THE NAUTICAL INSTITUTE

(A Company Limited by Guarantee)
Company No. 2570030

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2019

Registered Charity No: 1002462

THE NAUTICAL INSTITUTE

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2019

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THE NAUTICAL INSTITUTE

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2019

LEGAL AND ADMINISTRATION INFORMATION

Status

The Nautical Institute is a charitable company limited by guarantee, incorporated 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 at the financial year end were:

Mr.Moin Ahmed		Mr. George Lang	
Captain M K Barritt	Resigned 23.6.2019	Captain I Mathison	
Mr. D Bendall	Resigned 14.6.2019	Captain J P Menezes	
Captain Z Bhuiyan		Captain M L G Nuytemans	
Mr. Allen Brink		Captain D Telfer	
Mr. F Coles		Captain J P Szymanski	
Captain G Cowling		Captain K D Austin	Appointed 23.06.2019
Mr. P B Hinchliffe			

Secretary	Mr. P J Lloyd
Registered Office	202 Lambeth Road London SE1 7LQ
Auditors	Appleby & Wood 40 The Lock Building 72 High Street Stratford London E15 2QB
Bankers	The Royal Bank of Scotland 62-63 The Threadneedle Street London EC2R 8LA
Fund Managers	Rathbones 1 Curzon Street London W1J 5FB

THE NAUTICAL INSTITUTE
REPORT OF THE TRUSTEES
31ST DECEMBER 2019
Co. No. 2570030

The trustees present their report and the audited financial statements for the year ended 31st December 2019.

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

Public Benefit
The trustees confirm that they have complied with the duty in Section 4 of the Companies Act 2006 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. A detailed explanation is shown under Objectives and Activities on the Trustees report published in the May issue of the Institute's Journal, Seaways.

State of affairs and business review

The company made an operating surplus on the General Fund of £243,945 for the current year (2018: £333,383). After taking into account investment activities, designated funds movements and unrealised surplus the company made a surplus of £371,237 (2018: £276,471).

The trustees keep the Reserves Policy under regular review. The Institute holds reserves in order to ensure as far as possible that its Objects may be met in future. Total invested reserves at present stand at £1,347,287 (2018: £1,120,284) which is comprised of the Contingency Reserve £626,000 (2018: £555,000) calculated as shown on page 8 and the remainder acting as a Projects Reserve. 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 investment policy of the Institute is to maximise the total return from capital and income combined while maintaining a medium level of risk. Management of the funds is delegated to external investment managers on a discretionary basis and the trustees review the performance of the managers against benchmarks on a regular basis.
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 are responsible for the day to day management of risk and minimising the effect of any adverse events. The Trustees decided to maintain staffing levels through the year due to the demand for Institute services, so authorised cash drawdown to sustain operations, which was not actually required.

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 his remuneration for the forthcoming year. A non-contributory pension investment of 9% of salary, is made to staff personal pension schemes.

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 Journal and other publications. Due to the diversity of these voluntary contributions and the large number of members involved (some 140 in central governance roles) it is not feasible to assess the value in terms of time or money.

Auditors

The auditors, Appleby and Wood 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 company at the financial year end were:

Mr.Moin Ahmed		Mr. P B Hinchliffe	Captain K D Austin Appointed 23.06.2019
Captain M K Barritt	Resigned 23.6.2019	Mr. George Lang	
Mr. D Bendall	Resigned 14.6.2019	Captain I Mathison	
Captain Z Bhuiyan		Captain J P Menezes	
Mr. Allen Brink		Captain M L G Nuytemans	
Mr. F Coles		Captain D Telfer	
Captain G Cowling		Captain J P Szymanski	

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 and signed on their behalf by:

Mr P J Lloyd
Secretary

P. J. Lloyd

Date: 28 May 2020

THE NAUTICAL INSTITUTE

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.

Mr. P B Hinchliffe
Treasurer

~~**Mr. George Lang**~~ CAPTAIN DUNCAN TELFER
Treasurer

Date:

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

Opinion

We have audited the financial statements of The Nautical Institute Limited (the 'charitable company') for the year ended 31st December 2019 which comprise the Statement of Financial Activities and the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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 31st December 2019 and of its incoming resources and application of resources, including 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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report 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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 3 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.

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.

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

R W Williams (Senior Statutory Auditor)

For and on behalf of Appleby & Wood, Statutory Auditor
40 The Lock Building
72 High Street
Stratford
London E15 2QB Date

THE NAUTICAL INSTITUTE
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2019

	2019	2018
Income	3,568,673	3,311,402
Gain/(loss) on investments	96,643	(81,944)
Gross income in reporting period	3,665,316	3,229,458
Expenditure	(3,294,079)	(2,952,987)
Net income before tax for the reporting period	371,237	276,471
Tax Payable	-	-
Net income for the financial year	371,237	276,471

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 2019

	Note	Unrestricted Fund £	Designated Fund £	Total Funds 2019 £	Total Funds 2018 £
Income and endowments from:					
Donations and Legacies		156,200	-	156,200	166,667
Charitable activities	2	2,625,446	-	2,625,446	2,652,018
Other trading activities	4	746,029	-	746,029	460,842
Investment income	5	2,232	38,766	40,998	31,875
Other		-	-	-	-
Total		3,529,907	38,766	3,568,673	3,311,402
Expenditure on:					
Raising funds	6	450,546	-	450,546	433,343
Charitable Activities	7	2,823,672	8,117	2,831,789	2,519,644
Other- Office refurbishment costs		11,744	-	11,744	-
Total		3,285,962	8,117	3,294,079	2,952,987
Net gain / (loss) on investments		-	96,643	96,643	(81,944)
Net income		243,945	127,292	371,237	276,471
Transfers between funds		(100,000)	100,000	-	-
		(289)	289	-	-
Net movement in funds		143,656	227,581	371,237	276,471
Reconciliation of funds:					
Total funds brought forward		974,165	1,129,116	2,103,281	1,826,810
Total funds carried forward at 31st December 2019	18	1,117,821	1,356,697	2,474,518	2,103,281

Movements in funds are disclosed in Note 18 to the financial statements.

All amounts above relate to unrestricted funds.

The notes on pages 8 to 13 form part of these financial statements.

THE NAUTICAL INSTITUTE
BALANCE SHEET AS AT 31ST DECEMBER 2019
Company No. 2570030

	Note	Total funds 2019 £	£	Total funds 2018 £	£
Fixed assets					
Tangible assets	13		101,387		120,913
Investments	14		1,347,287		1,120,284
Total fixed assets			1,448,674		1,241,197
Current assets					
Stocks	15	51,083		73,365	
Debtors	16	359,911		331,136	
Cash at bank and in hand		941,491		824,437	
Total current assets		1,352,485		1,228,938	
Liabilities:					
Creditors: amounts falling due within one year	17	(326,641)		(366,854)	
Net current assets			1,025,844		862,084
Total net assets or liabilities			2,474,518		2,103,281
The funds of the charity:					
Unrestricted funds:					
Designated funds	18		1,356,697		1,129,116
General funds			1,117,821		974,165
Total charity funds			2,474,518		2,103,281

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 28th May 2020 and signed on their behalf by:

Mr. P B Hinchliffe
Trustee

Captain D. Telfer
Treasurer

The notes on pages 8 to 13 form part of these financial statements.

THE NAUTICAL INSTITUTE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2019

1. Accounting policies

a) Basis of accounting

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).

b) Depreciation of fixed assets

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.

c) Revaluation of investments

The investment assets have been shown at market value for the year ending 31st December 2019 with the comparatives for the year ending 31st December 2018 also shown at their market value. The revaluation surplus has been shown on the statement of financial activities as net realised and unrealised gain on investment assets.

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

e) Allocation of expenditure
10% of salaries and 50% of travelling and meeting expenses have been allocated to management and administration of the Institute, which reflects the proportion incurred in this activity.

f) Capital reserve fund

This has been set up to create a Contingency Reserve and a Projects Reserve. The Contingency Reserve should be based on 3 months staff costs, 6 months rent and services and the average trade creditors. The Projects Reserve is to enable the Institute to fund specific projects with the approval of the Executive Board of Trustees. This Fund would be reviewed annually.

g) Stock

The stock held is the stock of books, both historical and current, and are valued at estimated selling price less costs to complete and sell. The stock of books is reviewed periodically for the professional content and current relevance and a bad debt provision is calculated on this basis.

2 Charitable activities

		Unrestricted Fund £	Designated Fund £	Total 2019 £	Total 2018 £
Charitable activities	3	233,173	-	233,173	169,501
Entrance fees, transfer fees and subscriptions		692,774	-	692,774	683,418
Training and courses		187,611	-	187,611	-
Accreditation Certification and training		1,511,888	-	1,511,888	1,799,099
Educational Fund grants		-	-	-	-
		2,625,446	-	2,625,446	2,652,018

3 Seminars & Conferences

	Seminar/ Conferences £	Seaways Journals £	2019 £	2018 £
Income				
Conferences and seminars	83,967	-	83,967	38,087
Seaways income (subscribers & Affiliates)	-	119,583	119,583	98,905
Seaways advertising income	-	29,623	29,623	32,509
	83,967	149,206	233,173	169,501
Expenditure				
Conferences/seminars	83,423	-	83,423	33,660
Seaways publications	-	210,921	210,921	194,568
Mars	-	6,000	6,000	6,000
Seaways advertising cost	-	6,343	6,343	9,088
	83,423	223,264	306,687	243,316
Surplus/(deficit) on Seaways & conferences	**544**	**(74,058)**	**(73,514)**	**(73,815)**

4 Other trading activities

	Books	Services	2019	2018
Sales	743,494	2,535	746,029	460,842
Costs of sales				
Opening stocks	68,357	5,008	73,365	79,398
Purchases	394,734	-	394,734	378,675
	463,091	5,008	468,099	458,073
Less: closing stocks	(47,454)	(3,629)	(51,083)	(73,365)
Costs of sales	415,637	1,379	417,016	384,708
Surplus on other trading activities	**327,857**	**1,156**	**329,013**	**76,134**

5 Investments income

	General Fund £	Designated Fund £	2019 £	2018 £
Bank interest	2,232	-	2,232	724
Dividends	-	38,766	38,766	31,151
	2,232	38,766	40,998	31,875

		Note	Unrestricted Fund £	Designated Fund £	Total 2019 £	Total 2018 £
6	**Raising funds**					
	Cost of generating funds	4	417,016	-	417,016	384,708
	Publicity		33,530	-	33,530	48,635
			450,546	-	450,546	433,343
7	**Charitable activities**					
	Cost of activities in furtherance of the Institute's objectives	3	306,687	-	306,687	243,316
	Support costs	8	723,759	-	723,759	699,687
	Administration & Governance costs	9	603,466	-	603,466	577,629
	Project & Traning		289,570	-	289,570	79,330
	Training and Courses		138,696	-	138,696	-
	Accreditation and Certification		761,494	8,117	769,611	919,683
	Prizes and scholarships		-	-	-	-
			2,823,672	8,117	2,831,789	2,519,644

8 Support costs

	Note	2019 £	2018 £
Branch subventions		22,096	4,668
Staff costs	11	652,259	647,969
Travelling and meetings		49,404	47,050
		723,759	699,687

9 Administration & Governance costs

	2019 £	2018 £
Postage and telephone	40,202	37,549
Printing and stationery	9,894	12,014
Computer expenses	52,513	79,623
Auditors fees	5,800	5,700
Credit Card & Bank Charges	41,168	38,688
Rent, rates and service charges	149,925	115,368
Insurance	6,026	6,643
Insurance - Members Benefit	35,189	46,805
Office equipment rental	6,033	4,206
General expenses	9,368	13,527
Travelling, meetings and AGM expenses	49,404	47,050
Legal & Professional fees	30,376	9,745
Training Costs	7,656	5,606
Staff costs (11)	72,473	71,997
Depreciation	87,439	83,108
	603,466	577,629

10 Net movement in funds for the year

This is stated after charging:	2019 £	2018 £
Depreciation of fixed assets	87,439	83,108
Auditors remuneration (audit services)	5,800	5,700

11 Staff costs

	2019 £	2018 £
Salaries & wages	1,306,781	1,161,589
Social security costs	136,485	120,034
Pension	116,533	96,019
Total staff cost including benefits	1,559,799	1,377,642
Less: allocated to cost centres (excluding membership)	(835,066)	(657,677)
Staff costs included within overhead cost.	724,733	719,965
No. of employees earning £60,000 to £70,000	2	3
No. of employees earning £70,001 to £80,000	2	-
No. of employees earning £80,001 to £90,000	-	1
No. of employees earning £90,001 to £100,000	-	1
No. of employees earning £100,000 +	4	2
Average number of employees	35	32

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

12 Taxation

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

13 Tangible fixed assets

Cost	Office furniture & Equipment £	Computers £	Total £
At 1st January 2019	78,496	583,241	661,737
Additions	1,095	66,818	67,913
Disposals	-	-	-
At 31st December 2019	79,591	650,059	729,650
Accumulated depreciation			
At 1st January 2019	46,723	494,101	540,824
Charge for the year	6,307	81,132	87,439
Disposals	-	-	-
At 31st December 2019	53,030	575,233	628,263
Net book values:			
As at 31st December 2019	26,561	74,826	101,387
As at 31st December 2018	31,774	89,139	120,913

14 Investments

	2019 £	2018 £
Market value at 1 January 2019	908,680	1,177,196
Acquisition at cost	858,179	-
Sales proceeds at market value	(573,170)	(170,454)
Surplus / Loss in the year	96,643	(98,062)
Market value at 31 December 2019	1,290,332	908,680
Other Holdings		
Cash	56,955	211,604
Market value as at 31 December 2019	1,347,287	1,120,284
Historical cost as at 31st December 2018	1,120,284	965,620

		2019 £	2018 £
15	**Stocks**		
	Books	47,454	68,357
	Member services	3,629	5,008
		51,083	73,365
16	**Debtors**		
	Trade debtors	146,096	58,438
	Prepayments	91,750	66,890
	Other debtors	100,977	186,232
	VAT	21,088	19,576
		359,911	331,136
17	**Liabilities: Creditors: Amounts falling due within one year:**		
	Trade creditors	73,358	121,671
	Accruals	211,094	208,491
	PAYE & other creditors	42,189	36,692
		326,641	366,854

18 **Designated funds**	Balance 01.01.2019 £	New Designated £	Utilised/ Realised £	Transferred £	Balance 31.12.2019 £
Capital Reserve Fund	1,118,771	135,409	(8,117)	100,000	1,346,063
Educational fund	10,345	-	-	289	10,634
	1,129,116	135,409	(8,117)	100,289	1,356,697

19 Related Party Transactions

No Trustee received any remuneration for services as a Trustee. The amount of £10,030 (2018: £10,998) was reimbursed to Trustees to cover miscellaneous travel expenses in connection with their roles as Trustees.

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 2019 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 are also directors/trustees/employees of entities with which the Institute trades, and due to the nature of the trade, it would not be practical to quantify the total of transactions in the period.

THE NAUTICAL INSTITUTE
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST DECEMBER 2019

Statement of cash flows	Total 2019 £	Total 2018 £
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	274,329	383,050
Cash flows from investing activities:		
Dividends, interest and rents from investments	40,998	31,875
Proceeds from the sale of property, plant and equipment	-	-
Purchase of property, plant and equipment	(67,913)	(94,110)
Proceeds from sale of investments	573,170	170,454
Purchase of investments	(858,179)	-
Net cash provided by (used in) investing activities	(37,595)	491,269
Cash flows from financing activities:		
Repayments of borrowing	-	-
Cash inflow from new borrowing	-	-
Receipt of endowment	-	-
Net cash provided by (used in) financing activities	(37,595)	491,269
Change in cash and cash equivalents in the reporting period	(37,595)	491,269
Cash and cash equivalents at the beginning of the reporting period	1,036,041	544,772
Change in cash and cash equivalents due to exchange rate movements	-	-
Cash and cash equivalents at the end of the reporting period	998,446	1,036,041

Reconciliation of net income/(expenditure) to net cash flow from operating activities

Net income/(expenditure) for the reporting period (as per the statement of financial activities)	371,237	276,471
Adjustments for:		-
Depreciation charges	87,439	83,108
(Gains)/Losses on investments	(96,643)	81,944
Dividends, interest and rent from investments	(40,998)	(31,875)
Loss/(profit) on the sale of fixed assets	-	-
(Increase)/decrease in stocks	22,282	6,033
(Increase)/decrease in debtors	(28,775)	(41,098)
Increase/(decrease) in creditors	(40,213)	8,467
Net cash provided by (used in) operating activities	274,329	383,050

Analysis of cash and cash equivalents	Total	Total
Cash in hand	941,491	824,437
Investment capital reserve account	56,955	211,604
Notice deposits (less than 3 months)	-	-
Overdraft facility repayable on demand	-	-
Total cash and cash equivalents	998,446	1,036,041