

**PML**

Plymouth Marine  
Laboratory

**Plymouth Marine Laboratory**

**Annual Report and Financial Statements  
Year Ended 31 March 2020**

Company registration number: 4178503

Charity registration number: 1091222

# Plymouth Marine Laboratory

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# Plymouth Marine Laboratory

## Reference and Administrative Details

<b>Chairman</b>	Admiral Sir J Burnell-Nugent KCB, CBE
<b>Directors and Trustees</b>	Admiral Sir J Burnell-Nugent KCB, CBE N J Godefroy Prof T D Jickells OBE Dr B MacKenzie Prof R F Rayner J E Timberlake Prof B B Ward M J Butcher N B Buckland OBE
<b>Patron</b>	James Cameron - explorer, environmentalist and renowned filmmaker
<b>Senior Management Team</b>	Prof S J de Mora, Chief executive - resigned 30 September 2019 Prof J I Allen, Deputy Chief executive & Director of Science; Chief Executive from 1 October 2019 B K Tremain, Company Secretary; Director of Operations & Company Secretary from 1 May 2020 Prof S Widdicombe, Head of Science; Director of Science from 1 November 2019 C Turner, Finance Director - resigned 6 January 2020 S Coughlin, Head of financial services J Davy, Head of HR T Smyth, Head of Science
<b>Principal Office</b>	Prospect Place The Hoe Plymouth PL1 3DH  The charity is incorporated in England and Wales.

# **Plymouth Marine Laboratory**

## Reference and Administrative Details

**Company Registration Number** 4178503

**Charity Registration Number** 1091222

**Solicitors** Foot Anstey LLP  
Salt Quay House  
4 North East Quay  
Sutton Harbour  
Plymouth  
PL4 0BN

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

**Auditor** PKF Francis Clark  
North Quay House  
Sutton Harbour  
Plymouth  
PL4 0RA

# Plymouth Marine Laboratory

## Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2020.

### Trustees

Admiral Sir J Burnell-Nugent KCB, CBE

N J Godefroy

Prof T D Jickells OBE

Dr B MacKenzie

Prof R F Rayner

S P Sherrard DL (resigned 15 July 2019)

J E Timberlake

Prof B B Ward

The Baroness Watkins of Tavistock (resigned 16 November 2019)

M J Butcher (appointed 13 May 2020)

N B Buckland OBE

The Trustees, who are also Directors of Plymouth Marine Laboratory (PML) for the purposes of the Companies Act, submit their annual report (incorporating the strategic report), together with the audited consolidated financial statements of the charity and its trading subsidiary for the period ended 31 March 2020. The financial statements comply with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

### OBJECTIVES & ACTIVITIES

PML's mission is to undertake cutting-edge, interdisciplinary research in the sunlit ocean in anticipation of growing societal needs and to promote stewardship of marine ecosystems.

PML's research is focused on six strategic priorities, with the aim of finding solutions to challenges faced by the ocean and in turn society:

- **Living with Global Change:** investigating the uncertainties and long-term consequences of global environmental change on ecosystem structure, function and services, including essential contributions of the marine ecosystem to food security and the development of nature-based solutions.
- **Unlocking the Blue Economy:** realising the potential of the ocean and seas by supporting sustainable growth in the marine and maritime sectors as a whole, including the aquaculture, coastal tourism, biotechnology, energy and seabed industries, with an emphasis on eco-innovation.
- **Strengthening Marine Observations:** continuing long-term observation investments in the physics, chemistry and biology of coastal, shelf seas and the global ocean, both *in situ* and through remote sensing platforms, and using them for marine climate and environmental services.
- **Facing the Challenge of New Pollutants:** exploring the consequences of population growth, especially near the coast, and maritime industrial developments, on a range of pollutants, from CO<sub>2</sub>, microplastics, to biological discharges in ballast water.

# Plymouth Marine Laboratory

## Trustees' Report

- **Promoting Environmental & Human Health:** understanding the emerging threats to health and wellbeing posed by the marine environment, as well as the health and wellbeing benefits the natural marine environment can provide. Recognising the connectivity between a healthy marine environment and healthy human societies.
- **Overseas Development Assistance (ODA):** applying interdisciplinary approaches to develop capacity in ODA eligible countries in order to support achievement of the United Nations' (UN) Sustainable Development Goals (SDGs).

Each of these strategic priorities has relevance to at least 8 of the United Nations Sustainable Development Goals (**UN SDGs**), in particular SDG14 "Life below Water", as well as relevance to the UK governments 25 year Environment Plan, all of which are aimed at a sustainable future for our planet and hence deliver benefit to society.

### Ensuring Delivery of Objectives

Regular reporting on 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. Specific operating objectives for this year included:

- Develop a new PML Strategy (2020-2025)
- Produce a new Science Plan (2020-2025)
- Prepare a strong submission to the Research Excellence Framework exercise commissioned by the Natural Environment Research Council.
- Achieve certification to ISO 45001 (Health & Safety)
- Enhance existing local, national and international partnerships

The Trustees can confirm that they have referred to the guidance provided by the Charity Commission, including the guidance 'public benefit: running a charity (PB2)' 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.

# Plymouth Marine Laboratory

## Trustees' Report

### STRATEGIC REPORT FOR THE PURPOSES OF COMPANIES ACT 2006

#### ACHIEVEMENTS & PERFORMANCE

##### Key Achievements for 2019-20 include:

###### Objective

Develop a new PML Strategy (2020-2025)

###### Achievement

A new strategy has been developed through wide engagement with PML staff, and was approved by the Board in March 2020. PML's vision is one of a healthy and sustainable ocean through the delivery of impactful, and cutting-edge environmental and social science, enhancing PML's position as a world leader in the field.

The strategy focuses on four strategic priorities:

Science excellence and impact

Business excellence

Social responsibility

Environmental responsibility

Produce a new Science Plan (2020-2025)

A new Science Plan has been developed through wide engagement with PML staff, though has not yet been finalised due to some staff changes within one Science Area. The high level objective is to undertake world-class science for a purpose, generating greater understanding of the marine environment, and to use this understanding to support and effect demonstrable change in the way in which the marine environment is appreciated, managed, protected and valued.

Prepare a strong submission to the Natural Environment Research Council(NERC) Research Excellence Framework (REF) evaluation exercise

This evaluation exercise across NERC Centres and Delivery Partners (PML is one of these) covers the period 2013-2019. It is focused on 3 main strands: research outputs (scientific papers); impact case studies, and an environment component focusing on every aspect of the organisation from strategy to people and infrastructure.

A comprehensive set of documents, including 93 scientific papers, was prepared in January, and will be evaluated in June against stringent, defined criteria. The outcome will be known later in 2020.

# Plymouth Marine Laboratory

## Trustees' Report

Achieve certification to ISO45001 (Health & Safety) Following an inspection by Lloyd's Register Quality Assurance in July 2019, PML has been awarded certification against ISO 45001 Health & Safety standard. A further surveillance visit was undertaken in January 2020, with PML being praised for the improvements in its processes.

Enhance existing local, national and international partnerships at the strategic level PML has enhanced its engagement with partners at all levels. Highlights include involvement in the United Nations Framework Convention on Climate Change Conference of the Parties – COP25 in Spain; the UN Decade of Ocean Science for Sustainable Development, and more locally the Smart Sound Plymouth initiative. See below for further details.

### Impact

PML conducts interdisciplinary and pioneering research, which in turn informs a range of stakeholders on some of the most challenging scientific issues facing the ocean and society.

Society in its broadest sense benefits from the high quality research that PML undertakes through dissemination of data and results of its research, and its effective knowledge exchange with a variety of stakeholders at national and international level, including policy makers, where PML's independent advice and scientific evidence help to inform decision making that affects society. There are also particular beneficiaries of PML's principal activities as shown below.

### High Quality Research

During the calendar year 2019 PML scientists produced a total of 179 publications, 164 of which were peer reviewed papers, and 62 of which were first authored. The average impact factor of these papers has increased by 12.6% on 2018 publications, which demonstrates the quality of PML's research. Moreover, there were 83 mentions of PML research papers in policy documents over the same calendar year, including publications by the UK government (e.g. Marine Plans; a Strategy for England's wildlife and ecosystem services) and by overseas bodies such as the World Bank and the Australian Analysis & Policy Observatory.

Scientific publications are available to the research community globally, as well as the wider public, through an open access repository - the Plymouth Marine Science Electronic Archive <http://plymsea.ac.uk/> - which enables visitors to the site to download publications, copyright permitting, and search for information.

### ***Providing a National Capability***

The UK Research & Innovation (UKRI) Natural Environment Research Council (NERC) funded National Capability (NC) work undertaken by PML provides excellent, effective and high impact activities that benefit the UK and beyond. During the year the Addressing Challenges of Coastal Communities through Ocean Research for Developing Economies (ACCORD) project started with partners in Vietnam, Cambodia and the UK. Fieldwork was undertaken in Cambodia in July in collaboration with Marine Conservation Cambodia and the Cambodian Ministry of the Environment, which will help towards conservation efforts. A training course for the Da Nang Department of Environment and Natural Resources, Vietnam, was delivered by PML over a two week period in late autumn.



# Plymouth Marine Laboratory

## Trustees' Report

### Competitive Research

During the year PML was successful in winning new contracts amounting to £4.9M, with a further £659k of proposals having been notified as successful and awaiting contract.

Examples of projects won during the year, which reflect the excellence of PML's science, its relevance to society and the global nature of PML's activities include:

- **South Asian Nitrogen Hub:** PML is part of this major international programme, funded through the UKRI Global Challenge Research Fund, to tackle the challenge that nitrogen pollution poses for the environment, food security, human health and the economy in South Asia.
- **The Economics of Marine Plastic Pollution:** PML researchers are joining forces with others in the UK and beyond on this project to calculate the economic costs of the environmental damages associated with marine plastic and the benefits of cross-country coordinated action to address the problem.
- **Act on Offshore Monitoring (ACTOM):** Funded by the Department for Business, Energy & Industrial Strategy (BEIS), this PML-led project aims to develop internationally applicable capabilities to design and execute adequate, rigorous and cost-effective monitoring of offshore carbon storage projects, aligning industrial, societal and regulative expectations with technological capabilities and limitations.

PML would also like to acknowledge the kind donations from March Limited and Plastics Ocean towards research on microplastics, and the grant of £160,000 from the Waitrose & Partners Plan Plastic also for research on microplastics.

### **National & International Standing**

PML's national and international standing is demonstrated in a number of ways:

#### People

PML's scientists are members of a wide range of international and national committees, or perform specific roles at an international or national level. Examples include:

- The Intergovernmental Group on Earth Observations
- The Intergovernmental Panel on Climate Change
- OSPAR Intersessional Correspondence Group on Ocean Acidification
- The Arctic Council
- International Council for the Exploration of the Sea – various working groups
- The UK's Marine Science Co-ordination Committee

For further details see our website at [http://www.pml.ac.uk/Research/Our\\_impact](http://www.pml.ac.uk/Research/Our_impact)

### Awards & Recognition

- PML's Prof. Penelope Lindeque was named as Highly Cited Researcher in the field of Environment and Ecology in the 2019 Highly Cited Researchers list from the Web of Science group. This list identifies scientists and social scientists across the world who produced multiple papers ranking in the top 1% by citations for their field and year of publication, demonstrating significant research influence among their peers.

# Plymouth Marine Laboratory

## Trustees' Report

- PML Trustee, Prof. Tim Jickells, was awarded an OBE in the New Year Honours List for his service to marine and environmental sciences.

### **Partnerships**

PML works with partners worldwide at the project and corporate level. In May 2019 PML signed a Memorandum of Understanding with the Ministry of the Environment, Cambodia, and in July 2019 with the University of Danang, Vietnam, cementing PML's relationship with partners in South East Asia, where PML is undertaking several major research projects. PML also hosted a joint workshop in July with the Korea Institute of Ocean Science & Technology to build upon existing links.

At the local level there has been a strong emphasis on marine science and technology related activities. Smart Sound Plymouth <https://smartsoundplymouth.co.uk/Home> was launched in June by the city's Marine Business & Technology Centre. Headed up by PML's Dr James Fishwick, Smart Sound Plymouth is Britain's premier proving area for designing, testing and developing cutting edge products and services for the advanced marine sector, including marine autonomy and alternative propulsion.

For more information on PML's partnerships please see:

<http://www.pml.ac.uk/Working-with-us/Partnerships>

### **Knowledge Exchange**

Communicating and disseminating the results, outcomes and impact of its research and educating society in the widest sense on the importance of the ocean is a significant part of PML's remit. PML scientists participated in high level meetings on the international stage including:

- the United Nations Framework Convention on Climate Change Conference of the Parties 25 (UNFCCC COP25), Spain: PML participated in, organised and facilitated numerous ocean side events, acting as one of the main organisers of the UN Oceans Action Day and co-organiser of the EU Ocean Day, as well as contributing to a further 19 ocean-focused events;
- The People and the Sea Conference, Netherlands, June 2019;
- The International Conference of Conservation Biology

Stakeholder engagement is an important aspect of PML's activities. An example of such engagement was a final stakeholder workshop held in Malaysia in July 2019 for a project focused on empowering community-based management of mangrove fisheries.

Communicating PML's research through various channels to a wider audience is vital for sharing PML's research and its impact. PML's Communications Group engages in social media, and produces regular news articles for the PML website, press releases covering a range of topics, newsletters, videos and an Annual Review. All of these communication materials can be found on our website at [www.pml.ac.uk](http://www.pml.ac.uk).

PML scientific papers published during this financial year were picked up via Twitter by 2,691 unique tweeters in 88 countries, ranging from Japan to Chile, and by 149 unique news outlets.

PML's trading subsidiary, PML Applications Ltd, featured in the BBC Countryfile programme on invasive species in December. External filming requests have also taken place featuring PML's research and facilities, and broadcast in several countries.

# Plymouth Marine Laboratory

## Trustees' Report

More locally, PML scientists collaborated with the Eden Project and provided material for their Invisible Worlds exhibition held in summer 2019, which focused on biodiversity, evolution and extinctions.

### Education & Training

PML aims to contribute to marine science education in the UK and elsewhere, and especially to the training of the next generation of marine scientists. Such commitment is demonstrated in particular by PML's involvement in NERC funded Doctoral Training Partnerships (DTPs), where PML works with a number of university partners to train PhD students. PML produced a short video on Training the Next Generation of Marine Scientists, which partly featured a course it ran for the University of Exeter. This is available at [https://www.youtube.com/watch?v=\\_g9wh3gO0Bs&t=5s](https://www.youtube.com/watch?v=_g9wh3gO0Bs&t=5s)

As part of its apprenticeship training programme, PML offered a new ships' apprenticeship in September 2019. In addition, it was able to offer an open-ended junior scientist post to a newly qualified scientific apprentice.

For further details on PML activities and achievements for the calendar year 2019, please see our Annual Review on our website at [www.pml.ac.uk](http://www.pml.ac.uk)

The Trustees recognise the significant efforts and achievements of the staff and would like to thank them for their hard work in the year.

### **FINANCIAL REVIEW**

#### **Results for the year**

Net income for the year amounted to £687k (2019 net income - £663k). The charity suffered a one-off loss of £42k in the year and is pursuing civil recovery. After adjusting for realised and unrealised investment gains, the net movement in funds for the year amounted to an income of £463k (2019: income - £837k). The total funds carried forward remain in a net asset position of £6,553k (2019: funds carried forward - £6,089k).

### **PRINCIPAL RISKS AND UNCERTAINTIES**

#### **Risk management**

A risk management policy was developed and adopted by PML in its first year of operation, and is reviewed annually by the Board. In addition, a comprehensive analysis of risks to which PML is exposed was undertaken and systems identified and put in place to mitigate risk. Under the terms of the risk management policy, the Senior Management Team carries out a periodic evaluation of the risks, by way of a risk register. The Audit & Finance Committee also reviewed the risk register in detail and present to the Board those risks of greatest significance to PML. Principal risks and their mitigation are discussed by the Trustees on a regular basis.

The principal risk and uncertainties faced by PML relate primarily to the covid-19 pandemic, and its effects on undertaking both experimental (lab-based) and fieldwork activities, both in the UK and overseas which have a consequential impact upon income. In mitigation, PML, as part of its business continuity planning, has implemented detailed plans during the ease of the UK lockdown, which have enabled some lab-based research and local fieldwork to be carried out, whilst above all maintaining the health, safety and wellbeing of our employees, students and visitors.

# **Plymouth Marine Laboratory**

## **Trustees' Report**

It should also be noted that it has been possible to undertake a large proportion of PML's research and support activities by staff working from home using digital communication platforms for general communication purposes, for meetings with customers and project partners, and for delivering workshops. PML is also putting in place measures to enable its infrastructure to better support and provide greater flexibility for any future lockdown situations.

A further risk from the covid-19 pandemic is the potential impact on future funding from government for scientific research, hence PML will continue its endeavours to diversify its funding sources.

### **Reserves policy**

A reserves policy was developed and adopted by PML in its first year of operation and subsequently revised. The reserves policy is reviewed annually by the Trustees to ensure it is fit for purpose. The 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 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. Free reserves at year end were £3m which excludes reserves spent on fixed assets and associated deferred capital grants.

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.

Bank balances increased over the year from £4m to £5.1m. There were no funds held for partners.

### **Principal Funding Sources**

Income was derived principally from competitive research of £9.56M (2019: £7.7M) from a variety of customers, (including UKRI, the European Commission, the European Space Agency and Simons Foundation), including over £4m received from subcontractors (2019: £1m), and the UKRI-NERC National Capability funding, amounting to £3.8M (2019: £3.8M). This income has enabled PML to undertake strategic and applied research, generating knowledge and publications, leading to impact, as well as carrying out the activities listed under Achievements and Performance.

PML scientists have continued their success in terms of winning competitive research funding. New contracts won during the financial year were valued at £4.9M (2019: £6M), with a further £649k under negotiation/successful. In addition a major capital grant of c. £1M was won from NERC for the Massive GPU Cluster for Earth Observation (MAGEO), which will apply artificial intelligence algorithms to Earth Observation data.

### **Investment policy**

PML's investment policy was reviewed in October 2019, with a significant change made to the focus of the policy. Whilst it remains the objective of this policy to maintain and, if possible, enhance the real value of the reserves represented by its investments, such financial return needs to be consistent with ethical and specifically environmental principles reflecting PML's aims as a charity. PML will not directly invest in sectors or companies that have, or could potentially have a highly negative impact on the environment, that have a high carbon footprint or where income is derived principally from fossil fuels or environmentally damaging activities, e.g. oil, gas and mining sectors. PML will also not invest in sectors or companies, where there is a poor track record on the environment, such as significant pollution incidents, or breaches of consents.

# Plymouth Marine Laboratory

## Trustees' Report

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 activities and performance of the investment managers are monitored through regular reporting to PML's Audit & Finance Committee, which reports to the Trustees.

### Trading subsidiary

PML's trading subsidiary, PML Applications Ltd, reported an operating profit of £458k (2019: £273k), and generated £1.1M (2019: £634k) of income for PML. A grant aid payment of £271k was made by PML Applications to PML in the financial year. Following careful consideration, the PML Board of Trustees agreed to accept a deferment of the repayment of the remaining balance of £100k of its loan to PML Applications Ltd for a further year to provide the trading subsidiary with sufficient working capital for future growth.

### **FUNDRAISING POLICY**

PML's approach to fundraising is to target charitable foundations and trusts, and corporations through their foundations. PML will not embark on fundraising from the general public, whether in person, through events or on-line. Any crowdfunding initiative will only be undertaken as part of a specific fundraising campaign or proposal for research project or capital funds. PML adheres to the Fundraising Code of Practice. In the last year PML has adhered to the requirements of the Code; there have been no complaints received regarding PML's fundraising practices. PML's complaint procedure is available at <https://www.pml.ac.uk/System-pages/Legal>

### **PLANS FOR FUTURE PERIODS**

PML's plans for the future include objectives for the short term (3-6 months) of 2020-21 financial year in light of the covid-19 pandemic:

- Maximise research project delivery for our customers/beneficiaries, and to ensure financial sustainability
- Maintain and protect key long-term science activities
- Manage reoccupation of PML premises through changes in UK lockdown
- Deliver effective and strong communications internally and externally to all our stakeholders

## **STRUCTURE, GOVERNANCE & MANAGEMENT**

### **Governing Document**

PML is a company limited by guarantee and registered as a charity with the Charity Commission. PML is governed by its Articles of Association adopted in July 2010 (following changes in both charity and company law) and amended by special resolutions. Responsibility for the overall governance of PML rests with the Board, who are Trustees for the purposes of the Charities Act and Directors for the purposes of the Companies Act. Members of the charity comprise serving Trustees and the serving Chief Executive, each of whom undertakes to contribute such amount as may be required (not exceeding £10) to PML's assets in the event of PML being wound up.

# **Plymouth Marine Laboratory**

## **Trustees' Report**

### **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 Chair, whereupon his/her term will be deemed to have recommenced. In exceptional circumstances, Trustees may continue beyond a seven year period, subject to approval by resolution of the Trustees and of a special resolution by the members of the Charity.

PML has in place a policy and procedure on the appointment of Trustees. Recruitment of new Trustees is undertaken by the Board, led by the Chairman, using a skills matrix to determine needs. When recruiting a new Trustee, the Board is mindful of the need to ensure a balance of skills, background and diversity.

During the year the Board decided to widen its search for new Trustees, in accordance with the Charity Governance Code, and produced an open advert for Trustees promoted through PML's website and social media channels. This has resulted in the appointment of a new Trustee (May 2020).

For details on individual Board members, please see the relevant section on our website at [www.pml.ac.uk/governance](http://www.pml.ac.uk/governance)

### **Induction and Training of Trustees**

PML has in place policies on the induction and training of Trustees. New Trustees undergo an induction into PML, meeting other members of the Board of Trustees, as well as the Senior Management Team and staff to learn about its governance, research, impact, financial performance and infrastructure and also the work of its wholly owned trading subsidiary, PML Applications Ltd. Each Trustee receives an induction programme, which 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 PML and the duties of a Trustee, including key Charity Commission publications - CC3 "The Essential Trustee" and the Charity Governance Code - the Articles of Association, PML's Strategy, Science Plan and Operating Plan, the most recent set of accounts, as well as various other policy documents. The Company Secretary has overall responsibility for the induction of Trustees. Where specific training is identified as necessary, then this is delivered internally or through external providers, including attendance at seminars or conferences.

### **Evaluation of Board Performance**

Evaluation of Board performance is undertaken annually, with the last evaluation carried out in the summer of 2019. Results were reviewed and actions identified and progressed. It was agreed by the Board that an external evaluation of Board performance would be considered in 2020.

### **Organisational Structure**

#### Board of Trustees

The Board of Trustees, which can have up to 11 members, is responsible for the governance of PML. The Board generally meets at least 4 times per year (or more frequently as required), receiving regular reports on the financial and management aspects of the organisation, and to discuss strategic issues. Average attendance by Trustees over the last year at Board meetings was 94% (2019: 82.5%).

# Plymouth Marine Laboratory

## Trustees' Report

### Sub-Committees

In addition to the main Board, there are three principal sub-committees as follows:

- Audit & Finance Committee: Meets 2-3 times per year and has delegated responsibility for ensuring that PML has in place effective systems and methods of financial control and risk management and that it complies with all aspects of the law, relevant regulations and good practice. It also reviews PML's investments and the performance of the Investment Manager. Trustee members during the reporting period were Messrs Godefroy (Chair) and Buckland. During the year this Committee undertook an external audit tender exercise.
- Remuneration Committee: Meets at least once per year to *inter alia* review staff annual pay and benefits and propose recommendations to the Board. Trustee members during the reporting period were Mrs Timberlake (Chair), Baroness Watkins and Dr MacKenzie.
- Science Advisory Council: Meets once per year to review aspects of the science portfolio. Trustee members are Profs. Rayner (Chair), Jickells and Ward, as well as external members from the international science community.

Each of the above committees reports to the main Board on its activities, with minutes of meetings being made available to Trustees and recommendations being presented.

See also below re. Nominations Committee.

### Senior Management Team

The Chief Executive is given delegated authority for the day- to-day operation, delivered through the Senior Management Team, including scientific, financial, health and safety, and employment related matters. The specific levels of authority are detailed in a statement of Delegated Authority. The Chief Executive reports regularly to the Board on key aspects of PML's performance as detailed above.

Prof. de Mora, Chief Executive of PML from September 2008, retired at the end of September 2019. The Board of Trustees would like to thank Prof. de Mora for his contribution in steering PML over the last 11 years, and for supporting its development as a world-leading research organisation.

The Board, by way of a Nominations Committee comprising the Chairman, Mr Godefroy, Prof. Jickells and Mrs Timberlake, undertook a comprehensive recruitment process, and appointed Prof. Icarus Allen to the post of Chief Executive of both PML and PML Applications Ltd with effect from 1 October 2019.

### **Related Parties**

PML is eligible to bid for funding from UKRI, including from NERC. 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. A staff loan agreement signed in 2002 as part of the transfer of ownership process from NERC to PML was novated to UKRI in 2018, hence there are a small number of UKRI employees working at PML.

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

PML has a Memorandum of Understanding with the University of Exeter, a joint appointment, and collaborates on a number of research projects and PhD studentships.

PML has hosted the secretariat of the Partnership for Observation of the Global Oceans (POGO) for eight years, providing accommodation and staffing for the secretariat under a formal agreement. In February 2017 POGO became a Charitable Incorporated Organisation in the UK.

# Plymouth Marine Laboratory

## Trustees' Report

### Pay Policy for Senior Staff

All of the Trustees (Directors) give of their time freely and no Trustee received remuneration during the year. Details of Trustees' expenses incurred in the course of their duties are disclosed under note 9. The Chief Executive's remuneration package is reviewed annually by the Board of Trustees who review benchmarking data from comparable sized charities, regional companies and from NERC Research Centres and assess performance against objectives set for the year.

Of the remaining senior staff (members of the Senior Management Team), three were UKRI employees on loan to PML, as described under related parties, and hence fell partially under UKRI pay policies, until they assumed new roles as detailed below. Where a member of the Senior Management Team is a PML employee, remuneration is reviewed by the Remuneration Committee (see above) as part of the entire PML workforce's remuneration, with recommendations made to the Board of Trustees for its approval.

### Going concern and the impact of Covid-19

PML's cash position (as at mid-June 2020) is strong at £4.24M.

The impact of the first wave and potential second and third waves of covid-19 on PML's cash has been modelled. If PML were closed for a six month period due to three waves of covid-19 and a full lockdown scenario, this would lead to a negative cash movement of £0.96M.

Income forecasting has been undertaken which demonstrates that PML is likely to achieve a break-even position as a result of the first covid-19 wave, taking into account expenditure savings.

Key assumptions here are that our main funders (UK Research & Innovation [UKRI], EU) will pay as per schedule. UKRI has reduced delivery expectations against its grants due to covid-19 whilst maintaining the funding level of these grants. Income on some existing grants will also be deferred to next year due to disruption this financial year.

Current signed contracts stand at £24.7M, of which £8.3M has already been recognised up to 31 March 2020. The remaining £16.4M, which includes a recent philanthropic donation of US\$200k, relates to projects which run over the next 3 financial years.

At year end the Trustees acknowledge that the net asset position was a relatively modest £115k. They take assurance from the fact that within current creditors is £5.4m of cash advances received on competitive research contracts. Due to the nature of this balance the Trustees have strong certainty that the majority can be earned and released to income over the next financial year to fund staff costs and overheads. As at year end the charity also held an investment portfolio of £2.8m which as a last resort could be realised to fund any deficits that arise as a result of Covid-19.

The Trustees believe that PML is a going concern on the following basis:

- Strong cash position as identified above.
- Principal funding sources are government backed, e.g. UKRI, the EU, European Space Agency.
- Strong signed contracts position.
- The company can meet its short-term debts.
- Strong reserves position

In conclusion, there are no material uncertainties to cast doubt on PML's ability to continue as a going concern.



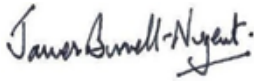
# Plymouth Marine Laboratory

## Trustees' Report

### Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on ...10/07/2020... and signed on its behalf by:



.....

Admiral Sir J Burnell-Nugent KCB, CBE  
Chairman and Trustee

# Plymouth Marine Laboratory

## Statement of Trustees' Responsibilities

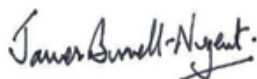
The trustees (who are also the directors of Plymouth Marine Laboratory for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 charitable company will continue in business.

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

Approved by the trustees of the charity on ...10/07/2020..... and signed on its behalf by:



.....  
Admiral Sir J Burnell-Nugent KCB, CBE  
Chairman and Trustee

# **Plymouth Marine Laboratory**

## **Independent Auditor's Report to the Members of Plymouth Marine Laboratory**

### **Opinion**

We have audited the financial statements of Plymouth Marine Laboratory (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2020 and of the group's results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Use of our report**

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

# Plymouth Marine Laboratory

## Independent Auditor's Report to the Members of Plymouth Marine Laboratory

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the and Trustees' Report have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the and the Trustees' Report.

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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

# **Plymouth Marine Laboratory**

## **Independent Auditor's Report to the Members of Plymouth Marine Laboratory**

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 16), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

.....  
Duncan Leslie (Senior Statutory Auditor)  
PKF Francis Clark, Statutory Auditor

North Quay House  
Sutton Harbour  
Plymouth  
PL4 0RA

Date:.....

## Plymouth Marine Laboratory

### Consolidated Statement of Financial Activities

Year Ended 31 March 2020

(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds - general £ 000	Unrestricted funds - designated £ 000	Restricted funds £ 000	Total 2020 £ 000
<b>Income and Endowments from:</b>					
Charitable activities	3	353	200	14,140	14,693
Other trading activities	4	1,594	-	-	1,594
Investment income		129	-	-	129
Total income		<u>2,076</u>	<u>200</u>	<u>14,140</u>	<u>16,416</u>
<b>Expenditure on:</b>					
Raising funds		(367)	-	-	(367)
Charitable activities	5	(971)	(228)	(14,140)	(15,339)
Other expenditure		<u>(22)</u>	<u>-</u>	<u>-</u>	<u>(22)</u>
Total expenditure		<u>(1,360)</u>	<u>(228)</u>	<u>(14,140)</u>	<u>(15,728)</u>
Net income/(expenditure)		716	(28)	-	688
Gains/(losses) on investments assets		<u>(224)</u>	<u>-</u>	<u>-</u>	<u>(224)</u>
Net movement in funds		492	(28)	-	464
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>2,347</u>	<u>3,742</u>	<u>-</u>	<u>6,089</u>
Total funds carried forward	21	<u><u>2,839</u></u>	<u><u>3,714</u></u>	<u><u>-</u></u>	<u><u>6,553</u></u>

# Plymouth Marine Laboratory

## Consolidated Statement of Financial Activities

Year Ended 31 March 2020

(Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

For comparative purposes - financial performance for prior financial year

	Note	Unrestricted funds £ 000	Unrestricted funds - designated £ 000	Restricted funds £ 000	Total 2019 £ 000
<b>Income and Endowments from:</b>					
Charitable activities	3	426	-	12,101	12,527
Other trading activities	4	1,211	-	-	1,211
Investment income		87	-	-	87
Total income		<u>1,724</u>	<u>-</u>	<u>12,101</u>	<u>13,825</u>
<b>Expenditure on:</b>					
Raising funds		(402)	-	-	(402)
Charitable activities	5	(550)	(84)	(12,101)	(12,735)
Other expenditure		(25)	-	-	(25)
Total expenditure		<u>(977)</u>	<u>(84)</u>	<u>(12,101)</u>	<u>(13,162)</u>
Net income/(expenditure) before transfers		747	(84)	-	663
Transfers between funds		95	(95)	-	-
Gains/(losses) on investment assets		174	-	-	174
Net movement in funds		1,016	(179)	-	837
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>1,331</u>	<u>3,921</u>	<u>-</u>	<u>5,252</u>
Total funds carried forward	21	<u><u>2,347</u></u>	<u><u>3,742</u></u>	<u><u>-</u></u>	<u><u>6,089</u></u>

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown for 2019 is shown in note 21.

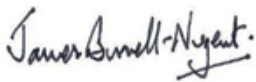
# Plymouth Marine Laboratory

## Consolidated Balance Sheet

31 March 2020

	Note	2020 £ 000	2019 £ 000
<b>Fixed assets</b>			
Intangible assets	12	546	563
Tangible assets	13	9,386	8,989
Investments	14	2,837	3,105
		<u>12,769</u>	<u>12,657</u>
<b>Current assets</b>			
Debtors	15	3,207	2,765
Cash at bank and in hand	16	5,118	3,976
		8,325	6,741
<b>Creditors: Amounts falling due within one year</b>	17	<u>(8,210)</u>	<u>(7,258)</u>
<b>Net current assets/(liabilities)</b>		<u>115</u>	<u>(517)</u>
<b>Total assets less current liabilities</b>		12,884	12,140
<b>Creditors: Amounts falling due after more than one year</b>	18	<u>(6,331)</u>	<u>(6,051)</u>
<b>Net assets</b>		<u>6,553</u>	<u>6,089</u>
<b>Funds of the group:</b>			
Restricted		-	-
Unrestricted - designated		3,714	3,742
Unrestricted - general		2,839	2,347
<b>Total funds</b>	21	<u>6,553</u>	<u>6,089</u>

The financial statements on pages 20 to 56 were approved by the trustees, and authorised for issue on ....10/07/2020..... and signed on their behalf by:



.....  
Admiral Sir J Burnell-Nugent KCB, CBE  
Chairman and Trustee



.....  
N J Godefroy  
Trustee

Company Registration Number: 4178503



# Plymouth Marine Laboratory

## Balance Sheet

31 March 2020

	Note	2020 £ 000	2019 £ 000
<b>Fixed assets</b>			
Intangible assets	12	546	563
Tangible assets	13	9,384	8,985
Investments	14	2,937	3,205
		<u>12,867</u>	<u>12,753</u>
<b>Current assets</b>			
Debtors	15	3,309	2,660
Cash at bank and in hand	16	4,189	3,336
		7,498	5,996
<b>Creditors: Amounts falling due within one year</b>	17	<u>(7,954)</u>	<u>(6,906)</u>
<b>Net current liabilities</b>		<u>(456)</u>	<u>(910)</u>
<b>Total assets less current liabilities</b>		12,411	11,843
<b>Creditors: Amounts falling due after more than one year</b>	18	<u>(6,331)</u>	<u>(6,051)</u>
<b>Net assets</b>		<u>6,080</u>	<u>5,792</u>
<b>Funds of the charity:</b>			
Unrestricted - general		2,367	2,050
Unrestricted - designated		3,713	3,742
Restricted		-	-
<b>Total funds</b>	21	<u>6,080</u>	<u>5,792</u>

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Admiral Sir J Burnell-Nugent KCB, CBE  
Chairman and Trustee



.....  
N J Godefroy  
Trustee

Company Registration Number: 4178503

# Plymouth Marine Laboratory

## Consolidated Statement of Cash Flows

Year Ended 31 March 2020

	Note	2020 £ 000	2019 £ 000
<b>Cash flows from operating activities</b>			
Net cash income		464	837
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation		1,010	904
Amortisation		56	-
Investment income		(129)	(87)
Interest payable		7	11
Fair value movement on investment assets		224	(174)
		<u>1,632</u>	<u>1,491</u>
<b>Working capital adjustments</b>			
(Increase)/decrease in debtors	15	(442)	980
Increase in creditors	17	255	374
Decrease in deferred income	18	<u>(13)</u>	<u>(617)</u>
Net cash flows from operating activities		<u>1,432</u>	<u>2,228</u>
<b>Cash flows from investing activities</b>			
Interest receivable and similar income		129	87
Purchase of intangible fixed assets	12	(39)	(182)
Purchase of tangible fixed assets	13	(1,407)	(3,990)
Capital grants		1,125	1,950
Purchase of investments		(106)	(58)
Sale of investments		149	700
Net cash flows from investing activities		<u>(149)</u>	<u>(1,493)</u>
<b>Cash flows from financing activities</b>			
Repayment of loans and borrowings	17	(134)	(144)
Interest payable and similar charges		<u>(7)</u>	<u>(11)</u>
Net cash flows from financing activities		<u>(141)</u>	<u>(155)</u>
Net increase in cash and cash equivalents		1,142	580
Cash and cash equivalents at 1 April		<u>3,976</u>	<u>3,396</u>
Cash and cash equivalents at 31 March		<u><u>5,118</u></u>	<u><u>3,976</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

# **Plymouth Marine Laboratory**

## **Notes to the Financial Statements**

**Year Ended 31 March 2020**

### **1 Charity status**

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Prospect Place  
The Hoe  
Plymouth  
PL1 3DH

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006, with the exception that grants in respect of capital expenditure received 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 provides consistency with the treatment adopted by other similarly funded institutions including Universities.

#### **Basis of preparation**

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The functional currency of Plymouth Marine Laboratory is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Plymouth Marine Laboratory meets the definition of a public benefit entity under FRS 102.

# **Plymouth Marine Laboratory**

## Notes to the Financial Statements

Year Ended 31 March 2020

### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2020.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity had a positive net movement in funds for the financial year of £287,153 (2019 - £559,000).

The charity has taken advantage of the exemption not to prepare a cash flow statement, as the charity figures are included in the consolidated cash flow statement and the members have not objected to the exemption being taken.

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

# Plymouth Marine Laboratory

## Notes to the Financial Statements

### Year Ended 31 March 2020

#### **Going concern**

PML's cash position (as at mid-June 2020) is strong at £4.24M.

The impact of the first wave and potential second and third waves of covid-19 on PML's cash has been modelled. If PML were closed for a six month period due to three waves of covid-19 and a full lockdown scenario, this would lead to a negative cash movement of £0.96M.

Income forecasting has been undertaken which demonstrates that PML is likely to achieve a break-even position as a result of the first covid-19 wave, taking into account expenditure savings.

Key assumptions here are that our main funders (UK Research & Innovation [UKRI], EU) will pay as per schedule. UKRI has reduced delivery expectations against its grants due to covid-19 whilst maintaining the funding level of these grants. Income on some existing grants will also be deferred to next year due to disruption this financial year.

Current signed contracts stand at £24.7M, of which £8.3M has already been recognised up to 31 March 2020. The remaining £16.4M, which includes a recent philanthropic donation of US\$200k, relates to projects which run over the next 3 financial years.

At year end the Trustees acknowledge that the net asset position was a relatively modest £115k. They take assurance from the fact that within current creditors is £5.4m of cash advances received on competitive research contracts. Due to the nature of this balance the Trustees have strong certainty that the majority can be earned and released to income over the next financial year to fund staff costs and overheads. As at year end the charity also held an investment portfolio of £2.8m which as a last resort could be realised to fund any deficits that arise as a result of Covid-19.

The Trustees believe that PML is a going concern on the following basis:

- Strong cash position as identified above.
- Principal funding sources are government backed, e.g. UKRI, the EU, European Space Agency.
- Strong signed contracts position.
- The company can meet its short-term debts.
- Strong reserves position

In conclusion, there are no material uncertainties to cast doubt on PML's ability to continue as a going concern.

#### **Reclassification of comparative amounts**

Included within the breakdown of charitable expenses in note 5, there has been a reclassification in the prior year figure for research staff costs and the recurrent costs - science, due to the prior year figure not reconciling to the staff costs note.

# Plymouth Marine Laboratory

## Notes to the Financial Statements

Year Ended 31 March 2020

### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The following are the critical judgements and estimates that the directors have made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

- Carrying value of research balances

Provision is made against research debtor balances where costs (including those to complete) exceed contracted income.

### **Income**

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.
- Competitive 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. Where income received to date is in excess of this calculated amount, it is deferred, where the income received is less, it is accrued. 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

### **Deferred income**

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement; or
- The costs that are funded by the grant have yet to be spent.

# **Plymouth Marine Laboratory**

## **Notes to the Financial Statements**

**Year Ended 31 March 2020**

### **Expenditure**

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 Ltd.
- 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.

### **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.

### **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.

### **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 (subsequently novated to UKRI). 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.

### **Value 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.

### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

# Plymouth Marine Laboratory

## Notes to the Financial Statements

Year Ended 31 March 2020

### Intangible assets

Intangible assets are stated in the Balance Sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives.

### Tangible fixed assets

Individual fixed assets costing £3k or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

### Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Computer software	2-10 years straight line

### Depreciation and amortisation

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.

Fixed assets are depreciated in the month of acquisition, but are not depreciated in the month of disposal. Components of assets with substantially different economic lives are accounted for separately for depreciation purposes and depreciated over their individual useful economic lives.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Scientific equipment	2-10 years straight line
Computer equipment	2-5 years straight line
Plant	10 years straight line
Vehicles	4 years straight line
Ships	20 years straight line
Leasehold buildings	25 years straight line

### Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.



# **Plymouth Marine Laboratory**

## **Notes to the Financial Statements**

**Year Ended 31 March 2020**

### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

### **Foreign exchange**

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.

### **Fund structure**

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.

### **Hire purchase and finance leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as 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**

## Notes to the Financial Statements

Year Ended 31 March 2020

### **Financial instruments**

Financial assets and liabilities are recognised/(derecognised) when the company becomes/(ceases to be) party to the contractual provisions of the instrument. The company holds the following financial assets and liabilities:

- Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment (“doubtful debts”) are recognised in Statement of financial activities before net income.

- Loans qualifying as basic financial instruments under FRS102

Loans are initially recorded at transaction price and subsequently measured at amortised cost using the effective interest method.

- Other financial instruments not qualify as basic under FRS102

Forward exchange contracts are measured at fair value at the balance sheet date. Movements in fair value are charged or credited to the statement of financial activities before net income.

### **Investments**

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

# Plymouth Marine Laboratory

## Notes to the Financial Statements

Year Ended 31 March 2020

### 3 Income from charitable activities

	Unrestricted funds		Restricted funds £ 000	Total 2020 £ 000	Total 2019 £ 000
	Designated £ 000	General £ 000			
NERC funding (National Capability)	-	-	3,773	3,773	3,519
Research Income	-	-	9,566	9,566	7,713
Designated income	200	-	-	200	-
Deferred income on capital expenditure	-	-	711	711	618
Funding for restructuring	-	-	40	40	251
Reimbursements	-	41	-	41	59
VAT recoverable (due to partial exemption)	-	69	-	69	42
Charges for secretariat services - Partnership for Observation of the Global Oceans	-	101	-	101	123
Doctoral training grants	-	97	-	97	140
Other income	-	45	50	95	62
	<u>200</u>	<u>353</u>	<u>14,140</u>	<u>14,693</u>	<u>12,527</u>

# Plymouth Marine Laboratory

## Notes to the Financial Statements

Year Ended 31 March 2020

### 4 Income from other trading activities

<b>Summary profit and loss account</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Turnover	1,617	1,310
Cost of sales and administrative expenses	(1,159)	(1,037)
Other income, including interest receivable	-	-
Operating profit	<u>458</u>	<u>273</u>
Interest payable on loan	(3)	(3)
Net profit	<u><u>455</u></u>	<u><u>270</u></u>

### The assets and liabilities of the subsidiary were:

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Fixed assets	3	4
Current assets	1,172	904
Current liabilities	(601)	(518)
Total net assets/(liabilities)	<u>574</u>	<u>390</u>
Aggregate share capital and reserves	<u><u>574</u></u>	<u><u>390</u></u>

### Reconciliation with statement of financial activities (SOFA)

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Turnover (As above)	1,617	1,310
Less: Income from parent charity	(23)	(99)
Per SOFA - Income from other trading activities	<u>1,594</u>	<u>1,211</u>
Cost of sales and administrative expenses (As above)	1,159	1,036
Less: Recharged by parent charity	(792)	(634)
Per SOFA - Expenditure on raising funds	<u><u>367</u></u>	<u><u>402</u></u>

# Plymouth Marine Laboratory

## Notes to the Financial Statements

Year Ended 31 March 2020

### 5 Expenditure on charitable activities

	<b>Activity undertaken directly £ 000</b>	<b>Activity support costs £ 000</b>	<b>Total 2020 £ 000</b>	<b>Total 2019 £ 000</b>
Research staff costs	5,945	-	5,945	5,539
Recurrent costs - Science	5,470	-	5,470	3,126
Recurrent costs - Science support	1,371	-	1,371	1,332
Depreciation	1,026	-	1,026	904
Loan interest payable	7	-	7	11
Restructuring costs	-	84	84	249
Senior management and administrative staff costs	-	988	988	1,054
Administration costs	-	404	404	459
Governance costs	-	44	44	61
	<u>13,819</u>	<u>1,520</u>	<u>15,339</u>	<u>12,735</u>

£1,199,000 (2019 - £634,000) of the above expenditure was attributable to unrestricted funds and £14,140,000 (2019 - £12,101,000) to restricted funds.

### 6 Analysis of governance and support costs

#### Governance costs

	<b>Restricted funds £ 000</b>	<b>Total 2020 £ 000</b>	<b>Total 2019 £ 000</b>
Audit fees			
Audit of the financial statements	18	18	18
Other fees paid to auditors	15	15	6
Trustees remuneration and expenses	11	11	10
Strategic management	-	-	27
	<u>44</u>	<u>44</u>	<u>61</u>

# Plymouth Marine Laboratory

## Notes to the Financial Statements

Year Ended 31 March 2020

### 7 Net incoming/outgoing resources

This is stated after charging/(crediting):

	<b>2020</b>	<b>2019</b>
	<b>£ 000</b>	<b>£ 000</b>
Audit fees	18	18
Other non-audit services	15	6
Depreciation of fixed assets	1,065	904
Operating leases - other assets	141	83
Deferred grants released	(712)	(618)
Foreign currency gains	(139)	(15)
Finance charges payable	7	11
	<u>7</u>	<u>11</u>

### 8 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the group during the year.

Trustees expenses amounting to £5k (2019: £2k) were reimbursed during the year.

### 9 Staff costs

The aggregate payroll costs were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	6,010	5,621
Social security costs	626	597
Pension costs	641	632
Restructuring costs	84	249
	<u>7,361</u>	<u>7,099</u>

The monthly average number of persons (including senior management team) employed by the group during the year expressed as full time equivalents was as follows:

	<b>2020</b>	<b>2019</b>
	<b>No</b>	<b>No</b>
Permanent staff - Science and support	101	107
Permanent staff - Management and admin	43	37
Temporary staff	19	9
	<u>163</u>	<u>153</u>

# Plymouth Marine Laboratory

## Notes to the Financial Statements

### Year Ended 31 March 2020

The number of employees whose emoluments fell within the following bands was:

	<b>2020</b>	<b>2019</b>
	<b>No</b>	<b>No</b>
£60,001 - £70,000	1	1
£70,001 - £80,000	4	5
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1
£100,001 - £110,000	-	1
£120,001 - £130,000	-	1
	<u>          </u>	<u>          </u>

The total employee benefits of the key management personnel of the group were £510,844 (2019 - £538,000).

#### 10 Auditors' remuneration

	<b>2020</b>	<b>2019</b>
	<b>£ 000</b>	<b>£ 000</b>
Audit of the financial statements	<u>18</u>	<u>18</u>
<b>Other fees to auditors</b>		
All other assurance services	<u>15</u>	<u>6</u>

#### 11 Taxation

The group is a registered charity and is therefore exempt from taxation.

# Plymouth Marine Laboratory

## Notes to the Financial Statements

Year Ended 31 March 2020

### 12 Intangible fixed assets

#### Group

	<b>Software £ 000</b>	<b>Total £ 000</b>
<b>Cost</b>		
At 1 April 2019	563	563
Additions	39	39
At 31 March 2020	<u>602</u>	<u>602</u>
<b>Amortisation</b>		
Charge for the year	56	56
At 31 March 2020	<u>56</u>	<u>56</u>
<b>Net book value</b>		
At 31 March 2020	<u>546</u>	<u>546</u>
At 31 March 2019	<u>563</u>	<u>563</u>

#### Charity

	<b>Software £ 000</b>	<b>Total £ 000</b>
<b>Cost</b>		
At 1 April 2019	563	563
Additions	39	39
At 31 March 2020	<u>602</u>	<u>602</u>
<b>Amortisation</b>		
Charge for the year	56	56
At 31 March 2020	<u>56</u>	<u>56</u>
<b>Net book value</b>		
At 31 March 2020	<u>546</u>	<u>546</u>
At 31 March 2019	<u>563</u>	<u>563</u>



# Plymouth Marine Laboratory

## Notes to the Financial Statements

Year Ended 31 March 2020

### 13 Tangible fixed assets

#### Group

	Land and buildings £ 000	Furniture and equipment £ 000	Ships and vehicles £ 000	Assets under construction £ 000	Total £ 000
<b>Cost</b>					
At 1 April 2019	7,046	10,549	810	-	18,405
Additions	<u>222</u>	<u>60</u>	<u>-</u>	<u>1,125</u>	<u>1,407</u>
At 31 March 2020	<u>7,268</u>	<u>10,609</u>	<u>810</u>	<u>1,125</u>	<u>19,812</u>
<b>Depreciation</b>					
At 1 April 2019	816	8,022	578	-	9,416
Charge for the year	<u>423</u>	<u>546</u>	<u>41</u>	<u>-</u>	<u>1,010</u>
At 31 March 2020	<u>1,239</u>	<u>8,568</u>	<u>619</u>	<u>-</u>	<u>10,426</u>
<b>Net book value</b>					
At 31 March 2020	<u>6,029</u>	<u>2,041</u>	<u>191</u>	<u>1,125</u>	<u>9,386</u>
At 31 March 2019	<u>6,230</u>	<u>2,527</u>	<u>232</u>	<u>-</u>	<u>8,989</u>

Included within the net book value of land and buildings above is £Nil (2019 - £Nil) in respect of freehold land and buildings and £6,030,000 (2019 - £6,230,000) in respect of leaseholds.

#### Restriction on title and pledged as security

Freehold property with a carrying amount of £6,030,000 (2019: £6,230,000) has been pledged as security for the bank loans.

# Plymouth Marine Laboratory

## Notes to the Financial Statements

Year Ended 31 March 2020

### Charity

	Land and buildings £ 000	Furniture and equipment £ 000	Ships and vehicles £ 000	Assets under construction £ 000	Total £ 000
<b>Cost</b>					
At 1 April 2019	7,046	10,510	810	-	18,366
Additions	<u>222</u>	<u>60</u>	<u>-</u>	<u>1,125</u>	<u>1,407</u>
At 31 March 2020	<u>7,268</u>	<u>10,570</u>	<u>810</u>	<u>1,125</u>	<u>19,773</u>
<b>Depreciation</b>					
At 1 April 2019	816	7,987	578	-	9,381
Charge for the year	<u>423</u>	<u>544</u>	<u>41</u>	<u>-</u>	<u>1,008</u>
At 31 March 2020	<u>1,239</u>	<u>8,531</u>	<u>619</u>	<u>-</u>	<u>10,389</u>
<b>Net book value</b>					
At 31 March 2020	<u>6,029</u>	<u>2,039</u>	<u>191</u>	<u>1,125</u>	<u>9,384</u>
At 31 March 2019	<u>6,230</u>	<u>2,523</u>	<u>232</u>	<u>-</u>	<u>8,985</u>

Included within the net book value of land and buildings above is £Nil (2019 - £Nil) in respect of freehold land and buildings and £6,030,000 (2019 - £6,230,000) in respect of leaseholds.

### Restriction on title and pledged as security

Land and buildings with a carrying amount of £6,030,000 (2019 - £6,230,000) has been pledged as security for the bank loans.

# Plymouth Marine Laboratory

## Notes to the Financial Statements

Year Ended 31 March 2020

### 14 Fixed asset investments

#### Group

	<b>2020</b>	<b>2019</b>
	<b>£ 000</b>	<b>£ 000</b>
Other investments	<u>2,837</u>	<u>3,105</u>

#### Other investments

	<b>Listed investments £ 000</b>
<b>Cost or Valuation</b>	
At 1 April 2019	3,105
Revaluation	(224)
Additions	128
Disposals	(150)
Investment manager fee	<u>(22)</u>
At 31 March 2020	<u>2,837</u>
<b>Net book value</b>	
At 31 March 2020	<u>2,837</u>
At 31 March 2019	<u>3,105</u>

#### Charity

	<b>2020</b>	<b>2019</b>
	<b>£ 000</b>	<b>£ 000</b>
Shares in group undertakings and participating interests	100	100
Other investments	<u>2,837</u>	<u>3,105</u>
	<u>2,937</u>	<u>3,205</u>

# Plymouth Marine Laboratory

## Notes to the Financial Statements

Year Ended 31 March 2020

### Shares in group undertakings and participating interests

	<b>Subsidiary undertakings £ 000</b>	<b>Total £ 000</b>
<b>Cost</b>		
At 1 April 2019	100	100
At 31 March 2020	100	100
<b>Net book value</b>		
At 31 March 2020	100	100
At 31 March 2019	100	100

### Other investments

	<b>Listed investments £ 000</b>
<b>Cost or Valuation</b>	
At 1 April 2019	3,105
Revaluation	(224)
Additions	128
Disposals	(150)
Investment fees	(22)
At 31 March 2020	2,837
<b>Net book value</b>	
At 31 March 2020	2,837
At 31 March 2019	3,105

# Plymouth Marine Laboratory

## Notes to the Financial Statements

Year Ended 31 March 2020

### Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2020	2019	
<b>Subsidiary undertakings</b>					
PML Applications Ltd Prospect Place, West Hoe, Plymouth, PL1 3DH	England and Wales	Ordinary shares	100%	100%	Marine research
Plymouth Marine Science and Technology Park Limited Prospect Place, West Hoe, Plymouth, PL1 3DH	England and Wales	Ordinary shares	100%	100%	Development of Science Park - currently dormant
GenePro Ltd (held by a subsidiary) Prospect Place, West Hoe, Plymouth, PL1 3DH	England	Ordinary	100%	100%	Exploitation of intellectual property currently dormant

# Plymouth Marine Laboratory

## Notes to the Financial Statements

Year Ended 31 March 2020

### Subsidiaries

The profit for the financial period of PML Applications Ltd was £455,243 (2019 - £270,939) and the aggregate amount of capital and reserves at the end of the period was £573,647 (2019 - £389,343).

The profit for the financial period of Plymouth Marine Science and Technology Park Limited was £Nil (2019 - £Nil) and the aggregate amount of capital and reserves at the end of the period was £Nil (2019 - £Nil).

The profit for the financial period of GenePro Ltd (held by a subsidiary) was £Nil (2019 - £Nil) and the aggregate amount of capital and reserves at the end of the period was £Nil (2019 - £Nil).

### 15 Debtors

	<b>2020</b>	<b>Group</b>	<b>2020</b>	<b>Charity</b>
	<b>£ 000</b>	<b>2019</b>	<b>£ 000</b>	<b>2019</b>
		<b>£ 000</b>		<b>£ 000</b>
Trade debtors	1,453	1,160	1,262	984
Due from group undertakings	-	-	345	152
Prepayments	136	174	136	171
Accrued income	1,608	1,407	1,557	1,329
VAT recoverable	1	-	-	-
Other debtors	9	24	9	24
	<u>3,207</u>	<u>2,765</u>	<u>3,309</u>	<u>2,660</u>

### 16 Cash and cash equivalents

	<b>2020</b>	<b>Group</b>	<b>2020</b>	<b>Charity</b>
	<b>£ 000</b>	<b>2019</b>	<b>£ 000</b>	<b>2019</b>
		<b>£ 000</b>		<b>£ 000</b>
Cash at bank	5,100	3,610	4,171	2,974
Short-term deposits	18	366	18	362
	<u>5,118</u>	<u>3,976</u>	<u>4,189</u>	<u>3,336</u>

#### Balances held by the group that are not available for use by the group

At year end no cash (2019: £Nil) was held on behalf of other project partners, e.g. where PML acts as co-ordinator of EC contracts.

# Plymouth Marine Laboratory

## Notes to the Financial Statements

Year Ended 31 March 2020

### 17 Creditors: amounts falling due within one year

	<b>2020</b>	<b>Group</b>	<b>2020</b>	<b>Charity</b>
	<b>£ 000</b>	<b>2019</b>	<b>£ 000</b>	<b>2019</b>
		<b>£ 000</b>		<b>£ 000</b>
Bank loans	161	96	161	96
Trade creditors	639	366	633	362
Due to group undertakings	-	-	13	12
Other taxation and social security	192	229	183	222
Other creditors	50	36	45	40
Accruals	1,779	1,681	1,727	1,616
Deferred income	5,389	4,850	5,192	4,558
	<u>8,210</u>	<u>7,258</u>	<u>7,954</u>	<u>6,906</u>

### Bank borrowings

A bank loan to finance the purchase of the West Hoe site is denominated in £ sterling with a nominal interest rate of 1.85% above bank base rate (2019 - 1.85% above bank base rate), and the final instalment is due on 14 April 2021. The carrying amount at year end is £120,000 (2019 - £215,000).

The loan is secured on a first legal mortgage over the leasehold property at Prospect Place, The Hoe, Plymouth.

A bank loan of £200,000 to finance the purchase of a new business management system is denominated in £ sterling with a nominal interest rate of 2.55% above bank base rate (2019 - 2.55% above bank base rate), and the final instalment is due on 19 January 2022. The carrying amount at year end is £80,000 (2019 - £119,000).

The loan was secured on the first legal mortgage over the leasehold property at Prospect Place, The Hoe, Plymouth.

# Plymouth Marine Laboratory

## Notes to the Financial Statements

Year Ended 31 March 2020

### 18 Creditors: amounts falling due after one year

	<b>2020</b>	<b>Group</b>	<b>2020</b>	<b>Charity</b>
	<b>£ 000</b>	<b>2019</b>	<b>£ 000</b>	<b>2019</b>
		<b>£ 000</b>		<b>£ 000</b>
Bank loans	39	238	39	238
Deferred income	6,292	5,813	6,292	5,813
	<u>6,331</u>	<u>6,051</u>	<u>6,331</u>	<u>6,051</u>

### Deferred Capital grants - Group and company

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Amounts to be released:		
Within one year	683	749
In two to five years	1,547	1,649
In over five years	4,745	4,119
	<u>6,975</u>	<u>6,517</u>

### Analysis of Deferred capital grants - Group and company

	<b>2020</b>	<b>2019</b>
	<b>£ 000</b>	<b>£ 000</b>
Deferred capital grant brought forward	(6,562)	(5,230)
Resources deferred in the period	(1,125)	(1,950)
Amounts released from previous periods	712	618
Deferred capital grant at year end	<u>(6,975)</u>	<u>(6,562)</u>

### 19 Obligations under leases and hire purchase contracts

#### Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:



# Plymouth Marine Laboratory

## Notes to the Financial Statements

Year Ended 31 March 2020

	2020 £ 000	Group 2019 £ 000	2020 £ 000	Charity 2019 £ 000
<b>Land and buildings</b>				
Within one year	41	30	41	30
Between one and five years	86	97	86	97
After five years	194	251	194	251
	<u>321</u>	<u>378</u>	<u>321</u>	<u>378</u>
<b>Other</b>				
Within one year	122	46	122	46
Between one and five years	317	71	317	71
After five years	1	-	1	-
	<u>440</u>	<u>117</u>	<u>440</u>	<u>117</u>

In addition to the financial commitments listed above a long term lease to 2094 has an annual commitment of £25k per annum.

The amount of non-cancellable operating lease payments recognised as an expense during the year was £116k (2019: £83k).

### 20 Commitments

#### Group and charity

#### Capital commitments

Commitments for purchase of capital equipment. These amounts are fully funded.

The total amount contracted for but not provided in the financial statements was £158k (2019 - £18k).

# **Plymouth Marine Laboratory**

## **Notes to the Financial Statements**

**Year Ended 31 March 2020**

### **Pension commitments**

UKRI-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 Royal London Mutual Insurance Society Ltd. (formerly Scottish Life). Contributions for the year were a minimum of employer's 6.5% and employees 3.5%.

The pension cost charge for the year represents contributions payable by the company to the schemes and amounted to £638k (2019: £632k). Commitments provided for in the accounts amounted to £46,000 (2019 - £39,000). Commitments not provided for in the accounts amounted to £Nil (2019 - £Nil). £Nil relates to pension commitments related to pensions payable to past directors (2019 - £Nil).

# Plymouth Marine Laboratory

## Notes to the Financial Statements

Year Ended 31 March 2020

### 21 Funds

#### Group

	Balance at 1 April 2019 £ 000	Incoming resources £ 000	Resources expended £ 000	Other recognised gains/ (losses) £ 000	Balance at 31 March 2020 £ 000
<b>Unrestricted funds</b>					
<i>General</i>					
Unrestricted funds - general	2,347	2,076	(1,360)	(224)	2,839
<i>Designated</i>					
Research Fellows	400	-	(104)	-	296
Lecture theatre	217	-	(38)	-	179
Head Lease	408	-	(24)	-	384
Leasehold land & buildings	1,909	-	-	-	1,909
Oceansgate Facility	150	-	(1)	-	149
Development Officer	128	-	(6)	-	122
New business system	530	-	(55)	-	475
Educational support fund	-	200	-	-	200
	<u>3,742</u>	<u>200</u>	<u>(228)</u>	<u>-</u>	<u>3,714</u>
<b>Total unrestricted funds</b>	6,089	2,276	(1,588)	(224)	6,553
<b>Restricted funds</b>					
Restricted funds	<u>-</u>	<u>14,140</u>	<u>(14,140)</u>	<u>-</u>	<u>-</u>
<b>Total funds</b>	<u><u>6,089</u></u>	<u><u>16,416</u></u>	<u><u>(15,728)</u></u>	<u><u>(224)</u></u>	<u><u>6,553</u></u>

# Plymouth Marine Laboratory

## Notes to the Financial Statements

Year Ended 31 March 2020

	Balance at 1 April 2018 £ 000	Incoming resources £ 000	Resources expended £ 000	Transfers £ 000	Other recognised gains/(losses) £ 000	Balance at 31 March 2019 £ 000
<b>Unrestricted funds</b>						
<b>General</b>						
Unrestricted funds - general	1,331	1,724	(977)	95	174	2,347
<b>Designated</b>						
Research Fellows	400	-	-	-	-	400
Lecture theatre	255	-	(38)	-	-	217
Head Lease	432	-	(24)	-	-	408
Refurbishment	400	-	-	(400)	-	-
Leasehold land & buildings	1,909	-	-	-	-	1,909
Oceansgate Facility	100	-	-	50	-	150
Linux backup	275	-	-	(275)	-	-
Development Officer	150	-	(22)	-	-	128
New business system	-	-	-	530	-	530
	<u>3,921</u>	<u>-</u>	<u>(84)</u>	<u>(95)</u>	<u>-</u>	<u>3,742</u>
<b>Total unrestricted funds</b>	<b>5,252</b>	<b>1,724</b>	<b>(1,061)</b>	<b>-</b>	<b>174</b>	<b>6,089</b>
<b>Restricted funds</b>						
Restricted funds	<u>-</u>	<u>12,101</u>	<u>(12,101)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total funds</b>	<u><u>5,252</u></u>	<u><u>13,825</u></u>	<u><u>(13,162)</u></u>	<u><u>-</u></u>	<u><u>174</u></u>	<u><u>6,089</u></u>

# Plymouth Marine Laboratory

## Notes to the Financial Statements

Year Ended 31 March 2020

### Charity

	Balance at 1 April 2019 £ 000	Incoming resources £ 000	Resources expended £ 000	Other recognised gains/ (losses) £ 000	Balance at 31 March 2020 £ 000
<b>Unrestricted funds</b>					
<i>General</i>					
Unrestricted funds	2,050	1,548	(1,007)	(224)	2,367
<i>Designated</i>					
Research Fellows	400	-	(104)	-	296
Lecture theatre	217	-	(38)	-	179
Head lease	408	-	(24)	-	384
Leasehold land & buildings	1,909	-	-	-	1,909
Oceangate Facility	150	-	(2)	-	148
Development Officer	128	-	(6)	-	122
New Business System	530	-	(55)	-	475
Educational support fund	-	200	-	-	200
	<u>3,742</u>	<u>200</u>	<u>(229)</u>	<u>-</u>	<u>3,713</u>
<b>Total Unrestricted funds</b>	5,792	1,748	(1,236)	(224)	6,080
<b>Restricted funds</b>					
Restricted funds	-	14,140	(14,140)	-	-
<b>Total funds</b>	<u><u>5,792</u></u>	<u><u>15,888</u></u>	<u><u>(15,376)</u></u>	<u><u>(224)</u></u>	<u><u>6,080</u></u>

# Plymouth Marine Laboratory

## Notes to the Financial Statements

Year Ended 31 March 2020

	Balance at 1 April 2018 £ 000	Incoming resources £ 000	Resources expended £ 000	Transfers £ 000	Other recognised gains/(losses) £ 000	Balance at 31 March 2019 £ 000
<b>Unrestricted funds</b>						
<b>General</b>						
Unrestricted funds	1,312	1,147	(678)	95	174	2,050
<b>Designated</b>						
Research Fellows	400	-	-	-	-	400
Lecture theatre	255	-	(38)	-	-	217
Head lease	432	-	(24)	-	-	408
Refurbishment	400	-	-	(400)	-	-
Leasehold land & buildings	1,909	-	-	-	-	1,909
Oceangate Facility	100	-	-	50	-	150
Linux backup	275	-	-	(275)	-	-
Development Officer	150	-	(22)	-	-	128
New Business System	-	-	-	530	-	530
	<u>3,921</u>	<u>-</u>	<u>(84)</u>	<u>(95)</u>	<u>-</u>	<u>3,742</u>
<b>Total unrestricted funds</b>	<b>5,233</b>	<b>1,147</b>	<b>(762)</b>	<b>-</b>	<b>174</b>	<b>5,792</b>
<b>Restricted funds</b>						
Restricted funds	<u>-</u>	<u>12,101</u>	<u>(12,101)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total funds</b>	<u><u>5,233</u></u>	<u><u>13,248</u></u>	<u><u>(12,863)</u></u>	<u><u>-</u></u>	<u><u>174</u></u>	<u><u>5,792</u></u>

# Plymouth Marine Laboratory

## Notes to the Financial Statements

Year Ended 31 March 2020

### 22 Analysis of net assets between funds

#### Group

	Unrestricted funds		Total funds £ 000
	General £ 000	Designated £ 000	
Intangible fixed assets	546	-	546
Tangible fixed assets	6,290	3,096	9,386
Fixed asset investments	2,219	618	2,837
Current assets	8,325	-	8,325
Current liabilities	(8,210)	-	(8,210)
Creditors over 1 year	(6,331)	-	(6,331)
Total net assets	<u>2,839</u>	<u>3,714</u>	<u>6,553</u>

	Unrestricted funds		Total funds at 31 March 2019 £ 000
	General £ 000	Designated £ 000	
Intangible fixed assets	563	-	563
Tangible fixed assets	5,925	3,064	8,989
Fixed asset investments	2,427	678	3,105
Current assets	6,741	-	6,741
Current liabilities	(7,258)	-	(7,258)
Creditors over 1 year	(6,051)	-	(6,051)
Total net assets	<u>2,347</u>	<u>3,742</u>	<u>6,089</u>

# Plymouth Marine Laboratory

## Notes to the Financial Statements

Year Ended 31 March 2020

### Charity

	Unrestricted funds		Total funds £ 000
	General £ 000	Designated £ 000	
Intangible fixed assets	546	-	546
Tangible fixed assets	6,289	3,095	9,384
Fixed asset investments	2,319	618	2,937
Current assets	7,498	-	7,498
Current liabilities	(7,955)	-	(7,955)
Creditors over 1 year	(6,331)	-	(6,331)
Total net assets	<u>2,366</u>	<u>3,713</u>	<u>6,079</u>

	Unrestricted funds		Total funds at 31 March 2019 £ 000
	General £ 000	Designated £ 000	
Intangible fixed assets	563	-	563
Tangible fixed assets	5,921	3,064	8,985
Fixed asset investments	2,527	678	3,205
Current assets	5,998	-	5,998
Current liabilities	(6,908)	-	(6,908)
Creditors over 1 year	(6,051)	-	(6,051)
Total net assets	<u>2,050</u>	<u>3,742</u>	<u>5,792</u>



# Plymouth Marine Laboratory

## Notes to the Financial Statements

Year Ended 31 March 2020

### 23 Analysis of net funds

#### Group

	At 1 April 2019 £ 000	Cash flow £ 000	Other non-cash changes £ 000	At 31 March 2020 £ 000
Cash at bank and in hand	3,976	1,142	-	5,118
Debt due within one year	(96)	134	(199)	(161)
Debt due after more than one year	(238)	-	199	(39)
Net debt	<u>3,642</u>	<u>1,276</u>	<u>-</u>	<u>4,919</u>

#### Group

	At 1 April 2018 £ 000	Cash flow £ 000	Other non-cash changes £ 000	At 31 March 2019 £ 000
Cash at bank and in hand	3,396	580	-	3,976
Debt due within one year	(106)	144	(134)	(96)
Debt due after more than one year	(372)	-	134	(238)
Net debt	<u>2,918</u>	<u>724</u>	<u>-</u>	<u>3,642</u>

### 24 Financial instruments

#### Group

##### Categorisation of financial instruments

	2020 £ 000	2019 £ 000
Financial assets measured at fair value through profit or loss	<u>4</u>	<u>19</u>

##### Financial assets measured at fair value

###### Forward exchange contracts

Comparison of the year end spot rate (which acts as an approximation for the fair value of the contracts) with the contracted rate.

The fair value is £4,000 (2019 - £19,000) and the change in value included in profit or loss is £15,000 (2019 - £9,000).

# **Plymouth Marine Laboratory**

## Notes to the Financial Statements

Year Ended 31 March 2020

### **25 Related party transactions**

#### **Group**

During the year the group made the following related party transactions:

#### **Valeport Limited**

(A director of the subsidiary company PML Applications Ltd is a shareholder in Valeport Limited) The subsidiary company provided services totalling £1,000 to Valeport Limited during the year. At the balance sheet date the amount due to/from Valeport Limited was £Nil (2019 - £Nil).

The charity has taken advantage of the exemption under FRS102 section 33 not to disclose intra-group transactions with its subsidiary, PML Applications Ltd.

There were no other related party transactions for the group or charity during the year.