML is the co-ordinator, which aims to construct a network linking Earth Observation (EO) information providers, user networks and centres of excellence in Europe and Africa in the area of coastal and marine observations towards sustainable development in Africa, and
- a number of EU Interregional collaboration (Interreg) projects which foster research and collaboration between PML and French institutes.

There have also been major outreach and knowledge exchange activities on an international scale. PML was present at COP15, the United Nations Climate Change Conference held in Copenhagen in December 2009. A PML scientist also chaired a special session at this conference on ocean acidification. PML's scientists have attended other international conferences and meetings, disseminating the results of their research and collaborating with other scientists. Examples of such international conferences during the year were the East Asian Seas Congress (the Philippines), the International SOLAS (Surface Ocean Lower Atmosphere Study) Conference (Barcelona) and the DIVERSITAS OSC2 "Biodiversity and Society: Understanding connections, Adapting to change conference (Cape Town).

On a national level, in addition to its contribution to the NERC funded Oceans 2025 programme, PML has been working on a number of research projects, ranging from algal research to an operational air-sea carbon flux observation capability. Nationally, PML scientists have contributed to policy consultations, the most significant of which during the year was the Marine & Coastal Access Bill. The Trustees would also like to note here the contribution to this groundbreaking legislation made by the former PML Chairman, Lord Kingsland QC, who sadly passed away before this Bill received royal assent in November 2009.

REPORT OF THE TRUSTEES

Other major policy consultations included the Marine Protected Area (MPA) strategy (DEFRA), the UK Marine Science Strategy (DEFRA), the Environmental Impacts of Demographic Change in the UK (the Royal Commission on Environmental Pollution), the UK's role in Global Food Security until 2050 (All Party Parliamentary Group) and Carbon Capture and Storage (Department for Energy and Climate Change).

Promotion of PML's work is important in terms of attracting funding and meeting objectives of disseminating knowledge. This is achieved through a variety of means from hosting visits by funders and providing blogs on scientific activities. During the year PML hosted visits from a number of organisations, including the UK Minister for Marine and the Natural Environment, the Department of the Environment, Food & Rural Affairs, the Chairman and Chief Executive of the newly formed Marine Management Organisation, Craig Venter, founder of the Institute for Genomic Research, the Australian Institute of Marine Science (AIMS) and the Hong Kong University of Science & Technology.

Engagement with the public and communication of its science are an essential part of PML's remit. During the year there have been a number of activities that have contributed to these objectives, including:

- an Environmental Alert Bulletin commissioned by the United Nations Environment Programme (UNEP) on ocean acidification and its link to food security;
- the BBC Panorama documentary entitled "our dirty beaches", and
- continuation of a project with Google entitled "Ocean in Google Earth" to allow visitors to the website to follow research involving PML in near real-time and get a taste of life on board a research vessel (Atlantic Meridional Transect [AMT] cruise 19).

Moreover, during the calendar year 2009 PML was involved in 130 media activities (press releases, interviews, articles), 25 publications and 29 individual events (lectures, talks, exhibitions) aimed at the non-scientific audience. In addition, PML has 5 STEM (Science, Technology, Engineering & Mathematics) Ambassadors who, together with PML staff and students, were involved in various local schools activities, a local National Science and Engineering Week event and the hosting of 15 school children on work experience. PML also hosts a number of visiting researchers from around the world. Amongst those whom PML hosted was an early career scientist from the Philippines, who was awarded a Fellowship by the Partnership for Observation of the Global Oceans (POGO), and a scientist from the Ivory Coast, whose aim was to learn some techniques in molecular biology.

PML is also committed to providing a learning environment and was involved in 44 PhD studentships, hosting PhD students on site funded by the NERC and BBSRC, or members of its staff acting as supervisors to PhD students. On a more local level, PML hosted a visited by over 50 MSc students from the University of Plymouth with a view to attracting a small number of them to PML to undertake projects in the summer of 2010.

In order to facilitate better communication of its science and engagement with stakeholders, PML submitted a proposal to the Kirby Laing Foundation for funding for a lecture facility. This proposal has been well received and further work is progressing on this project to finalise details for submission to the Kirby Laing Foundation.

Still on the investment front, the Trustees made a decision during the year to move management of PML's investments to Brewin Dolphin. Income from investments has been low due to the low interest rates. However, following the volatility in financial markets during the last 18 months, the value of PML's investments has recovered almost to the levels of two years ago.

In summary, it has been yet another highly productive year and the Trustees would like to thank the staff for their continued efforts and achievements.

REPORT OF THE TRUSTEES

FINANCIAL REVIEW

Reserves policy

A reserves policy was developed and adopted by PML in its first year of operation and subsequently revised in April 2005. This policy provides for the maintenance of general reserves (under unrestricted funds) at a level equivalent to at least 3 months' expenditure, in order to provide adequate working capital levels for the ongoing operation of PML and completion of existing projects. The policy also provides designated reserves (under unrestricted funds), which are funds set aside to assure that capital and other significant expenditure approved by the Trustees can be funded as required over the next 12 month period. The reserves are set at a level to withstand any short term setback, whether operational, in the investment markets, or in key sources of research income. If the free reserves should fall outside the level of 3 months expenditure, the Trustees would review PML's strategic plan accordingly. In terms of designated reserves in March 2009 the Trustees set aside the sum of £200k for strategic appointments for a 2 year period. In October 2009 the Trustees also approved the creation of a lecture theatre, for which a sum of £500k has been aside. The plans are to complete this lecture theatre in the next financial year (2010-11).

Principal Funding Sources

PML's income was derived principally from the NERC Oceans 2025 programme and National Capability, amounting to £4.8m and commissioned research of £3.9m from a variety of customers, including NERC, the Biotechnology & Biological Sciences Research Council, the European Commission and the UK Energy Research Centre. The income has enabled PML to undertake strategic and applied research, generating knowledge and publications, as well as carrying out the activities listed under Achievements and Performance.

Investment policy

An investment policy has been developed and adopted by PML. The objectives of this policy are to maintain and, if possible enhance the real value of the reserves represented by its investments. It is also intended to maintain an appropriate balance between maximising long-term returns and avoiding undue volatility in capital values. These objectives are pursued through a strategic investment policy which involves a broadly diversified spread of assets, covering UK and overseas equities, UK government and non-government bonds and pooled property funds. The portfolio of investments is managed by a professional asset management organisation approved by the Trustees. The assets within the managers' portfolio are held by professional custodians. The fund managers operate to a benchmark of the PML strategic investment policy but have discretion to vary their asset allocation from that policy, within certain specified ranges. They also have full discretion over the individual securities to be purchased subject to safeguards designed to avoid undue concentration of investment. The activities and performance of the investment managers are monitored through quarterly reporting to PML's Investment Committee, which reports to the Trustees.

Trading subsidiary

PML's trading subsidiary, PML Applications Ltd, reported a profit of £53k and generated £321k of income for PML in terms of its payment for PML staff time and overheads on its contracts. The share of losses associated with the trading subsidiary's joint venture, Biopartner AS, was £18k, representing a shareholding of 50%. The trading subsidiary's spin-out company, EcoAlert Limited, was wound up on a members' voluntary basis during the year. Investment in this company had been written off in 2008-09 and thus there is no impact on this year's accounts.

REPORT OF THE TRUSTEES

PLANS FOR FUTURE PERIODS

The Charity’s plans for the future include the following objectives:-

- Implement the new Strategic Plan
- Produce a new science strategy and specific science plans for each science area
- Achieve at least 100 high quality publications
- Develop and implement a communications strategy for stakeholders
- Develop a regional, national and international partnership strategy; implement and assess effectiveness.

Trustees’ Responsibilities in Relation to the Financial Statements

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

COMPLETENESS OF INFORMATION TO AUDITORS

So far as each Trustee listed on page 2 above is aware:

- There is no relevant audit information of which the company’s auditors are unaware, and
- They have taken all steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the company’s auditors are aware of that information.

Approved by the Trustees and signed on their behalf by:

..... (Chairman)

Date:

**PLYMOUTH MARINE LABORATORY
A COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PLYMOUTH MARINE LABORATORY – A COMPANY LIMITED BY GUARANTEE**

We have audited the financial statements of Plymouth Marine Laboratory Ltd for the year ended 31 March 2010 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Cash Flow Statement and the related notes.

This report is made solely to the charitable company's members, as a body, in accordance with Sections 495 and 496 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of Plymouth Marine Laboratory Ltd for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosure of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**PLYMOUTH MARINE LABORATORY
A COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PLYMOUTH MARINE LABORATORY – A COMPANY LIMITED BY GUARANTEE**

Opinion

In our opinion the financial statements:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 2010, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

Pamela Tuckett FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming

Chartered Accountants

Statutory Auditors

Cobourg House

Mayflower Street

Plymouth

PL1 1LG

**PLYMOUTH MARINE LABORATORY
A COMPANY LIMITED BY GUARANTEE**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2010**

	Notes	Unrestricted Funds General £	Designated £	Restricted Funds £	Total 2010 £	Total 2009 £
Income resources						
Incoming resources from charitable activities:						
NERC Oceans 2025 Programme	3	-	-	4,879,655	4,879,655	4,519,758
Research Income		321,112	-	3,584,108	3,905,220	3,614,549
Deferred income on capital expenditure		-	-	334,957	334,957	115,270
Other income (including share of joint venture)	4	522,600	-	-	522,600	601,659
		<u>843,712</u>	<u>-</u>	<u>8,798,720</u>	<u>9,642,432</u>	<u>8,851,236</u>
Less: Share of income from joint venture		(2,628)	-	-	(2,628)	(111,266)
		<u>841,084</u>	<u>-</u>	<u>8,798,720</u>	<u>9,639,804</u>	<u>8,739,970</u>
Incoming resources from generating funds:						
Commercial trading operations	5	1,042,612	-	-	1,042,612	1,067,314
Bank interest and investment income		59,821	-	-	59,821	81,629
Total incoming resources		<u>1,943,517</u>	<u>-</u>	<u>8,798,720</u>	<u>10,742,237</u>	<u>9,888,913</u>
Resources expended						
Costs of generating funds:						
Commercial trading activities	5	989,308	-	-	989,308	994,199
Investment management costs		19,366	-	-	19,366	7,773
Costs of charitable activities:						
Research activities	6	-	-	8,218,700	8,218,700	7,415,475
Management and administration of the charity	7	637,505	-	580,020	1,217,525	1,136,057
Governance costs	9	63,844	-	-	63,844	64,012
Total resources expended		<u>1,710,023</u>	<u>-</u>	<u>8,798,720</u>	<u>10,508,743</u>	<u>9,617,516</u>
Net incoming resources/(resources expended) before transfers		233,494	-	-	233,494	271,397
Goodwill in associated companies Written off		-	-	-	-	(8,911)
Share of gains/(losses) in associate and joint venture	15	(238)	-	-	(238)	(1,801)
Net income and expenditure for the year before transfers		<u>233,256</u>	<u>-</u>	<u>-</u>	<u>233,256</u>	<u>260,685</u>

**PLYMOUTH MARINE LABORATORY
A COMPANY LIMITED BY GUARANTEE**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2010**

	Notes	Unrestricted Funds General £	Designated £	Restricted Funds £	Total 2010 £	Total 2009 £
Net unrealised gains/(losses) on investments	14	503,957	-	-	503,957	(446,125)
Net movement in funds		<u>737,213</u>	<u>-</u>	<u>-</u>	<u>737,213</u>	<u>(185,440)</u>
Fund balances brought forward At 31 March 2009		2,308,661	-	-	2,308,661	2,494,101
Transfers		<u>(700,000)</u>	<u>700,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances carried forward At March 2010		<u>2,345,874</u>	<u>700,000</u>	<u>-</u>	<u>3,045,874</u>	<u>2,308,661</u>

All of the above results are derived from continuous activities. All gains and losses recognised in the year are included above. The surplus for the year for Companies Act purposes comprises net incoming resources for the year plus share of realised gains/losses in associates and was £233,256 (2009: surplus £260,685).

**PLYMOUTH MARINE LABORATORY
A COMPANY LIMITED BY GUARANTEE**

COMPANY NUMBER: 4178503

**CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2010**

		Group		Charity	
	Notes	2010	2009	2010	2009
	£	£	£	£	£
Fixed assets					
Tangible assets	13	1,940,572	2,277,308	1,914,477	2,268,672
Investments	14	2,226,094	1,683,276	2,326,097	1,783,279
Investment assets – joint ventures:	15				
Share of gross assets		18,692	59,838	-	-
Share of gross liabilities		(6,575)	(31,742)	-	-
		<u>12,117</u>	<u>28,096</u>	<u>-</u>	<u>--</u>
		<u>4,178,783</u>	<u>3,988,680</u>	<u>4,240,574</u>	<u>4,051,951</u>
Current assets					
Debtors	16	1,429,337	1,526,463	1,267,365	1,593,368
Cash at bank and in hand		1,253,317	1,232,009	1,228,673	1,022,755
		<u>2,682,654</u>	<u>2,758,472</u>	<u>2,496,038</u>	<u>2,616,123</u>
Creditors: amounts falling due within one year	17	(2,617,181)	(2,984,540)	(2,481,872)	(2,840,338)
Net current assets/(liabilities)		<u>65,473</u>	<u>(226,068)</u>	<u>14,166</u>	<u>(224,215)</u>
Total assets less current liabilities		<u>4,244,256</u>	<u>3,762,612</u>	<u>4,254,740</u>	<u>3,827,736</u>
Creditors: amounts falling due after more than one year	18	(1,198,382)	(1,438,210)	(1,181,067)	(1,438,210)
Provision for net liabilities in associate	15	-	(15,741)	-	-
		<u>3,045,874</u>	<u>2,308,661</u>	<u>3,073,673</u>	<u>2,389,526</u>
Funds					
Unrestricted – general	22	2,345,874	2,308,661	2,373,673	2,389,526
Unrestricted – designated	22	700,000	-	700,000	-
Restricted	22	-	-	-	-
		<u>3,045,874</u>	<u>2,308,661</u>	<u>3,073,673</u>	<u>2,389,526</u>

Mr T Lewis (Chairman)

Mr A Dixon (Trustee)

Date:

**PLYMOUTH MARINE LABORATORY
A COMPANY LIMITED BY GUARANTEE**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2010**

	Notes	2010 £	2009 £
Net cash inflow from operating activities	24(a)	348	102,496
Returns on investments and servicing of finance			
Bank interest and investment income received		59,821	81,629
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets and investments*		(293,303)	(633,705)
Capital grants received		254,442	460,746
Acquisitions			
Investment in joint venture / associate		-	(1,036)
Increase in cash		<u>21,308</u>	<u>10,130</u>

*Included in payments to acquire tangible fixed assets and investments is a cash outflow of £58,227 (2009 : £63,848) in respect of the purchase of investments (note 14).

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Note	2010 £	2009 £
Increase in cash		21,308	10,130
Change in net funds resulting from cash flows		<u>21,308</u>	<u>10,130</u>
Net funds at 31 March 2009		1,232,009	1,221,879
Net funds at 31 March 2010	24(b)	<u>1,253,317</u>	<u>1,232,009</u>

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2010**

1. Accounting policies

(a) Basis of Preparation

The financial statements have been prepared under the historical cost convention except for assets included at revalued amounts. The financial statements have been prepared in accordance with applicable Accounting Standards, the Companies Act 2006 and with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005 with the exception that grants in respect of capital expenditure are deferred and released to the Statement of Financial Activities over the expected useful lives of the relevant assets to which they relate. This treatment is in line with other similarly funded institutions including Universities.

(b) Group Accounts

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The charity has taken advantage of the Schedule 4(1) of Schedule 1 of the Large and Medium –sized Companies and Groups (Accounts and Reports) 2008 and has adapted the Companies Acts formats to reflect the special nature of the charity's activities. No separate SOFA has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

Entities in which the group has a participating interest and over whom the group exercises significant influence are treated as associates or joint ventures. In the group financial statements, associates are accounted for using the equity method and joint ventures under the gross equity method.

(c) Fixed Assets and Depreciation

Capital purchases are only capitalised in the Balance Sheet if their cost is £3,000 or more.

Tangible fixed assets are included at their historical cost.

Provision is made for depreciation on all tangible fixed assets at rates calculated to write off the costs of each asset evenly over its expected useful working life. These are normally assumed to be:

Scientific equipment	- 5 to 10 years
Computer equipment	- 3 to 5 years
Software	- 3 years
Plant and machinery	- 10 years
Motor vehicles	- 4 years
Ships	- 20 years

Fixed assets are depreciated in the month of acquisition, but are not depreciated in the month of disposal.

In accordance with the provisions of FRS 15 paragraph 83, the components of assets with substantially different economic lives are accounted for separately for depreciation purposes and depreciated over their individual useful economic lives.

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2010**

1. Accounting policies (continued)

(d) Incoming Resources

All incoming resources are included in the statement of financial activities where the charity is entitled to the income and the amount can be qualified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Investment income is included when receivable.
- Grants in respect of capital expenditure are credited to a deferred capital grants account within creditors, and are released to the Statement of Financial Activities over the expected useful lives of the relevant assets to which they relate.
- Commissioned Research – The majority of contracts are for 3 years duration. During the period of the contract, income is only credited to the Income and Expenditure account if it is matched by activity within the contract. Should funds be provided within the contract to purchase capital equipment but ownership of that equipment resides with the customer, then the equipment is not capitalised on the Balance Sheet. Should ownership of the equipment reside with the group, the equipment is capitalised and the specific income provided for its purchase is spread over the life of the asset.

(e) Resources expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

- Costs of generating commercial trading income through the subsidiary, PML Applications Limited.
- Charitable activities include expenditure associated with the operation of the Charity, and include both the direct costs and support costs relating to those activities.
- Governance costs include those incurred in the governance of the Charity and its assets and are primarily associated with strategic, constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

(f) Research and Development and Patents

As an organisation wholly engaged in research, the group does not classify research and development expenditure separately in the accounts. Expenditure in respect of the development of patents has been written off.

(g) Intellectual Property

Intellectual property rights arising from the group's research and development have not been included in these accounts as their market value cannot be readily estimated. The anticipated annual income generated from such rights is not material in value and is credited to the income and expenditure account on receipt.

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2010**

1. Accounting policies (continued)

(h) Foreign Currencies

Assets and liabilities denominated in foreign currencies are expressed in pounds sterling at rate(s) of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the time of the transaction. All exchange differences are taken to the Statement of Financial Activities.

(i) Pensions

In accordance with the Staff Loan Agreement between NERC and PML, employees who were in post at 31 March 2002 remained employees of NERC. For these employees, payments are made to the Research Council's Pension Scheme – a defined benefits scheme. Employees who joined PML after 31 March 2002 have the option to join the Plymouth Marine Laboratory Group Scheme. This is a defined contribution scheme administered by Scottish Life. Contributions for both schemes are charged to the accounts as they become payable in accordance with the rules of the schemes.

(j) Valued Added tax

As the group is registered partially exempt for VAT purposes, all expenditure and fixed asset purchases are shown inclusive of VAT where applicable.

(k) Stocks

The net realisable value of stocks is minimal and the costs of additions to stock are charged to the Income and Expenditure account in the year of purchase.

(i) Investments

Investments are held at market value and unrealised gains or losses are reflected through the Statement of Financial Activities.

(m) Goodwill

Goodwill is capitalised as an asset on the balance sheet and amortised on a straight line basis over the useful economic life.

(n) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds are unrestricted funds which have been assigned by the Trustees for future projects.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes.

**PLYMOUTH MARINE LABORATORY
A COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2010**

1. Accounting policies (continued)

(o) Operating leases

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

(p) Deferred Taxation

Deferred taxation is provided using the liability method on all timing differences, including those relating to pensions, which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred taxation assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

2. Income

Income is attributable to continuing activities and represents the amounts derived from the ongoing research activities stated net of Value Added Tax.

3. Charitable income

	2010	2009
	£	£
NERC Oceans 2025 Programme; National Capability Research Programme	2,991,001	2,817,000
Estates and other sundry funding	391,654	186,000
	<u>4,879,655</u>	<u>4,519,758</u>

4. Other income

	2010	2009
	£	£
Reimbursements	79,847	93,795
VAT recoverable (due to partial exemption)	8,953	20,811
Rents receivable	3,648	3,552
POGO –charges for secretariat services	80,000	62,850
Globec income	123,840	51,575
Marine Biological Association – charge for infrastructure	150,996	148,366
Roberts skill funds	19,298	21,331
NERC funding for HR computer system	-	30,000
Share of income from joint venture	2,628	111,266
Others	53,390	58,113
	<u>522,600</u>	<u>601,659</u>

**PLYMOUTH MARINE LABORATORY
A COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2010**

5. Commercial trading operations

A summary of the trading for the wholly owned trading subsidiary, PML Applications Limited is shown below.

Summary profit and loss account

	2010	2009
	£	£
Turnover	1,038,864	1,057,828
Cost of sales and administrative expenses	(989,098)	(1,015,199)
Other income, including interest receivable	3,748	9,486
	<u>53,514</u>	<u>52,115</u>
Net profit		
Corporation tax	(210)	-
	<u>53,304</u>	<u>52,115</u>
Retained in the subsidiary	<u>53,304</u>	<u>52,115</u>

The assets and liabilities of the subsidiary were:

Fixed assets	35,908	18,455
Current assets	342,440	383,608
Current liabilities	(291,134)	(380,280)
Creditors: amounts falling due after more than one year	(17,315)	(5,188)
	<u>69,899</u>	<u>16,595</u>
Total net assets	<u>69,899</u>	<u>16,595</u>
	<u>69,899</u>	<u>16,595</u>
Aggregate share capital and reserves	<u>69,899</u>	<u>16,595</u>

6. Charitable expenditure – research activities

	2010	2009
	£	£
Wages and salaries to research staff	4,650,836	4,297,443
Recurrent costs:		
Science	1,644,384	1,622,619
Science support	1,360,525	968,348
Depreciation	562,955	527,065
	<u>8,218,700</u>	<u>7,415,475</u>
	<u>8,218,700</u>	<u>7,415,475</u>

**PLYMOUTH MARINE LABORATORY
A COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2010**

7. Management and administration of the charity

	2010	2009
	£	£
Senior management and administrative salaries, wages and employee costs	885,726	770,633
Administration costs	330,696	365,424
Market research and advertising	1,103	-
	<u>1,217,525</u>	<u>1,136,057</u>
	<u>1,217,525</u>	<u>1,136,057</u>
Split: General Unrestricted Funds	637,505	794,182
Restricted Funds	580,020	341,875
	<u>1,217,525</u>	<u>1,136,057</u>
	<u>1,217,525</u>	<u>1,136,057</u>

8. Staff costs

	2010	2009
	£	£
Wages and salaries	4,827,958	4,413,685
Social security costs	450,939	425,885
Other pension costs	632,147	600,046
	<u>5,911,044</u>	<u>5,439,616</u>
	<u>5,911,044</u>	<u>5,439,616</u>

The average number of employees in each month in the year was follows:-

	2010	2009
	No	No
Permanent staff : Science and support	120	111
Senior management and administration	22	21
	<u>142</u>	<u>132</u>
Temporary staff	6	7
	<u>148</u>	<u>139</u>
	<u>148</u>	<u>139</u>

The following numbers of staff had salaries of £60,000 or more:

	2010	2009
	No	No
£60,000-£69,999	5	5
£80,000-£89,999	1	1
£100,000-£109,999	1	-

For the above staff £75,031 (2009 £72,901) was paid into pension schemes

NOTES TO THE ACCOUNTS

**PLYMOUTH MARINE LABORATORY
A COMPANY LIMITED BY GUARANTEE**

AT 31 MARCH 2010

9. Governance costs

	2010	2009
	£	£
External audit – Charity	9,400	14,375
Board of Trustees', sub-committee and associated meetings	26,086	22,151
Strategic management	23,528	22,782
Statutory accounts	4,830	4,704
	<u>63,844</u>	<u>64,012</u>

10. Net incoming resources

(a) This is stated after charging/(crediting):

	2010	2009
	£	£
Auditors' remuneration (group) – audit	10,400	15,875
- other services – taxation etc	1,567	6,625
Depreciation of owned fixed assets	591,176	537,381
Operating lease rental – land and buildings	11,000	11,000
Deferred grants released	(571,278)	(519,532)
Net gains/(losses) on foreign currency transactions	1,885	(12,128)
	<u>1,565</u>	<u>1,247</u>

(b) Trustees emoluments

No emoluments have been paid to the Trustees during the year.

Trustees expenses amounting to £18,060 (2009: 14,989) were reimbursed during the year

11. Taxation

It is considered that the activities of the charity are of a charitable nature in accordance with HMRC exemption from direct taxation, therefore no provision for taxation is considered necessary.

	2010	2009
	£	£
Corporation tax for PML Applications Limited	210	-
	<u>210</u>	<u>-</u>

12. Intangible fixed assets

	Goodwill
	£
Cost	
At 1 April 2009 and 2010	8,911
Amortisation	
At 1 April 2009 and 2010	8,911
Net Book Value	<u> </u>
At 31 March 2009 and 2010	<u> </u>

**PLYMOUTH MARINE LABORATORY
A COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2010**

13. Tangible fixed assets

Group	Plant and scientific Equipment	Ships and Vehicles	Total
	£	£	£
Cost			
At 31 March 2009	4,677,240	679,500	5,356,740
Additions	249,504	4,938	254,442
Disposals and assets written off	(186,406)	-	(186,406)
At 31 March 2010	<u>4,740,338</u>	<u>684,438</u>	<u>5,424,776</u>
Depreciation			
At 31 March 2009	2,903,664	175,768	3,079,432
Charge for the year	556,435	34,741	591,176
Disposals and assets written off	(186,404)	-	(186,404)
At 31 March 2010	<u>3,273,695</u>	<u>210,509</u>	<u>3,484,204</u>
Net book amounts			
At 31 March 2010	<u>1,466,643</u>	<u>473,929</u>	<u>1,940,572</u>
At 31 March 2009	<u>1,773,576</u>	<u>503,732</u>	<u>2,277,308</u>
Charity			
Cost			
At 31 March 2009	4,667,445	679,500	5,346,945
Additions	227,934	4,938	232,872
Disposals and assets written off	(186,406)	-	(186,406)
At 31 March 2010	<u>4,708,973</u>	<u>684,438</u>	<u>5,393,411</u>
Depreciation			
At 31 March 2009	2,902,505	175,768	3,078,273
Charge for the year	552,324	34,741	587,065
Disposals and assets written off	(186,404)	-	(186,404)
At 31 March 2010	<u>3,268,425</u>	<u>210,509</u>	<u>3,478,934</u>
Net book amounts			
At 31 March 2010	<u>1,440,548</u>	<u>473,929</u>	<u>1,914,477</u>
At 31 March 2009	<u>1,764,940</u>	<u>503,732</u>	<u>2,268,672</u>

**PLYMOUTH MARINE LABORATORY
A COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2010**

14. Investments Group and Charity	Investments
	£
Market value at 31 March 2009	1,683,276
Additions	58,227
Disposals	(19,366)
Unrealised gains at 31 March 2010	503,957
	<u>2,226,094</u>
	<u>2,226,094</u>
	£
Historical cost at 31 March 2010	2,126,735
	<u>2,126,735</u>
	<u>2,126,735</u>
Historical cost at 31 March 2009	1,869,564
	<u>1,869,564</u>
	<u>1,869,564</u>
Charity	
	Investment in subsidiary and associate undertakings
	£
Cost	
At 31 March 2009	120,328
Less written off in the year	(20,325)
	<u>100,003</u>
At 31 March 2010	<u>100,003</u>
	<u>100,003</u>
Provision	
At 31 March 2009	(20,325)
Less written off in the year	20,325
	<u>-</u>
At 31 March 2010	<u>-</u>
	<u>-</u>
Net book value	
At 31 March 2010	100,003
	<u>100,003</u>
	<u>100,003</u>
At 31 March 2009	100,003
	<u>100,003</u>
	<u>100,003</u>

**PLYMOUTH MARINE LABORATORY
A COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2010**

14. Investments (continued)

The subsidiary and associate undertakings at 31 March 2010 were:

Name of company	Country of Incorporation	Nature of business	Proportion of shares held Ordinary Shares
PML Applications Limited	England	Marine research	100%
Plymouth Marine Science and Technology Park Limited	England	Development of Science Park – currently dormant	100%
GenePro Ltd (*)	England	Exploitation of intellectual Property – currently dormant	50%
BioPartner AS (*)	Norway	Environmental research in The offshore oil sector	50%
Plymouth Marine Applications Ltd	England	Dormant	100%

(*) held by subsidiary undertaking

In the opinion of the directors, the aggregate value of the company's investment in its subsidiaries is not less than the amount at which they are stated above.

**PLYMOUTH MARINE LABORATORY
A COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2010**

15. Associated companies and joint ventures

Group	Proportion of Shares held
--------------	--------------------------------------

i) EcoAlert Ltd-registered in England	from 4/09/09 nil 1/4/09-3/09/09 36.3%
---------------------------------------	--

The company was set up to exploit the intellectual property of an environmental monitoring device. The company was placed in members' own voluntary liquidation on 4 September 2009.

The group's interest in the results for 12 months to 31 March 2010 were:

	2010	2009
	£	£
Gross incoming resources	-	7,804
Costs of generating funds	-	(34,406)
Net results	-	(26,602)
Current assets		
Bank and cash	-	3,772
Debtors	-	31
	-	3,803
Creditors – amounts falling due within one year	-	(19,544)
	-	(15,741)

**Proportion of
Shares held**

ii) BioPartner AS – registered in Norway	50%
--	-----

The company was set up to exploit the need for environmental impact studies in the offshore oil sector.

The group's interest in the results for 12 months to 31 March 2010 were:

	2010	2009
	£	£
Gross incoming resources	2,628	111,266
Costs of generating funds	(20,768)	(94,692)
Net results	(18,140)	16,574
Current assets		
Bank and cash	12,500	56,048
Debtors	6,192	3,790
	18,692	59,838
Creditors – amounts falling due within one year	(6,575)	(31,742)
	12,117	28,096

**PLYMOUTH MARINE LABORATORY
A COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2010**

15. Associated companies and joint ventures

iii) Share of losses in associate companies and joint ventures

	2010	2009
	£	£
Realised losses	(18,140)	(10,028)
Unrealised gain arising on issue of shares by BioPartner	-	8,227
Exchange differences on BioPartner net assets as at 01/04/09	2,161	-
Write off of EcoAlert net liabilities as at 31/03/09	15,741	-
	<u>(238)</u>	<u>(1,801)</u>

**PLYMOUTH MARINE LABORATORY
A COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2010**

16. Debtors

	Group		Charity	
	2010	2009	2010	2009
	£	£	£	£
Trade debtors	420,988	744,024	307,755	706,170
Amounts owed by subsidiary undertaking and associates (see note 27)	-	-	72,978	166,821
Accrued income	789,257	586,439	675,633	553,679
Other debtors	7,726	6,669	6,002	5,357
Prepayments	211,366	189,331	204,997	162,341
	<u>1,429,337</u>	<u>1,526,463</u>	<u>1,267,365</u>	<u>1,593,368</u>

17. Creditors : amounts falling due within one year

	Group		Charity	
	2010	2009	2010	2009
	£	£	£	£
Trade creditors	314,886	482,704	293,028	386,670
Amounts owed to subsidiary undertaking and associates	-	-	82,844	74,436
Other creditors	58,288	70,617	58,291	66,878
Deferred income	1,324,157	1,482,417	1,172,720	1,401,518
Deferred capital grants (note 20)	596,253	673,261	588,962	666,776
Accruals	303,052	255,746	283,860	241,746
Amounts in respect of taxation and social security	20,335	19,795	2,167	2,314
Corporation tax	210	-	-	-
	<u>2,617,181</u>	<u>2,984,540</u>	<u>2,481,872</u>	<u>2,840,338</u>

**PLYMOUTH MARINE LABORATORY
A COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2010**

18. Creditors : amounts falling due after more than one year

	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Deferred capital grants (note 19)	1,198,382	1,438,210	1,181,067	1,438,210

19. Deferred capital grants

	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Amounts to be released:				
Within one year	596,253	673,261	588,962	666,776
In two to five years	956,077	1,175,097	938,762	1,175,097
In over five years	242,305	263,113	242,305	263,113
	<u>1,794,635</u>	<u>2,111,471</u>	<u>1,770,029</u>	<u>2,104,986</u>

Deferred capital grants are analysed as follows:-

Current obligations (note 17)	596,253	673,261	588,962	666,776
Non-current obligations (note 18)	1,198,382	1,438,210	1,181,067	1,438,210
	<u>1,794,635</u>	<u>2,111,471</u>	<u>1,770,029</u>	<u>2,104,986</u>

Analysis of changes in deferred capital grants during the year:

At 31 March 2009	2,111,471	2,170,257	2,104,986	2,170,257
Received during the year	254,442	460,746	232,872	454,261
Released during the year	(571,278)	(519,532)	(567,829)	(519,532)
At 31 March 2010	<u>1,794,635</u>	<u>2,111,471</u>	<u>1,770,029</u>	<u>2,104,986</u>

20. Called up share capital

The company is a company limited by guarantee and does not have a share capital. The limit of each member's guarantee is £10.

**PLYMOUTH MARINE LABORATORY
A COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2010**

21. Other financial commitments

At 31 March 2010 the charity had annual commitments under non-cancellable operating leases as set out below:-

	Land & Buildings		Other	
	2010	2009	2010	2009
	£	£	£	£
Operating leases which expire:				
Within 1 year	-	-	1,167	2,825
In two to five years	11,000	11,000	5,035	19,036

**22. Statement of funds
Group**

	Balance at 31.03.09	Movement in resources		Transfer	Balance at 31.03.10
	£	£	£	£	£
Unrestricted funds – general	2,308,661	1,943,517	(1,206,304)	(700,000)	2,345,874
Unrestricted funds – designated					
Strategic appointments	-	-	-	200,000	200,000
New buildings	-	-	-	500,000	500,000
Restricted funds					
NERC Oceans 2025 programme	-	4,879,655	(4,879,655)	-	-
Deferred income	-	334,957	(334,957)	-	-
European commission	-	826,000	(826,000)	-	-
UK Government	-	267,000	(267,000)	-	-
Other public sector	-	358,400	(358,400)	-	-
International	-	94,300	(94,300)	-	-
Research councils	-	1,964,400	(1,964,400)	-	-
Sundry funders	-	74,008	(74,008)	-	-
Total funds	2,308,661	10,742,237	(10,005,024)	-	3,045,874
Charity					
Unrestricted funds – general	2,389,526	900,905	(216,758)	(700,000)	2,373,673
Unrestricted funds – designated					
Strategic appointments	-	-	-	200,000	200,000
New buildings	-	-	-	500,000	500,000
Restricted funds					
NERC Oceans 2025 programme	-	4,879,655	(4,879,655)	-	-
Deferred income	-	334,957	(334,957)	-	-
European commission	-	826,000	(826,000)	-	-
UK Government	-	267,000	(267,000)	-	-
Other public sector	-	358,400	(358,400)	-	-
International	-	94,300	(94,300)	-	-
Research councils	-	1,964,400	(1,964,400)	-	-
Sundry funders	-	74,008	(74,008)	-	-
Total funds	2,389,526	9,699,625	(9,015,478)	-	3,073,673

**PLYMOUTH MARINE LABORATORY
A COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2010**

22. Statement of funds (continued)

Designated funds represent strategic appointments over the next two years approved by the Board in March 2009 with a designation this year of £200,000. In addition there is a designated fund of £500,000 for a lecture theatre due to be built in 2010/11.

23. Analysis of group net assets between funds

	Unrestricted General £	Unrestricted Designated £	Restricted Funds £	Total £
Tangible fixed assets	1,940,572	-	-	1,940,572
Investments	1,526,094	700,000	-	2,226,094
Investment assets – joint ventures	12,117	-	-	12,117
Net current assets	65,473	-	-	65,473
Long term liabilities	(1,198,382)	-	-	(1,198,382)
	<u>2,345,874</u>	<u>700,000</u>	<u>-</u>	<u>3,045,874</u>

24. Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash inflow from operating activities

	2010 £	2009 £
Net incoming resources for the year	233,494	271,397
Depreciation	591,176	537,381
Deferred government grants released	(571,278)	(519,532)
(Decrease)/increase in debtors	97,126	(545,237)
(Decrease)/increase in creditors	(290,351)	440,116
Bank interest and investment income receivable	(59,821)	(81,629)
Loss on disposal of fixed assets	2	-
Net cash inflow/(outflow) from operating activities	<u>348</u>	<u>102,496</u>

(b) Analysis of net funds

	At 31 March 2009 £	Cash flow £	At 31 March 2010 £
Cash at bank and in hand	1,232,009	21,308	1,253,317

25. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £17,744 for the Charity and Group (2009 : £nil for Charity and Group).

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2010**

26. Related party transactions

The charity has taken advantage of the exemption under FRS8 not to disclose intra-group transactions with its subsidiary, Plymouth Marine Laboratory is the parent company of PML Applications.

27. Foreign exchange

The charity has implemented a facility which allows it to exchange currency at a set rate up to a maximum of €500,000 in the next 12 months.

This facility was introduced to mitigate the risk of adverse movements in the exchange rate and can be utilised at the discretion of the charity.

28. Pension commitments

NERC employees are entitled to be members of the Research Council's Pension Scheme which is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. The pension scheme is contributory and the benefits are by analogy to the Principal Civil Service Pension Scheme, except that while the scheme provides retirement and related benefits based on final emoluments, redundancy and injury benefits are administered and funded by the Council. The pension scheme is administered by the Research Council's Joint Superannuation Service, and the financial administered by the Biotechnology Sciences Research Council. The scheme is a multi-employer scheme, for which a separate Research Council's Pension Scheme account is published. NERC are unable to identify their share of the underlying assets and liabilities.

Employees, who joined after 31 March 2002, are entitled to be members of the Plymouth Marine Laboratory Group Pension Scheme. This is a defined contribution scheme administered by Scottish Life. Contributions for the year were employer's 6.5% and employees 3.5%.