



**REPORT AND FINANCIAL STATEMENTS  
31 MARCH 2015**

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

**REPORT OF THE TRUSTEES (incorporating Strategic Report)**

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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) and the audited financial statements for the period ended 31 March 2015. 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 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:-

C T Lewis (Chairman)	Prof. T D Jickells
Lord Berkeley	Prof. R F Rayner
Admiral Sir James Burnell-Nugent KCB, CBE	S P Sherrard DL
A Dixon OBE (Honorary Treasurer)	J E Timberlake
G M Hart	Prof. B 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 J de Mora (Chief Executive)  
Prof. J I Allen (Head of Science)  
Prof. M Barange (Deputy Chief Executive & Director of Science)  
C R Smith (Head of Human Resources)  
C A J Taysom (Director of Finance & Operations)  
B K Tremain (Company Secretary)

**Auditors**

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

**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

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**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. Hence, there are currently eleven 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 Chair, 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 Board, led by the Chairman, and nomination committees are set up as appropriate. When recruiting a new Trustee, the Board is mindful of the need to ensure a balance of skills and backgrounds and the current Board membership reflects the need to have both strong scientific as well as business representation. 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 the research and knowledge exchange activities undertaken by PML 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 CC10 "Hallmarks of an Effective Charity", the Articles of Association, PML's Strategy 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 was undertaken in 2013 and various actions from this evaluation have been progressed. These have included a staff survey on Board/staff engagement, which was undertaken in January/February 2015 and the results of which have been shared with the Trustees and staff.

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**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. Average attendance by Trustees over the last year at Board meetings was 83% (2014: 84%).

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 are Messrs Dixon (Chair) and Sherrard.
- 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 are Sir James Burnell-Nugent (Chair) and Mrs Timberlake.
- 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 their meetings being made available to Trustees and recommendations being presented.

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 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), Strategic Research and Discovery Science. 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.

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.

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**AIMS & OBJECTIVES FOR PUBLIC BENEFIT**

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

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

To ensure PML's science is of benefit to society, research is focused into the following priority research topics:

- Process understanding and change

PML has an extensive and internationally recognised track record in biogeochemical cycling research. PML's interdisciplinary approach is used to study the chemical and biological processes in the ocean as well as chemical exchanges with the atmosphere, adding valuable data and expert insights to the environmental change knowledge base.

- Human interactions with the marine environment

PML's world-leading research into marine biodiversity, ecosystem function and their interactions is helping to increase understanding of how society is impacting upon the ocean.

- Sustainable marine goods and services

PML's scientists explore the links between marine goods and services and human health in order to understand societal dependence on healthy marine ecosystems. PML's expertise is helping to evaluate the benefit of marine goods and services to society and the associated "cost" if these benefits should change or discontinue in the future due to human activities.

- Opportunities from the marine environment

PML has a world renowned record of exploring innovative and sustainable approaches to help address key societal challenges, such as feeding a growing population, dealing with waste, generating energy and the use of resources.

- Advancing science

PML has over 30 years' experience in developing innovative technologies and techniques and sharing this knowledge with the wider scientific community. These developments have helped advance marine research and society's understanding of the Earth system.

**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 activities, specific operating objectives for this year included:

- Develop a new strategy for 2015-19
  - Produce high quality publications
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- Deliver the specific objectives of commissioned research projects
- Maximise the impact of our research to demonstrate benefit
- Evaluate and deliver appropriate accreditation systems to improve business efficiency
- Develop opportunities for graduate and post-graduate training

The new strategy “Listen to the Ocean”, covering the period 2015-19, was approved by the Trustees in March 2015. PML’s Annual Review 2014, available at <http://www.pml.ac.uk/AnnualReview2014>, includes a section entitled “PML at a glance 2010-2014”, highlighting some of the key achievements over the period of the last strategy.

Achievements against other specific operating objectives listed above are included within the report below.

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

**1. ACHIEVEMENTS & PERFORMANCE**

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

PML conducts interdisciplinary and pioneering research, focusing on the dynamic and complex marine environment that sustains life not only in the ocean but also across the entire planet. Such research is undertaken at global, basin, shelf and estuarine scales, from seconds to multi-decades, and informs stakeholders and society in general on some of the most challenging scientific issues with societal relevance, such as environmental change, biodiversity loss, provision of ecosystem goods and services, and the development of new technologies.

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 principal activities as shown below.

**(1) High Quality Research**

During the calendar year 2014 PML scientists produced a total of 164 publications, 156 of which were peer reviewed papers, and 70 of which were first authored. The number of peer reviewed papers was a record for PML for the second year running and the average impact factor per paper has increased by 8.3%. These publications are available to the scientific research community, 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.

PML’s high quality research is demonstrated through analysis of the Thomson Reuters Essential Citation index, which shows that 10% of PML scientists are in the top 1% of environmental scientists worldwide.

Moreover, the 2014 institutional ranking of the International Center for Climate Governance (ICCG), recently published, graded PML as 6<sup>th</sup> in the world, and top UK institute. The ICCG ranking assesses the performance of individual institutions in conducting high quality research and in their role in influencing climate-related and energy policy.

Beneficiaries of PML’s strategic research capability include the wider academic community, including the UK university sector. Moreover, the NERC funded National Capability work undertaken by PML provides excellent, effective and high impact activities that benefit the UK and beyond, for example:

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- The Western Channel Observatory (WCO) <http://www.westernchannelobservatory.org.uk/> is part of an international observation effort to monitor the oceans and supports a globally unique time-series and marine biodiversity reference site. The resulting data are not only valuable to scientific understanding, but also addresses wider societal concerns, such as sustainability, climate change and marine ecosystems. Key findings during the year included understanding what the main impacts are from extreme events, e.g. the winter storms of 2013-14. The capability of the WCO was extended in 2014 through the addition of the Penlee Atmospheric Observatory which is able to measure gas exchange at the sea surface.
- The Atlantic Meridional Transect (AMT) <http://www.amt-uk.org/> provides a unique platform for UK and international scientists to undertake novel marine research and to understand how the Atlantic Ocean is changing. The 2014 AMT cruise involved 24 scientists from 13 institutes based in the UK and overseas, collecting a wide range of data, as well as working closely with NASA.
- 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. Following the launch in spring 2014 of PML's open source European Regional Seas Ecosystem Model (ERSEM) as part of the NERC funded Shelf Seas Biogeochemistry programme, over 100 individuals have registered to use this modelling tool.
- Data processing undertaken by PML as part of the NERC Earth Observation Data Acquisition and Analysis Service (NEODAAS) <http://www.neodaas.ac.uk/index.php> supports UK research scientists with remote sensing data and information.

PML contributes to policy development by way of its research and specific advice. This year PML also contributed to a number of policy consultations and parliamentary inquiries, examples of which are as follows:-

- Remote sensing/Earth Observation - Understanding
- EU Maritime & Fisheries Seabed Mining
- The Arctic
- Marine Protected Zones and valuing marine ecosystems
- EU marine co-operation inquiry
- Fuelling the debate: UK energy - successes & future challenges

In order to improve the processes of undertaking research, PML has engaged a Quality Manager and is pursuing ISO 9001 accreditation.

For further information on PML's research activities during the year please see our Annual Review 2015, available at <http://www.pml.ac.uk/AnnualReview2014>

## **(2) National & International Leadership**

PML's national and international leadership is demonstrated through its people and projects.

### People

A number of PML's scientists are members of international and national committees, or perform specific roles at an international or national level, including the following:

- International Scientific Advisory Committee for the Marine Environmental Observation Prediction and Response Network
  - European Joint Programme Initiative Oceans Science Advisory Board
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- British Ecological Society Marine Advisory Group
- Global Ocean Acidification Observing Network
- Marine Science Co-ordination Committee (MSCC)
- Marine Renewable Energy Knowledge Exchange Advisory Council
- National Centre for Ocean Forecasting
- Productive Seas Evidence Group
- UK Biodiversity Science Committee
- UK Carbon Capture and Storage Research Centre Co-ordination Group

Recognition of the research undertaken by PML scientists was given by the award during the year of the Grande Médaille Prince Albert 1er to Dr Shubha Sathyendranath for her work in the field of marine optics, ocean colour and primary production.

#### Projects

The research undertaken by PML contributes to greater understanding and better decision-making in order to look after the ocean's precious resources for society into the future. At any one time PML has approximately 80-90 projects underway, differing in size and scope. 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.

During the year some major European projects were concluded, including the following two led by PML:

**VECTORS:** this large-scale project brought together more than 200 expert researchers from 16 different countries to examine the significant changes taking place in European seas, their causes, and the impacts they will have on society. Research results of the VECTORS project, which can be used to support marine management decisions, policies and governance, as well as future research and investment, are available at <http://www.marine-vectors.eu/>

**Operational Ecology (OPEC):** the focus of this project was the development and evaluation of ecosystem forecast tools for European regional seas. New model simulated data has been made available through a novel data portal <http://portal.marineopec.eu/> for use by marine management authorities, government departments, coastal managers, NGOs and marine industries, to support their quest to understand, forecast and balance the multiple pressures facing important marine ecosystems.

Short films produced by PML on these projects are available at <http://www.pml.ac.uk/Media-and-events/Video-audio>

During the year the European project MEECE, led by PML which finished in 2013, was cited in an evaluation report by the EU as delivering long-lasting impacts and as being highly successful across a range of assessment areas including policy and innovation.

### **(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 public or corporate events. In addition to the project outputs mentioned above,

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particular highlights during the year included participation by PML scientists in high level meetings on the international stage including:

- the 15th United Nations Open-Ended Informal Consultative Process on “Oceans and the Law of the Sea”:
- the Our Ocean conference, organised by the US State Department
- the third World Conference on Marine Biodiversity
- the 8th European Conference on Ecological Modelling
- the third International Symposium on the Effects of Climate Change on the World’s Oceans
- 20th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP20) in Peru

Knowledge exchange and education form a fundamental part of PML’s commitment to providing a learning environment. Such a 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 tomorrow’s leaders in Environmental Science. Details of these DTPs are available at [http://www.pml.ac.uk/Working\\_with\\_us/Studentships](http://www.pml.ac.uk/Working_with_us/Studentships) and for further information on PML’s educational activities, please see [www.pml.ac.uk/educational](http://www.pml.ac.uk/educational)

Other examples of knowledge exchange and education include:

- The Youth Guide to the Ocean: jointly developed by PML and the Food and Agriculture Organization of the United Nations (FAO) on behalf of the Youth and United Nations Global Alliance (YUNGA), this guide is an educational resource about the ocean for schools, youth groups and other curious young learners and is available at [http://www.pml.ac.uk/pmlsite/media/PML-Media/Documents/The\\_Youth\\_Guide\\_to\\_the\\_Ocean.pdf](http://www.pml.ac.uk/pmlsite/media/PML-Media/Documents/The_Youth_Guide_to_the_Ocean.pdf)
- a web-based lesson on phytoplankton seasonality using satellite ocean-colour in the Red Sea, developed as part of the European Space Agency (ESA) Learn Earth Observation writing competition and which won first prize.

Finally, communication material ranging from regular news items on PML’s website, articles in popular magazines, engagement through social media to short films, produced both internally and by the media, all contribute towards informing PML’s stakeholders and the wider public of its activities.

## **2. FINANCIAL REVIEW**

### **(1) Results for the year**

Net incoming resources for the year amounted to £30,112 (2014 - £206,582). Whilst it has been a challenging year due to the external funding environment and the need to reduce costs, the Trustees are pleased to report that results are very much in line with expectations. After adjusting for realised and unrealised investment gains, the net movement in funds for the year amounted to £241,008 (2014 - £295,405).

## **3. PRINCIPAL RISKS AND UNCERTAINTIES**

### **(1) 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 Senior Management Team carries out a periodic evaluation of the risks, by way of a risk register, and report

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its findings, identifying the major risks, to the Trustees for their review. During the year the Audit & Finance Committee also reviewed the risk register in detail and presented to the Board those risks of greatest significance to PML.

In terms of the principal risks and uncertainties that are faced by PML, these relate primarily to future funding including from the NERC, specifically National Capability funding. NERC, as part of Research Councils UK, is funded by the Department for Business, Innovation & Skills, and hence under pressure from reductions in government funding.

**(2) 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 put on hold the decision to purchase a new buoy for which £250k had been previously designated.

Bank balances decreased over the year from £3.2m to £1.4m. This figure includes £102k (2014 £1.5m) where PML acts as co-ordinator of EC contracts, but yet to be paid over to partners in the contracts. The decrease in bank balances and funds held for other partners is due to a hiatus in European funding between Framework Programme 7 and Horizon 2020, which is just starting to come on stream. PML has a strategy in place to manage the impact of this hiatus in funding over the short term.

**(3) Principal Funding Sources**

Income was derived principally from commissioned research of £5.59m 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 £3.87m. 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 £4.6m.

**(4) Investment policy**

PML's investment policy was reviewed in March 2015, with no changes made. 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

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

**(5) Trading subsidiary**

PML's trading subsidiary, PML Applications Ltd, reported an operating profit of £54k (2014 £60k), and generated £50k (2014 £52k) of income for PML. In addition, PML Applications repaid the first tranche (£100k) of a loan from PML.

**4. PLANS FOR FUTURE PERIODS**

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

- Broaden PML's funding base
- Produce high quality publications
- Deliver the specific objectives of commissioned research projects
- Maximise the impact of our research to demonstrate benefit
- Deliver appropriate accreditation systems to improve business efficiency
- Develop and implement an e-mail newsletter to increase PML's outreach externally
- Review and refine relationships with international partners

Finally, 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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**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.

The Trustee's report, incorporating the Strategic Report on pages 6 to 11 was approved by the Trustees and signed on their behalf by:

..... (Chairman)

C T Lewis

Date: 2015

**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 2015 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 11, 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 to identify any material inconsistencies with the audit financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015, 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.

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

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

In our opinion the information given in the Trustees' Report (incorporating the Strategic Report) for the financial period for which the financial statements are prepared is consistent with the financial statements.

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
YEAR ENDED 31 MARCH 2015**

	Notes	Unrestricted Funds		Restricted Funds	Total 2015	Total 2014
		General	Designated			
		£	£	£	£	£
<b>Income resources</b>						
Incoming resources from charitable activities:						
NERC (NC & RP)*	3	-	-	3,869,000	3,869,000	3,886,000
Research Income		-	-	5,589,700	5,589,700	5,639,420
Deferred income on capital expenditure		-	-	358,720	358,720	342,290
Other income	4	661,334	-	-	661,334	635,920
		<u>661,334</u>	<u>-</u>	<u>9,817,420</u>	<u>10,478,754</u>	<u>10,503,630</u>
Incoming resources from generating funds:						
Commercial trading operations	5	327,689	-	-	327,689	306,844
Bank interest and investment income		72,573	-	-	72,573	86,550
		<u>1,061,596</u>	<u>-</u>	<u>9,817,420</u>	<u>10,879,016</u>	<u>10,897,024</u>
<b>Resources expended</b>						
Costs of generating funds:						
Commercial trading activities	5	251,305	-	-	251,305	251,364
Investment management costs		20,505	-	-	20,505	14,621
Costs of charitable activities:						
Research activities	6	455,671	144,905	8,647,980	9,248,556	8,936,311
Management and administration of the charity	7	99,980	-	1,169,440	1,269,420	1,422,198
Governance costs	9	59,118	-	-	59,118	65,948
		<u>886,579</u>	<u>144,905</u>	<u>9,817,420</u>	<u>10,848,904</u>	<u>10,690,442</u>
Net incoming resources/(resources expended) before transfers		<u>175,017</u>	<u>(144,905)</u>	<u>-</u>	<u>30,112</u>	<u>206,582</u>

\* NC = National Capability. RP = Research Programme.



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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
YEAR ENDED 31 MARCH 2015**

	Notes	Unrestricted Funds General £	Designated £	Restricted Funds £	Total 2015 £	Total 2014 £
Transfers between funds	23	-	-	-	-	-
Net Incoming resources before other recognised gains/(losses)		175,017	(144,905)	-	30,112	206,582
Net unrealised gains/(losses) on investments	14	210,896	-	-	210,896	88,823
Net movement in funds		385,913	(144,905)	-	241,008	295,405
Fund balances brought forward At 31 March 2014		3,180,744	1,784,920	-	4,965,664	4,670,259
Fund balances carried forward At 31 March 2015		3,566,657	1,640,015	-	5,206,672	4,965,664

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 £30,112 (2014: surplus £206,582).

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

**COMPANY NUMBER: 4178503**

**CONSOLIDATED BALANCE SHEET  
AT 31 MARCH 2015**

	Notes	Group		Charity	
		2015	2014	2015	2014
	£	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12&13	4,355,753	4,621,644	4,352,871	4,618,721
Investments	14	2,953,940	2,698,711	2,953,943	2,698,714
		<u>7,309,693</u>	<u>7,320,355</u>	<u>7,306,814</u>	<u>7,317,435</u>
<b>Current assets</b>					
Debtors	15	5,715,747	3,535,177	5,707,335	3,608,429
Investments-Short term bank deposit	16	1,195,000	1,352,860	1,195,000	1,352,860
Cash at bank and in hand	16	235,433	1,837,069	195,906	1,573,744
		<u>7,146,180</u>	<u>6,725,106</u>	<u>7,098,241</u>	<u>6,535,033</u>
<b>Creditors:</b> amounts falling due within one year	17	(6,593,280)	(6,784,839)	(6,506,863)	(6,606,656)
<b>Net current assets/(liabilities)</b>		<u>552,900</u>	<u>(59,733)</u>	<u>591,378</u>	<u>(71,623)</u>
<b>Total assets less current liabilities</b>		<u>7,862,593</u>	<u>7,260,622</u>	<u>7,898,192</u>	<u>7,245,812</u>
<b>Creditors:</b> amounts falling due after more than one year	18	(2,655,921)	(2,294,958)	(2,655,921)	(2,294,958)
		<u>5,206,672</u>	<u>4,965,664</u>	<u>5,242,271</u>	<u>4,950,854</u>
<b>Funds</b>					
Unrestricted – general	23	3,566,657	3,180,744	3,602,256	3,165,934
Unrestricted – designated	23	1,640,015	1,784,920	1,640,015	1,784,920
Restricted	23	-	-	-	-
		<u>5,206,672</u>	<u>4,965,664</u>	<u>5,242,271</u>	<u>4,950,854</u>

C T Lewis (Chairman)

A Dixon OBE (Trustee)

Date: 2015

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

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2015**

	<b>Notes</b>	<b>2015</b> £	<b>2014</b> £
<b>Net cash outflow from operating activities</b>	25(a)	(2,167,520)	(262,190)
<b>Returns on investments and servicing of finance</b>			
Bank interest and investment income received		72,573	86,550
Bank interest payable		(16,186)	(12,504)
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets		(327,534)	(1,596,889)
Capital grants received		819,737	1,060,908
Proceeds from the sale of fixed assets		-	250
Payments to acquire investments		(44,333)	(74,756)
Receipts from the sale of investments		-	214,731
<b>Management of Liquid Resources</b>			
Short term bank deposit		157,860	(52,860)
<b>Financing</b>			
Net Movement in long term borrowings		(96,233)	(101,905)
<b>Decrease in cash</b>		<u>(1,601,636)</u>	<u>(738,665)</u>

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

	<b>Note</b>	<b>2015</b> £	<b>2014</b> £
Decrease in cash		(1,601,636)	(738,665)
Cash outflow from decrease in debt financing		96,233	101,905
Cash (inflow)/outflow from (decrease)/increase in liquid resources		(157,860)	52,860
Movement in net funds		<u>(1,663,263)</u>	<u>(583,900)</u>
<b>Net funds at 31 March 2014</b>		2,465,758	3,049,658
<b>Net funds at 31 March 2015</b>	25(b)	<u>802,495</u>	<u>2,465,758</u>

**NOTES TO THE ACCOUNTS  
AT 31 MARCH 2015**

**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.

**NOTES TO THE ACCOUNTS  
AT 31 MARCH 2015**

**1. Accounting policies (continued)**

**(d) Incoming Resources**

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

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

**(e) Resources expended**

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

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

**(f) Research and Development and Patents**

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

**(g) Intellectual Property**

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

**NOTES TO THE ACCOUNTS  
AT 31 MARCH 2015**

**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.

**NOTES TO THE ACCOUNTS  
AT 31 MARCH 2015**

**1. Accounting policies (continued)**

**(p) Deferred Taxation**

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

**2. Income**

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

**3. Charitable income**

	<b>2015</b>	<b>2014</b>
	£	£
NERC Funding (National Capability & Research Programme)	3,869,000	3,886,000
	<u>                    </u>	<u>                    </u>

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

**4. Other income**

	<b>2015</b>	<b>2014</b>
	£	£
Reimbursements	69,658	76,576
VAT recoverable (due to partial exemption)	6,513	25,900
Rents receivable	2,299	3,936
POGO (*) – charges for secretariat services	129,064	124,276
Marine Biological Association – charge for infrastructure	148,000	148,000
Profit on disposal of fixed assets	-	250
Doctoral training grants	228,258	167,597
Science Services	21,371	14,067
Publications	16,595	23,698
Others	39,576	51,620
	<u>661,334</u>	<u>635,920</u>
	<u>                    </u>	<u>                    </u>

(\*) Partnership for Observation of the Global Oceans

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

**NOTES TO THE ACCOUNTS  
AT 31 MARCH 2015**

**5. Commercial trading operations**

A summary of the trading for the wholly owned trading subsidiary, PML Applications Ltd is shown below. Turnover includes £94,895 (2014 £117,446) generated from services provided to the parent charity. Cost of sales and administrative expenses include £86,044 (2014 £145,541) recharged by the parent charity.

<b>Summary profit and loss account</b>	<b>2015</b>	<b>2014</b>
	£	£
Turnover	422,584	424,290
Cost of sales and administrative expenses	(371,055)	(365,988)
Other income, including interest receivable	2,032	2,178
Operating profit	<u>53,561</u>	<u>60,480</u>
Interest payable on loan	(3,958)	(5,000)
Net profit	<u>49,603</u>	<u>55,480</u>
The assets and liabilities of the subsidiary were:		
Fixed assets	2,887	2,928
Current assets	201,422	365,285
Current liabilities	(239,893)	(353,400)
Creditors: amounts falling due after more than one year	-	(100,000)
Total net (liabilities)/ assets	<u>(35,584)</u>	<u>(85,187)</u>
Aggregate share capital and reserves	<u>(35,584)</u>	<u>(85,187)</u>

**6. Charitable expenditure – research activities**

	<b>2015</b>	<b>2014</b>
	£	£
Wages and salaries to research staff	5,389,395	5,182,093
Recurrent costs:		
Science	1,748,670	1,959,760
Science support	1,571,661	1,315,838
Depreciation	592,830	478,620
	<u>9,248,556</u>	<u>8,936,311</u>
Split: Designated unrestricted Funds	600,576	298,693
Restricted Funds	8,647,980	8,637,618
	<u>9,248,556</u>	<u>8,936,311</u>



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

**NOTES TO THE ACCOUNTS  
AT 31 MARCH 2015**

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

	<b>2015</b>	<b>2014</b>
	£	£
Senior management and administrative salaries, wages and employee costs	1,058,882	923,897
Administration costs	210,538	498,301
	<u>1,269,420</u>	<u>1,422,198</u>
Split: General Unrestricted Funds	99,980	192,106
Restricted Funds	1,169,440	1,230,092
	<u>1,269,420</u>	<u>1,422,198</u>

**8. Staff costs**

	<b>2015</b>	<b>2014</b>
	£	£
Wages and salaries	5,844,058	5,569,568
Social security costs	559,526	517,988
Other pension costs	694,848	670,810
	<u>7,098,432</u>	<u>6,758,366</u>

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

	<b>2015</b>	<b>2014</b>
	No	No
Permanent staff : Science and support	131	124
Senior management and administration	27	27
	<u>158</u>	<u>151</u>
Temporary staff	11	19
	<u>169</u>	<u>170</u>

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

	<b>2015</b>	<b>2014</b>
	No	No
£60,000-£69,999	5	4
£70,000-£79,999	2	1
£80,000-£89,999	2	1
£90,000-£99,999	1	-
£100,000-£109,999	-	-
£110,000-£129,999	1	1

For the above staff £139,901 (2014 : £68,462) was paid into pension schemes.

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

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**NOTES TO THE ACCOUNTS  
AT 31 MARCH 2015**

<b>9. Governance costs</b>	<b>2015</b>	<b>2014</b>
	£	£
External audit – Charity	15,300	14,940
Board of Trustees', sub-committee and associated meetings	13,452	21,236
Strategic management	25,378	24,880
Statutory accounts	4,988	4,892
	<u>59,118</u>	<u>65,948</u>
<b>10. Net incoming resources</b>		
<b>(a) This is stated after charging/(crediting):</b>		
	<b>2015</b>	<b>2014</b>
	£	£
Auditors' remuneration (group) – audit	16,500	16,140
– other – taxation and grant audits etc.	7,224	11,567
Depreciation of owned fixed assets	593,425	481,644
Operating lease rental – land and buildings	54,003	56,135
Deferred grants released	(358,720)	(345,604)
Net gains/(losses) on foreign currency transactions	31,742	11,728
	<u>31,742</u>	<u>11,728</u>

**(b) Trustees emoluments**

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

Trustees expenses amounting to £9,474 (2014: £14,006) 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 2015**

**12. Tangible fixed assets**

<b>Group</b>	<b>Leasehold Land and Buildings</b>	<b>Plant and Scientific Equipment</b>	<b>Ships and Vehicles</b>	<b>Total</b>
	£	£	£	£
<b>Cost</b>				
At 31 March 2014	2,663,007	6,713,868	777,898	10,154,773
Additions	86,735	240,799	-	327,534
Disposals and assets written off	-	(10,973)	-	(10,973)
At 31 March 2015	<u>2,749,742</u>	<u>6,943,694</u>	<u>777,898</u>	<u>10,471,334</u>
<b>Depreciation</b>				
At 31 March 2014	251,787	4,914,292	367,050	5,533,129
Charge for the year	90,875	455,239	47,311	593,425
Disposals and assets written off	-	(10,973)	-	(10,973)
At 31 March 2015	<u>342,662</u>	<u>5,358,558</u>	<u>414,361</u>	<u>6,115,581</u>
<b>Net book amounts</b>				
At 31 March 2015	<u>2,407,080</u>	<u>1,585,136</u>	<u>363,537</u>	<u>4,355,753</u>
At 31 March 2014	<u>2,411,220</u>	<u>1,799,576</u>	<u>410,848</u>	<u>4,621,644</u>

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

**NOTES TO THE ACCOUNTS  
AT 31 MARCH 2015**

**13. Tangible fixed assets (continued)**

**Charity**

	<b>Leasehold Land and Buildings</b>	<b>Plant and Scientific Equipment</b>	<b>Ships and Vehicles</b>	<b>Total</b>
	£	£	£	£
<b>Cost</b>				
At 31 March 2014	2,663,007	6,679,801	777,898	10,120,706
Additions	86,735	240,245	-	326,980
Disposals and assets written off	-	(10,973)	-	(10,973)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2015	2,749,742	6,909,073	777,898	10,436,713
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 31 March 2014	251,787	4,883,148	367,050	5,501,985
Charge for the year	90,875	454,644	47,311	592,830
Disposals and assets written off	-	(10,973)	-	(10,973)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2015	342,662	5,326,819	414,361	6,083,842
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book amounts</b>				
At 31 March 2015	2,407,080	1,582,254	363,537	4,352,871
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2014	2,411,220	1,796,653	410,848	4,618,721
	<hr/>	<hr/>	<hr/>	<hr/>

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

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**NOTES TO THE ACCOUNTS  
AT 31 MARCH 2015**

<b>14. Investments Group and Charity</b>	<b>Investments</b>
	£
Market value at 31 March 2014	2,698,711
Additions	64,838
Disposals	-
Investment manager fee	(20,505)
Unrealised gains	210,896
	<hr/>
Market value at 31 March 2015	2,953,940
	<hr/> <hr/>
Historical cost at 31 March 2015	2,388,704
	<hr/> <hr/>
Historical cost at 31 March 2014	2,240,202
	<hr/> <hr/>
<b>Charity</b>	
	<b>Investment in subsidiaries</b>
	£
Cost At 31 March 2015	100,003
	<hr/>
Net book value At 31 March 2014 and 2015	3
	<hr/> <hr/>

The trustees reviewed the carrying value of the investment in its subsidiary, PML Applications Limited, and wrote down the carrying value down by £100,000 in 2012/13.

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

**NOTES TO THE ACCOUNTS  
AT 31 MARCH 2015**

**14. Investments (continued)**

The subsidiary and associate undertakings at 31 March 2015 were:

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

**15. Debtors**

	<b>Group</b>		<b>Charity</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	2,610,281	961,604	2,541,150	915,553
Amounts owed by subsidiary undertaking and associates	-	-	107,410	118,356
Accrued income	2,932,932	2,325,893	2,886,840	2,323,659
Other debtors	2,344	12,084	2,344	12,084
VAT	-	-	-	3,181
Prepayments	170,190	235,596	169,591	235,596
	<u>5,715,747</u>	<u>3,535,177</u>	<u>5,707,335</u>	<u>3,608,429</u>

**16. Short term investments and cash balances**

Included in short term deposits of £1,195,000 and cash at bank and in hand of £235,433 at 31 March 2015 is £177,441 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'.

**PLYMOUTH MARINE LABORATORY  
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**NOTES TO THE ACCOUNTS  
AT 31 MARCH 2015**

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

	<b>Group</b>		<b>Charity</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	594,657	501,190	594,025	499,787
Amounts owed to subsidiary undertaking and associates	-	-	46,078	53,683
Other creditors	880,899	1,487,868	849,985	1,460,865
Deferred income	3,261,113	3,287,185	3,177,984	3,101,503
Deferred capital grants (note 19)	462,791	458,877	462,791	458,877
Accruals	1,092,149	786,952	1,090,178	778,405
Loans (note 20)	89,871	89,964	89,871	89,964
PAYE and other taxes	176,078	168,771	171,944	163,572
VAT	35,722	4,032	24,007	-
	<u>6,593,280</u>	<u>6,784,839</u>	<u>6,506,863</u>	<u>6,606,656</u>

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

	<b>Group</b>		<b>Charity</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Deferred capital grants (note 19)	2,117,854	1,660,751	2,117,854	1,660,751
Loans (note 20)	538,067	634,207	538,067	634,207
	<u>2,655,921</u>	<u>2,294,958</u>	<u>2,655,921</u>	<u>2,294,958</u>

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**19. Deferred capital grants**

	Group		Charity	
	2015 £	2014 £	2015 £	2014 £
Amounts to be released:				
Within one year	462,791	458,877	462,791	458,877
In two to five years	1,374,494	1,028,030	1,374,494	1,028,030
In over five years	743,360	632,721	743,360	632,721
	<u>2,580,645</u>	<u>2,119,628</u>	<u>2,580,645</u>	<u>2,119,628</u>

Deferred capital grants are analysed as follows:-

Current obligations (note 17)	462,791	458,877	462,791	458,877
Non-current obligations (note 18)	2,117,854	1,660,751	2,117,854	1,660,751
	<u>2,580,645</u>	<u>2,119,628</u>	<u>2,580,645</u>	<u>2,119,628</u>

Analysis of changes in deferred capital grants during the year:

At 31 March 2014	2,119,628	1,404,324	2,119,628	1,401,011
Received during the year	819,737	1,060,908	819,737	1,060,908
Released during the year	(358,720)	(345,604)	(358,720)	(342,291)
At 31 March 2015	<u>2,580,645</u>	<u>2,119,628</u>	<u>2,580,645</u>	<u>2,119,628</u>



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**20. Loans**

	Group		Charity	
	2015 £	2014 £	2015 £	2014 £
Bank Loans are analysed as follows:-				
Current obligations (note 17)	89,871	89,964	89,871	89,964
Non-current obligations (note 18)	538,067	634,207	538,067	634,207
	<u>627,938</u>	<u>724,171</u>	<u>627,938</u>	<u>724,171</u>
Amounts repayable				
Within one year	89,871	89,964	89,871	89,964
In two to five years	449,355	395,856	449,355	395,856
In over five years	88,172	238,351	88,172	238,351
	<u>627,398</u>	<u>724,171</u>	<u>627,398</u>	<u>724,171</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 2015 the charity had annual commitments under non-cancellable operating leases as set out below:-

	Land & Buildings		Other	
	2015 £	2014 £	2015 £	2014 £
Operating leases which expire:				
Within 1 year	-	-	21,594	-
In two to five years	30,157	32,357	58,544	74,776
Over 5 years	25,000	-	-	11,733
	<u>55,157</u>	<u>32,357</u>	<u>80,138</u>	<u>86,509</u>

At 31 March 2015 the charity had outstanding forward currency contracts amounting to €500,000 (2014: €1,060,000). Comparison of the year end spot rate with contracted rates presents a valuation differential as an asset of £11,017 (2014: £6,143).

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**23. Statement of funds**

<b>Group</b>	<b>Balance at 31.03.14 £</b>	<b>Movement in resources</b>		<b>Transfer £</b>	<b>Balance at 31.03.15 £</b>
		<b>incoming £</b>	<b>outgoing £</b>		
<b>Unrestricted funds – general</b>	3,180,744	1,272,492	(886,579)	-	3,566,657
<b>Unrestricted funds – designated</b>					
- Research Fellows	600,000	-	(82,636)	-	517,364
- Lecture theatre	406,920	-	(38,269)	-	368,651
- Head lease	528,000	-	(24,000)	-	504,000
- Scientific facilities (buoy)	250,000	-	-	-	250,000
	<u>1,784,920</u>	<u>-</u>	<u>(144,905)</u>	<u>-</u>	<u>1,640,015</u>
<b>Restricted funds</b>	-	9,817,420	(9,817,420)	-	-
<b>Total funds</b>	<u>4,965,664</u>	<u>11,089,912</u>	<u>(10,848,904)</u>	<u>-</u>	<u>5,206,672</u>
	<u><u>4,965,664</u></u>	<u><u>11,089,912</u></u>	<u><u>(10,848,904)</u></u>	<u><u>-</u></u>	<u><u>5,206,672</u></u>
 <b>Charity</b>					
	<b>Balance at 31.03.14 £</b>	<b>Movement in resources</b>		<b>Transfer £</b>	<b>Balance at 31.03.15 £</b>
		<b>incoming £</b>	<b>outgoing £</b>		
<b>Unrestricted funds – general</b>	3,165,934	1,217,035	(780,713)	-	3,602,256
<b>Unrestricted funds – designated</b>					
- Research Fellows	600,000	-	(82,636)	-	517,364
- Lecture theatre	406,920	-	(38,269)	-	368,651
- Head lease	528,000	-	(24,000)	-	504,000
- Scientific facilities (buoy)	250,000	-	-	-	250,000
	<u>1,784,920</u>	<u>-</u>	<u>(144,905)</u>	<u>-</u>	<u>1,640,015</u>
<b>Restricted funds</b>	-	9,606,189	(9,606,189)	-	-
<b>Total funds</b>	<u>4,950,854</u>	<u>10,823,224</u>	<u>(10,531,807)</u>	<u>-</u>	<u>5,242,271</u>
	<u><u>4,950,854</u></u>	<u><u>10,823,224</u></u>	<u><u>(10,531,807)</u></u>	<u><u>-</u></u>	<u><u>5,242,271</u></u>

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

	<b>Unrestricted General</b>	<b>Unrestricted Designated</b>	<b>Total</b>
	£	£	£
Tangible fixed assets	4,355,753	-	4,355,753
Investments	1,313,925	1,640,014	2,953,940
Net current assets	552,901	-	552,901
Long term liabilities	(2,655,922)	-	(2,655,922)
	<u>3,566,657</u>	<u>1,640,014</u>	<u>5,206,672</u>

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

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

	<b>2015</b>	<b>2014</b>
	£	£
Net incoming resources for the year	30,112	206,582
Depreciation	593,425	481,644
Deferred government grants released	(358,720)	(345,604)
Decrease/(increase) in debtors	(2,180,570)	(1,200,706)
Increase in creditors	(195,380)	670,190
Bank interest and investment income receivable	(72,573)	(86,550)
Bank interest payable	16,186	12,504
(Profit)/loss on disposal of fixed assets	-	(250)
Net cash (outflow)/inflow from operating activities	<u>(2,167,520)</u>	<u>(262,190)</u>

**(b) Analysis of net funds**

	<b>At 31 March 2014</b>	<b>Cash flow</b>	<b>At 31 March 2015</b>
	£	£	£
Cash at bank and in hand	1,837,069	(1,601,636)	235,433
Liquid resources-short term deposits	1,352,860	(157,860)	1,195,000
	<u>3,189,929</u>	<u>(1,759,496)</u>	<u>1,430,433</u>
Loans	(724,171)	96,233	(627,938)
	<u>2,465,758</u>	<u>(1,663,263)</u>	<u>802,495</u>

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

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**26. Capital commitments**

Amounts contracted for but not provided in the financial statements amounted to £Nil for the Charity and Group (2014: £Nil 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%.