

**THE NAUTICAL INSTITUTE**

**(A Company Limited by Guarantee)  
Company No. 2570030**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED**

**31ST DECEMBER 2025**

**Registered Charity No: 1002462**

**THE NAUTICAL INSTITUTE**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST DECEMBER 2025**

**INDEX**

	<b>Page</b>
Legal and Administration Information	<b>1</b>
Report of the Trustees	<b>2 to 8</b>
Responsibilities of Trustees	<b>9</b>
Independent Auditor's Report	<b>10 to 12</b>
Summary Income and Expenditure Account	<b>13</b>
Statement of Financial Activities	<b>14</b>
Balance Sheet	<b>15</b>
Statement of cashflows	<b>16</b>
Notes forming part of the Financial Statements	<b>17 to 25</b>

**THE NAUTICAL INSTITUTE**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST DECEMBER 2025**

**LEGAL AND ADMINISTRATION INFORMATION**

**Status**

The Nautical Institute is a charitable company limited by guarantee, incorporated in England & Wales on 20th December 1990.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the trustees are elected by Council to serve a period of up to 3 years and may be re-elected for a further 3 years.

**Trustees**

The trustees of the company were:

Captain G Cowling	Chair	Ms D Lane
Captain D M Telfer	Treasurer	Professor C D Dewey
Captain D Snider		Mr S D Edmonston
Captain N Nash		Mr D J Gozdzik
Captain K D Austin (resigned 24 July 2025)		Mr P Naylor
Captain I Goveas		Mr Robert Hildebrand (appointed 24 July 2025)
Captain Y Vandenberg		

**Secretary** Captain P J Lloyd

**Chief Executive Officer** Captain P J Lloyd

**Registered Office** 200B Lambeth Road  
London  
SE1 7JY

**Auditors** Buzzacott Audit LLP  
130 Wood Street  
London  
EC2V 6DL

**Bankers** The Royal Bank of Scotland  
1 Spinningfields Square  
Manchester  
M3 3AP

**Fund Managers** Rathbones  
8 Finsbury Circus  
London  
EC2M 7AZ

**THE NAUTICAL INSTITUTE**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED**  
**31ST DECEMBER 2025**  
**Co. No. 2570030**

The trustees, who are also the directors for the purposes of company law, present their report and the audited financial statements for the year ended 31st December 2025.

**Principal activities**

The Institute is registered as a Charity and Company limited by guarantee to promote and maintain nautical education.

**Public Benefit**

The trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit and that the activities carried out by the charity during the year were all undertaken in order to further the charity's aims for the benefit of the Charity's beneficiaries.

**Objectives and activities**

The Nautical Institute is an independent, international membership body for maritime professionals working at sea and ashore. The Institute's charitable object is to promote the standing of the maritime profession and advance public education in the study of nautical science. We are an educational charity, dedicated to promoting the highest standards of professionalism, best practice, competence and safety in the maritime industry. These objectives are achieved through providing professional development opportunities, training, publications, accreditations and research undertakings.

The work of the Institute continues to provide a public benefit to the maritime community by helping improve safety and enhancing the flow of information and knowledge in key areas of global significance. These include areas such as protections of the marine environment, the implications of the next generation of fuels and a range of safety and operational issues. Sharing lessons learned through the Mariners' Alerting and Reporting Scheme (MARS), providing updates on best practice in Seaways, through webinars and Branch meetings and in our publications, all form part of this programme. In the past year, this has included work on areas such as navigation safety, collision regulations, tripping hazards, cargo handling, lack of PPE, falls from height, pilot boarding and other areas where industry reports have indicated a need for improvement. This sharing of information is central to our role of raising professional standards and improving safety.

**Achievements and performance**

• **Membership and Branches**

As the leading professional organisation in the maritime community, membership is central to our activities, priorities and engagement. Having a strong presence globally helps ensure key professional messages are shared effectively and is one reason why membership growth is important and branch activities effective.

During 2025, several initiatives were taken to boost member engagement with a particular focus on driving up levels of activity at regional and local levels. Two new branches have been launched in Montenegro & Peru. One of the new initiatives in 2025 was that of Regional Online Members' Seminar (ROMS) which is designed to provide members based in a particular geographic region with an opportunity to engage with each other and discuss topics of local interest. ROMS have been held for members in South Asia, Latin America and South East Asia. A number of branches held major events over the course of the year. As part of raising visibility, we created a number of videos that have included 'Your voice at the International Maritime Organisation (IMO)' – a series of interviews with members who have offered their expertise in meetings at the IMO.

At the end of the year, total membership stood at 14,340 of whom 5,745 were student members, increased from the 2024 membership number of 13,373 and 4,731 respectively.

• **Research and Relationships**

The Nautical Institute's technical engagement is led from the Research and Relationships area of the organisation and helps ensure that our world-leading expertise is delivered and understood in the right forums at the right time.

The Institute is committed to its role as a Non Governmental Organisation (NGO) at the International Maritime Organisation (IMO). During 2025, we have been represented at all appropriate meetings including: the main policy-making Committees; the technical Subcommittees; and working groups specialising in maritime. The Institute has submitted papers, participated actively in discussions and in correspondence groups. The commitment to the IMO and physical attendance at meetings is crucial to our impact in this forum.

**THE NAUTICAL INSTITUTE**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED**  
**31ST DECEMBER 2025**  
**Co. No. 2570030**

• **Research and Relationships (continued)**

Key areas of engagement at the IMO in 2025 included discussions on topics including Maritime Autonomous Surface Ship (MASS) trials safety; cargo fumigation; alternative fuel training; seafarer fatigue, lifeboat ventilation; measurement of oceanic significant wave height; electronic nautical publications and NAVTEX (Navigational Telex) / NAVDAT (Navigational Data) message prioritisation.

The Institute continues to work closely with The International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA) and we maintain a close relationship and the IALA secretariat continue to offer contributions to our publications.

In 2025, The Institute brought to a successful conclusion our partnership in the EU funded OCEAN (Operator-Centered Enhancement of Awareness in Navigation) project. Of particular note were the production of a free-to-view high-impact training videos that focus on areas where industry best practices outshine minimum requirements and will augment any training syllabus. We are especially pleased to have produced a landmark introduction to avoiding Ship/Whale strikes, becoming a member of the International Whaling Commission (IWC) working group on this issue.

The Navigator magazine, which is a free publication from The Nautical Institute that champions the role of today's professional marine navigators, continues to receive a wide range of praise from many readers. The Institute is grateful for support from International Foundation for Aids to Navigation (IFAN) and the many other financial contributors to this project. Focus areas for The Navigator in 2025 included safe anchoring; protection of the environment, particularly routing issues around marine mammals; and the increasing risk of GNSS denial. Every issue of The Navigator is centred around a single theme and makes for excellent material for CPD and to facilitate mentoring.

In 2025, we were awarded funding from Lloyds Register Foundation for a project focused on the effects of technology on seafarers. The Seafarer Technology Engagement, Empowerment and Resilience (STEER) Project is an international research and engagement initiative that explores the real-world impact of the combined introduction of new systems and working practices on seafarers at sea and ashore. The project officially started in December 2025 and over the next 2.5 years, we will focus on listening to seafarers' view and identifying tools to help seafarers make better use of technology through Human Centred Design (HCD).

• **Information and Publications**

During 2025, three key books were published. These books are Shiphandling, the beautiful game, Guidelines for Collecting Maritime Evidence Volume 1, 2nd edition and Bridge Resource Management Volume 1. Each book was launched and supported by a free-to-attend global webinar, with recordings made available to Nautical Institute members on the members portal.

Seaways magazine continues to be one of the highest-valued member benefits. 2025 saw a redesign for Seaways, refreshing the look and feel and bringing it in line with wider Nautical Institute branding. The magazine retains the mix of technical and professional articles, Branch updates and member coverage which has been its hallmark over the years. Over the course of the year, we increasingly saw the influence of AI – both as a topic for articles, and appearing in some submissions. We are keeping a close eye on developments in this direction; we want to ensure that Seaways remains the voice of the seafarer, not of the computer.

The Publications area continues to explore other ways of sharing our knowledge beyond books and magazines. The slow but steady shift from print to digital books continues. In 2025, e-books accounted for 20% of sales, up from 15% in 2024 and 8% in 2023. With this trend, we began exploring ways to digitise and monetise our content, for example meeting with platforms who can make our e-books more accessible to those who need only short-term access rather than lifetime ownership. This work will continue throughout 2026.

• **Qualifications**

The Qualifications Maritime & Offshore (M&O) area of the Institute continues to be at the heart of promoting maritime safety and professional competence worldwide, particularly through Dynamic Positioning (DP) certification and accreditation. In 2025, we focused on strengthening standards, enhancing services, and staying closely connected with the industry and regulators.

**THE NAUTICAL INSTITUTE**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED**  
**31ST DECEMBER 2025**  
**Co. No. 2570030**

• **Qualifications (continued)**

Our engagement with training providers and industry partners remained strong. In September 2025, the fifth Global DP Conference in Istanbul welcomed around 100 delegates, including representatives from 52 training centres. Discussions covered safe DP operations, training standards, the implementation of CPD requirements and emerging technologies. Delegates shared practical insights and real-world experiences, making it one of the most interactive conferences yet.

The mandatory CPD scheme for DPO and DPVM revalidation, introduced in 2024, continued to establish itself in 2025. By the end of the year, around 70% of DPOs had enrolled, demonstrating a strong commitment across the community to maintaining competence and promoting a culture of safety.

2025 was another strong year for certification. A total of 8,071 DP certificates were issued. The DPVM scheme also continued to grow steadily, with 2,274 certificates issued. Feedback from certificate holders helped refine our processes, while the recruitment of two additional team members strengthened our capacity to provide faster, more responsive support.

We maintained a network of 85 accredited DP training centres worldwide across America, Asia & Australasia, Europe & Africa. In 2025, we conducted 28 accreditation and reaccreditation audits of training centres, including 3 new centres.

During the year, we were also involved in schemes other than DP certification and accreditation. These includes DP Vessel Maintainer (DPVM), Ballast Control Operator (BCO), Oil Spill Response (OSR), Vessel Traffic Services (VTS) and Ice Navigation schemes.

• **The Academy**

The Academy continued to demonstrate strong and stable growth throughout 2025, building on the momentum of the previous year. Demand for high quality maritime training remains steady, with the number of both open and company specific course dates rising once again.

During 2025, the Academy launched three new programmes: Mastering Risk Management, Safety Officer, and the Maritime Search and Rescue Endorsement Scheme. These additions respond directly to emerging industry needs and further strengthen the Academy's capacity to support operational safety and specialist career development across the sector.

The Academy also completed a significant piece of work in 2025 with the review and re launch of the Certificate of Excellence accreditation scheme for maritime training providers. Originally developed in 2019 in collaboration with The Institute of Marine Engineering, Science and Technology (IMarEST), the scheme had limited uptake due to COVID and other external factors. The 2025 revision ensures that the accreditation meets internationally benchmarked standards for maritime education and training and provides a clear, credible mechanism for recognising excellence in education and training standards.

The Academy activities have been transferred from The Nautical Institute to The Nautical Institute Foundation with effect from 1 January 2026. The Foundation is a separate charity with a registration number 1190343 and the Institute is a sole member of the Foundation. During 2025, a working group made up of selected trustees from the Institute and the Foundation has been set up and the group recommended that transferring the Academy activities will provide a strong likelihood of sustainable success for the Foundation and the prospect of further growth.

**THE NAUTICAL INSTITUTE**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED**  
**31ST DECEMBER 2025**  
**Co. No. 2570030**

**Financial commentary**

The continued success achieved in various areas of the Institute's operations has been reflected in the corresponding financial results for the year. Income for 2025 exceeded budget as activity levels remained strong across the entire portfolio of activities. A gross income of £7,182,676 (2024: £6,010,242) has been achieved against total expenditure of £5,487,922 (2024: £5,371,808) resulting in a surplus for the year of £1,694,754 (2024: £638,434).

The surplus reflects a very successful year across the board, especially in the areas of Publications and Qualifications. Overall expenditure for the year remained close to budget due to effective budgeting and cost control.

The management of the investment portfolio was kept under regular review in what was generally a steady market for investments. Management of the funds is delegated to external investment managers on a discretionary basis with the objective of maximising the total return from capital and income combined while maintaining a medium level of risk. The trustees review the performance of the managers against benchmarks on a regular basis. During the year, the balanced low-medium risk portfolio invested through Rathbones performed satisfactorily against market comparators. The Capital Reserve Fund value at year end was £4,629,321 (2024: £4,314,775). The investment portfolio resulted in a total return of £358,035 (2024: £266,697) for the financial year which is a return of 8.30% on the original investment (2024: 6.59%).

**Reserves**

The Institute holds reserves in order to ensure as far as possible that its objectives may be met in future and that it had adequate cover as a going concern. The target level of capital reserve for 2025 was £2,710,000 (2024: £2,590,000) represented by Contingency Reserve of £1,810,000 (2024: £1,730,000) and a Projects Reserve of £900,000 (2024: £860,000). The Contingency Reserve target is calculated based on 33% of annual operating budget and the Projects Reserve is calculated based on 50% of the Contingency Reserve target. The trustees recognise that the Capital Reserve Fund value at year end was in excess of the target level & are regularly reviewing the reserves policy, its position & possible use. The free reserve at year end was £2,885,464 (2024: £1,489,585). The trustees consider that this amount of free reserves is adequate to ensure that the Institute's services are not compromised in the short term. The trustees are currently considering a target level of free reserve which should be retained.

**Risks and risk management**

The trustees recognise their duty to anticipate, manage and mitigate the risks to which the charity's activities could be exposed. They acknowledge that risk is inherent in all activities and that its management is crucial to achieving the charity's objects. The trustees take a systematic approach to managing risk, with the executive team regularly monitoring and reporting risks to the board as well as prioritising actions.

Risks are rated by a mixture of a score for the likelihood of a risk from 1 (negligible) to 5 (major) and a score for its severity on a scale from A (very unlikely) to E (very likely). Scores before and after mitigation are calculated using a risk matrix.

The trustees review the Institute's Risk Management Policy at regular intervals. After considering the principal areas of strategic and operational risk, the trustees are confident that the appropriate means of control and mitigation have been adopted. Prudent management practices with awareness of changes in the operating environment are felt to be in place. The management of the Institute is responsible for the day to day management of risk and minimising the effect of any adverse events.

**THE NAUTICAL INSTITUTE**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED**  
**31ST DECEMBER 2025**  
**Co. No. 2570030**

**Risks and risk management (continued)**

The trustees consider the following as the key risks for the organisation:

- 1 Potential lobby at IMO to move DP qualifications to STCW Part A thus becoming the responsibility of Flag States not 'industry and the Institute'. Impact likely to be loss of global market dominance of the Institute of this specialisation.

This risk is mitigated by the Institute continuing to engage with IMO delegates as well as media and social media campaigns relating to the importance of industry leadership. We also monitor adoption of other qualifications.

- 2 Inability to access bank funds

The Institute's funds are kept in a diversified manner with an operational bank account held with Royal Bank of Scotland while also maintaining an active investment funds with Rathbones. In case of any banking restriction, we are allowed drawdown of funds from our investment accounts held with Rathbones within 2-3 days notice. We also continuously realign spending priorities for short and medium terms as well as regularly adjusting spending forecasts.

- 3 Loss of identity of The Nautical Institute

We mitigate this risk by having a strong governance arrangements in place including carefully managed appointment of trustees; care with branding arrangements; alignment of projects with areas of interest of the Institute; clear demonstration of Institute's ownership of project deliverables.

**Future Plans**

The Institute recognises the accelerated rate of change in the maritime industry, from new technologies and regulations to the new generation of seafarers who are the leaders of tomorrow. As a professional body, our role is to cooperatively share our knowledge to improve our decision-making capabilities as professional mariners. We pursue this objective by our proactive advocacy activities at the IMO and our services to our membership and the wider maritime community through our events, publications, qualifications, research undertakings and

Our focus remains on continuous improvement, innovation, and global collaboration, ensuring the Institute remains a trusted partner in maritime safety, training and certification.

The Institute plans continuing the activities outlined above in the forthcoming years to achieve the key deliverables on the 2026-2030 Strategic Plan, which can be found on the Institute's website.

**THE NAUTICAL INSTITUTE**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED**  
**31ST DECEMBER 2025**  
**Co. No. 2570030**

**Structure, governance and management**

**Governing Document**

The Nautical Institute is a charitable company limited by guarantee, incorporated on 20 December 1990 and registered as a charity on 8 April 1991. The Institute was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

**Recruitment and Appointment of Trustees**

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Executive Board. Under the requirements of the Memorandum and Articles of Association, the members of the Executive Board are elected to serve for a period of three years after which they may be re-elected for a period of another three years. In exceptional circumstances, the appointments may be extended at the discretion of the Council, provided that their total terms of office on the Executive Board does not exceed twelve years.

**Trustee Induction and Training**

Most trustees are already familiar with the practical work of the Institute having been a member themselves.

Additionally, new trustees are invited and encouraged to attend a series of short training sessions to familiarise themselves with the charity and the context within which it operates. These are jointly led by the Chair of the Executive Board and the Chief Executive of the charity and cover:

- The obligations of Executive Board members.
- The main documents which set out the operational framework for the charity including the Memorandum and Articles.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.

**Organisational Structure**

The Nautical Institute has an Executive Board of up to 15 members who meet at least three times a year and are responsible for the strategic direction and policy of the charity. At present, the Board has 12 members from a variety of professional backgrounds relevant to the work of the charity.

A scheme of delegation is in place and day to day responsibility for the provision of the services rest with the Chief Executive along with Head of Areas. The Chief Executive is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. The Head of Areas have responsibility for the day to day operational management of their respective areas, individual supervision of the staff team and also ensuring that the team continue to develop their skills and working practices in line with good practice.

**THE NAUTICAL INSTITUTE**  
**REPORT OF THE TRUSTEES FOR THE YEAR ENDED**  
**31ST DECEMBER 2025**  
**Co. No. 2570030**

**Remuneration**

The key management personnel consists of the trustees, CEO, Director of Finance and Director of Research & Relationships.

The Institute operates a remuneration policy based on salary scales by grade with annual RPI and other changes determined by the Executive Board during the budget planning process. A delegated group of trustees appraise the Chief Executive at least annually and set remuneration for CEO and other key management personnel for the forthcoming year. A non-contributory pension investment of 9% of salary, is made to staff personal pension schemes.

While trustees are reimbursed travel expenses in connection with their roles as trustees, they do not receive any remuneration for their services as a Trustee. The Institute greatly values the contribution of its trustees and members in the work of the charity which ranges from their roles in the governance structure to representation input to the industry's decision making bodies and writing for the Seaways Journal and other publications. Due to the diversity of these voluntary contributions and the large number of members involved (some 140 in council and technical committee roles), it is not feasible to assess the value in terms of time or money.

**Fundraising**

The Institute is aware of the requirements of the Fundraising Regulator. It does not use external fundraisers and no complaints have been received during the year. Trustees provide guidance and oversee the institute's fundraising practices, upholding the Charity Commission's fundraising principles.

**Auditors**

The auditors, Buzzacott Audit LLP are willing to continue in office and resolutions concerning the appointment of Auditors will be submitted to the annual general meeting.

**Fixed assets**

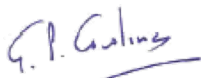
Changes in the company's fixed assets during the year are shown on the balance sheet.

**Trustees**

The Trustees of the Charitable Company are stated on page 1.

This report has been prepared in accordance with Statement of Recommended Practice- Accounting and Reporting by Charities and in accordance with special provisions of part 15 of the Companies Act 2006.

Approved by the trustees on 21 April 2026 and signed on their behalf by:



**Captain G Cowling**  
**Chair**

**THE NAUTICAL INSTITUTE**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST DECEMBER 2025**  
**TRUSTEES' RESPONSIBILITIES**

**Statement of Trustees' Responsibilities**

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the trustees are required to:

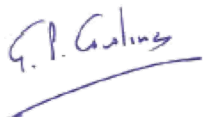
- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- Prepare 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 which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

**Disclosure of information to the auditor**

In accordance with company law, each of the Trustees confirm that:

- so far as they are aware, there is no relevant audit information of which the charity's auditors are unaware; and
- as the Trustees of the charity, they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.



---

**Captain G Cowling**  
**Chair**



---

**Captain D M Telfer**  
**Treasurer**

**Date:** 21 April 2026

## THE NAUTICAL INSTITUTE

### Independent Auditor's Report to the members of The Nautical Institute

#### **Opinion**

We have audited the financial statements of The Nautical Institute (the 'charitable company') for the year ended 31 December 2025 which comprise the summary income and expenditure account, the statement of financial activities, the balance sheet, the statement of cashflows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information**

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

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

We have nothing to report in this regard.

## **THE NAUTICAL INSTITUTE**

### **Independent Auditor's Report to the members of The Nautical Institute (continued)**

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011) and those that relate to data protection (General Data Protection Regulation).

## THE NAUTICAL INSTITUTE

### Independent Auditor's Report to the members of The Nautical Institute (continued)

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual variances;
- tested journal entries to identify unusual transactions;
- tested the authorisation of expenditure and bank payments; and
- reviewed the implementation and design of controls and procedures in place around the grants payable system.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

#### **Use of our report**

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Buzzacott Audit Ltd*

Catherine Biscoe (Senior Statutory Auditor)  
For and on behalf of Buzzacott Audit LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 23 April 2026

**THE NAUTICAL INSTITUTE**  
**SUMMARY INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2025**

	2025 £	2024 £
Income	6,945,899	5,836,027
Gain on investments	236,777	174,215
Gross income in reporting period	<u>7,182,676</u>	<u>6,010,242</u>
Expenditure	( 5,487,922 )	( 5,371,808 )
<b>Net income before tax for the reporting period</b>	<u>1,694,754</u>	<u>638,434</u>
Tax Payable	-	-
<b>Net income for the financial year</b>	<u><u>1,694,754</u></u>	<u><u>638,434</u></u>

All income is unrestricted funds.

A detailed analysis of income and expenditure by source is provided in the Statement of Financial Activities and the notes to the financial statements.

**THE NAUTICAL INSTITUTE**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31ST DECEMBER 2025**

	Note	Unrestricted General Fund £	Unrestricted Designated Fund £	Total Funds 2025 £	Total Funds 2024 £ Note 21
<b>Income and endowments from:</b>					
Donations and Legacies		327,603	-	327,603	403,428
Charitable activities	2	5,036,872	-	5,036,872	4,627,016
Other trading activities	4	1,443,709	-	1,443,709	669,047
Investment income	5	36,313	101,402	137,715	136,536
<b>Total</b>		6,844,497	101,402	6,945,899	5,836,027
<b>Expenditure on:</b>					
Raising funds	6	683,241	23,633	706,874	677,464
Charitable Activities	7	4,765,377	15,671	4,781,048	4,694,344
<b>Total</b>		5,448,618	39,304	5,487,922	5,371,808
Net gain on investments		-	236,777	236,777	174,215
<b>Net movement in funds</b>		1,395,879	298,875	1,694,754	638,434
<b>Reconciliation of funds:</b>					
Total funds brought forward at 1st January	18	1,489,585	4,375,465	5,865,050	5,226,616
<b>Total funds carried forward at 31st December</b>	18	2,885,464	4,674,340	7,559,804	5,865,050

All amounts relate to continuing activities with the exception of income of £351,126 (2024: £418,923) and expenditure of £294,287 (2024: £363,734) which relate to activities discontinued with effect from 1 January 2026.

All recognised gains and losses for the year are included in the above statements of financial activities:

Comparative information by fund class for the year ended 31 December 2024 is given in note 21

All amounts above relate to unrestricted funds

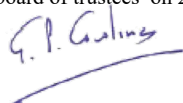
The notes on pages 17 to 25 form part of these financial statements

**THE NAUTICAL INSTITUTE**  
**BALANCE SHEET AS AT 31ST DECEMBER 2025**  
**Company No. 2570030**

	Note	2025		2024	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		83,975		82,768
Investments	14		3,536,635		3,263,914
<b>Total fixed assets</b>			<u>3,620,610</u>		<u>3,346,682</u>
<b>Current assets</b>					
Stocks	15	83,504		92,372	
Debtors	16	897,961		761,205	
Cash at bank and in hand		1,413,391		1,130,420	
Short term deposits	14a	2,100,945		1,050,860	
<b>Total current assets</b>			<u>4,495,801</u>		<u>3,034,857</u>
<b>Liabilities:</b>					
<b>Creditors:</b> amounts falling due within one year	17		<u>( 556,607 )</u>		<u>( 516,489 )</u>
<b>Net current assets</b>			3,939,194		2,518,368
<b>Total net assets or liabilities</b>			<u>7,559,804</u>		<u>5,865,050</u>
<b>The funds of the charity:</b>					
Unrestricted funds:					
Designated funds	18		4,674,340		4,375,465
General funds	18		2,885,464		1,489,585
<b>Total charity funds</b>			<u>7,559,804</u>		<u>5,865,050</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the board of trustees on 21 April 2026 and signed on their behalf by



**Captain G Cowling**  
Chair



**Captain D M Telfer**  
Treasurer

The notes on pages 17 to 25 form part of these financial statements

**THE NAUTICAL INSTITUTE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2025**

<b><u>Statement of cash flows</u></b>	<b>Total 2025 £</b>	<b>Total 2024 £</b>
<b>Cash flows from operating activities:</b>		
<i>Net cash provided by operating activities</i>	1,308,171	535,420
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investment:	137,715	136,536
Purchase of property, plant and equipment	( 76,886 )	( 91,330 )
Proceeds from sale of investments	232,127	370,131
Purchase of investments	( 213,563 )	( 420,850 )
<i>Net cash provided by (used in) investing activities</i>	<u>79,392</u>	<u>( 5,513 )</u>
<b>Cash flows from financing activities:</b>		
Purchase of short term deposits	( 1,050,085 )	( 50,860 )
<i>Net cash (used in) financing activities</i>	<u>( 1,050,085 )</u>	<u>( 50,860 )</u>
 <i>Change in cash and cash equivalents in the reporting period</i>	 337,478	 479,047
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>1,258,648</b>	<b>779,601</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b><u>1,596,126</u></b>	<b><u>1,258,648</u></b>
 <b><u>Reconciliation of net income to net cash flow from operating activities</u></b>		
<b>Net income for the reporting period (as per the statement of financial activities)</b>	1,694,754	638,434
<b>Adjustments for:</b>		
Depreciation charges	75,679	78,699
(Gains) on investments	( 236,777 )	( 174,215 )
Dividends, interest and rent from investment:	( 137,715 )	( 136,536 )
(Increase) in stocks	8,868	( 6,658 )
Decrease/(Increase) in debtors:	( 136,756 )	298,014
(Decrease)/Increase in creditor:	40,118	( 162,318 )
<i>Net cash provided by operating activities</i>	<u>1,308,171</u>	<u>535,420</u>
 <b><u>Analysis of cash and cash equivalents</u></b>		
Cash in hand	1,413,391	1,130,420
Investment capital reserve account	182,736	128,228
<b>Total cash and cash equivalents</b>	<b><u>1,596,127</u></b>	<b><u>1,258,648</u></b>

The notes on pages 17 to 25 form part of these financial statements

**THE NAUTICAL INSTITUTE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2025**

**1. Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation of uncertainty in the preparation of the financial statements are laid out below.

a) Basis of accounting

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with the Companies Act 2006 and follow the recommendations of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

b) Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements. Given the level of liquid assets held in relation to planned expenditure, the Trustees are of the opinion that the charity has sufficient reserves to be able to meet its liabilities as they fall due.

c) Reclassification of comparatives

The Trustees continually review allocation of income and expenditure categories and may make some changes which result in some comparative figures being reclassified while the total amounts remains unchanged. Such reclassification is made to facilitate a like for like comparison of prior year figures with current year figures. There was no such reclassification during the year.

d) Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it.

Income comprises donations and legacies, membership subscriptions, publications, training, certification and accreditation income as well as investment income.

Donations and legacies are included as voluntary income; all amounts are unrestricted in the current and prior year. Income is recognised when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Membership subscriptions are recognised in the financial year to which the subscription relates and deferred if received in advance of that financial year.

Publications, training and accreditation income is recognised as the related goods or services are provided.

Investment income is recognised on a receivable basis

**THE NAUTICAL INSTITUTE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2025**

**1. Accounting policies (continued)**

**e) Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes the direct costs and support costs associated with generating publication income, together with the fees paid to investment managers in connection with the management of the charity's listed investments.
- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs (including governance costs).

**f) Allocation of support costs**

50% of travelling and meeting expenses have been allocated to support cost of the Institute, which reflects the proportion incurred in this activity.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

**g) Corporation tax**

The company has taken advantage of the tax exemption allowed due to its charitable status.

**h) Tangible fixed assets**

The charity's policy is to capitalise asset purchases over £1,000. Depreciation is provided on tangible fixed assets so as to write down the cost over the expected useful life.

Furniture and office equipment is depreciated on the straight line basis at cost over its estimated useful life at the rate of 10% per annum. Computer equipment is depreciated at a rate of 33 1/3% per annum on cost.

**i) Investments**

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise. The charity does not acquire put options, derivatives or other complex financial instruments.

**THE NAUTICAL INSTITUTE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2025**

**1. Accounting policies (continued)**

j) Stock

The stock held is the stock of books, both historical and current, and are valued at the lower of cost or net reliable value. The stock of books is reviewed periodically for the professional content and current relevance and a provision is calculated on this basis.

k) Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

l) Cash at bank and short term deposits

Cash at bank represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Cash placed on term deposit with a maturity of greater than three months but not more than twelve months is disclosed as a short term deposit.

m) Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it would pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

n) Funds

The charity has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

Unrestricted General Funds

General funds arise from all the accumulated surpluses and deficits in the provision of general charitable activities.

Unrestricted Designated Funds

Designated funds are funds set aside out of general funds by the Trustees and designated for a particular purpose. See note 18 for details of specific designated funds.

o) Operating leases

Rental payments under operating leases are charged as expenditure as incurred over the life of the lease.

p) Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge;
- determining the basis for allocating support costs across expenditure categories;
- the estimation of future income and expenditure for the purposes of assessing going concern.

**THE NAUTICAL INSTITUTE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2025**

2 Charitable activities	General Fund £	Designated Fund £	Total 2025 £	Total 2024 £
Seminars/Conferences & Journals	257,279	-	257,279	177,940
Entrance fees, transfer fees and subscriptions	829,966	-	829,966	856,560
Training and courses	351,126	-	351,126	418,923
Accreditation and Certification	3,598,501	-	3,598,501	3,173,593
	<u>5,036,872</u>	<u>-</u>	<u>5,036,872</u>	<u>4,627,016</u>
<b>3 Seminars/Conferences &amp; Journals</b>	<b>Seminar/ Conferences</b>	<b>Seaways Journals</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income</b>				
Conferences and seminars	85,173	-	85,173	89,741
Seaways income (subscribers & Affiliates)	-	153,848	153,848	77,776
Seaways advertising income	-	18,258	18,258	10,423
	<u>85,173</u>	<u>172,106</u>	<u>257,279</u>	<u>177,940</u>
<b>Expenditure</b>				
Conferences/seminars	62,167	-	62,167	75,435
Seaways publications	-	226,126	226,126	204,602
Mars	-	7,000	7,000	7,000
Seaways advertising cost	-	5,155	5,155	2,564
	<u>62,167</u>	<u>238,281</u>	<u>300,448</u>	<u>289,601</u>
Surplus/(deficit) on Seminars/Conferences & Journals	<u><b>23,006</b></u>	<u><b>( 66,175 )</b></u>	<u><b>( 43,169 )</b></u>	<u><b>( 111,661 )</b></u>
<b>4 Other trading activities</b>	<b>Books</b>	<b>Services</b>	<b>2025</b>	<b>2024</b>
Sales	1,441,343	2,366	1,443,709	669,047
Costs of sales				
Opening stocks	88,553	3,819	92,372	85,714
Purchases	603,881	13,824	617,705	594,430
	<u>692,434</u>	<u>17,643</u>	<u>710,077</u>	<u>680,144</u>
Less: closing stocks	<u>( 74,809 )</u>	<u>( 8,695 )</u>	<u>( 83,504 )</u>	<u>( 92,372 )</u>
Costs of sales	<u>617,625</u>	<u>8,948</u>	<u>626,573</u>	<u>587,772</u>
Surplus/(deficit) on other trading activities	<u><b>823,718</b></u>	<u><b>( 6,582 )</b></u>	<u><b>817,136</b></u>	<u><b>81,275</b></u>
<b>5 Investments income</b>	<b>General Fund</b>	<b>Designated Fund</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank interest	36,313	50,171	86,484	80,486
Dividends	-	51,231	51,231	56,050
	<u>36,313</u>	<u>101,402</u>	<u>137,715</u>	<u>136,536</u>

**THE NAUTICAL INSTITUTE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2025**

	Note	General Fund £	Designated Fund £	Total 2025 £	Total 2024 £
<b>6 Raising funds</b>					
Cost of generating funds	4	626,573	-	626,573	587,771
Investment management fees:		-	23,633	23,633	22,658
Publicity		56,668	-	56,668	67,034
		<u>683,241</u>	<u>23,633</u>	<u>706,874</u>	<u>677,464</u>
<b>7 Charitable activities</b>					
Cost of activities in furtherance of the Institute's objectives	3	300,448	-	300,448	289,601
Support costs	8	922,269	-	922,269	792,329
Administration & Governance costs	9	622,303	-	622,303	628,002
Projects		498,293	-	498,293	455,448
Training & Courses		294,287	-	294,287	363,734
Membership		381,538	-	381,538	346,938
Accreditation and Certification		1,761,910	-	1,761,910	1,611,014
Grant to The Nautical Institute Foundation		-	-	-	207,278
		<u>4,781,048</u>	<u>-</u>	<u>4,781,048</u>	<u>4,694,344</u>
<b>8 Support costs</b>				<b>2025</b>	<b>2024</b>
				£	£
Staff costs	11			859,960	710,559
Travelling and meetings				<u>62,309</u>	<u>81,770</u>
				<u>922,269</u>	<u>792,329</u>
<b>9 Administration &amp; Governance costs</b>				<b>2025</b>	<b>2024</b>
				£	£
Postage and telephone				20,557	22,293
Printing and stationery				10,759	7,169
Computer expenses				104,752	105,528
Auditors fees				20,850	19,900
Credit Card & Bank Charges				112,663	96,956
Rent, rates and service charges				107,399	105,477
Insurance				7,960	8,548
Office equipment rental				4,801	5,466
General expenses				46,960	32,212
Travelling, meetings and AGM expenses				62,309	81,770
Legal & Professional fees				28,212	27,770
Training Costs				13,032	7,149
Staff recruitment costs				6,370	29,065
Depreciation				<u>75,679</u>	<u>78,699</u>
				<u>622,303</u>	<u>628,002</u>
The total amount of Governance costs included above is £111,371 (2024: £129,440) which is made up of auditors fees, travelling and legal & professional fees.					
<b>10 Net movement in funds for the year</b>				<b>2025</b>	<b>2024</b>
				£	£
This is stated after charging:					
Depreciation of fixed assets				75,679	78,699
Amounts paid in respect of operating leases				84,170	84,170
Auditors remuneration (audit services)				20,850	19,900
Auditors remuneration (non audit services)				<u>3,500</u>	<u>-</u>

**THE NAUTICAL INSTITUTE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2025**

<b>11 Staff costs</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Salaries & wages	2,124,224	1,918,419
Social security costs	260,962	210,135
Pension	173,906	157,142
<i>Total staff cost including benefits</i>	<u>2,559,092</u>	<u>2,285,696</u>
Less: allocated to cost centres	<u>( 1,699,132 )</u>	<u>( 1,575,137 )</u>
<i>Staff costs included within overhead cost.</i>	<u><u>859,960</u></u>	<u><u>710,559</u></u>
No. of employees earning £60,001 to £70,000	4	4
No. of employees earning £70,001 to £80,000	2	2
No. of employees earning £80,001 to £90,000	2	1
No. of employees earning £100,001 to £110,000	-	2
No. of employees earning £110,001 to £120,000	2	-
No. of employees earning £120,001 to £130,000	-	1
No. of employees earning £130,001 to £140,000	<u>1</u>	<u>-</u>
Average number of employees	<u>43</u>	<u>41</u>

The chairman and trustees did not receive any remuneration during the year.

The key management personnel consists of the CEO, Director of Finance and Director of Research & Relationships; their total remuneration was £446,848 for the year ended 31 December 2025 (2024: £414,082). Remuneration of key management personnel is set by the remunerations committee.

**12 Taxation**

The charitable company is exempt from corporation tax on its charitable activities.

<b>13 Tangible fixed assets</b>	<b>Office furniture &amp; Equipment</b>			<b>Computers</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1st January 2025	81,526	1,040,178		1,121,704	
Additions	-	76,886		76,886	
At 31st December 2025	<u>81,526</u>	<u>1,117,064</u>		<u>1,198,590</u>	
<b>Accumulated depreciation</b>					
At 1st January 2025	77,741	961,195		1,038,936	
Charge for the year	925	74,754		75,679	
At 31st December 2025	<u>78,666</u>	<u>1,035,949</u>		<u>1,114,615</u>	
<b>Net book values:</b>					
<b>As at 31st December 2025</b>	<u>2,860</u>	<u>81,115</u>		<u>83,975</u>	
<b>As at 31st December 2024</b>	<u>3,785</u>	<u>78,983</u>		<u>82,768</u>	

<b>14 Investments</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Market value at 1 January	3,135,686	2,910,752
Acquisition at cost	213,563	420,850
Sales proceeds at market value	( 232,127 )	( 370,131 )
Gain in the year	<u>236,777</u>	<u>174,215</u>
Market value at 31 December	3,353,899	3,135,686
<b>Other Holdings</b>		
Cash	<u>182,736</u>	<u>128,228</u>
<b>Market value at 31 December</b>	<u><u>3,536,635</u></u>	<u><u>3,263,914</u></u>
Market value at 1 January	<u>3,263,914</u>	<u>3,048,077</u>
<b>Historic cost at 31 December</b>	<u><u>2,935,108</u></u>	<u><u>2,919,278</u></u>

**THE NAUTICAL INSTITUTE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2025**

**14 Investments (continued)**

The following investments represent more than 5% of the total portfolio value at 31 December 2025:

	<b>Balance</b>	<b>% holding</b>
	<b>£</b>	
UK Government Bonds	318,573	9.0%
Edgewood Select Fund	290,885	8.2%
Findlay Park Funds	290,037	8.2%
SPDR Series Trust	465,410	13.2%

**14a Short term deposits**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
<b>Designated funds</b>		
At 1 January	1,050,860	1,000,000
Purchase of short term deposits	41,825	50,860
<b>At 31 December</b>	<b><u>1,092,685</u></b>	<b><u>1,050,860</u></b>
<b>General funds</b>		
At 1 January	-	-
Purchase of short term deposits	1,008,260	-
<b>At 31 December</b>	<b><u>1,008,260</u></b>	<b><u>-</u></b>
<b>Total short term deposits</b>	<b><u>2,100,945</u></b>	<b><u>1,050,860</u></b>

**15 Stocks**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Books	74,809	88,553
Member services	8,695	3,819
	<u>83,504</u>	<u>92,372</u>

**16 Debtors**

Trade debtors	267,606	223,092
Prepayments	245,892	220,118
Other debtors	306,924	232,820
VAT	77,539	85,175
	<u>897,961</u>	<u>761,205</u>

**17 Liabilities: Creditors: Amounts falling due within one year:**

Trade creditors	160,147	236,192
Accruals	206,594	88,714
PAYE & other creditors	81,868	85,159
Deferred income	107,998	106,424
	<u>556,607</u>	<u>516,489</u>

Deferred income includes project and membership income received in advance which is being released to income in the period the income relates to. It also includes a premium from surrendering old office lease which is being recognised over the 5 years term of the current office lease.

Balance brought forward at 1 January 2025	£	106,424
Release of deferred income in year	(	71,424 )
New deferrals		72,998
Balance carried forward at 31 December 2025		<u>107,998</u>

**18 Funds**

	Balance					Balance
	01.01.2025	Income	Expenditure	Gains	Transferred	31.12.2025
	£	£	£	£	£	£
<b>Designated funds</b>						
Capital Reserve Fund	4,314,775	101,402	( 23,633 )	236,777	-	4,629,321
Education fund	60,690	-	( 15,671 )	-	-	45,019
	<u>4,375,465</u>	101,402	( 39,304 )	236,777	-	<u>4,674,340</u>

**THE NAUTICAL INSTITUTE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2025**

**18 Funds (continued)**

The Capital Reserve Fund has been set up to create a Contingency Reserve and a Projects Reserve. The Contingency Reserve is to ensure that the Institute's services are not compromised in the short term. The target level of Contingency Reserve is calculated based on 33% of annual operating budget. The Projects Reserve is to enable the Institute to fund specific projects with the approval of the Executive Board of Trustees. The target level of Projects Reserve is calculated based on 50% of the Contingency Reserve target. The level of Capital Reserve Fund is reviewed on a regular basis. During the year, there was no transfer of funds from the General Fund to the Capital Reserve Fund (2024: £0).

The Education Fund is generated from authors choosing to donate royalties due to them from book sales and from other sources. During 2024, a donation of £55,589 has been received from Maritime Industry Foundation with aim of enhancing awareness in maritime industries. The Trustees therefore decided to allocate the donation to the Education Fund. The fund is being used to develop careers area of the Institute's website and to provide financial support to junior officers in the maritime sector towards advancing their career. The award of financial support from the Education Fund is made after applications are considered by the nominations committee.

<b>General Fund</b>	Balance 01.01.2025	Unrestricted	Transferred	Balance 31.12.2025
Brought forward	1,489,585	-	-	1,489,585
Transfer in year	-	-	-	-
Surplus for year	-	1,395,879	-	1,395,879
	<u>1,489,585</u>	<u>1,395,879</u>	<u>-</u>	<u>2,885,464</u>

**19 Related Party Transactions**

No Trustee received any remuneration for services as a Trustee. The amount of £18,775 (2024: £22,686) was reimbursed to 10 Trustees (2024: 11 Trustees) to cover miscellaneous travel expenses in connection with their roles as Trustees. During the year, no Trustee received payment for a service provided to the Institute in a capacity different from being a Trustee (2024: £2,259 one Trustee). The Institute received a total financial support of £12,800 from 3 entities where the Institute's Trustees are a Director or Employee of the entity (2024: £11,600 from 3 entities).

During the year the charity paid net expenses of £23,914 (2024: £48,286) on behalf of the Nautical Institute Foundation, a charity with trustees in common with the the Nautical Institute. The balance due from the Nautical Institute Foundation before provisions at 31 December 2025 was £231,191 (2024: £207,278). During 2024, as there was a doubt in respect of recoverability of the £207,278 balance, the Institute's Trustees had decided to make a provision against the balance as Grant to the Foundation. This provision has remained unchanged at 31 December 2025. The Foundation's role is to be supportive of Nautical Institute programmes and ethos, but it plays a unique role in being able to support educational needs for the wider maritime community, not just the Institute's members. It aims to raise funds from industry participants and other maritime NGOs to develop and deliver its programmes and has no recourse to permanent funding from the Institute itself.

Trustees and Council members use the Institute's services on the same terms as other members. Because of the nature of the Institute's trades it is not practical to quantify the total of transactions with these members during the year. However, only minor balances were owed to and from these members as at 31st December 2025 and any fees paid to these members are shown separately in the Revenue Account. Trustees and Council members are required to be full voting members of the Institute.

Due to the nature of the Institute's trade, a number of the Trustees and Council members are also either directors or trustees or employees of entities with which the Institute trades. During the year, the Institute neither received nor made payment from/to any entity where the Institute's Trustee is a Company Director or Trustee of the entity.

**THE NAUTICAL INSTITUTE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2025**

**20 Lease commitments**

At 31 December 2025, the Institute had the following future lease payments under non-cancellable operating leases:

Land and buildings

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Not later than one year	84,170	84,170
Later than one year and not later than five years	-	84,170
	84,170	168,340

**21 Comparative Statement of Financial Activities**

	<b>Unrestricted Fund</b>	<b>Designated Fund</b>	<b>Total Funds 2024</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income and endowments from:</b>			
Donations and Legacies	347,839	55,589	403,428
Charitable activities	4,627,016	-	4,627,016
Other trading activities	669,047	-	669,047
Investment income	21,396	115,140	136,536
<b>Total</b>	5,665,298	170,729	5,836,027
<b>Expenditure on:</b>			
Raising funds	654,806	22,658	677,464
Charitable Activities	4,693,583	761	4,694,344
<b>Total</b>	5,348,389	23,419	5,371,808
Net gain on investments	-	174,215	174,215
<b>Net income</b>	316,909	321,525	638,434
<b>Transfers between funds</b>	-	-	-
<b>Net movement in funds</b>	316,909	321,525	638,434
<b>Reconciliation of funds:</b>			
Total funds brought forward at 1st January	1,172,676	4,053,940	5,226,616
<b>Total funds carried forward at 31st December</b>	1,489,585	4,375,465	5,865,050