



**REPORT AND FINANCIAL STATEMENTS
31 MARCH 2013**

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

REPORT OF THE TRUSTEES

The Trustees, who are also Directors of Plymouth Marine Laboratory (PML) for the purposes of the Companies Act, submit their annual report and the audited financial statements for the period ended 31 March 2013. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP), revised in 2005, in preparing the annual report and financial statements of PML.

Reference and Administrative Details

Plymouth Marine Laboratory; also known as PML

Charity number

1091222

Company number

4178503

Registered office

Prospect Place, The Hoe, Plymouth, PL1 3DH

Directors and Trustees

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

T Lewis (Chairman)
Lord Berkeley
Admiral Sir James Burnell-Nugent KCB, CBE
A Dixon OBE (Honorary Treasurer)
G Hart
J Johns (resigned 12/10/12)
K Morgan OBE (retired 11/11/12)
Prof R Rayner
Dr C Roy (resigned 09/01/13)
S Sherrard (appointed 13/08/12)
J Timberlake (appointed 08/11/12)
Prof B Ward

Senior Management Team

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

Prof S de Mora (Chief Executive)
Prof I Allen (from February 2013)
Prof M Barange
Dr P Claridge (retired March 2013)
D Loynes (retired June 2012)
C Smith
C Taysom (appointed October 2012)
B Tremain (Company Secretary)
Dr S Widdicombe (until February 2013)

Auditors

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

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Bankers

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

Solicitors

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

Investment Managers

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

STRUCTURE, GOVERNANCE & MANAGEMENT

Governing Document

Plymouth Marine Laboratory (PML) is a company limited by guarantee governed by its Memorandum and Articles of Association adopted in July 2010 (following changes in both charity and company law) and amended by special resolutions. PML is registered as a charity with the Charity Commission. Membership of PML is open to any individual or organisation interested in promoting the Objects. There are currently seven members, each of whom undertakes to contribute such amount as may be required (not exceeding £10) to PML's assets in the event of it being wound up.

Appointment of Trustees

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

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

Induction and Training of Trustees

New Trustees 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 the research and knowledge exchange activities undertaken by PML and also the activities 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 CC10 "Hallmarks of an Effective Charity", the Memorandum & Articles of Association, PML's Strategy "*Science for Society*" 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 by internal or external providers, including attendance at seminars or conferences. PML has in place policies on the induction and training of Trustees.

During the year inductions were carried out for Mr Sherrard and Mrs Timberlake.

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Organisational Structure

The Board of Trustees, which can have up to 11 members, administers 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. The Chief Executive is given delegated authority for the day-to-day operation, delivered through the Senior Management Team, including scientific, financial and employment related matters. The specific levels of authority are detailed in a statement of Delegated Authority. The Chief Executive reports regularly to the Board on key aspects of PML's performance and also submits an Annual Statement on Internal Control, reporting to the Board on all areas of PML's operations, including Governance & Management, Financial Management, Research Management and Safety, Health & Environment.

Related Parties

PML is eligible to bid for funding from the Natural Environment Research Council (NERC) under its three main categories – National Capability (NC), Research Programme (RP) and Responsive Mode (RM). National capability enables the UK to deliver world-leading environmental science, support national strategic needs, and respond to emergencies. PML is designated a Delivery Partner for "National Capability" and receives this element of funding from NERC via the National Oceanography Centre, who manage marine National Capability on behalf of NERC. There are also a number of NERC staff who work for PML; this arrangement was formalised through a staff loan agreement signed in 2002 as part of the transfer of ownership process from NERC.

In April 2011 PML purchased its site head lease from NERC. The land is leased from Plymouth City Council until 2094.

PML is a member of the National Centre for Ocean Forecasting through a Memorandum of Understanding, which has formalised collaborations with *inter alia* the Met Office. PML also has a Memorandum of Understanding with the University of Exeter to collaborate in particular areas of research. A number of professorial chairs at the University of Exeter are held by PML staff. Other Memoranda of Understanding are in place with various partners with whom PML collaborates to undertake activities, including the Korea Institute of Ocean Science & Technology (KIOST) and the Monterey Bay Aquarium Research Institute (MBARI) in California.

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

Risk management

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

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AIMS & OBJECTIVES FOR PUBLIC BENEFIT

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

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

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

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

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

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

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

Ensuring Delivery of Aims and Objectives

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

In addition to PML's principal (core) activities, specific operating objectives for this year included:

- achieving at least 125 high quality publications
- delivering the specific objectives of commissioned research projects
- launching a fundraising campaign
- promoting engagement with policy makers, encouraging national and international exposure.

Achievements against these objectives are detailed in the following section.

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ACHIEVEMENTS & PERFORMANCE

How the Charity's Activities Delivered Public Benefit

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

1. High Quality Research

During the calendar year 2012 PML scientists produced a total of 132 publications, 127 of which were ISI or peer reviewed papers, and 45 of which were first authored. The number of papers exceeded target and there has also been a very slight increase in the average impact factor per paper. These publications are available to the wider scientific research community to use, as is much of the data from the research undertaken.

The Research Councils in the UK, in particular the Natural Environment Research Council (NERC), and the UK university sector benefit from the strategic research capability provided by PML. Moreover, the National Capability work undertaken by PML provides excellent, effective and high impact activities that benefit the UK and beyond, for example:

- the Western Channel Observatory is part of an international observation effort to monitor the oceans and supports a globally unique time-series;
- the Atlantic Meridional Transect provides a unique platform for UK and international scientists to undertake novel marine research;
- the world-leading ecosystem modelling expertise at PML is helping to advance understanding of (i) the role of ocean biogeochemistry in climate change and (ii) ecosystem responses to climatic change, and
- Data processing undertaken by PML as part of the NERC Earth Observation Data Acquisition and Analysis Service (NEODAAS) supports UK research scientists with remote sensing data and information.

The high quality research undertaken and the scientific understanding generated by PML assist government departments and agencies in their decision-making processes. A number of PML's scientists are members of international and national committees, or perform specific roles at an international or national level, including chairing the Scientific Committee of the International Council for the Exploration of the Seas; acting as Chief Scientific Advisor to the UK's Marine Management Organisation; being members of the Department for Environment, Food & Rural Affairs' (DEFRA) Marine Science Co-ordination Committee and Marine Fisheries Science Advisory Group, the Research Council UK Energy Programme Scientific Steering Group and the Advisory Board for the UK Carbon Capture & Storage Community Network.

PML contributes to policy development by way of its research and specific advice. This year PML also contributed to policy consultations and parliamentary inquiries on the following topics:-

- global food security
- marine science
- a Severn barrage
- accounting for the value of nature in the UK
- sustainability in the UK overseas territories

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- European and UK space agencies
- water quality.

The quality of PML's research was recognised again this year in a Thomson Reuters performance analysis commissioned by the NERC and published in August 2012. PML was amongst the most highly cited in scientific publications across the UK environmental science community. A second measure showed that PML also had the lowest number of uncited papers – those which have only been published recently or not yet been deemed of sufficient merit for others to use in their research.

For further information on PML's research activities please see our Annual Review 2012, available on-line at <http://www.pml-ar2012.org/>

2. **National & International Leadership**

A clear indicator of PML's national and international leadership is its continued success in winning new commissioned research. In the UK PML has been successful in bidding for research funding from the NERC-Defra Shelf Sea Biogeochemistry programme, either leading projects or being a major contributor to others. Equally, there has been success in bidding for research funding from the European Commission.

The research undertaken by PML contributes to greater understanding and better decision-making to look after the ocean's precious resources for society into the future. Below is a small sample of new research projects which commenced during the year:-

- ***MyOcean2***: this is an EC funded project which operates a rigorous, robust and sustainable Ocean Monitoring and Forecasting component of the Global Monitoring for Environment and Security Marine Service, delivering ocean physical state and ecosystem information to users in the areas of marine safety, marine resources, marine and coastal environment and climate, and seasonal and weather forecasting.
- ***Development of innovative tools for understanding marine biodiversity and assessing good environmental status (DEVOTES)***: this is also an EC funded project and aims to improve the understanding of the impacts of human activities and variations due to climate change on marine biodiversity.
- ***UK Carbon Capture & Storage Research Centre (UKCCSRC)***: PML is a major player in this virtual centre, the aim of which is to innovate, lead and co-ordinate a programme of underpinning research on all aspects of carbon capture and storage in support of basic science and UK government efforts on energy and climate change.

By undertaking this research PML is able to contribute to and address both national and European policy needs, including the Marine Strategy Framework Directive (MSFD). This Directive aims to achieve Good Environmental Status in Europe's seas by 2020 and protect more effectively the marine environment across Europe for the long-term benefit of society, which mirrors many aims of PML's Strategy "*Science for Society*".

Another indicator of international leadership is the participation by PML scientists in high level meetings on the international stage, which during the year included:

- ***the 3rd International Symposium on the Ocean in a High CO₂ World***, Monterey, California, scientists from PML made a significant contribution to discussions on the potential impacts that the ocean will face as more and more carbon dioxide (CO₂) is released into the Earth's atmosphere, much of which will enter the ocean.

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- ***the Yeosu Declaration as part of Expo 2012***, Yeosu, Korea, which aims to promote greater stewardship of the marine environment, sharing understanding of how oceans and coastal resources can be enjoyed in a sustainable way for the world's present and future generations
- ***the 2nd international symposium on "Effects of Climate Change on the World's Oceans"***, Yeosu, Korea, which attracted over 400 scientists from 48 countries and where PML was invited to chair and speak at sessions.

3. Knowledge Exchange

Communicating and disseminating the results and outcomes of its research and educating society in the widest sense on the importance of the ocean is a significant part of PML's remit. Knowledge exchange to PML's numerous stakeholders and beneficiaries is undertaken at various levels from the individual scientist to corporate events. Particular highlights during the year included:-

- ***Quantifying and Monitoring Potential Ecosystem Impacts of Geological Carbon Storage (QICS)***: a world-first experiment took place in May 2012 in a loch in Oban as part of this PML led project to monitor what might happen if CO₂ leaks from an underground storage reservoir. Part of the process was to engage with the local community by raising public awareness and understanding of the research being undertaken.
- ***Rio+20 the United Nations (UN) Conference on Sustainable Development & COP18 UN Climate Change Conference***: PML highlighted the triple stressors of ocean warming, acidification and deoxygenation to high level delegates from many countries across the world.
- ***House of Commons exhibition & House of Lords event***: an exhibition on "How can we sustain the world's largest ecosystem" was held by PML at the House of Commons in May 2012, with members of both Houses and government advisors being amongst its visitors. This was followed in February 2013 by a PML event at the House of Lords to deliver its message to "Listen to the Ocean". The event was attended by industry, charitable foundations as well as MPs and peers and was aimed at raising further awareness of PML's activities, potentially leading to new funders.
- ***Oceans of Potential Conference***: this conference, organised by PML and attracting international experts, looked at how we can use the oceans sustainably, by unlocking their potential in a careful and considerate way. It also included a public debate on the topic of "can fisheries be sustainable in a changing world".

Engaging stakeholders and the wider public through non-traditional communication channels is essential in a fast-changing, technology driven world. Examples of PML using more modern approaches are as follows:-

- ***Marine Ecosystem Evolution in a Changing Environment (MEECE) Atlas***: this EC funded project, led by PML, has developed an innovative, interactive on-line atlas to illustrate the state of the European marine environment and how it may change in the future. The atlas helps inform policy makers and environmental managers, as well as the public, and is available at http://www.pml.ac.uk/media/news_highlights/meece_atlas.aspx
- ***PML "Coffee-break Science"***: With the help of NERC funding PML has developed its first in a series of short films, enabling scientists to explain their area of research in layman's terms within the time it takes to drink a cup of coffee. The first film entitled "Sea, Satellites and CO₂" is available for public viewing on YouTube through the link at http://www.pml.ac.uk/media/podcasts/coffee_break_science.aspx
- ***Energy Bits Film-making Project***: PML scientists assisted students from Bodmin College, Cornwall in making biofuel from algae. The project was filmed as part of the Energy Bits project

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which is supported by the Intelligent Energy Europe Programme. The film is available to view at <http://www.guardian.co.uk/science/video/2012/dec/14/biofuels-fuelling-future-video>

- ***Twitter and Marine Ripple Effect:*** PML now has an established presence on Twitter, regularly engaging with its followers. PML is also at the hub of communicating marine science stories in the UK through Marine Ripple Effect which it administers for the Marine Science Co-ordination Committee.

PML also has a specific commitment to providing a learning environment, which is demonstrated by its involvement in education ranging from PhD studentships to engagement with schools by way of work experience placements and a National Science & Engineering week event entitled "Nature's Inventions".

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

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FINANCIAL REVIEW

Results for the year

Net incoming resources for the year amounted to £511,643 (2012 - £305,903). After adjusting for realised and unrealised investment gains, the net movement in funds for the year amounted to £752,632 (2012 - £360,899).

Reserves policy

A reserves policy was developed and adopted by PML in its first year of operation and subsequently revised. The reserves policy underwent a thorough review during 2012. 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.

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. During the year the Trustees made no additional designations and undesignated the sums of £253,810 for strategic appointments and £50,000 for the event held at the House of Lords.

Bank balances increased over the year from £2.8m to £3.8m. This figure includes £1.4m where PML acts as co-ordinator of EC contracts, but yet to be paid over to partners in the contracts.

Principal Funding Sources

Income was derived principally from commissioned research of £5.5m from a variety of customers, including the European Commission, NERC and the European Space Agency, and the NERC Research Programme and National Capability funding, amounting to £4.1m. The income has enabled PML to undertake strategic and applied research, generating knowledge and publications, as well as carrying out the activities listed under Achievements and Performance.

Against a background of reduced NERC National Capability funding, PML scientists have been successful in terms of winning commissioned research funding. New contracts won during the financial year were valued at £6m.

Investment policy

PML's investment policy underwent some minor amendments, having been redrafted in early 2012 following changes to the Charity Commission guidance. The objectives of this policy are to maintain and, if possible, enhance the real value of the reserves represented by its investments, whilst operating a medium risk strategy. PML also aims to achieve the best financial return consistent with ethical principles reflecting its aims as a charity. These objectives are pursued through a strategic investment policy which involves a broadly diversified spread of assets, covering UK and overseas equities, UK government and non-government bonds and pooled property funds. The portfolio of investments is managed by a professional asset management organisation approved by the Trustees. The assets within the managers' portfolio are held by professional custodians. The activities and performance of the investment managers are monitored through quarterly reporting to PML's Audit & Finance Committee, which reports to the Trustees.

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Trading subsidiary

PML's trading subsidiary, PML Applications Ltd, reported an operating loss for the year of £170k (2012 loss £71k), and generated £134k (2012 £175k) of income for PML in terms of its payment for PML staff time and overheads on its contracts. The Trustees have given careful consideration to the future of the trading subsidiary and have taken appropriate professional advice in relation to its affairs.

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PLANS FOR FUTURE PERIODS

PML's plans for the future include the following objectives:-

- Achieve at least 125 high quality publications
- Deliver the specific objectives of commissioned research projects
- Explore fundraising opportunities
- Maximise the impact of its research to demonstrate benefit
- Implement a new website

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

COMPLETENESS OF INFORMATION TO AUDITORS

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

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

Approved by the Trustees and signed on their behalf by:

..... (Chairman)

Date: 25 July 2013

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

We have audited the financial statements of Plymouth Marine Laboratory for the year ended 31 March 2013 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Statement of Cashflows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective Responsibilities of Trustees and Auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

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

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the Charitable company and the group's affairs as at 31 March 2013, and of the incoming resources and application of resources of the group for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on Other Matters Prescribed by the Companies Act 2006

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

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TO THE MEMBERS OF PLYMOUTH MARINE LABORATORY – A COMPANY LIMITED BY GUARANTEE**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

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

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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2013**

	Notes	Unrestricted Funds General	Designated Funds	Restricted Funds	Total 2013	Total 2012
		£	£	£	£	£
Income resources						
Incoming resources from charitable activities:						
NERC Funding (NC & RP ¹)	3	-	-	4,148,004	4,148,004	4,182,207
Research Income		-	-	5,513,915	5,513,915	4,953,359
Deferred income on capital expenditure		-	-	612,497	612,497	509,972
Other income	4	586,345	-	-	586,345	641,048
		<u>586,345</u>	<u>-</u>	<u>10,274,416</u>	<u>10,860,761</u>	<u>10,286,586</u>
Incoming resources from generating funds:						
Commercial trading operations	5	311,534	-	-	311,534	548,151
Bank interest and investment income		101,768	-	-	101,768	52,226
		<u>999,647</u>	<u>-</u>	<u>10,274,416</u>	<u>11,274,063</u>	<u>10,886,963</u>
Resources expended						
Costs of generating funds:						
Commercial trading activities	5	479,827	-	-	479,827	616,628
Investment management costs		14,001	-	-	14,001	11,415
Costs of charitable activities:						
Research activities	6	-	88,269	8,623,941	8,712,210	8,520,160
Management and administration of the charity	7	-	-	1,489,466	1,489,466	1,359,522
Governance costs	9	66,916	-	-	66,916	73,335
		<u>560,744</u>	<u>88,269</u>	<u>10,113,407</u>	<u>10,762,420</u>	<u>10,581,060</u>
Net incoming resources/(resources expended)		438,903	(88,269)	161,009	511,643	305,903
Share of gains/(losses) in associate and joint venture		-	-	-	-	(4,040)
Net income and expenditure for the year before transfers		<u>438,903</u>	<u>(88,269)</u>	<u>161,009</u>	<u>511,643</u>	<u>301,863</u>

¹ NC = National Capability; RP = Research Programme

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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2013**

	Notes	Unrestricted Funds		Restricted Funds	Total 2013	Total 2012
		General	Designated			
		£	£	£	£	£
Transfers between funds	23	464,819	(303,810)	(161,009)	-	-
Net Incoming resources before other recognised gains/(losses)		903,722	(392,079)	-	511,643	301,863
Net unrealised gains/(losses) on investments	14	240,989	-	-	240,989	59,036
Net movement in funds		1,144,711	(392,079)	-	752,632	360,899
Fund balances brought forward At 31 March 2012		2,528,360	1,389,267	-	3,917,627	3,556,728
Fund balances carried forward At 31 March 2013		3,673,071	997,188	-	4,670,259	3,917,627

All of the above results are derived from continuous activities. All gains and losses recognised in the year are included above. The surplus for the year for Companies Act purposes comprises net incoming resources for the year plus share of realised gains/losses in associates and was £511,643 (2012: surplus £301,863).

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

COMPANY NUMBER: 4178503

**CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2013**

		Group		Charity	
	Notes	2013	2012	2013	2012
	£	£	£	£	£
Fixed assets					
Tangible assets	12&13	3,506,399	3,767,910	3,503,085	3,757,721
Investments	14	2,749,863	2,452,404	2,749,866	2,552,407
		<u>6,256,262</u>	<u>6,220,314</u>	<u>6,252,951</u>	<u>6,310,128</u>
Current assets					
Debtors	15	2,334,471	1,508,876	2,303,654	1,504,664
Investments-Short term bank deposit	16	1,300,000	500,000	1,300,000	500,000
Cash at bank and in hand	16	2,575,734	2,389,857	2,524,654	2,320,554
		<u>6,210,205</u>	<u>4,398,733</u>	<u>6,128,308</u>	<u>4,325,218</u>
Creditors: amounts falling due within one year	17	(5,982,182)	(4,762,027)	(5,856,299)	(4,715,895)
Net current assets/(liabilities)		<u>228,023</u>	<u>(363,294)</u>	<u>272,009</u>	<u>(390,677)</u>
Total assets less current liabilities		<u>6,484,285</u>	<u>5,857,020</u>	<u>6,524,960</u>	<u>5,919,451</u>
Creditors: amounts falling due after more than one year	18	(1,814,026)	(1,939,393)	(1,814,026)	(1,936,079)
		<u>4,670,259</u>	<u>3,917,627</u>	<u>4,710,934</u>	<u>3,983,372</u>
Funds					
Unrestricted – general	23	3,673,071	2,528,360	3,713,746	2,594,105
Unrestricted – designated	23	997,188	1,389,267	997,188	1,389,267
Restricted	23	-	-	-	-
		<u>4,670,259</u>	<u>3,917,627</u>	<u>4,710,934</u>	<u>3,983,372</u>

T Lewis (Chairman)

A Dixon (Trustee)

Date: 25 July 2013

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2013**

	Notes	2013 £	2012 £
Net cash inflow from operating activities	25(a)	1,040,158	703,065
Returns on investments and servicing of finance			
Bank interest and investment income received		101,768	52,226
Bank interest payable		(20,428)	(20,938)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets and investments*		(399,508)	(2,719,746)
Capital grants received		318,301	621,621
Proceeds from the sale of fixed assets		37,483	-
Acquisitions and Disposals			
Sale of investment in associate		-	14,500
Management of Liquid Resources			
Short term bank deposit		(800,000)	(500,000)
Financing			
Net Movement in long term borrowings		(91,897)	917,973
Increase/(Decrease) in cash		<u>185,877</u>	<u>(931,299)</u>

*Included in payments to acquire tangible fixed assets and investments is a cash outflow of £70,471 (2012: £44,498) in respect of the purchase of investments (note 14).

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Note	2013 £	2012 £
Increase/(Decrease) in cash		185,877	(931,299)
Cash (outflow)/inflow from increase in debt financing		91,897	(917,973)
Cash outflow from increase in liquid resources		800,000	500,000
Movement in net funds		<u>1,077,774</u>	<u>(1,349,272)</u>
Net funds at 31 March 2012		1,971,884	3,321,156
Net funds at 31 March 2013	25(b)	<u>3,049,658</u>	<u>1,971,884</u>

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

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2013**

1. Accounting policies

(a) Basis of Preparation

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

(b) Group Accounts

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

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

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

(c) Fixed Assets and Depreciation

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

Tangible fixed assets are included at their historical cost.

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

Scientific equipment	- 5 to 10 years
Computer equipment	- 3 to 5 years
Software	- 3 years
Plant and machinery	- 10 years
Motor vehicles	- 4 years
Ships	- 20 years
Buildings	- 25 years

Fixed assets are depreciated in the month of acquisition, but are not depreciated in the month of disposal. In accordance with the provisions of FRS 15 paragraph 83, the components of assets with substantially different economic lives are accounted for separately for depreciation purposes and depreciated over their individual useful economic lives.

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

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2013**

1. Accounting policies (continued)

(d) Incoming Resources

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

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

(e) Resources expended

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

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

(f) Research and Development and Patents

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

(g) Intellectual Property

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

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

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2013**

1. Accounting policies (continued)

(h) Foreign Currencies

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

(i) Pensions

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

(j) Valued Added tax

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

(k) Stocks

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

(i) Investments

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

(m) Goodwill

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

(n) Fund accounting

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

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

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

(o) Operating leases

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

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

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2013**

1. Accounting policies (continued)

(p) Deferred Taxation

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

2. Income

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

3. Charitable income

	2013	2012
	£	£
NERC Funding (National Capability & Research Programme)	4,148,004	4,182,207
	<u> </u>	<u> </u>

The above also includes funding for support for pension and library costs.

4. Other income

	2013	2012
	£	£
Reimbursements	83,385	116,614
VAT recoverable (due to partial exemption)	20,305	23,676
Rents receivable	3,840	3,840
POGO – charges for secretariat services	80,000	80,000
Marine Biological Association – charge for infrastructure	148,000	151,772
Profit on disposal of fixed assets	37,483	-
Doctoral training grants	167,584	219,686
Others	45,748	45,460
	<u>586,345</u>	<u>641,048</u>
	<u> </u>	<u> </u>

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

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2013**

5. Commercial trading operations

A summary of the trading for the wholly owned trading subsidiary, PML Applications Ltd is shown below. Turnover includes £126,394 (2012 £201,606) generated from services provided to the parent charity. Cost of sales and administrative expenses include £133,030 (2012 £167,167) recharged by the parent charity. In the 2012 statutory accounts and prior periods these figures were not excluded on consolidation in the Group accounts.

Summary profit and loss account	2013	2012
	£	£
Turnover	437,928	749,757
Cost of sales and administrative expenses	(613,938)	(823,009)
Other income, including interest receivable	6,081	2,506
Operating Loss	(169,929)	(70,746)
Interest payable on loan	(5,000)	-
Profit on sale of investment in associate	-	4,692
Gift aid donation	-	32,016
Net (loss)	(174,929)	(34,038)

The assets and liabilities of the subsidiary were:

Fixed assets	3,319	10,194
Current assets	251,246	246,887
Current liabilities	(195,232)	(219,505)
Creditors: amounts falling due after more than one year	(200,000)	(3,314)
Total net (liabilities)/ assets	(140,667)	34,262
Aggregate share capital and reserves	(140,667)	34,262

6. Charitable expenditure – research activities

	2013	2012
	£	£
Wages and salaries to research staff	5,043,401	4,746,634
Recurrent costs:		
Science	1,857,240	1,925,516
Science support	1,234,309	1,259,913
Depreciation	577,260	588,097
	8,712,210	8,520,160
Split: Designated unrestricted Funds	88,269	86,733
Restricted Funds	8,623,941	8,433,427
	8,712,210	8,520,160

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

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2013**

7. Management and administration of the charity

	2013	2012
	£	£
Senior management and administrative salaries, wages and employee costs	970,360	937,710
Administration costs	519,106	421,812
	<u>1,489,466</u>	<u>1,359,522</u>
Split: General Unrestricted Funds	-	145,142
Restricted Funds	1,489,466	1,214,380
	<u>1,489,466</u>	<u>1,359,522</u>

8. Staff costs

	2013	2012
	£	£
Wages and salaries	5,149,455	4,995,635
Social security costs	504,558	484,419
Other pension costs	669,255	664,153
	<u>6,323,268</u>	<u>6,144,207</u>

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

	2013	2012
	No	No
Permanent staff : Science and support	125	122
Senior management and administration	27	25
	<u>152</u>	<u>147</u>
Temporary staff	14	6
	<u>166</u>	<u>153</u>

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

	2013	2012
	No	No
£60,000-£69,999	6	6
£70,000-£79,999	2	-
£80,000-£89,999	1	2
£100,000-£109,999	-	1
£110,000-£119,999	1	-

For the above staff £91,597 (2012 : £88,044) was paid into pension schemes.

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

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2013**

9. Governance costs

	2013	2012
	£	£
External audit – Charity	14,520	15,300
Board of Trustees', sub-committee and associated meetings	13,569	21,796
Strategic management	31,062	30,242
Statutory accounts	7,765	5,997
	<u>66,916</u>	<u>73,335</u>

10. Net incoming resources

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

	2013	2012
	£	£
Auditors' remuneration (group) – audit	15,720	15,300
– other – taxation and grant audits etc.	32,226	15,086
Depreciation of owned fixed assets	604,549	618,784
Operating lease rental – land and buildings	30,157	14,193
Deferred grants released	(619,208)	(517,263)
Net gains/(losses) on foreign currency transactions	18,497	(22,813)
	<u>18,911</u>	<u>(10,793)</u>

(b) Trustees emoluments

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

Trustees expenses amounting to £13,569 (2012: £15,485) were reimbursed during the year

11. Taxation

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

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

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2013**

12. Tangible fixed assets

Group	Leasehold Land and Buildings	Plant and Scientific Equipment	Ships and Vehicles	Total
	£	£	£	£
Cost				
At 31 March 2012	2,276,286	5,229,031	770,338	8,275,655
Additions	-	335,478	7,560	343,038
Disposals and assets written off	-	(43,255)	-	(43,255)
At 31 March 2013	<u>2,276,286</u>	<u>5,521,254</u>	<u>777,898</u>	<u>8,575,438</u>
Depreciation				
At 31 March 2012	70,037	4,164,981	272,727	4,507,745
Charge for the year	90,875	466,662	47,012	604,549
Disposals and assets written off	-	(43,255)	-	(43,255)
At 31 March 2013	<u>160,912</u>	<u>4,588,388</u>	<u>319,739</u>	<u>5,069,039</u>
Net book amounts				
At 31 March 2013	<u>2,115,374</u>	<u>932,866</u>	<u>458,159</u>	<u>3,506,399</u>
At 31 March 2012	<u>2,206,249</u>	<u>1,064,050</u>	<u>497,611</u>	<u>3,767,910</u>

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

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2013**

13. Tangible fixed assets (continued)

Charity

	Leasehold Land and Buildings	Plant and Scientific Equipment	Ships and Vehicles	Total
	£	£	£	£
Cost				
At 31 March 2012	2,276,286	5,197,666	770,338	8,244,290
Additions	-	335,478	7,560	343,038
Disposals and assets written off	-	(43,255)	-	(43,255)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2013	2,276,286	5,489,889	777,898	8,544,073
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 31 March 2012	70,037	4,143,805	272,727	4,486,569
Charge for the year	90,875	459,787	47,012	597,674
Disposals and assets written off	-	(43,255)	-	(43,255)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2013	160,912	4,560,337	319,739	5,040,988
	<hr/>	<hr/>	<hr/>	<hr/>
Net book amounts				
At 31 March 2013	2,115,374	929,552	458,159	3,503,085
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2012	2,206,249	1,053,861	497,611	3,757,721
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2013**

14. Investments		
Group and Charity		Investments
		£
Market value at 31 March 2012		2,452,404
Additions		70,471
Investment Manager Fee		(14,001)
Unrealised gains		240,989
		<u>2,749,863</u>
		£
Historical cost at 31 March 2013		<u>2,166,413</u>
		£
Historical cost at 31 March 2012		<u>2,109,943</u>
Charity		
		Investment in subsidiaries
		£
Cost		
At 31 March 2012 and 2013		100,003
Provision for impairment in value of investment in subsidiary		<u>(100,000)</u>
Net book value		
At 31 March 2013		<u>3</u>
Net book value		
At 31 March 2012		<u>100,003</u>

The trustees have reviewed the carrying value of the investment in its subsidiary, PML Applications Limited, and have written the carrying value down by £100,000.

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

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2013**

14. Investments (continued)

The subsidiary and associate undertakings at 31 March 2013 were:

Name of company	Country of Incorporation	Nature of business	Proportion of shares held Ordinary Shares
PML Applications Ltd	England	Marine research	100%
Plymouth Marine Science and Technology Park Limited	England	Development of Science Park – currently dormant	100%
GenePro Ltd (*)	England	Exploitation of intellectual Property – currently dormant	100%

(*) held by subsidiary undertaking

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

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

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2013**

15. Debtors

	Group		Charity	
	2013 £	2012 £	2013 £	2012 £
Trade debtors	502,204	158,674	429,058	110,256
Amounts owed by subsidiary undertaking and associates	-	-	135,592	102,534
Accrued income	1,494,039	1,020,876	1,409,444	972,602
Other debtors	4,230	5,535	3,622	5,288
VAT	19,255	7,230	19,255	7,230
Prepayments	314,743	316,561	306,683	306,754
	<u>2,334,471</u>	<u>1,508,876</u>	<u>2,303,654</u>	<u>1,504,664</u>

Included in amounts owed by the subsidiary undertaking is £100,000 (2012 £nil) due after more than one year.

16. Short term investments and cash balances

Included in short term deposits of £1,300,000 and cash at bank and in hand of £2,575,734 at 31 March 2013 is:-

- £1,396,000 held on behalf of other project partners for distribution in due course, and for which a corresponding creditor is included in Note 17 within 'Other Creditors',
- £2,408,000 received in advance for use by the Charity on specific research projects, for which a corresponding creditor is included in Note 17 within 'Deferred income'.

17. Creditors : amounts falling due within one year

	Group		Charity	
	2013 £	2012 £	2013 £	2012 £
Trade creditors	505,354	714,130	486,262	709,809
Amounts owed to subsidiary undertaking and associates	-	-	33,757	70,837
Other creditors	1,424,086	259,035	1,424,086	259,036
Deferred income	2,793,855	2,514,628	2,727,269	2,458,966
Deferred capital grants (note 19)	326,410	593,847	323,097	587,137
Accruals	673,204	414,963	627,328	388,928
Loans (note 20)	89,964	89,964	89,964	89,964
PAYE and other taxes	149,459	162,024	144,536	151,218
VAT	19,850	13,436	-	-
	<u>5,982,182</u>	<u>4,762,027</u>	<u>5,856,299</u>	<u>4,715,895</u>

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

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2013**

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

	Group		Charity	
	2013	2012	2013	2012
	£	£	£	£
Deferred capital grants (note 19)	1,077,914	1,111,384	1,077,914	1,108,070
Loans (note 20)	736,112	828,009	736,112	828,009
	<u>1,814,026</u>	<u>1,939,393</u>	<u>1,814,026</u>	<u>1,936,079</u>
	=====	=====	=====	=====

19. Deferred capital grants

	Group		Charity	
	2013	2012	2013	2012
	£	£	£	£
Amounts to be released:				
Within one year	326,410	593,847	323,097	587,137
In two to five years	629,610	667,446	629,610	664,132
In over five years	448,304	443,938	448,304	443,938
	<u>1,404,324</u>	<u>1,705,231</u>	<u>1,401,011</u>	<u>1,695,207</u>
	=====	=====	=====	=====

Deferred capital grants are analysed as follows:-

Current obligations (note 17)	326,410	593,847	323,097	587,137
Non-current obligations (note 18)	1,077,914	1,111,384	1,077,914	1,108,070
	<u>1,404,324</u>	<u>1,705,231</u>	<u>1,401,011</u>	<u>1,695,207</u>
	=====	=====	=====	=====

Analysis of changes in deferred capital grants during the year:

At 31 March 2012	1,705,231	1,600,873	1,695,207	1,583,558
Received during the year	318,301	621,621	318,301	621,621
Released during the year	(619,208)	(517,263)	(612,497)	(509,972)
At 31 March 2013	<u>1,404,324</u>	<u>1,705,231</u>	<u>1,401,011</u>	<u>1,695,207</u>
	=====	=====	=====	=====

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

**NOTES TO THE ACCOUNTS
AT 31 MARCH 2013**

20. Loans

	Group		Charity	
	2013	2012	2013	2012
	£	£	£	£
Bank Loans are analysed as follows:-				
Current obligations (note 17)	89,964	89,964	89,964	89,964
Non-current obligations (note 18)	736,112	828,009	736,112	828,009
	<u>826,076</u>	<u>917,973</u>	<u>826,076</u>	<u>917,973</u>
Amounts repayable				
Within one year	89,964	89,964	89,964	89,964
In two to five years	359,856	359,856	395,856	359,856
In over five years	376,256	468,153	376,256	468,153
	<u>826,076</u>	<u>917,973</u>	<u>826,076</u>	<u>917,973</u>

A bank loan of £1,000,000 was arranged as at 14 April 2011 to finance the purchase of the West Hoe site. The term was for 10 years at an interest rate of 1.85% above the bank's sterling base rate. The loan was secured on a first legal mortgage over the leasehold property at Prospect Place, The Hoe, Plymouth.

21. Called up share capital

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

22. Other financial commitments

At 31 March 2013 the charity had annual commitments under non-cancellable operating leases as set out below:-

	Land & Buildings		Other	
	2013	2012	2013	2012
	£	£	£	£
Operating leases which expire:				
Within 1 year	-	-	9,283	6,631
In two to five years	30,157	19,157	31,607	18,529
Over 5 years	-	-	-	936
	<u>-</u>	<u>19,157</u>	<u>31,607</u>	<u>19,496</u>

At 31 March 2013 the charity had outstanding forward currency contracts amounting to £Nil (2012: £411,049). Using the year end spot rate, the approximate valuation of the contracts was £Nil (2012: £417,153).

**PLYMOUTH MARINE LABORATORY
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**NOTES TO THE ACCOUNTS
AT 31 MARCH 2013**

23. Statement of funds

Group

	Balance at 31.03.12	Movement in resources		Transfer	Balance at 31.03.13
	£	£	£	£	£
		incoming	outgoing		
Unrestricted funds – general	2,528,360	1,240,636	(560,744)	464,819	3,673,071
Unrestricted funds – designated					
- Strategic appointments	253,810	-	-	(253,810)	-
- Lecture theatre	483,457	-	(38,269)	-	445,188
- Head lease	576,000	-	(24,000)	-	552,000
- Fundraising activities	50,000	-	-	(50,000)	-
- Marketing	26,000	-	(26,000)	-	-
	<u>1,389,267</u>	<u>-</u>	<u>(88,269)</u>	<u>(303,810)</u>	<u>997,188</u>
Restricted funds	-	10,274,416	(10,113,407)	(161,009)	-
Total funds	<u>3,917,627</u>	<u>11,515,052</u>	<u>(10,762,420)</u>	<u>-</u>	<u>4,670,259</u>

Charity

	Balance at 31.03.12	Movement in resources		Transfer	Balance at 31.03.13
	£	£	£	£	£
		incoming	outgoing		
Unrestricted funds – general	2,594,105	929,102	(280,916)	471,455	3,713,746
Unrestricted funds – designated					
- Strategic appointments	253,810	-	-	(253,810)	-
- Lecture theatre	483,457	-	(38,269)	-	445,188
- Head lease	576,000	-	(24,000)	-	552,000
- Fundraising activities	50,000	-	-	(50,000)	-
- Marketing	26,000	-	(26,000)	-	-
	<u>1,389,267</u>	<u>-</u>	<u>(88,269)</u>	<u>(303,810)</u>	<u>997,188</u>
Restricted funds	-	10,413,527	(10,245,882)	(167,645)	-
Total funds	<u>3,983,372</u>	<u>11,342,629</u>	<u>(10,615,067)</u>	<u>-</u>	<u>4,710,934</u>

**PLYMOUTH MARINE LABORATORY
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**NOTES TO THE ACCOUNTS
AT 31 MARCH 2013**

24. Analysis of group net assets between funds

	Unrestricted General	Unrestricted Designated	Total
	£	£	£
Tangible fixed assets	2,509,211	997,188	3,506,399
Investments	2,749,863	-	2,749,863
Net current assets	228,023	-	228,023
Long term liabilities	(1,814,026)	-	(1,814,026)
	<u>3,673,071</u>	<u>997,188</u>	<u>4,670,259</u>

25. Notes to the statement of cash flows

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

	2013	2012
	£	£
Net incoming resources for the year	511,643	305,903
Depreciation	604,549	618,784
Deferred government grants released	(619,208)	(517,263)
Decrease/(increase) in debtors	(825,595)	294,520
Increase in creditors	1,487,592	30,249
Bank interest and investment income receivable	(101,768)	(52,226)
Bank interest payable	20,428	20,938
(Profit)/loss on disposal of fixed assets	(37,483)	2,160
Net cash inflow from operating activities	<u>1,040,158</u>	<u>703,065</u>

(b) Analysis of net funds

	At 31 March 2012	Cash flow	At 31 March 2013
	£	£	£
Cash at bank and in hand	2,389,857	185,877	2,575,734
Liquid resources-short term deposits	500,000	800,000	1,300,000
Loans	(917,973)	91,897	(826,076)
	<u>1,971,884</u>	<u>1,077,774</u>	<u>3,049,658</u>

See note 16 for details of restrictions over the use of short term deposits and cash balances held at the year end.

**PLYMOUTH MARINE LABORATORY
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**NOTES TO THE ACCOUNTS
AT 31 MARCH 2013**

26. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £Nil for the Charity and Group (2012: £30,324 for Charity and Group).

27. Related party transactions

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

28. Pension commitments

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

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