



**REPORT AND FINANCIAL STATEMENTS  
31 MARCH 2011**

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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 2011. 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  
Mr A Dixon OBE (Honorary Treasurer)  
Mrs K Morgan OBE  
Prof R Rayner  
Dr C Roy  
Prof B Ward

**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 (Chief Executive)  
Dr Manuel Barange  
Dr P Claridge  
Mr I Allen  
Mr D Loynes  
Mrs C Smith  
Mr D Robins (until September 2010)  
Mrs B Tremain (Company Secretary)

**Auditors**

Francis Clark LLP, Vantage Point, Woodwater Park, Pynes Hill, Exeter, EX2 5FD

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**REPORT OF THE TRUSTEES**

**Bankers**

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

**Solicitors**

Foot Anstey LLP, 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. In the light of changes in both charity and company law, PML adopted new model articles in July 2010. 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 is 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.

**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.

During the year inductions were carried out for Dr Roy and Prof. Ward.

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**Organisational Structure**

The Board of Trustees, which can have up to 11<sup>1</sup> 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. By way of a staff loan agreement signed in 2002 a number of NERC staff work for PML. NERC is also one of PML's principal "customers" for research funding. PML is eligible to bid for funding from NERC under its three main categories – National Capability (NC), Research Programme (RP) and Responsive Mode (RM). National capability enables the UK to deliver world-leading environmental science, support national strategic needs, and respond to emergencies. PML is designated a Delivery Partner for "National Capability" and receives this element of funding from NERC via the National Oceanography Centre, who manage marine National Capability on behalf of NERC.

PML is a member of the Plymouth Marine Sciences Partnership (PMSP) through a Memorandum of Understanding. Its fellow members include three charities, based in Plymouth, and a university.

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. PML also has 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. Most notably in 2010, PML signed a Memorandum of Understanding with the Korea Ocean Research and Development Institute (KORDI) and has recently signed an agreement for a joint Science Centre to be established at PML.

PML's wholly owned subsidiary, PML Applications Ltd, was established to undertake more applied and commercial work and facilitate knowledge exchange. It gifts 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 eight 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.

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<sup>1</sup> Previously 9 Trustees; Articles amended by special resolution 30 March 2011.

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**REPORT OF THE TRUSTEES**

**AIMS & OBJECTIVES FOR PUBLIC BENEFIT**

The objects of PML, as set out in the Articles 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.

PML'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.

PML'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

During the year a Science & Implementation Plan (2010-2014) was produced and approved by the Board of Trustees. A section of this plan covers beneficiaries, of which the general public is one, thus reflecting PML's "Science for Society" ethos.

**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 implementation of the Strategic Plan "Science for Society" developed the previous year, development of a detailed science plan (as mentioned above), production of at least 100 high quality publications, improving communications with stakeholders and implementation of a regional, national and international partnership strategy.

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**ACHIEVEMENTS & PERFORMANCE**

**How the Charity's Activities Delivered Public Benefit**

PML informs society on the state of, benefits from and dangers to the marine environment. Society in its broadest sense benefits from the high quality research that PML undertakes through dissemination of data and results of its research, its international scientific leadership in specific areas and its effective knowledge exchange with a variety of stakeholders, including policy makers where PML's independent advice helps to inform decision making that affects society. There are also particular beneficiaries of PML's activities.

1. High Quality Research

During the calendar year 2010 PML scientists produced a total of 167 publications, 119 of which were ISI papers, and 80 of which were first authored. These publications and data are available to the wider scientific research community to use.

The Research Councils in the UK, in particular the NERC, benefit from this strategic research capability provided by PML.

The high quality research undertaken and the scientific understanding generated by PML assist government departments and agencies in their decision-making processes. A number of PML scientists are members of national committees, such as the DEFRA Marine Assessment Policy Committee, the Marine Science Co-ordination Committee and the Royal Society Climate Change Advisory Network, and contribute to discussion and policy making. PML also contributes to policy consultations from government departments; in this year such consultations have included the Department for Environment, Food & Rural Affairs' (DEFRA) Marine Policy Statement and Marine Planning Systems.

During the year recognition was given to the activities of PML scientists through the award of the Roger Revelle medal to Dr Manuel Barange for his contribution to ocean sciences and by the award of an OBE to Dr Carol Turley for services to science.

2. International Leadership

PML continues to demonstrate success in winning new commissioned research, in particular this year from the European Commission. This is a clear indicator of PML's international leadership and that PML is able to contribute to and address European policy needs, such as the Marine Strategy Framework Directive (MSFD). This Strategy/Directive aims to save Europe's seas and protect more effectively the marine environment across Europe for the long-term benefit of society. PML's considerable involvement in this area of research reflects again its Science for Society philosophy.

As is the case at the national level, PML also contributes to wider international policy through scientists' membership of international committees, such as the International Council for the Exploration of the Sea and the Intergovernmental Panel on Climate Change 5<sup>th</sup> Assessment Report Working Group II. PML has also contributed to policy at an international level, including the United Nations Environment Programme *Emerging Issues* bulletin on environmental consequences of ocean acidification: a threat to food security. Food security is one of the major issues that society is facing and thus PML's ocean acidification research is valuable to inform the debate and future policy.

In addition to policy advice, PML co-ordinates and contributes to a number of large European projects, all of which map onto its "Science for Society" strategy. A few examples of these are as follows:

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- VECTORS

During the second half of the financial year, PML started work on this project, which is co-ordinated by PML with total funding of 12.5 million Euros from the European Commission Seventh Framework Programme (FP7). It involves 37 partners from 15 countries and will combine new and existing knowledge to predict changes in marine life, ecosystems and the marine based economies of European countries in the light of new technology, fishing strategies and policy needs. This programme, with a strong socio-economic component, will inform the many stakeholders, including policy makers, scientists and society.

- EURO-BASIN

Another EC funded project – EURO-BASIN, awarded during the year, is in one of PML's world-leading scientific areas – modelling. This project focuses on the North Atlantic and associated shelf-sea protection and management options, in particular the structure and dynamics of key plankton and fish species that are under pressure from climate change and humankind.

- Europe-Africa Marine Network (EAMNet)

This project, co-ordinated by PML and involving partners from five European and four African countries, demonstrates PML's involvement with developing countries. The network aims to build upon existing marine satellite observation and training programmes and will provide scientists on both continents with access to large data sets to help in the future management of fish stocks. The ultimate aim of the network is to engage with end users in marine and coastal management agencies.

These projects, and many others undertaken by PML, contribute to greater understanding and better decision-making to look after the ocean's precious resources for society into the future.

3. Knowledge Exchange

Communicating the results and outcomes of its research and educating society in the widest sense on the importance of the ocean are an important part of PML's remit. Knowledge exchange to PML's numerous stakeholders and beneficiaries is undertaken at various levels.

On an international level, PML scientists have participated in international conferences and meetings, often as keynote speakers, disseminating the results of their research and collaborating with other scientists. Examples of such conferences and meetings are:

- International Symposium of Climate Change Effects on Fish and Fisheries (Japan)
- European Maritime Day Stakeholder Conference (Spain)
- Mozambican Marine Ecosystem Forum (Mozambique)
- European Space Agency Living Planet Symposium (Norway)
- From Ocean Policy to Observation Conference (Portugal)
- The Royal Society Frontiers of Science Symposium (Australia)
- United Nations Development Programme Symposium on the Yellow Sea (China)
- Joint Nansen-Tutu and Ocean-South Africa meeting (South Africa)
- Intergovernmental Panel on Climate Change Workshop on Impacts of Ocean Acidification (Japan)

There have also been a number of activities which have attracted international and national media coverage as follows:-

- The Atlantic Meridional Transect (AMT) scientific cruise took place from October – November 2010. AMT is a long-term multidisciplinary ocean observation programme led by PML and a platform for national and international scientific collaboration, a training arena for the next



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generation of oceanographers and a crucial facility for validation of models, remotely sensed algorithms and novel technology. This particular cruise involved PML scientists, together with scientists from other UK institutes and universities, as well as from Poland and the United States. In addition to the scientists, an education and outreach student, funded by Education Through Expeditions, took part in the cruise working with PML's Communications Group to provide a fascinating blog on activities and also helped in facilitating a BBC World Service feature on the research being conducted.

- PML's presence at the United Nations Climate Change Conference, COP16, in Mexico in December 2010 was used for the launch of the United Nations Environment Programme "Emerging Issues" bulletin on "environmental consequences of ocean acidification: a threat to food security", to which PML contributed significantly. This bulletin attracted coverage by CNN, Google internationally and the Telegraph in the UK.
- Fieldwork in the Arctic as part of a European ocean acidification project was covered by Channel 4 News, as was PML's participation in Arctic fieldwork with the Catlin Arctic Survey.

Promotion of PML's work is important in terms of attracting funding and meeting objectives of disseminating knowledge. Some significant examples of this activity are as follows:-

- PML was successful in obtaining funding from the Natural Environment Council to develop a film, showing how to bridge the gap between policy makers, the public and scientists, using ocean acidification as the science topic. This film will be released in May 2011.
- Several podcasts were recorded and made available through PML's website on topics ranging from changes in the marine ecosystem to long-term monitoring in the western English Channel.
- PML's valuable work on the Western Channel Observatory (WCO) was highlighted in the cover story of the Autumn 2010 edition of *Planet Earth* – NERC's award winning magazine aimed at non-specialists with an interest in environmental science.

In addition during the calendar year 2010 PML was involved in 220 media activities (press releases, interviews, articles), 33 publications and 73 individual events (lectures, talks, exhibitions) aimed at a wider audience than purely scientists. In addition, PML participated in a local National Science and Engineering Week interactive science event entitled 'Change: for better or worse?'. This involved presenting science workshops to Key stage 2/3 pupils (target age group 8-13) from schools in the Plymouth area, demonstrating PML's commitment to "Science for Society" at all levels.

PML is committed to providing a learning environment and was involved in 32 PhD studentships, hosting PhD students on site funded by the NERC or the Biotechnology and Biological Sciences Research Council BBSRC, or members of its staff acting as supervisors to PhD students. PML also hosted 15 work experience students during the year.

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.

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**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 and again in July 2010. 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 set aside to add to a generous donation pledged by the Kirby Laing Foundation towards this development. The plans are to complete this facility in October 2011.

A sum of £600k was also designated from reserves in order to contribute towards the purchase of the head lease of PML's site from the NERC. This purchase was completed in early April 2011.

Bank balances increased from £1.3m to £3.3m due to significant pre-finance payments on EC Commissioned Research contracts. In addition, where PML acts as coordinator of EC contracts, £450k of funding was received but yet to be paid over to partners in the contracts.

**Principal Funding Sources**

PML's income was derived principally from the NERC Research Programme and National Capability funding, amounting to £4.7m and commissioned research of £4.4m from a variety of customers, including the European Commission, NERC and the European Space Agency. 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.

Against a background of declining NERC Research Programme and National Capability funding as a result of the UK government's Comprehensive Spending Review, PML scientists have been very successful in once again achieving a record level of commissioned research. New contracts won during the financial year were valued at £6.79m, exceeding the target set.

**Investment policy**

An investment policy was developed and revised by PML in 2005. 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 Audit & Finance Committee, which reports to the Trustees.

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**Trading subsidiary**

PML's trading subsidiary, PML Applications Ltd, reported an operating profit of £32k before gift aid, and generated £258k 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 £3k, representing a shareholding of 50%.

**PLANS FOR FUTURE PERIODS**

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

- Implement the Strategy (2010-2014) and review progress against milestones.
- Achieve at least 100 high quality publications.
- Develop a mechanism for funding future capital requirements and evaluate opportunities for capital funding.
- Prioritise and focus influence on policymakers to raise awareness of issues.

**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: .....

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**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 for the year ended 31 March 2011 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Statement of Cashflows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective Responsibilities of Trustees and Auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the Audit of the Financial Statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements. In addition we read all of the financial and non-financial information accompanying the financial statements to identify any material inconsistencies with the audited financial statements. If we become aware any apparent misstatements or inconsistencies we consider the implications for our report.

**Opinion on Financial Statements**

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the Charitable company and the group's affairs as at 31 March 2011, and of the incoming resources and application of resources of the group 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.

**Opinion on Other Matters Prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Christopher Bush (Senior Statutory Auditor)  
For and on behalf of  
**Francis Clark LLP**  
Chartered Accountants and Statutory Auditor  
Vantage Point  
Woodwater Park  
Pynes Hill  
Exeter  
EX2 5FD

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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE  
ACCOUNT)  
YEAR ENDED 31 MARCH 2011**

	Notes	Unrestricted Funds General	Designated	Restricted Funds	Total 2011	Total 2010
		£	£	£	£	£
<b>Income resources</b>						
Incoming resources from charitable activities:						
NERC Oceans 2025 Programme	3	-	-	4,703,270	4,703,270	4,646,783
Research Income				4,427,158	4,427,158	3,697,959
Deferred income on capital expenditure				498,195	498,195	567,829
Other income (including share of joint venture)	4	786,487	-	-	786,487	729,861
		<u>786,487</u>	<u>-</u>	<u>9,628,623</u>	<u>10,415,110</u>	<u>9,642,432</u>
Less: Share of income from joint venture		(608)	-	-	(608)	(2,628)
		<u>785,879</u>	<u>-</u>	<u>9,628,623</u>	<u>10,414,502</u>	<u>9,639,804</u>
Incoming resources from generating funds:						
Commercial trading operations	5	1,110,130	-	-	1,110,130	1,042,612
Bank interest and investment income		44,631	-	-	44,631	59,821
Total incoming resources		<u>1,940,640</u>	<u>-</u>	<u>9,628,623</u>	<u>11,569,263</u>	<u>10,742,237</u>
<b>Resources expended</b>						
Costs of generating funds:						
Commercial trading activities	5	1,078,217	-	-	1,078,217	989,308
Investment management costs		4,922	-	-	4,922	19,366
Costs of charitable activities:						
Research activities	6	-	53,433	8,561,792	8,615,225	8,218,700
Management and administration of the charity	7	327,614	-	1,066,831	1,394,445	1,217,525
Governance costs	9	68,918	-	-	68,918	63,844
Total resources expended		<u>1,479,671</u>	<u>53,433</u>	<u>9,628,623</u>	<u>11,161,727</u>	<u>10,508,743</u>
Net incoming resources/(resources expended) before transfers		460,969	(53,433)	-	407,536	233,494
Share of gains/(losses) in associate and joint venture	15	6,423	-	-	6,423	(238)
Net income and expenditure for the year before transfers		<u>467,392</u>	<u>(53,433)</u>	<u>-</u>	<u>413,959</u>	<u>233,256</u>

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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
YEAR ENDED 31 MARCH 2011**

	Notes	Unrestricted Funds General £	Designated £	Restricted Funds £	Total 2011 £	Total 2010 £
Net unrealised gains/(losses) on investments	14	96,895	-	-	96,895	503,957
Net movement in funds		<u>564,287</u>	<u>(53,433)</u>	<u>-</u>	<u>510,854</u>	<u>737,213</u>
Fund balances brought forward At 31 March 2010		2,345,874	700,000	-	3,045,874	2,308,661
Transfers		<u>(600,000)</u>	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances carried forward At March 2011		<u>2,310,161</u>	<u>1,246,567</u>	<u>-</u>	<u>3,556,728</u>	<u>3,045,874</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 £413,959 (2010: surplus £233,256).

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

**COMPANY NUMBER: 4178503**

**CONSOLIDATED BALANCE SHEET  
AT 31 MARCH 2011**

		<b>Group</b>		<b>Charity</b>	
	<b>Notes</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Tangible assets	13	1,702,191	1,940,572	1,684,049	1,914,477
Investments	14	2,360,285	2,226,094	2,460,288	2,326,097
Investment assets – joint ventures:	15				
Share of gross assets		22,603	18,692	-	-
Share of gross liabilities		(4,063)	(6,575)	-	-
		<u>18,540</u>	<u>12,117</u>	<u>-</u>	<u>-</u>
		<u>4,081,016</u>	<u>4,178,783</u>	<u>4,144,337</u>	<u>4,240,574</u>
<b>Current assets</b>					
Debtors	16	1,803,396	1,429,337	1,770,525	1,267,365
Cash at bank and in hand		3,321,156	1,253,317	3,193,188	1,228,673
		<u>5,124,552</u>	<u>2,682,654</u>	<u>4,963,713</u>	<u>2,496,038</u>
<b>Creditors: amounts falling due within one year</b>	17	(4,637,262)	(2,617,181)	(4,526,793)	(2,481,872)
<b>Net current assets/(liabilities)</b>		<u>487,290</u>	<u>65,473</u>	<u>436,920</u>	<u>14,166</u>
<b>Total assets less current liabilities</b>		<u>4,568,306</u>	<u>4,244,256</u>	<u>4,581,257</u>	<u>4,254,740</u>
<b>Creditors: amounts falling due after more Than one year</b>	18	(1,011,578)	(1,198,382)	(1,001,554)	(1,181,067)
		<u>3,556,728</u>	<u>3,045,874</u>	<u>3,579,703</u>	<u>3,073,673</u>
<b>Funds</b>					
Unrestricted – general	22	2,310,161	2,345,874	2,333,136	2,373,673
Unrestricted – designated	22	1,246,567	700,000	1,246,567	700,000
Restricted	22	-	-	-	-
		<u>3,556,728</u>	<u>3,045,874</u>	<u>3,579,703</u>	<u>3,073,673</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 2011**

	<b>Notes</b>	<b>2011</b> £	<b>2010</b> £
<b>Net cash inflow from operating activities</b>	24(a)	2,067,322	348
<b>Returns on investments and servicing of finance</b>			
Bank interest and investment income received		44,631	59,821
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets and investments*		(355,838)	(293,303)
Capital grants received		311,724	254,442
<b>Increase in cash</b>		<u>2,067,839</u>	<u>21,308</u>

\*Included in payments to acquire tangible fixed assets and investments is a cash outflow of £42,218 (2010 : £58,227) in respect of the purchase of investments (note 14).

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

	<b>Note</b>	<b>2011</b> £	<b>2010</b> £
Increase in cash		2,067,839	21,308
<b>Net funds at 31 March 2010</b>		1,253,317	1,253,317
<b>Net funds at 31 March 2011</b>	24(b)	<u>3,321,156</u>	<u>1,253,317</u>

The increase in cash balances is due to significant pre-finance payments on EC Commissioned Research contracts. In addition, where PML acts as coordinator of EC contracts, £449,647 of funding was received but yet to be paid over to partners in the contracts.

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

**NOTES TO THE ACCOUNTS  
AT 31 MARCH 2011**

**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
Buildings	- 25 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.

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

**NOTES TO THE ACCOUNTS  
AT 31 MARCH 2011**

**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.

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

**NOTES TO THE ACCOUNTS  
AT 31 MARCH 2011**

**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.

**(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.

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

**NOTES TO THE ACCOUNTS  
AT 31 MARCH 2011**

**1. Accounting policies (continued)**

**(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**

	<b>2011</b>	<b>2010</b>
	£	£
NERC Oceans 2025 Programme	4,703,270	4,646,783
	<u>                    </u>	<u>                    </u>

The above includes funding for National Capability, Research Programme and Estates.

**4. Other income**

	<b>2011</b>	<b>2010</b>
	£	£
Reimbursements	190,879	79,847
VAT recoverable (due to partial exemption)	19,221	8,953
Rents receivable	3,744	3,648
POGO –charges for secretariat services	80,000	80,000
Globec income	20,901	123,840
Marine Biological Association – charge for infrastructure	151,772	150,996
Roberts skill funds	19,626	19,298
Doctoral training grants	248,082	207,261
Share of income from joint venture	608	2,628
Others	51,654	53,390
	<u>786,487</u>	<u>729,861</u>
	<u>                    </u>	<u>                    </u>

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

**NOTES TO THE ACCOUNTS  
AT 31 MARCH 2011**

**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**

	<b>2011</b>	<b>2010</b>
	£	£
Turnover	1,101,376	1,038,864
Cost of sales and administrative expenses	(1,078,217)	(989,098)
Other income, including interest receivable	8,754	3,748
Gift aid donation	(33,512)	-
	<u>(1,599)</u>	<u>53,514</u>
Net (loss)/profit	-	(210)
Corporation tax		
Retained (loss)/profit in the subsidiary	<u>(1,599)</u>	<u>53,304</u>

The assets and liabilities of the subsidiary were:

Fixed assets	27,955	35,908
Current assets	358,497	342,440
Current liabilities	(308,128)	(291,134)
Creditors: amounts falling due after more than one year	(10,024)	(17,315)
	<u>68,300</u>	<u>69,899</u>
Total net assets		
Aggregate share capital and reserves	<u>68,300</u>	<u>69,899</u>

**6. Charitable expenditure – research activities**

	<b>2011</b>	<b>2010</b>
	£	£
Wages and salaries to research staff	4,689,727	4,650,836
Recurrent costs:		
Science	1,705,900	1,644,384
Science support	1,694,780	1,360,525
Depreciation	524,818	562,955
	<u>8,615,225</u>	<u>8,218,700</u>

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

**NOTES TO THE ACCOUNTS  
AT 31 MARCH 2011**

**7. Management and administration of the charity**

	<b>2011</b>	<b>2010</b>
	£	£
Senior management and administrative salaries, wages and employee costs	995,199	885,726
Administration costs	399,246	330,696
Market research and advertising	-	1,103
	<u>1,394,445</u>	<u>1,217,525</u>
	<u>1,394,445</u>	<u>1,217,525</u>
Split: General Unrestricted Funds	327,614	637,505
Restricted Funds	1,066,831	580,020
	<u>1,394,445</u>	<u>1,217,525</u>
	<u>1,394,445</u>	<u>1,217,525</u>

**8. Staff costs**

	<b>2011</b>	<b>2010</b>
	£	£
Wages and salaries	5,049,052	4,827,958
Social security costs	467,612	450,939
Other pension costs	707,530	632,147
	<u>6,224,194</u>	<u>5,911,044</u>
	<u>6,224,194</u>	<u>5,911,044</u>

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

	<b>2011</b>	<b>2010</b>
	No	No
Permanent staff : Science and support	122	120
Senior management and administration	25	22
	<u>147</u>	<u>142</u>
Temporary staff	6	6
	<u>153</u>	<u>148</u>
	<u>153</u>	<u>148</u>

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

	<b>2011</b>	<b>2010</b>
	No	No
£60,000-£69,999	3	5
£70,000-£79,999	4	-
£80,000-£89,999	-	1
£100,000-£109,999	1	1

For the above staff £ 89,557(2010 £75,031) was paid into pension schemes.

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

**NOTES TO THE ACCOUNTS  
AT 31 MARCH 2011**

<b>9. Governance costs</b>	<b>2011</b>	<b>2010</b>
	£	£
External audit – Charity	14,400	9,400
Board of Trustees', sub-committee and associated meetings	16,540	26,086
Strategic management	31,286	23,528
Statutory accounts	6,692	4,830
	<u>68,918</u>	<u>63,844</u>

**10. Net incoming resources**

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

	<b>2011</b>	<b>2010</b>
	£	£
Auditors' remuneration (group) – audit	14,400	10,400
– other – taxation and grant audits etc	8,115	1,567
Depreciation of owned fixed assets	556,923	591,176
Operating lease rental – land and buildings	11,000	11,000
Deferred grants released	(505,486)	(571,278)
Net gains/(losses) on foreign currency transactions	(12,058)	1,885
	<u>                    </u>	<u>                    </u>

**(b) Trustees emoluments**

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

Trustees expenses amounting to £12,160 (2010: £18,060) 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.

	<b>2011</b>	<b>2010</b>
	£	£
Corporation tax for PML Applications Limited	-	210
	<u>                    </u>	<u>                    </u>

**12. Intangible fixed assets**

	<b>Goodwill</b>
	£
Cost	
At 1 April 2010 and 2011	8,911
Amortisation	
At 1 April 2010 and 2011	8,911
Net Book Value	<u>                    </u>
At 31 March 2010 and 2011	-



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

**NOTES TO THE ACCOUNTS  
AT 31 MARCH 2011**

**13. Tangible fixed assets**

**Group**

	<b>Land and Buildings</b>	<b>Plant and Scientific Equipment</b>	<b>Ships and Vehicles</b>	<b>Total</b>
	£	£	£	£
<b>Cost</b>				
At 31 March 2010	-	4,740,338	684,438	5,424,776
Additions	6,818	265,113	46,611	318,542
Disposals and assets written off	-	(9,884)	-	(9,884)
At 31 March 2011	6,818	4,995,567	731,049	5,733,434
<b>Depreciation</b>				
At 31 March 2010	-	3,273,695	210,509	3,484,204
Charge for the year	18	521,794	35,111	556,923
Disposals and assets written off	-	(9,884)	-	(9,884)
At 31 March 2011	18	3,785,605	245,620	4,031,243
<b>Net book amounts</b>				
At 31 March 2011	6,800	1,209,962	485,429	1,702,191
At 31 March 2010	-	1,466,643	473,929	1,940,572
<b>Charity</b>				
<b>Cost</b>				
At 31 March 2010	-	4,708,973	684,438	5,393,411
Additions	6,818	265,113	46,611	318,542
Disposals and assets written off	-	(9,884)	-	(9,884)
At 31 March 2011	6,818	4,964,202	731,049	5,702,069
<b>Depreciation</b>				
At 31 March 2010	-	3,268,425	210,509	3,478,934
Charge for the year	18	513,841	35,111	548,970
Disposals and assets written off	-	(9,884)	-	(9,884)
At 31 March 2011	18	3,772,382	245,620	4,018,020
<b>Net book amounts</b>				
At 31 March 2011	6,800	1,191,820	485,429	1,684,049
At 31 March 2010	-	1,440,548	473,929	1,914,477

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

**NOTES TO THE ACCOUNTS  
AT 31 MARCH 2011**

<b>14. Investments Group and Charity</b>	<b>Investments</b>
	£
Market value at 31 March 2010	2,226,094
Additions	42,218
Disposals	(4,922)
Unrealised gains	96,895
	<u>2,360,285</u>
	<u>                    </u>
	£
Historical cost at 31 March 2011	2,076,860
	<u>                    </u>
Historical cost at 31 March 2010	2,039,564
	<u>                    </u>
<b>Charity</b>	
	<b>Investment in subsidiary and associate undertakings</b>
	£
Cost At 31 March 2010 and 2011	100,003
Net book value At 31 March 2011 and 2011	<u>100,003</u>

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

**NOTES TO THE ACCOUNTS  
AT 31 MARCH 2011**

**14. Investments (continued)**

The subsidiary and associate undertakings at 31 March 2011 were:

<b>Name of company</b>	<b>Country of Incorporation</b>	<b>Nature of business</b>	<b>Proportion of shares held Ordinary Shares</b>
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%

(\*) 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 2011**

**15. Joint venture**

**Group**

**Proportion of  
Shares held**

i) 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 9 months to 31 December 2010 were:

	<b>2011</b>	<b>2010</b>
	£	£
Gross incoming resources	608	2,628
Costs of generating funds	(3,142)	(20,768)
Net results	<u>(2,534)</u>	<u>(18,140)</u>
Current assets		
Bank and cash	22,440	12,500
Debtors	163	6,192
	<u>22,603</u>	<u>18,692</u>
Creditors – amounts falling due within one year	(4,063)	(6,575)
	<u>18,540</u>	<u>12,117</u>

ii) Share of profits/(losses) in joint venture

	<b>2011</b>	<b>2010</b>
	£	£
Realised losses	(2,534)	(18,140)
BioPartner – Restatement of net assets as at 01/04/10	8,957	2,161
Write off of EcoAlert net liabilities as at 31/03/09	-	15,741
	<u>6,423</u>	<u>(238)</u>

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

**NOTES TO THE ACCOUNTS  
AT 31 MARCH 2011**

**16. Debtors**

	<b>Group</b>		<b>Charity</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	504,043	420,988	422,201	307,755
Amounts owed by subsidiary undertaking and associates (see note 26)	-	-	126,465	72,978
Accrued income	1,044,578	789,257	971,581	675,633
Other debtors	20,978	7,726	20,812	6,002
Prepayments	233,797	211,366	229,466	204,997
	<u>1,803,396</u>	<u>1,429,337</u>	<u>1,770,525</u>	<u>1,267,365</u>

**17. Creditors : amounts falling due within one year**

	<b>Group</b>		<b>Charity</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	565,831	314,886	529,295	293,028
Amounts owed to subsidiary undertaking and associates	-	-	64,816	82,844
Other creditors	504,547	58,288	482,478	58,291
Deferred income	2,607,228	1,324,157	2,526,462	1,172,720
Deferred capital grants (note 19)	589,295	596,253	582,004	588,962
Accruals	370,361	303,052	341,738	283,860
Amounts in respect of taxation and social security	-	20,335	-	2,167
Corporation tax	-	210	-	-
	<u>4,637,262</u>	<u>2,617,181</u>	<u>4,526,793</u>	<u>2,481,872</u>

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

**NOTES TO THE ACCOUNTS  
AT 31 MARCH 2011**

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

	<b>Group</b>		<b>Charity</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	£	£	£	£
Deferred capital grants (note 19)	1,011,578	1,198,382	1,001,554	1,181,067
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

**19. Deferred capital grants**

	<b>Group</b>		<b>Charity</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	£	£	£	£
Amounts to be released:				
Within one year	589,295	596,253	582,004	588,962
In two to five years	750,588	956,077	740,564	938,762
In over five years	260,990	242,305	260,990	242,305
	<u>1,600,873</u>	<u>1,794,635</u>	<u>1,583,558</u>	<u>1,770,029</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

Deferred capital grants are analysed as follows:-

Current obligations (note 17)	589,295	596,253	582,004	588,962
Non-current obligations (note 18)	1,011,578	1,198,382	1,001,554	1,181,067
	<u>1,600,873</u>	<u>1,794,635</u>	<u>1,583,558</u>	<u>1,770,029</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

Analysis of changes in deferred capital grants during the year:

At 31 March 2010	1,794,635	2,111,471	1,770,029	2,104,986
Received during the year	311,724	254,442	311,724	232,872
Released during the year	(505,486)	(571,278)	(498,195)	(567,829)
At 31 March 2011	<u>1,600,873</u>	<u>1,794,635</u>	<u>1,583,558</u>	<u>1,770,029</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </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.

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**21. Other financial commitments**

At 31 March 2011 the charity had annual commitments under non-cancellable operating leases as set out below:-

	<b>Land &amp; Buildings</b>		<b>Other</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	£	£	£	£
Operating leases which expire:				
Within 1 year	11,000	-	3,518	1,167
In two to five years	-	11,000	7,906	5,035
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**22. Statement of funds  
Group**

	<b>Balance at 31.03.10</b>	<b>Movement in resources</b>		<b>Transfer</b>	<b>Balance at 31.03.11</b>
	£	£	£	£	£
<b>Unrestricted funds – general</b>	2,345,874	2,043,958	(1,479,671)	(600,000)	2,310,161
<b>Unrestricted funds – designated</b>	700,000	-	(53,433)	600,000	1,246,567
<b>Restricted funds</b>	-	9,628,623	(9,628,623)	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total funds	3,045,874	11,672,581	(11,161,727)	-	3,556,728
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Charity</b>					
<b>Unrestricted funds – general</b>	2,373,673	960,917	(401,454)	(600,000)	2,333,136
<b>Unrestricted funds – designated</b>	700,000	-	(53,433)	600,000	1,246,567
<b>Restricted funds</b>	-	9,628,623	(9,628,623)	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total funds	3,073,673	10,589,540	(10,083,510)	-	3,579,703
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Designated funds represent strategic appointments of £146,567 approved by the Board in March 2009. In addition there is a designated fund of £500,000 for a lecture theatre being built in the first half of 2011/12. During the year the trustees designated £600,000 towards the purchase of the head lease of the West Hoe site (see note 28).

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**23. Analysis of group net assets between funds**

	Unrestricted General £	Unrestricted Designated £	Restricted Funds £	Total £
Tangible fixed assets	1,702,191	-	-	1,702,191
Investments	1,113,718	1,246,567	-	2,360,285
Investment assets – joint ventures	18,540	-	-	18,540
Net current assets	487,290	-	-	487,290
Long term liabilities	(1,011,578)	-	-	(1,011,578)
	<u>2,310,161</u>	<u>1,246,567</u>	<u>-</u>	<u>3,556,728</u>

**24. Notes to the statement of cash flows**

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

	2011 £	2010 £
Net incoming resources for the year	407,536	233,494
Depreciation	556,923	591,176
Deferred government grants released	(505,486)	(571,278)
(Decrease)/increase in debtors	(374,059)	97,126
(Decrease)/increase in creditors	2,027,039	(290,351)
Bank interest and investment income receivable	(44,631)	(59,821)
Loss on disposal of fixed assets	-	2
Net cash inflow/(outflow) from operating activities	<u>2,067,322</u>	<u>348</u>

**(b) Analysis of net funds**

	At 31 March 2010 £	Cash flow £	At 31 March 2011 £
Cash at bank and in hand	1,253,317	2,067,839	3,321,156

**25. Capital commitments**

Amounts contracted for but not provided in the financial statements amounted to £42,259 for the Charity and Group (2010 : £17,744 for Charity and Group).



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**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. 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 finance 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%.

**28. Post Balance Events**

In April 2011, PML purchased from NERC the head lease of the West Hoe site at a price of £1.6m. To help fund this transaction, a bank loan of £1m was successfully negotiated with HSBC.