

**THE NAUTICAL INSTITUTE**

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

**FINANCIAL STATEMENTS FOR THE YEAR ENDED**

**31ST DECEMBER 2018**

**Registered Charity No: 1002462**

**THE NAUTICAL INSTITUTE**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST DECEMBER 2018**

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**THE NAUTICAL INSTITUTE**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST DECEMBER 2018**  
**LEGAL AND ADMINISTRATION INFORMATION**

**Status**

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

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

**Trustees**

The trustees of the company at the financial year end were:

Mr.Moin Ahmed Appointed 23.5.2018  
Captain M K Barritt  
Mr. D Bendall  
Captain Z Bhuiyan  
Mr. Allen Brink  
Mr. F Coles  
Captain G Cowling  
Mr. P B Hinchliffe Appointed 23.5.2018

Mr. George Lang Appointed 23.5.2018  
Captain I Mathison  
Captain J P Menezes  
Captain M L G Nuytemans  
Captain D Telfer  
Captain J P Szymanski

**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 2018**  
**Co. No. 2570030**

The trustees present their report and the audited financial statements for the year ended 31st December 2018.

**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 £358,415, for the current year (2017 : £203,566). After taking into account investment activities, designated funds movements and unrealised loss the company made a surplus of £276,471 (2017 : £287,932).

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 £1,120,284 which is comprised of the Contingency Reserve (£555,000) calculated as shown on page 8 and the remainder acting as a Projects Reserve. The trustees consider that this amount of free reserves is adequate to ensure that the Institute's services are not compromised in the short term. The investment policy of the Institute is to maximise the total return from capital and income combined while maintaining a medium level of risk. Management of the funds is delegated to external investment managers on a discretionary basis and the trustees review the performance of the managers against benchmarks on a regular basis.

The trustees review the Institute's Risk Management Policy at regular intervals. After considering the principal areas of strategic and operational risk, the trustees are confident that the appropriate means of control and mitigation have been adopted. Prudent management practices with awareness of changes in the operating environment are felt to be in place. The Management of the Institute are responsible for the day to day management of risk and minimising the effect of any adverse events. The Trustees decided to maintain staffing levels through the year due to the demand for Institute services, so authorised cash drawdown to sustain operations, which was not actually required.

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

The Institute greatly values the contribution of its trustees and members in the work of the charity which ranges from their roles in the governance structure to representation input to the industry's decision making bodies and writing for the Journal and other publications. Due to the diversity of these voluntary contributions and the large number of members involved (some 140 in central governance roles) it is not feasible to assess the value in terms of time or money.

**Auditors**

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

**Fixed assets**

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

**Trustees**

The trustees of the company at the financial year end were:

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

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

Approved by the trustees and signed on their behalf by:

**Mr P J Lloyd**  
**Secretary**

**Date:**

**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.

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**Mr. P B Hinchliffe**  
Trustee

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**Mr. George Lang**  
Trustee

**Date:**

# 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 2018 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

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 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not
- 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

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 to do so.

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

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

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

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 R Oswald (Senior Statutory Auditor)

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

Date

**THE NAUTICAL INSTITUTE**  
**SUMMARY INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2018**

	<b>2018</b>	<b>2017</b>
Income	3,311,402	3,222,977
(Loss) /Gains on investments	( 81,944 )	56,256
Gross income in reporting period	<u>3,229,458</u>	<u>3,279,233</u>
Expenditure	( 2,952,987 )	( 2,991,301 )
<b>Net income/(expenditure) before tax for the reporting period</b>	<u>276,471</u>	<u>287,932</u>
Tax Payable	-	-
<b>Net income/(expenditure) for the financial year</b>	<u><u>276,471</u></u>	<u><u>287,932</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 2018**

	Note	Unrestricted Fund £	Designated Fund £	Total Funds 2018 £	Total Funds 2017 £
<b>Income and endowments from:</b>					
Donations and Legacies		166,667	-	166,667	207,747
Charitable activities	2	2,652,018	-	2,652,018	2,282,995
Other trading activities	4	460,842	-	460,842	696,467
Investment income	5	724	31,151	31,875	35,768
Other		-	-	-	-
<b>Total</b>		<b>3,280,251</b>	<b>31,151</b>	<b>3,311,402</b>	<b>3,222,977</b>
<b>Expenditure on:</b>					
Raising funds	6	433,343	-	433,343	266,539
Charitable Activities	7	2,513,525	6,119	2,519,644	2,724,762
Other		-	-	-	-
<b>Total</b>		<b>2,946,868</b>	<b>6,119</b>	<b>2,952,987</b>	<b>2,991,301</b>
Net (Loss)/ Gain on investments		-	( 81,944 )	( 81,944 )	56,256
<b>Net income/(expenditure)</b>		<b>333,383</b>	<b>( 56,912 )</b>	<b>276,471</b>	<b>287,932</b>
<b>Transfers between funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>333,383</b>	<b>( 56,912 )</b>	<b>276,471</b>	<b>287,932</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		640,782	1,186,028	1,826,810	1,538,878
<b>Total funds carried forward at 31st December 2018</b>	<b>18</b>	<b>974,165</b>	<b>1,129,116</b>	<b>2,103,281</b>	<b>1,826,810</b>

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 12 form part of these financial statements.

**THE NAUTICAL INSTITUTE**  
**BALANCE SHEET AS AT 31ST DECEMBER 2018**  
**Company No. 2570030**

	Note	Total funds 2018		Total funds 2017	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		120,913		109,910
Investments	14		1,120,284		1,177,196
<b>Total fixed assets</b>			1,241,197		1,287,106
<b>Current assets</b>					
Stocks	15	73,365		79,398	
Debtors	16	331,136		290,038	
Cash at bank and in hand		824,437		528,539	
<b>Total current assets</b>		1,228,938		897,975	
<b>Liabilities:</b>					
<b>Creditors:</b> amounts falling due within one year	17	( 366,854 )		( 358,271 )	
<b>Net current assets</b>			862,084		539,704
<b>Total net assets or liabilities</b>			2,103,281		1,826,810
<b>The funds of the charity:</b>					
Unrestricted funds:					
Designated funds	18		1,129,116		1,186,028
General funds			974,165		640,782
<b>Total charity funds</b>			2,103,281		1,826,810

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 \_\_\_\_\_ and signed on their behalf by:

\_\_\_\_\_  
**Mr. P B Hinchliffe**  
**Trustee**

\_\_\_\_\_  
**Mr. George Lang**  
**Trustee**

The notes on pages 8 to 12 form part of these financial statements.

**THE NAUTICAL INSTITUTE**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2018**

**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 in the year ending 31st December 2018 with the comparatives for the year ending 31st December 2017 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 2018**

<b>2 Charitable activities</b>	<b>Unrestricted Fund £</b>	<b>Designated Fund £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Charitable activities <b>3</b>	169,501	-	169,501	213,301
Entrance fees, transfer fees and subscriptions	683,418	-	683,418	665,825
Accreditation and Certification	1,799,099	-	1,799,099	1,403,869
Educational grants	-	-	-	-
	<b>2,652,018</b>	<b>-</b>	<b>2,652,018</b>	<b>2,282,995</b>
<b>3 Seminars &amp; Conferences</b>	<b>Seminar/ Conferences £</b>	<b>Seaways Journals £</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Income</b>				
Conferences/ seminars	38,087	-	38,087	88,266
Seaways income (subscribers & Affiliates)	-	98,905	98,905	66,586
Seaways advertising income	-	32,509	32,509	58,449
	<b>38,087</b>	<b>131,414</b>	<b>169,501</b>	<b>213,301</b>
<b>Expenditure</b>				
Conferences/seminars	33,660	-	33,660	86,473
Seaways publications	-	194,568	194,568	190,453
Mars	-	6,000	6,000	6,000
Seaways advertising cost	-	9,088	9,088	13,603
	<b>33,660</b>	<b>209,656</b>	<b>243,316</b>	<b>296,529</b>
Surplus/(deficit) on Seaways & conferences	<b>4,427</b>	<b>( 78,242 )</b>	<b>( 73,815 )</b>	<b>( 83,228 )</b>
<b>4 Other trading activities</b>	<b>Books</b>	<b>Services</b>	<b>2018</b>	<b>2017</b>
Sales	459,217	1,625	460,842	696,467
Costs of sales				
Opening stocks	73,853	5,545	79,398	128,269
Purchases	377,458	1,217	378,675	193,518
	451,311	6,762	458,073	321,787
Less: closing stocks	( 68,357 )	( 5,008 )	( 73,365 )	( 79,398 )
Costs of sales	<b>382,954</b>	<b>1,754</b>	<b>384,708</b>	<b>242,389</b>
Surplus on other trading activities	<b>76,263</b>	<b>( 129 )</b>	<b>76,134</b>	<b>454,078</b>
<b>5 Investments income</b>	<b>General Fund £</b>	<b>Designated Fund £</b>	<b>2018 £</b>	<b>2017 £</b>
Bank interest	724	-	724	941
Dividends	-	31,151	31,151	34,827
	<b>724</b>	<b>31,151</b>	<b>31,875</b>	<b>35,768</b>

**THE NAUTICAL INSTITUTE**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2018**

	Note	Unrestricted Fund £	Designated Fund £	Total 2018 £	Total 2017 £
<b>6 Raising funds</b>					
Cost of generating funds	4	384,708	-	384,708	242,389
Publicity		48,635	-	48,635	24,150
		433,343	-	433,343	266,539
<b>7 Charitable activities</b>					
Cost of activities in furtherance of the institute's objectives	3	243,316	-	243,316	296,529
Support costs	8	699,687	-	699,687	805,669
Administration & Governance costs	9	577,629	-	577,629	567,209
Project costs		79,330	-	79,330	131,874
Accreditation and Certification		919,683	-	919,683	922,981
Prizes and scholarships		-	-	-	500
		2,519,644	-	2,519,644	2,724,762
<b>8 Support costs</b>				<b>2018</b> £	<b>2017</b> £
Branch subventions				4,668	10,917
Staff costs	11			647,969	749,902
Travelling and meetings				47,050	44,850
				699,687	805,669
<b>9 Administration &amp; Governance costs</b>				<b>2018</b> £	<b>2017</b> £
Postage and telephone				37,549	35,935
Printing and stationery				12,014	11,315
Computer expenses				79,623	84,920
Auditors fees				5,700	5,300
Credit Card & Bank Charges				38,688	34,458
Rent, rates and service charges				115,368	121,822
Insurance				6,643	5,803
Insurance - Members Benefit				46,805	36,976
Office equipment rental				4,206	4,182
General expenses				13,527	9,632
Travelling, meetings and AGM expenses				47,050	44,850
Legal & Professional fees				9,745	7,837
Training Costs				5,606	3,131
Staff costs	11			71,997	83,322
Depreciation				83,108	77,726
				577,629	567,209
<b>10 Net movement in funds for the year</b>				<b>2018</b> £	<b>2017</b> £
This is stated after charging:					
Depreciation of fixed assets				83,108	77,726
Auditors remuneration (audit services)				5,700	5,300

**THE NAUTICAL INSTITUTE**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2018**

<b>11 Staff costs</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Salaries & wages	1,161,589	1,175,405
Social security costs	120,034	105,851
Pension	96,019	103,042
Less allocated to cost centres	<u>( 657,677 )</u>	<u>( 551,074 )</u>
Wages and salaries including benefits	<u><u>719,965</u></u>	<u><u>833,224</u></u>
No. of employees earning £60,000 to £70,000	3	2
No. of employees earning £70,001 to £80,000	-	-
No. of employees earning £80,001 to £90,000	1	-
No. of employees earning £90,001 to £100,000	1	1
No. of employees earning £100,000 +	<u>2</u>	<u>2</u>
Average number of employees	<u>32</u>	<u>32</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.

<b>13 Tangible fixed assets</b>	<b>Office furniture &amp; Equipment</b>	<b>Computers</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1st January 2018	73,616	494,011	567,627
Additions	4,880	89,230	94,110
Disposals	-	-	-
At 31st December 2018	<u>78,496</u>	<u>583,241</u>	<u>661,737</u>
<b>Accumulated depreciation</b>			
At 1st January 2018	40,526	417,190	457,716
Charge for the year	6,197	76,911	83,108
Disposals	-	-	-
At 31st December 2018	<u>46,723</u>	<u>494,101</u>	<u>540,824</u>
<b>Net book values:</b>			
<b>As at 31st December 2018</b>	<u>31,773</u>	<u>89,140</u>	<u>120,913</u>
<b>As at 31st December 2017</b>	<u>33,090</u>	<u>76,820</u>	<u>109,910</u>

<b>14 Investments</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Market value at 1 January 2018	1,177,196	1,051,100
Acquisition at cost	-	72,307
Sales proceeds at market value	( 170,454 )	( 18,700 )
(Loss) /Surplus in the year	<u>( 98,062 )</u>	<u>56,256</u>
Market value at 31 December 2018	908,680	1,160,963
<b>Other Holdings</b>		
Cash	<u>211,604</u>	<u>16,233</u>
<b>Market value as at 31 December 2018</b>	<u><u>1,120,284</u></u>	<u><u>1,177,196</u></u>
Historical cost as at 31st December 2018	<u><u>965,620</u></u>	<u><u>961,060</u></u>

**THE NAUTICAL INSTITUTE**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2018**

	2018	2017
	£	£
<b>15 Stocks</b>		
Books	68,357	73,853
Member services	5,008	5,545
	73,365	79,398
<b>16 Debtors</b>		
Trade debtors	58,438	76,044
Prepayments	66,890	92,349
Other debtors	186,232	121,645
VAT	19,576	-
	331,136	290,038
<b>17 Liabilities: Creditors: Amounts falling due within one year:</b>		
Trade creditors	121,671	110,941
Accruals	208,491	215,239
PAYE & other creditors	36,692	32,091
	366,854	358,271

	Balance 1.01.18		New Designated	Utilised/ Realised	Transferred	Balance 31.12.18
	£		£	£	£	£
<b>18 Designated funds</b>						
Capital Reserve Fund	1,175,683	(	50,793	)	(	6,119
Educational fund	10,345		-		-	-
	1,186,028	(	50,793	)	(	6,119
					-	1,129,116

**19 Related Party Transactions**

No Trustee received any remuneration for services as a Trustee. The amount of £10,998 (2017 £9,723) 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 2017 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 2018**

<b><u>Statement of cash flows</u></b>	<b>Total funds 2018 £</b>	<b>Prior year funds 2017 £</b>
<b>Cash flows from operating activities:</b>		
<i>Net cash provided by (used in) operating activities</i>	383,050	339,493
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	31,875	35,768
Proceeds from the sale of property, plant and equipment	-	-
Purchase of property, plant and equipment	- 94,110	- 88,138
Proceeds from sale of investments	170,454	18,700
Purchase of investments	-	- 72,307
<i>Net cash provided by (used in) investing activities</i>	<u>491,269</u>	<u>233,516</u>
<b>Cash flows from financing activities:</b>		
Repayments of borrowing	-	-
Cash inflow from new borrowing	-	-
Receipt of endowment	-	-
<i>Net cash provided by (used in) financing activities</i>	<u>491,269</u>	<u>233,516</u>
 <i>Change in cash and cash equivalents in the reporting period</i>	 491,269	 233,516
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>544,772</b>	<b>311,256</b>
<b>Change in cash and cash equivalents due to exchange rate movements</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b><u>1,036,041</u></b>	<b><u>544,772</u></b>

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

<i>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</i>	276,471	287,932
<b>Adjustments for:</b>		
Depreciation charges	83,108	77,726
(Gains)/Losses on investments	81,944	- 56,256
Dividends, interest and rent from investments	- 31,875	- 35,768
Loss/(profit) on the sale of fixed assets	-	-
(Increase)/decrease in stocks	6,033	49,201
(Increase)/decrease in debtors	- 41,098	- 43,215
Increase/(decrease) in creditors	8,467	59,873
<i>Net cash provided by (used in) operating activities</i>	<u>383,050</u>	<u>339,493</u>

<b><u>Analysis of cash and cash equivalents</u></b>	<b>Total funds 2018</b>	<b>Prior year funds 2017</b>
Cash in hand	824,437	528,539
Investment capital reserve account	211,604	16,233
Notice deposits (less than 3 months)	-	-
Overdraft facility repayable on demand	-	-
<b>Total cash and cash equivalents</b>	<b><u>1,036,041</u></b>	<b><u>544,772</u></b>