

The Nautical Institute Annual Report – 2020



John Lloyd FNI
Chief Executive and Company
Secretary on behalf of the
Executive Board

After a very positive start to 2020, The Nautical Institute experienced a significant reduction in activity associated with the Covid-19 pandemic. A global re-adjustment in priorities was reflected across all areas, especially in accreditation and delivery of the professional development courses. Significant interventions were made to ensure the safety and security of staff and the day-to-day operations of the office. Previous exercises addressing business continuity ensured a smooth transition to partial home working.

In consideration of potential difficulties in the ability of our DPOs to send documentation and in courier operations, The Nautical Institute extended the validity of all DPO certificates by a period of six months. This action aimed to provide confidence and reassurance to the market and appears to have been warmly welcomed by the whole sector.

The NI moved its key meetings online and increased the frequency of management meetings (initially to three times per week). The level of oversight from the Finance and Audit Committee and Executive Board was increased by introducing monthly meetings; these were later reduced to every two months.

The Annual General Meeting was, for the first time ever, held online. The AGM saw the transition of the Presidency from Captain Nick Nash to Jillian Carson-Jackson, the Institute's first female President. Jillian delivered an inauguration speech focusing on equality and diversity. Since taking office she has been particularly active engaging with Vice-Presidents and online meetings of branches.

Events planned to take place in Plymouth in tandem with the AGM were postponed due to travel restrictions. It is hoped the technical and other events can be rescheduled for another date, perhaps to coincide with rearranged Mayflower 400 celebrations.

The Navigator was once again one of the world's leading free journals to the maritime sector thanks to the longstanding and generous support of International Foundation for Aids to Navigation (IFAN) (£100,000) and other donors including Ocean Technologies Group, Rightship, the UK P&I Club and the PTC Group.



**Outgoing President
Cdre Nick Nash FNI**



**Jillian Carson-Jackson
FNI, President, The
Nautical Institute**



Objectives and activities

The aim of this report is to provide a resumé of the work of the Institute during the year. The Trustees are grateful to the many members and the staff whose dedication and professionalism continue to contribute to an effective and well-respected organisation.

The work of the Institute is not only a service to members but also a public benefit to maritime professionals, the industry and society in general worldwide, by improving safety and the protection of the marine environment through the sharing of knowledge in nautical science and the raising of professional standards.

The ISO 9001:2015 quality management standard was successfully maintained. The audit in February 2020 resulted in constructive feedback and ongoing approval from the certifying body.

Finance and staffing

The Trustees meet on a regular basis. Mindful of the particularly challenging conditions and the enhanced risk to operations and finances, meetings this year were held more frequently than has hitherto been felt necessary. The additional meetings of the Executive Board and the Finance and Audit Committee ensured the correct level of governance and oversight was provided throughout the year.

The impact of Covid-19 resulted in a significant drop in revenue-generating activities in some areas, most notably accreditation services and short course delivery.

Extensive mitigation strategies were put in place, including the use of government-supported funding for job retention schemes. Nevertheless, some staffing adjustments were necessary, and three posts were identified as no longer required by the organisation. Individual members of staff were not very adversely affected as one member of staff was re-deployed internally and a further two secured employment with new employers. Recruitment to existing vacancies was deferred indefinitely.

The management of the investment portfolio was kept under regular review in what was a very unpredictable market. The balanced low-medium risk portfolio invested through Rathbones performed rather better than had been expected.

The Institute continued to carry a healthy bank balance throughout the year. The extensive operational savings made during the year more than offset the reduction in revenue and a surplus of £289,250 was recorded for the year.

The Reserve policy was reviewed towards the end of the year and it was agreed to invest further in the capital reserve fund to take advantage of the potential for growth in stock markets globally.

As part of this review, the Reserves policy has now been brought into line with charity-sector averages, holding the equivalent of four months operational expenditure in contingency reserve. An amount equivalent to 50% of this figure should also be held as an operational reserve to support projects and other activities should the need arise.

The Capital Reserve Fund value at year end was £1,339,384, reflecting a total return of -0.6% (-£8,000) in unprecedented conditions.

PUBLICATIONS

The pandemic inevitably had an effect on publications. Some authors were unable to provide planned contributions, others were very busy organising work around the new circumstances and others had health issues. We are very grateful to all our volunteer authors and peer reviewers for the support and dedication they show to the task. The efforts they put in last year were second to none.

We did manage to launch some books as planned. *A Guide to Bulk Carrier Operations*, a new publication aimed at STCW certificate-holders on bulk carriers, was a big success. The launch webinar attracted some 800 participants. Thanks to the support of those in the industry – notably Intercargo – the book is gaining fleet sales and will help to support safer operations on those vessels. In further support of the bulk carrier fleet a major review of the second edition of the industry standard work *Bulk Carrier Practice* is now underway.

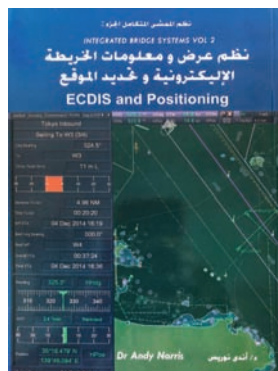
A new edition of *Stowaways by Sea* included an enlarged section on migrant rescue to help those facing these challenges. There was certainly no let-up in migrant activity in 2020 and the book has been well received.

An Arabic translation of *ECDIS and Positioning* was launched in Egypt. Translations of other books are being developed.

A major advance was the development of ebooks for some titles and more are being added all the time. Demand for ebooks is slow but we want to make sure they are available. There will be more developments in the coming months as we get more sophisticated in our offering.

Another major project was the development of a trial taskbook for IMEC (International Maritime Employers Council) members. This is aimed at recording and validating training above minimum regulations and is set to be reviewed this year.

There are still some 16 projects in various states of completion, and more are being added when proposals are considered worthwhile. A completely revised and updated edition of *Bridge Watchkeeping* is ready, aimed at those who are taking on this task for the first time. Now, attention turns to the bridge team. An editorial board is working to see what support can be given to this cohort, which is so often criticised in casualty reports.



Last year proved to be a good one for book sales despite the pandemic. We maintained good relations with resellers. These make up most of the market and many have undergone some strategic changes during the year with ownership and emphasis changing for some. The NI is holding book prices for 2021 as we know people will be facing a tough year. It is hoped this will help people to continue to benefit from the advice we give on best practice at a difficult time.

Seaways

In the President's Questionnaire of 2020, *Seaways* was once again considered to be the top membership benefit of the NI. Over the years, *Seaways* has reflected the lives and concerns of our members, and is closely integrated with the wider concerns of the Institute. In 2020, this has inevitably meant a focus on what it is like working in a world affected by the pandemic, and how the industry has adapted to deal with this, both at sea and on shore. In addition, we have shared and amplified the voices of those campaigning for an end to the unjust treatment of seafarers prevented from travelling home.

The magazine continues to be a forum for discussion, debate and the development of new ideas, as well as the reinforcement of current best practice. Technical concerns have included increasing digitalisation and the need for increasing co-ordination between ship and port; the emerging shape of maritime training, the development of Colregs and the perennial issue of mooring safety.

At the end of 2020, we carried out a major update of the online archive. All copies of *Seaways* back to June 2006 are now available for members to view online, with each copy individually searchable. This represents the entire digital archive.

MEMBERSHIP

The pandemic posed a key challenge for the Institute in maintaining services to members. With careful planning and a flexible approach, however, all membership processes were successfully transitioned to remote management. The appointment of a new mailing house has helped to streamline membership administration, including the implementation of a much improved new member welcome pack.

Total membership of the Institute stood at 6,869 at 31 December 2020, slightly down on last year (6,947). While this is disappointing, it is set against a period in which many members lost employment and during which funding for 193 South African student members came to an end.



Geographical distribution and branch update

Africa	235 (236)
Asia	1,377 (1,382)
Europe	3,700 (3,713)
Latin America	251 (252)
Middle East	136 (137)
North America	595 (597)
Oceania	575 (577)

Membership in 2020 (2019)

President's Questionnaire

Every five years a President's Questionnaire is issued to canvass the views of members and ensure the Institute's goals remain in line with what members want. This, in turn, helps shape the Institute's next Strategic Plan. A record 34% of members responded to the 2020 NI Questionnaire in which questions ranged from exploring how recipients felt about membership benefits to much broader themes such as the areas of the industry that they believed the Institute should be placing most emphasis on. Emerging as a dominant theme was the desire for the Institute to focus on seamanship. This has duly been included as a central element within the Institute's Strategic Plan for 2021-2026.

First Sapphire Affiliate

Leading global learning company Ocean Technologies Group become The Nautical Institute's first Sapphire Affiliate partner. Affiliate partners are dedicated supporters who undertake to donate a certain sum to the NI every year, providing much needed support for the Institute's Mariners' Alerting and Reporting Scheme (MARS) as well as its free magazine *The Navigator*, which this year celebrated its 25th edition. Raal Harris, Creative Director of the Ocean Technologies' Group, said: "We have enjoyed a great working relationship with The Nautical Institute over many years using its members' expertise and knowledge to help us design and develop our training solutions. We passionately believe in the professional development of seafarers and so it was a natural progression for us to help support the Institute's work by becoming the first Sapphire Affiliate member."

Member benefits

Members continue to appreciate being able to take one free online Videotel course every 12 months. Over 381 courses were taken in 2020. The Institute's partnership with the CV & Interview Advisors is also proving popular. In 2020 members had the opportunity to attend four free webinars focused on helping them to polish their CV, improve their online profile and hone their interview skills.

Certificates of Appreciation

Our Institute's global network of branches play a vital role in promoting the message of professionalism, best practice and safety and in providing constructive input to decision-makers.

In 2020 many branches participated in a programme of awarding Certificates of Appreciation



The Nautical Institute would like to thank all the Nautical Affiliates and sponsors who support our work



Nautical Institute members present Certificates of Appreciation to serving seafarers

in recognition of the sacrifices made by seafarers during the pandemic. The initiative was started by Walter Vervloesem FNI, Chairman of the NI Belgian branch, but grew to involve the rest of The Nautical Institute's global branch network. Foremost among these was the Institute's South West India Branch which held no less than 12 online Certificate of Appreciation events, subsequently celebrated in a special souvenir brochure. To paraphrase the words of one recipient...

All Masters were very very grateful to receive this certificate and it means a lot for the entire crew for such a kind and noble gesture. It's a way to tap the shoulders of all seafarers to say 'many thanks for doing such a wonderful and great job for all citizens of this world'.

Branch meetings move online

The Institute's branches have proved hugely adaptable in the face of the pandemic with many holding online meetings, both social and technical.

While members have missed the interaction that comes with physical meetings, many have welcomed the opportunity to participate online, especially those who, for reasons of geography or work commitments, might not otherwise have been able to engage with fellow members in their region. The Iberia, London, Hellenic, South West India, Ireland and Singapore branches are just some of those leading the way in using online meeting technology to bring together members from their respective regions and beyond.

Younger Members' Council

In seeking to encourage younger seafarers to become members of The Nautical Institute, the Younger Members' Council launched an NI Instagram account in late 2020.

The account already has more than 600 followers and is serving to highlight the breadth of the Institute's activities to a section of the maritime community that may previously have been unfamiliar with the work of The Nautical Institute.

RESOURCES AND COMMUNICATIONS

Targeted Coronavirus resource

The pandemic threw up many challenges for the maritime community, not least the difficulty in accessing reliable and accurate information. The vital work undertaken by seafarers lies at the heart of the world's battle to beat the Coronavirus, so it is important they are able to stay abreast of how best to meet the specific challenges posed by Covid-19 to the maritime community.

To help address this need The Nautical Institute established a dedicated welfare and support page on its website, featuring a range of valuable resources. This includes updates and guidance from organisations such as the IMO, International Chamber of Shipping, Steamship Mutual, the World Health Organization and the European Commission.

Navigating the future

The Nautical Institute joined forces with ITN Productions to produce *Navigating the Future*, a film that aims to raise awareness and understanding of the

vital role played by the maritime sector.

Launched at the CrewConnect Global virtual conference by Nautical Institute CEO Captain John Lloyd, the film begins with an overview of the ways that technology is transforming the industry – particularly by making shipping greener. As the industry undergoes rapid change, the Institute is there to provide support through its publications, global network of maritime experts and its CPD programme, Captain Lloyd explains.

PROJECTS

The Navigator magazine

The Navigator magazine continues to inspire professionalism in marine navigators. Its impact is evident from the hundreds of testimonials sent in throughout the year (mostly through Facebook).

With generous funding from IFAN and Ocean Technologies Group, the UK P&I Club, Rightship, and the PTC Group, we were able to deliver thousands of paper copies of *The Navigator* and many thousands more copies by the app and free downloads. Although some of the paper copies have been delayed around the world as a result of flight restrictions being imposed in many countries, the electronic copies have come into their own. Users particularly appreciate that the app is fully searchable across all issues. We do recognise the value of the paper copies, and please be assured that all back copies are in the system and will be delivered eventually.

Issue 23, issued in February 2020, focused on the vital issue of Situational Awareness. Issue 24 looked forward into the future to outline some evolving technologies and their likely impact on the professional navigators who will need to use them. Issue 25 summarises the vast range of issues raised since 2012 – all of which we were pleased to note are still every bit as current now as they were then!

Issue 25 also gave us a chance to thank all the sponsors and authors over the years as well as the wonderful volunteers who have distributed 2.5 million copies on a global basis to aid the professional development of navigators.

Mentoring Project – Learning the Ropes

When the pandemic started significantly disrupting seafarers' lives due to crew change restrictions and increased isolation aboard ships, Capt LeGoubin, an NI Vice President and active maritime STS Pilot, observed how vulnerable seafarers could become and how an encouraging word, through the process of mentoring, could improve the welfare of the individual and crew as a whole.

Given the need to act fast, Capt LeGoubin spearheaded a project to address this issue immediately. The TK Foundation offered to sponsor a dedicated campaign to promote mentoring on board. With global restrictions limiting traditional options, the NI approached multi-media company LUMA to create a project using online video technology and the power of social media.

With the support of volunteer NI members, five



short videos were produced using an innovative approach to mixing real interviews with animation. These videos were then promoted over Facebook, Twitter, Instagram, LinkedIn and YouTube, attracting thousands of interactions from around the world and further supported by webinars attracting over 1,000 participants. Our thanks to the TK Foundation for their quick reaction and dedication to supporting seafarers. The video campaign continues and can be accessed through the Institute's YouTube channel and website.

Short courses

The year started on a positive note, but in March 2020 we were forced to take the decision to cancel all our classroom courses for the safety of students and instructors.

Demand for the courses in another form remained, particularly as clients were concerned that safety standards would fall in the absence of a training programme. The challenge for the NI was to deliver courses online to meet this need.

The immediate focus was on selecting a suitable platform for training, converting our course presentations, notes, materials and certificates to be effective and suitable for online delivery. We retrained our instructors to ensure we maintained training effectiveness, measured by retention and engagement.

An online training standard was developed, specifying a maximum of eight students per group to maintain instructor-student engagement time. To combat screen fatigue, online teaching was restricted to a maximum of three hours per day, with a comfort break once an hour.

We were able to make a smooth transition from classroom to synchronous online training thanks to the co-operation of our corporate customers in carrying out online pilot courses. This also allowed us to experiment with having two specialist instructors delivering the same course to two diverse groups (navigators and engineers) simultaneously, improving the students' engagement and learning.

We now deliver the following courses online using the ZOOM training platform:

- Navigation Assessor (3 hours × 4 days)
- Onboard Competency Assessment (3 hours × 4 days)
- Add-on course – Onboard Assessment (3 hours × 2 days)
- Rethinking Investigations and Audits modules (3 hours × 3 sessions)
- Reducing Risk Through the Human Element (3 hours × 4 days)
- Blockchain for Maritime Professionals – The Fundamentals (3 hours × 3 days)
- Introduction to Shipping (3 hours × 2 days)
- Human Element modules (each module is 3 hours × 1 day)
- Bespoke Onboard Competency Assessment course for shipping companies (3 hours × 5 days).

The transition from classroom to online training was successful. Feedback from students and corporate clients again confirmed that expectations were met

and the quality of our instructors is very good. We have trained more instructors and will continue to do so in areas where demand is growing.

In the current restricted environment, marketing options were limited to webinars, e-newsletter, social media and online meetings with shipping companies. In addition to converting the existing portfolio for online delivery and maintaining course quality, we have carried out surveys to identify skill gaps and demand for future training.

Looking ahead, blended learning is here to stay. Developing and delivering training programmes by adapting new and developing technology is the future.

Industry engagement

The NI continues its involvement with the IMO as a non-governmental organisation, attending a broad spectrum of meetings to address the full range of our Members' interests. From January to March 2020 the NI delegation physically attended IMO meetings of the committees on Navigation, Communications and Search and Rescue (NCSR7), Ship Design and Construction (SDC7), Pollution Prevention and Response (PPR7) and Ship Systems and Equipment (SSE7) in London. Issues discussed included navigation and communications; damage stability and non-SOLAS ships operating in polar waters; pollution; life-saving appliances and fire protection.

From April, IMO meetings were disrupted by Covid and were resumed online only later in the year. From September, the NI attended virtual meetings including the Facilitations Committee (FAL44), Maritime Safety Committee (MSC 102), Marine Environment Protection Committee (MEPC75) and Legal Committee (LEG107). The NI made prepared interventions on the fair treatment of seafarers and provided operational input into the impact of shaftpower limitations for greenhouse gas (GHG) reduction. Although the adoption of virtual IMO meetings is limiting to some extent, it does offer the NI greater opportunities for engaging disparate members at these meetings.

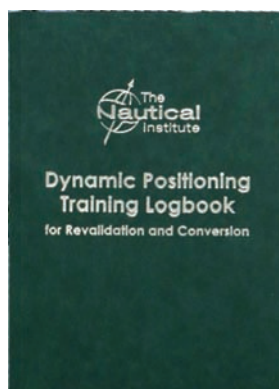
Webinars

The Nautical Institute produced a series of webinars on technical issues. These webinars were actually introduced many years ago as 'virtual branch meetings', but became more popular during the challenging times of Covid.

The live webinars were open to all, but recordings are available only to NI Members. Most webinars ran for about an hour and comprised a presentation followed by Q&A. The wide range of topics reflects our members' interests, including Hatch Cover Inspections, Blockchain, Mindfulness in Shipping and Modern Weather Forecasting just as examples.

Members were encouraged to use the webinars as part of their continuous professional development (CPD), with certificates provided to those who attend the live events.

During 2020, the NI webinars attracted over 15,000 registrants and 10,000 attendees and many thousands more took advantage of the recordings.



Recognition Scheme

The Recognition Scheme did not grow as expected in 2020, as the majority of training institutes were shut down or delivered training at reduced capacity in response to the pandemic. By year end, 43 courses had been granted the NI Approved for CPD logo and five specialist courses recognised for CPD in the offshore sector.

Recognition is defined by The Nautical Institute as the process of evaluating and endorsing a maritime training product or service that aligns with the constitutional aim of The Nautical Institute of raising professional standards and supporting professional development. Normally, recognition is valid for a period of not more than one year. Understanding the difficult times faced by training providers, renewal fees for 2021 were reduced by 20% on the forecasted 2021 rates.

	2020	2021
Recognition:	£475.00	£500.00
Renewal:	£475.00	£400.00

Accreditation and certification

Dynamic Positioning (DP) Scheme

Operationally, Accreditation and Certification Services remain in good condition. The forecast activity in the Accreditation area developed as expected, though there was a reduction of some 7% in the number of approved centres, as a number of centres found trading conditions too difficult.

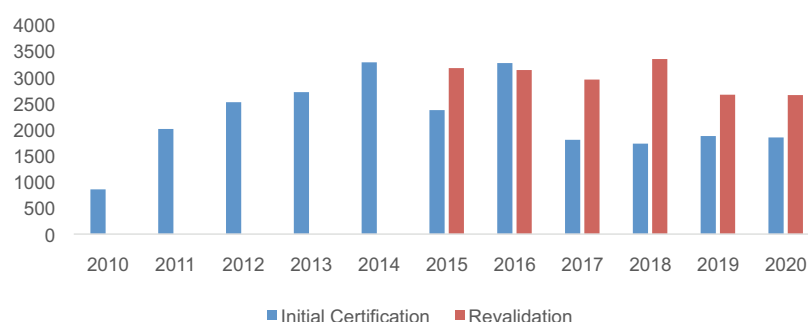
A similar number of centres are expected to be lost in the coming year, with a corresponding reduction in revenue.

Accreditation requirements in 2021 will require a fresh approach to inspecting facilities, probably by remote means. The number of potential audits in 2021 will be around 50 centres because of the backlog accrued from lack of activity in 2020.

Sales of the *DP Offshore Logbook* dipped in consequence of fewer courses being run in 2020 due to Covid-19, but sales of the *Revalidation Logbook* have remained steady.

Processing time has mostly hovered between one and two weeks, with three weeks being the longest time taken this year for compliant applications. This is usually associated with staff leave periods.

Certification Numbers - The Nautical Institute



During 2020, a substantial amount of work was undertaken in collaboration with IMCA on the development of a CPD app designed to support DPOs. The developed programme will be realised in the first quarter of 2021.

As of 1 January 2020 the total number of certificates in date and ready for use was 24,423.

The Nautical Institute continued to process large volumes of applications for both initial certification and revalidation, totalling 4,499 for the year.

Accreditation updates 2020

The accreditation team completed one physical audit in Nigeria and one relocation audit in the Netherlands just before the lockdown in March 2020. Since then, all accreditation/reaccreditation audits for 2020 have been postponed because of the pandemic. Those training centres that are currently due for audit by the NI accreditation team were given an extension to 30 April 2021. All other training centres have been granted a three-month extension to their current accreditation certification.

The NI Accreditation team has provided full support to all our training providers throughout the year to keep the DP training running.

The Accreditation team has held regional training provider (RTPs) and Dynamic Positioning Training Executive Group (DPTEG) meetings remotely in line with the yearly schedule and improved the accreditation standards for 2021.

Three training centres have opted out from the scheme this year. However, one training centre in India has requested reinstatement of its accreditation. We received 14 new enquiries for DP accreditation.

Status: 1 January 2020 to 31 December 2020

- Current number of centres 84 (Americas 19, Asia and Australasia 30, Europe and Africa 35)
- Training centres opted out from the scheme: 3
- Total audit schedule for 2020: 26
- Total audits completed: 2
- Centres accredited for STR Course: 28
- Revalidation Course: 48
- Shuttle Tanker Course: 7
- DP Technical Knowledge Part A Recognition Course: 16
- DP Technical Knowledge Part B Recognition Course: 4
- DP Emergency Ship Handling Recognition Course: 5
- Refresher Course: 9

DP instructor status

- New instructors approved in 2020: 14
- Total approved instructors: 194

Online DP Induction Course delivery support

The Nautical Institute established temporary measures to approve an online induction course (theory only) for an initial period of three months from March 2020. This was subsequently extended until 31 March 2021, subject to review.



Of the 84 approved training centres, 47 applied and were approved to deliver the online induction course.

As the pandemic continued, the NI Accreditation team established parameters with simulator manufacturers, enabling us to approve remote simulator training induction courses. These were scrutinised and approved by the DPTEG steering committee.

DP Vessel Maintainer Training and Certificate Scheme (Engineers)

A DP Engineering Scheme has been developed in consultation with the industry working group and NI-approved training providers, with further approval from the DPTEG steering committee. The scheme was published in the NI 2021 Accreditation Standards and it will be effective from March 2021. The potential numbers if the scheme is successful could be close to those of the DP Offshore Scheme.

Training Scheme for DP Station Keeping Systems for Remote Operation

The Nautical Institute Accreditation team has worked with the Marine Autonomous Surface ship Regulatory Working Group (MASWRG) to establish a DP training scheme for remote operating vessels. The scheme has received preliminary approval from DPTEG. Work to finalise the parameters with the extended industry working group is in progress.

Ballast Control Operator Accreditation Scheme

The Nautical Institute's Ballast Control Operator (BCO) Accreditation Standard, developed in association with the International Association of Drilling Contractors (IADC), has received approval from several flag states. The NI Accreditation team audited and accredited the first training establishment to request approval to offer the BCO stability courses in Gdynia, Poland, in February 2020.

The Nautical Institute Vessel Traffic Services (VTS) Accreditation Scheme (IALA R0103)

A training provider in Finland has submitted an application for accreditation and approval to provide training under this scheme. The documentation is currently under review and we are in consultation with the training provider to undertake a remote audit. A physical audit will be carried out when possible.

TestReach online exam activity during the year

- Induction Course online exam taken: 665; paper exam: 9
- Simulator Course Online exam taken: 447; paper exam: 18
- DP Knowledge for Tech Staff: 91
- Revalidation Course: 42; paper exam: 3
- Total TestReach online exams during 2020: 1,245

Accredited DP training centres worldwide



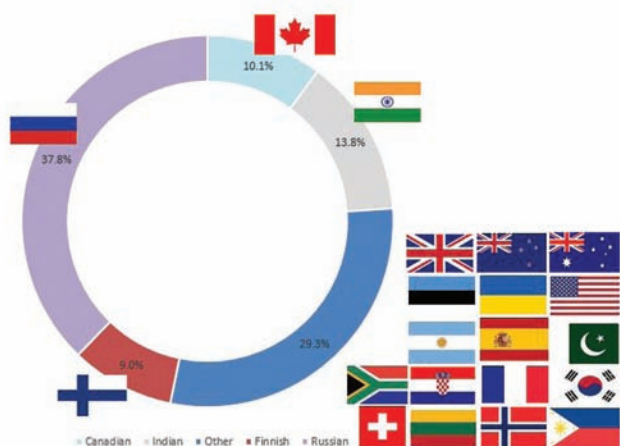
Ice Navigation Scheme

The Ice Navigation Scheme has continued to demonstrate global appeal, with the NI having certificated 188 competent navigators of ships in a range of ice conditions at sea hailing from over 20 nations.

As before, all applicants to the scheme applied via the 'grandfather' route, using a mixture of sea time and simulator training to qualify.

We are committed to improving awareness of the scheme, and to promoting the value of this certificate in a world where ice navigation is likely to increase. The nationality distribution of ice navigators is shown below.

Certificated Ice Navigators by nationality Jan 2021



Oil Spill Response

The provision of oil spill training by blended learning techniques expanded considerably, the catalyst being the introduction of travel restrictions due to the global pandemic.

The NI worked with UK regulators to authorise blended learning packages that would meet UK regulatory requirements. Providers had to submit revised packages for approval to the NI before endorsements to current certificates could be issued. The strategy was extended to international scheme members. As the year developed, applications for the use of blended learning techniques were authorised free of charge on a temporary basis.

New accreditation and re-accreditation visits were not possible; however, the 2020 audit plan was delivered by the use of virtual meetings and video surveillance.

The growth in interest in blended learning offers an opportunity to add courses of this nature to providers' portfolios regardless of any Covid temporary measures. There is considerable interest in this possibility, which is likely to provide dividends in 2021.

During the latter part of 2020 the opportunity was taken to update standards, documentation and audit protocols to reflect the blended learning requirements that the NI has developed over the year.

Accredited OSR training centres worldwide



The Nautical Institute Foundation

During 2020, The Nautical Institute Foundation was formally established and began engagement with the maritime community. The plans for the Foundation are now included in the NI's Strategic Plan. A key focus will be safety and environmental matters that will complement the activities of The Nautical Institute.

The Institute warmly acknowledges the work of Captain Jonathan Stoneley in establishing the Foundation, helping to establish the Founding Board Members and starting active discussions with P&I clubs and other stakeholders. Sadly, Jonathan passed away in November 2020 after a sustained illness. His contribution as the Founding Chief Executive will underpin the future of the organisation.

Looking ahead

The Nautical Institute has developed an exciting and challenging Strategic Plan for the period 2021 to 2025. One key milestone will be the celebration of 50 years since the founding of the Institute.

Development of membership and increasing our technical contributions to the industry will remain central to our activities and we look forward to the ongoing support and engagement from our community.

List of Trustees

Mr Peter Hinchliffe FNI (Chair)
 Capt Duncan Telfer FNI (Hon Treasurer)
 Capt Graham Cowling FNI
 Mr Frank Coles FNI
 Capt Zillur Bhuiyan FNI
 Capt John Menezes FNI
 Capt Kuba Szymanski FNI

Capt Ian Mathison FNI
 Mr Allen Brink FNI
 Mr George Lang FNI
 Mr Moin Ahmed FNI
 Capt Karl Austin FNI
 Capt Ivor Goveas MNI
 Capt Duke Snider FNI

THE NAUTICAL INSTITUTE

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

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2020

Registered Charity No: 1002462

THE NAUTICAL INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2020

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THE NAUTICAL INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2020
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 P B Hinchliffe	Chair	Mr G Lang
Captain D M Telfer	Treasurer	Captain I Mathison
Mr Moin Ahmed		Captain J P Menezes
Captain K D Austin		Captain D Snider
Captain Z Bhuiyan		Captain J P Szymanski
Mr A Brink		
Mr F Coles		
Captain G Cowling		
Captain I Goveas		

Secretary Mr. P J Lloyd

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Stratford
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Fund Managers Rathbones
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W1J 5FB

THE NAUTICAL INSTITUTE
REPORT OF THE TRUSTEES
31ST DECEMBER 2020
Co. No. 2570030

The trustees present their report and the audited financial statements for the year ended 31st December 2020.

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 £289,250 for the current year (2019: £243,945). After taking into account investment activities, designated funds movements and unrealised surplus the company made a surplus of £279,347 (2019: £371,237).

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 £1,339,384 (2019: £1,347,287) which is comprised of the Contingency Reserve £663,000 (2019: £626,000) calculated as shown on page 9 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 & 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 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 and signed on their behalf by:

Mr P J Lloyd
Secretary



Date: 29th July 2021

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;

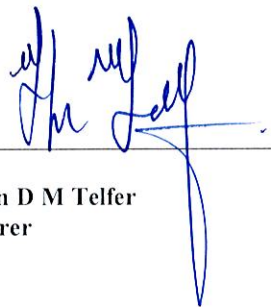
State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;

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
Chair



Captain D M Telfer
Treasurer

Date: 29th July 2021.

THE NAUTICAL INSTITUTE LIMITED

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 2020 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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then
- 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

- 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.

THE NAUTICAL INSTITUTE LIMITED

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

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

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

Date 11th August 2021

THE NAUTICAL INSTITUTE
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2020

	2020	2019
Income	3,112,522	3,568,673
Gain/(loss) on investments	(30,811)	96,643
Gross income in reporting period	<u>3,081,711</u>	<u>3,665,316</u>
Expenditure	(2,802,364)	(3,294,079)
Net income before tax for the reporting period	<u>279,347</u>	<u>371,237</u>
Tax Payable	-	-
Net income for the financial year	<u><u>279,347</u></u>	<u><u>371,237</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 2020

	Note	Unrestricted Fund £	Designated Fund £	Total Funds 2020 £	Total Funds 2019 £
Income and endowments from:					
Donations and Legacies		92,297		92,297	156,200
Charitable activities	2	2,411,084	-	2,411,084	2,625,446
Other trading activities	4	575,819	-	575,819	746,029
Investment income	5	1,405	31,917	33,322	40,998
Other				-	-
Total		3,080,605	31,917	3,112,522	3,568,673
Expenditure on:					
Raising funds	6	410,556	-	410,556	450,546
Charitable Activities	7	2,380,799	11,009	2,391,808	2,831,789
Other		-		-	11,744
Total		2,791,355	11,009	2,802,364	3,294,079
Net gain / (loss) on investments		-	(30,811)	(30,811)	96,643
Net income		289,250	(9,903)	279,347	371,237
Transfers between funds		-	-	-	-
Net movement in funds		289,250	(9,903)	279,347	371,237
Reconciliation of funds:					
Total funds brought forward		1,118,107	1,356,411	2,474,518	2,103,281
Total funds carried forward at 31st December 2020	18	1,407,357	1,346,508	2,753,865	2,474,518

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 2020
Company No. 2570030


	Note	Total funds 2020		Total funds 2019	
		£	£	£	£
Fixed assets					
Tangible assets	13		71,592		101,387
Investments	14		1,339,384		1,347,287
Total fixed assets			<u>1,410,976</u>		<u>1,448,674</u>
Current assets					
Stocks	15		41,253		51,083
Debtors	16		269,922		359,911
Cash at bank and in hand			<u>1,376,532</u>		<u>941,491</u>
Total current assets			<u>1,687,707</u>		<u>1,352,485</u>
Liabilities:					
Creditors: amounts falling due within one year	17		<u>(344,818)</u>		<u>(326,641)</u>
Net current assets			1,342,889		1,025,844
Total net assets or liabilities			<u>2,753,865</u>		<u>2,474,518</u>
The funds of the charity:					
Unrestricted funds:					
Designated funds	18		1,346,508		1,356,411
General funds			1,407,357		1,118,107
Total charity funds			<u>2,753,865</u>		<u>2,474,518</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 29th July 2021 and signed on their behalf by:



Mr P B Hinchliffe
Chair



Captain D M 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 2020

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 2020 with the comparatives for the year ending 31st December 2019 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.

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Unrestricted Fund £	Designated Fund £	Total 2020 £	Total 2019 £
2 Charitable activities				
Charitable activities 3	152,618	-	152,618	233,173
Entrance fees, transfer fees and subscriptions	671,236	-	671,236	692,774
Training and courses	201,224	-	201,224	187,611
Accreditation Certification and training	1,386,006	-	1,386,006	1,511,888
Educational Fund grants	-	-	-	-
	<u>2,411,084</u>	<u>-</u>	<u>2,411,084</u>	<u>2,625,446</u>
3 Seminars & Conferences				
	Seminar/ Conferences £	Seaways Journals £	2020 £	2019 £
Income				
Conferences and seminars	21,500	-	21,500	83,967
Seaways income (subscribers & Affiliates)	-	103,700	103,700	119,583
Seaways advertising income	-	27,418	27,418	29,623
	<u>21,500</u>	<u>131,118</u>	<u>152,618</u>	<u>233,173</u>
Expenditure				
Conferences/seminars	19,005	-	19,005	83,423
Seaways publications	-	215,814	215,814	210,921
Mars	-	6,000	6,000	6,000
Seaways advertising cost	-	6,068	6,068	6,343
	<u>19,005</u>	<u>227,882</u>	<u>246,887</u>	<u>306,687</u>
Surplus/(deficit) on Seaways & conferences	<u>2,495</u>	<u>(96,764)</u>	<u>(94,269)</u>	<u>(73,514)</u>
4 Other trading activities				
	Books	Services	2020	2019
Sales	574,685	1,134	575,819	460,842
Costs of sales				
Opening stocks	47,454	3,629	51,083	73,365
Purchases	370,611	2,972	373,583	394,734
	<u>418,065</u>	<u>6,601</u>	<u>424,666</u>	<u>468,099</u>
Less: closing stocks	(35,540)	(5,713)	(41,253)	(51,083)
Costs of sales	<u>382,525</u>	<u>888</u>	<u>383,413</u>	<u>417,016</u>
Surplus on other trading activities	<u>192,160</u>	<u>246</u>	<u>192,406</u>	<u>329,013</u>
5 Investments income				
	General Fund £	Designated Fund £	2020 £	2019 £
Bank interest	1,405	5,703	7,108	2,232
Dividends	-	26,214	26,214	38,766
	<u>1,405</u>	<u>31,917</u>	<u>33,322</u>	<u>40,998</u>

THE NAUTICAL INSTITUTE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Note	Unrestricted Fund £	Designated Fund £	Total 2020 £	Total 2019 £
6 Raising funds					
Cost of generating funds	4	383,413	-	383,413	417,016
Publicity		27,143	-	27,143	33,530
		<u>410,556</u>	<u>-</u>	<u>410,556</u>	<u>450,546</u>
7 Charitable activities					
Cost of activities in furtherance of the Institute's objectives	3	246,887	-	246,887	306,687
Support costs	8	612,218	-	612,218	723,759
Administration & Governance costs	9	523,829	9,009	532,838	603,466
Project & Training		377,371	-	377,371	289,570
Training and Courses		-	-	-	138,696
Accreditation and Certification		620,494	-	620,494	769,611
Prizes and scholarships		-	2,000	2,000	-
		<u>2,380,799</u>	<u>11,009</u>	<u>2,391,808</u>	<u>2,831,789</u>
8 Support costs					
			2020 £		2019 £
Branch subventions			10,984		22,096
Staff costs	11		590,525		652,259
Travelling and meetings			10,709		49,404
			<u>612,218</u>		<u>723,759</u>
9 Administration & Governance costs			2020 £		2019 £
Postage and telephone			40,803		40,202
Printing and stationery			10,759		9,894
Computer expenses			57,825		52,513
Auditors fees			6,600		5,800
Credit Card & Bank Charges			41,928		41,168
Rent, rates and service charges			155,806		149,925
Insurance			7,074		6,026
Insurance - Members Benefit			41,976		35,189
Office equipment rental			6,252		6,033
General expenses			9,826		9,368
Travelling, meetings and AGM expenses			10,709		49,404
Overhead Recovery			(17,170)		-
Legal & Professional fees			20,380		30,376
Training Costs			2,073		7,656
Staff costs	11		65,614		72,473
Depreciation			72,383		87,439
			<u>532,838</u>		<u>603,466</u>
10 Net movement in funds for the year			2020 £		2019 £
This is stated after charging:					
Depreciation of fixed assets			72,383		87,439
Auditors remuneration (audit services)			<u>6,600</u>		<u>5,800</u>

THE NAUTICAL INSTITUTE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

11 Staff costs	2020 £	2019 £
Salaries & wages	1,208,892	1,306,781
Social security costs	134,249	136,485
Pension	119,452	116,533
<i>Total staff cost including benefits</i>	<u>1,462,593</u>	<u>1,559,799</u>
Less: allocated to cost centres (excluding membership) (806,454)	(835,066)
<i>Staff costs included within overhead cost.</i>	<u><u>656,139</u></u>	<u><u>724,733</u></u>
 No. of employees earning £60,000 to £70,000	2	2
No. of employees earning £70,001 to £80,000	-	2
No. of employees earning £80,001 to £90,000	-	-
No. of employees earning £90,001 to £100,000	3	-
No. of employees earning £100,000 +	<u>1</u>	<u>4</u>
Average number of employees	<u>34</u>	<u>35</u>

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	Office furniture & Equipment £	Computers £	Total £
Cost			
At 1st January 2020	79,591	650,059	729,650
Additions	177	42,411	42,588
Disposals	-	-	-
At 31st December 2020	<u>79,768</u>	<u>692,470</u>	<u>772,238</u>
 Accumulated depreciation			
At 1st January 2020	53,030	575,233	628,263
Charge for the year	6,230	66,153	72,383
Disposals	-	-	-
At 31st December 2020	<u>59,260</u>	<u>641,386</u>	<u>700,646</u>
 Net book values:			
As at 31st December 2020	<u>20,508</u>	<u>51,084</u>	<u>71,592</u>
As at 31st December 2019	<u>26,562</u>	<u>74,825</u>	<u>101,387</u>

14 Investments	2020 £	2019 £
Market value at 1 January 2020	1,290,332	908,680
Acquisition at cost	62,167	858,179
Sales proceeds at market value	(40,325)	(573,170)
Surplus / Loss in the year	<u>(30,811)</u>	<u>96,643</u>
Market value at 31 December 2020	1,281,363	1,290,332
 Other Holdings		
Cash	<u>58,021</u>	<u>56,955</u>
Market value as at 31 December 2020	<u><u>1,339,384</u></u>	<u><u>1,347,287</u></u>
Historical cost as at 31st December 2020	<u><u>1,242,132</u></u>	<u><u>1,175,055</u></u>

THE NAUTICAL INSTITUTE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

	2020 £	2019 £			
15 Stocks					
Books	35,540	47,454			
Member services	5,713	3,629			
	<u>41,253</u>	<u>51,083</u>			
16 Debtors					
Trade debtors	109,831	146,096			
Prepayments	81,264	91,750			
Other debtors	75,511	100,977			
VAT	3,316	21,088			
	<u>269,922</u>	<u>359,911</u>			
17 Liabilities: Creditors: Amounts falling due within one year:					
Trade creditors	78,323	7,358			
Accruals	210,842	211,094			
PAYE & other creditors	55,653	42,189			
	<u>344,818</u>	<u>260,641</u>			
18 Designated funds	Balance 01.01.2020 £	New Designated £	Utilised/ Realised £	Transferred £	Balance 31.12.2020 £
Capital Reserve Fund	1,345,777	31,917	(39,820)	-	1,337,874
Educational fund	10,634	-	-	(2,000)	8,634
	<u>1,356,411</u>	<u>31,917</u>	<u>(39,820)</u>	<u>(2,000)</u>	<u>1,346,508</u>

19 Related Party Transactions

No Trustee received any remuneration for services as a Trustee. The amount of £1,710 (2019: £10,030) 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 2020 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 2020

<u>Statement of cash flows</u>	Total 2020 £	Total 2019 £
Cash flows from operating activities:		
<i>Net cash provided by (used in) operating activities</i>	467,215	274,329
Cash flows from investing activities:		
Dividends, interest and rents from investments	33,322	40,998
Proceeds from the sale of property, plant and equipment	-	-
Purchase of property, plant and equipment	(42,588)	(67,913)
Proceeds from sale of investments	40,325	573,170
Purchase of investments	(62,167)	(858,179)
<i>Net cash provided by (used in) investing activities</i>	<u>436,107</u>	<u>(37,595)</u>
Cash flows from financing activities:		
Repayments of borrowing	-	-
Cash inflow from new borrowing	-	-
Receipt of endowment	-	-
<i>Net cash provided by (used in) financing activities</i>	<u>436,107</u>	<u>(37,595)</u>
<i>Change in cash and cash equivalents in the reporting period</i>	436,107	(37,595)
Cash and cash equivalents at the beginning of the reporting period	998,446	1,036,041
Change in cash and cash equivalents due to exchange rate movements	-	-
Cash and cash equivalents at the end of the reporting period	<u><u>1,434,553</u></u>	<u><u>998,446</u></u>

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

<i>Net income/(expenditure) for the reporting period</i>		
<i>(as per the statement of financial activities)</i>	279,347	371,237
Adjustments for:		
Depreciation charges	72,383	87,439
(Gains)/Losses on investments	30,811	(96,643)
Dividends, interest and rent from investments	(33,322)	(40,998)
Loss/(profit) on the sale of fixed assets	-	-
(Increase)/decrease in stocks	9,830	22,282
(Increase)/decrease in debtors	89,989	(28,775)
Increase/(decrease) in creditors	18,177	(40,213)
<i>Net cash provided by (used in) operating activities</i>	<u><u>467,215</u></u>	<u><u>274,329</u></u>

Analysis of cash and cash equivalents

	Total	Total
Cash in hand	1,376,532	941,491
Investment capital reserve account	58,021	56,955
Notice deposits (less than 3 months)	-	-
Overdraft facility repayable on demand	-	-
Total cash and cash equivalents	<u><u>1,434,553</u></u>	<u><u>998,446</u></u>

THE NAUTICAL INSTITUTE

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

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2020

Registered Charity No: 1002462

THE NAUTICAL INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2020

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THE NAUTICAL INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2020
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 P B Hinchliffe	Chair	Mr G Lang
Captain D M Telfer	Treasurer	Captain I Mathison
Mr Moin Ahmed		Captain J P Menezes
Captain K D Austin		Captain D Snider
Captain Z Bhuiyan		Captain J P Szymanski
Mr A Brink		
Mr F Coles		
Captain G Cowling		
Captain I Goveas		

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 2020
Co. No. 2570030

The trustees present their report and the audited financial statements for the year ended 31st December 2020.

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 £289,250 for the current year (2019: £243,945). After taking into account investment activities, designated funds movements and unrealised surplus the company made a surplus of £279,347 (2019: £371,237).

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 £1,339,384 (2019: £1,347,287) which is comprised of the Contingency Reserve £663,000 (2019: £626,000) calculated as shown on page 9 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 & 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 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 and signed on their behalf by:

Mr P J Lloyd
Secretary



Date: 29th July 2021

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;

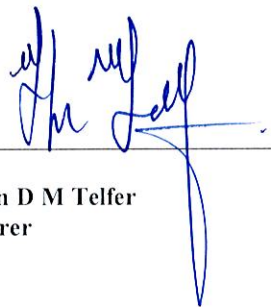
State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;

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
Chair



Captain D M Telfer
Treasurer

Date: 29th July 2021.

THE NAUTICAL INSTITUTE LIMITED

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 2020 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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then
- 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

- 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.

THE NAUTICAL INSTITUTE LIMITED

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

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

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

Date 11th August 2021

THE NAUTICAL INSTITUTE
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2020

	2020	2019
Income	3,112,522	3,568,673
Gain/(loss) on investments	(30,811)	96,643
Gross income in reporting period	<u>3,081,711</u>	<u>3,665,316</u>
Expenditure	(2,802,364)	(3,294,079)
Net income before tax for the reporting period	<u>279,347</u>	<u>371,237</u>
Tax Payable	-	-
Net income for the financial year	<u><u>279,347</u></u>	<u><u>371,237</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 2020

	Note	Unrestricted Fund £	Designated Fund £	Total Funds 2020 £	Total Funds 2019 £
Income and endowments from:					
Donations and Legacies		92,297		92,297	156,200
Charitable activities	2	2,411,084	-	2,411,084	2,625,446
Other trading activities	4	575,819	-	575,819	746,029
Investment income	5	1,405	31,917	33,322	40,998
Other				-	-
Total		3,080,605	31,917	3,112,522	3,568,673
Expenditure on:					
Raising funds	6	410,556	-	410,556	450,546
Charitable Activities	7	2,380,799	11,009	2,391,808	2,831,789
Other		-		-	11,744
Total		2,791,355	11,009	2,802,364	3,294,079
Net gain / (loss) on investments		-	(30,811)	(30,811)	96,643
Net income		289,250	(9,903)	279,347	371,237
Transfers between funds		-	-	-	-
Net movement in funds		289,250	(9,903)	279,347	371,237
Reconciliation of funds:					
Total funds brought forward		1,118,107	1,356,411	2,474,518	2,103,281
Total funds carried forward at 31st December 2020	18	1,407,357	1,346,508	2,753,865	2,474,518

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 2020
Company No. 2570030

	Note	Total funds 2020		Total funds 2019	
		£	£	£	£
Fixed assets					
Tangible assets	13		71,592		101,387
Investments	14		<u>1,339,384</u>		<u>1,347,287</u>
Total fixed assets			<u>1,410,976</u>		<u>1,448,674</u>
Current assets					
Stocks	15		41,253		51,083
Debtors	16		269,922		359,911
Cash at bank and in hand			<u>1,376,532</u>		<u>941,491</u>
Total current assets			<u>1,687,707</u>		<u>1,352,485</u>
Liabilities:					
Creditors: amounts falling due within one year	17		<u>(344,818)</u>		<u>(326,641)</u>
Net current assets			1,342,889		1,025,844
Total net assets or liabilities			<u>2,753,865</u>		<u>2,474,518</u>
The funds of the charity:					
Unrestricted funds:					
Designated funds	18		1,346,508		1,356,411
General funds			1,407,357		1,118,107
Total charity funds			<u>2,753,865</u>		<u>2,474,518</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 29th July 2021 and signed on their behalf by:



Mr P B Hinchliffe
Chair



Captain D M 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 2020

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 2020 with the comparatives for the year ending 31st December 2019 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.

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Unrestricted Fund £	Designated Fund £	Total 2020 £	Total 2019 £
2 Charitable activities				
Charitable activities 3	152,618	-	152,618	233,173
Entrance fees, transfer fees and subscriptions	671,236	-	671,236	692,774
Training and courses	201,224	-	201,224	187,611
Accreditation Certification and training	1,386,006	-	1,386,006	1,511,888
Educational Fund grants	-	-	-	-
	<u>2,411,084</u>	<u>-</u>	<u>2,411,084</u>	<u>2,625,446</u>
3 Seminars & Conferences				
	Seminar/ Conferences £	Seaways Journals £	2020 £	2019 £
Income				
Conferences and seminars	21,500	-	21,500	83,967
Seaways income (subscribers & Affiliates)	-	103,700	103,700	119,583
Seaways advertising income	-	27,418	27,418	29,623
	<u>21,500</u>	<u>131,118</u>	<u>152,618</u>	<u>233,173</u>
Expenditure				
Conferences/seminars	19,005	-	19,005	83,423
Seaways publications	-	215,814	215,814	210,921
Mars	-	6,000	6,000	6,000
Seaways advertising cost	-	6,068	6,068	6,343
	<u>19,005</u>	<u>227,882</u>	<u>246,887</u>	<u>306,687</u>
Surplus/(deficit) on Seaways & conferences	<u>2,495</u>	<u>(96,764)</u>	<u>(94,269)</u>	<u>(73,514)</u>
4 Other trading activities				
	Books	Services	2020	2019
Sales	574,685	1,134	575,819	460,842
Costs of sales				
Opening stocks	47,454	3,629	51,083	73,365
Purchases	370,611	2,972	373,583	394,734
	<u>418,065</u>	<u>6,601</u>	<u>424,666</u>	<u>468,099</u>
Less: closing stocks	(35,540)	(5,713)	(41,253)	(51,083)
Costs of sales	<u>382,525</u>	<u>888</u>	<u>383,413</u>	<u>417,016</u>
Surplus on other trading activities	<u>192,160</u>	<u>246</u>	<u>192,406</u>	<u>329,013</u>
5 Investments income				
	General Fund £	Designated Fund £	2020 £	2019 £
Bank interest	1,405	5,703	7,108	2,232
Dividends	-	26,214	26,214	38,766
	<u>1,405</u>	<u>31,917</u>	<u>33,322</u>	<u>40,998</u>

THE NAUTICAL INSTITUTE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Note	Unrestricted Fund £	Designated Fund £	Total 2020 £	Total 2019 £
6 Raising funds					
Cost of generating funds	4	383,413	-	383,413	417,016
Publicity		27,143	-	27,143	33,530
		<u>410,556</u>	<u>-</u>	<u>410,556</u>	<u>450,546</u>
7 Charitable activities					
Cost of activities in furtherance of the Institute's objectives	3	246,887	-	246,887	306,687
Support costs	8	612,218	-	612,218	723,759
Administration & Governance costs	9	523,829	9,009	532,838	603,466
Project & Training		377,371	-	377,371	289,570
Training and Courses		-	-	-	138,696
Accreditation and Certification		620,494	-	620,494	769,611
Prizes and scholarships		-	2,000	2,000	-
		<u>2,380,799</u>	<u>11,009</u>	<u>2,391,808</u>	<u>2,831,789</u>
8 Support costs					
			2020 £		2019 £
Branch subventions			10,984		22,096
Staff costs	11		590,525		652,259
Travelling and meetings			10,709		49,404
			<u>612,218</u>		<u>723,759</u>
9 Administration & Governance costs			2020 £		2019 £
Postage and telephone			40,803		40,202
Printing and stationery			10,759		9,894
Computer expenses			57,825		52,513
Auditors fees			6,600		5,800
Credit Card & Bank Charges			41,928		41,168
Rent, rates and service charges			155,806		149,925
Insurance			7,074		6,026
Insurance - Members Benefit			41,976		35,189
Office equipment rental			6,252		6,033
General expenses			9,826		9,368
Travelling, meetings and AGM expenses			10,709		49,404
Overhead Recovery			(17,170)		-
Legal & Professional fees			20,380		30,376
Training Costs			2,073		7,656
Staff costs	11		65,614		72,473
Depreciation			72,383		87,439
			<u>532,838</u>		<u>603,466</u>
10 Net movement in funds for the year			2020 £		2019 £
This is stated after charging:					
Depreciation of fixed assets			72,383		87,439
Auditors remuneration (audit services)			6,600		5,800

THE NAUTICAL INSTITUTE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

11 Staff costs	2020 £	2019 £
Salaries & wages	1,208,892	1,306,781
Social security costs	134,249	136,485
Pension	119,452	116,533
<i>Total staff cost including benefits</i>	<u>1,462,593</u>	<u>1,559,799</u>
Less: allocated to cost centres (excluding membership) (806,454)	(835,066)
<i>Staff costs included within overhead cost.</i>	<u><u>656,139</u></u>	<u><u>724,733</u></u>
 No. of employees earning £60,000 to £70,000	2	2
No. of employees earning £70,001 to £80,000	-	2
No. of employees earning £80,001 to £90,000	-	-
No. of employees earning £90,001 to £100,000	3	-
No. of employees earning £100,000 +	<u>1</u>	<u>4</u>
Average number of employees	<u>34</u>	<u>35</u>

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	Office furniture & Equipment £	Computers £	Total £
Cost			
At 1st January 2020	79,591	650,059	729,650
Additions	177	42,411	42,588
Disposals	-	-	-
At 31st December 2020	<u>79,768</u>	<u>692,470</u>	<u>772,238</u>
 Accumulated depreciation			
At 1st January 2020	53,030	575,233	628,263
Charge for the year	6,230	66,153	72,383
Disposals	-	-	-
At 31st December 2020	<u>59,260</u>	<u>641,386</u>	<u>700,646</u>
 Net book values:			
As at 31st December 2020	<u>20,508</u>	<u>51,084</u>	<u>71,592</u>
As at 31st December 2019	<u>26,562</u>	<u>74,825</u>	<u>101,387</u>

14 Investments	2020 £	2019 £
Market value at 1 January 2020	1,290,332	908,680
Acquisition at cost	62,167	858,179
Sales proceeds at market value	(40,325)	(573,170)
Surplus / Loss in the year	<u>(30,811)</u>	<u>96,643</u>
Market value at 31 December 2020	1,281,363	1,290,332
 Other Holdings		
Cash	<u>58,021</u>	<u>56,955</u>
Market value as at 31 December 2020	<u><u>1,339,384</u></u>	<u><u>1,347,287</u></u>
Historical cost as at 31st December 2020	<u><u>1,242,132</u></u>	<u><u>1,175,055</u></u>

THE NAUTICAL INSTITUTE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

	2020 £	2019 £
15 Stocks		
Books	35,540	47,454
Member services	<u>5,713</u>	<u>3,629</u>
	<u>41,253</u>	<u>51,083</u>
16 Debtors		
Trade debtors	109,831	146,096
Prepayments	81,264	91,750
Other debtors	75,511	100,977
VAT	<u>3,316</u>	<u>21,088</u>
	<u>269,922</u>	<u>359,911</u>
17 Liabilities: Creditors: Amounts falling due within one year:		
Trade creditors	78,323	7,358
Accruals	210,842	211,094
PAYE & other creditors	<u>55,653</u>	<u>42,189</u>
	<u>344,818</u>	<u>260,641</u>

	Balance 01.01.2020 £	New Designated £	Utilised/ Realised £	Transferred £	Balance 31.12.2020 £
18 Designated funds					
Capital Reserve Fund	1,345,777	31,917	(39,820)	-	1,337,874
Educational fund	10,634	-	-	(2,000)	8,634
	<u>1,356,411</u>	<u>31,917</u>	<u>(39,820)</u>	<u>(2,000)</u>	<u>1,346,508</u>

19 Related Party Transactions

No Trustee received any remuneration for services as a Trustee. The amount of £1,710 (2019: £10,030) 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 2020 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 2020

<u>Statement of cash flows</u>	Total 2020 £	Total 2019 £
Cash flows from operating activities:		
<i>Net cash provided by (used in) operating activities</i>	467,215	274,329
Cash flows from investing activities:		
Dividends, interest and rents from investments	33,322	40,998
Proceeds from the sale of property, plant and equipment	-	-
Purchase of property, plant and equipment	(42,588)	(67,913)
Proceeds from sale of investments	40,325	573,170
Purchase of investments	(62,167)	(858,179)
<i>Net cash provided by (used in) investing activities</i>	<u>436,107</u>	<u>(37,595)</u>
Cash flows from financing activities:		
Repayments of borrowing	-	-
Cash inflow from new borrowing	-	-
Receipt of endowment	-	-
<i>Net cash provided by (used in) financing activities</i>	<u>436,107</u>	<u>(37,595)</u>
<i>Change in cash and cash equivalents in the reporting period</i>	436,107	(37,595)
Cash and cash equivalents at the beginning of the reporting period	998,446	1,036,041
Change in cash and cash equivalents due to exchange rate movements	-	-
Cash and cash equivalents at the end of the reporting period	<u><u>1,434,553</u></u>	<u><u>998,446</u></u>

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

<i>Net income/(expenditure) for the reporting period</i>		
<i>(as per the statement of financial activities)</i>	279,347	371,237
Adjustments for:		
Depreciation charges	72,383	87,439
(Gains)/Losses on investments	30,811	(96,643)
Dividends, interest and rent from investments	(33,322)	(40,998)
Loss/(profit) on the sale of fixed assets	-	-
(Increase)/decrease in stocks	9,830	22,282
(Increase)/decrease in debtors	89,989	(28,775)
Increase/(decrease) in creditors	18,177	(40,213)
<i>Net cash provided by (used in) operating activities</i>	<u><u>467,215</u></u>	<u><u>274,329</u></u>

Analysis of cash and cash equivalents

	Total	Total
Cash in hand	1,376,532	941,491
Investment capital reserve account	58,021	56,955
Notice deposits (less than 3 months)	-	-
Overdraft facility repayable on demand	-	-
Total cash and cash equivalents	<u><u>1,434,553</u></u>	<u><u>998,446</u></u>