

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2012**

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## I N D E X

Year ended 31 December 2012

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# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## GENERAL INFORMATION

Year ended 31 December 2012

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### Organization

The International Mobile Satellite Organization ("IMSO") is an intergovernmental organization which has been headquartered in London since it was established in 1979. Following privatisation on 15 April 1999, the Organization was divided into a private company (Inmarsat) and a smaller intergovernmental organization which retained the name "The International Mobile Satellite Organization".

At the time of privatisation IMSO was a vehicle for Member States (known as Parties) to ensure the fulfilment of the Public Service obligations of Inmarsat (the specially-created company incorporated under English law to which all the mobile satellite communications business was transferred), especially the provision of space segment to support the Global Maritime Distress and Safety System (GMDSS).

Captain Esteban Pacha-Vicente of Spain was appointed by the Assembly of Parties as the Director General of IMSO, in relation to which he is the legal representative and Chief Executive Officer of the Directorate, responsible to and under the direction of the Assembly.

Under the Public Services Agreement between IMSO and Inmarsat, Inmarsat covers the costs of the establishment and operation of the GMDSS activities of the Directorate relating to Inmarsat.

In 2008, amendments to the Convention were adopted by the IMSO Assembly which extend IMSO oversight to any provider of GMDSS and to the functions of coordinator of the Long Range Identification and Tracking of Ships (LRIT) system. The amendments are provisionally applied from 6 October 2008 pending their formal entry into force.

The functions of the Directorate relating to LRIT are at no cost to Parties, nor to Inmarsat, and are separately accounted for. They are funded by charging for services provided to the components of the LRIT system.

### Statement of the Director General's responsibilities

The Director General of IMSO is responsible for preparing financial statements for each financial year in accordance with International Financial Reporting Standards as adopted by the European Union which give a true and fair view of IMSO's state of affairs and of its profit or loss for that year. In order that a true and fair view may be given, the Director General is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Organization will continue to operate.

As agreed by the Assembly at the Fourteenth (Extraordinary) Session, the Director General of IMSO has a general responsibility for ensuring that adequate accounting records are kept and taking reasonable steps to safeguard the assets of IMSO, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



ESTEBAN PACHA-VICENTE  
Director General

10<sup>th</sup> April 2013

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## A U D I T O R ' S R E P O R T

Year ended 31 December 2012

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### INDEPENDENT AUDITOR'S REPORT TO THE PARTIES OF THE INTERNATIONAL MOBILE SATELLITE ORGANIZATION

We have audited the financial statements of International Mobile Satellite Organization for the year ended 31 December 2012 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Reserves, the Statement of Cash Flows, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is International Financial Reporting Standards as adopted by the European Union.

This report is made solely to the Organization's Parties as a body. Our work has been undertaken so that we might state to the Organization's Parties 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 Organization and the Organization's Parties as a body for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of the Director General and auditors

As explained more fully in the Statement of Director General's Responsibilities set out on page 2, the Organization's Director General is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

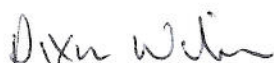
#### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Organization's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Director General and the overall presentation of the financial statements.

#### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Organization's affairs as at 31 December 2012 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union.



DIXON WILSON  
Chartered Accountants and Registered Auditors  
22 Chancery Lane  
London WC2A 1LS

12 April 2013

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION****I N C O M E   S T A T E M E N T****Year ended 31 December 2012**

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	<b>Note</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
<b>Continuing operations</b>			
Revenue		1,414,971	1,206,670
<b>Gross profit</b>		<u>1,414,971</u>	<u>1,206,670</u>
Administrative expenses	10	(1,474,534)	(1,343,466)
<b>Operating (loss)/profit</b>		<u>(59,563)</u>	<u>(136,796)</u>
Finance income	12	1,469	1,387
Finance costs	12	(893)	(1,028)
<b>(Loss)/profit for the year before and after taxation</b>		<u>(58,987)</u>	<u>(136,437)</u>

The notes on pages 8 to 21 are an integral part of these financial statements.

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**BALANCE SHEET**

**At 31 December 2012**

	Note	2012 £	2011 £
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	15,922	14,282
		<u>15,922</u>	<u>14,282</u>
<b>Current assets</b>			
Trade and other receivables	6	1,116,777	877,675
Cash and cash equivalents	7	295,011	315,346
		<u>1,411,788</u>	<u>1,193,021</u>
<b>Total assets</b>		<u>1,427,710</u>	<u>1,207,303</u>
<b>Reserves and liabilities</b>			
<b>Reserves</b>			
General reserve	16	(138,458)	(83,964)
Interest reserve	16	108,105	106,636
LRIT Contingency reserve	16	36,106	42,068
		<u>5,753</u>	<u>64,740</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions	9	1,263,624	951,082
<b>Current liabilities</b>			
Trade and other payables	8	158,333	191,481
<b>Total liabilities</b>		<u>1,421,957</u>	<u>1,142,563</u>
<b>Total reserves and liabilities</b>		<u>1,427,710</u>	<u>1,207,303</u>

The notes on pages 8 to 21 are an integral part of these financial statements. The financial statements on pages 4 to 21 were authorised for issue by the Director General on *10th April* 2013.

  
 ESTEBAN PACHA-VICENTE  
 Director General

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION****STATEMENT OF CHANGES IN RESERVES****Year ended 31 December 2012**

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	<b>Note</b>	<b>General reserve £</b>	<b>Interest reserve £</b>	<b>LRIT Contingency reserve £</b>	<b>Total £</b>
<b>Balance at 31 December 2011</b>	16	(83,964)	106,636	42,068	64,740
Transfer between reserves	16	20,000	-	(20,000)	-
Profit/(loss) for the year		(74,494)	1,469	14,038	(58,987)
<b>Balance at 31 December 2012</b>		<u>(138,458)</u>	<u>108,105</u>	<u>36,106</u>	<u>5,753</u>

The notes on pages 8 to 21 are an integral part of these financial statements.

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION****STATEMENT OF CASH FLOWS****Year ended 31 December 2012**

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	<b>Note</b>	<b>2012</b> £	<b>2011</b> £
<b>Cash flows from operating activities</b>			
Cash (used in)/generated from operations	13	(11,217)	(16,490)
Interest paid		(893)	(1,028)
<b>Net cash (used in)/from operating activities</b>		<u>(12,110)</u>	<u>(17,518)</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(9,694)	-
Interest received		1,469	1,387
<b>Net cash (used in)/received from investing activities</b>		<u>(8,225)</u>	<u>1,387</u>
<b>Net (decrease)/increase in cash, cash equivalents and bank overdrafts</b>		(20,335)	(16,131)
Cash, cash equivalents and bank overdrafts at beginning of the year		315,346	331,477
<b>Cash, cash equivalents and bank overdrafts at end of the year</b>		<u>295,011</u>	<u>315,346</u>

The notes on pages 8 to 21 are an integral part of these financial statements.



# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

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### 1. Summary of significant accounting policies

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 1.1 Basis of preparation

The financial statements of International Mobile Satellite Organization, an intergovernmental organization with headquarters in the United Kingdom, have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and IFRIC interpretations. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

#### 1.1.1 Changes in accounting policy and disclosures

The Organization's financial statements for the year ended 31 December 2012 are the third annual financial statements that comply with IFRS.

##### a) *New and amended standards adopted by the Organization*

The following amendments to existing standards and interpretations were effective for the current period. Their adoption did not have a material impact on the financial statements of the Organization:

- IFRS 7 (Amendment), Financial instruments: Disclosures;
- IFRS 1 (Amendment), First time adoption, subject to EU endorsement; and
- IAS 12 (Amendment), Income taxes;

##### b) *Standards, amendments and interpretations that are not yet effective and that have not been adopted early by the Organization*

The Director General anticipates that the adoption of the following standards, interpretations and amendments to existing standards and interpretations in future periods, which were also in issue at the date of authorisation of these Financial Statements, will have no material impact on the Financial Statements of the Organization:

- Amendment to IAS 1, Financial statement presentation, effective for annual periods beginning on or after 1 July 2012;
- Amendment to IFRS 1, First time adoption, effective for annual periods beginning on or after 1 January 2013;
- Amendment to IAS 19, Employee benefits, effective for annual periods beginning on or after 1 January 2013;
- Amendments to IFRS 7, Financial instruments: Disclosure, effective for annual periods beginning on or after 1 January 2013;
- Amendments to IFRSs 10, 11 and 12, effective for annual periods beginning on or after 1 January 2013;
- IFRS 10, Consolidated financial statements, effective for annual periods beginning on or after 1 January 2013;
- IFRS 11, Joint arrangements, effective for annual periods beginning on or after 1 January 2013;
- IFRS 12, Disclosures of interest in other entities, effective for annual periods beginning on or after 1 January 2013;
- IFRS 13, Fair value measurement, effective for annual periods beginning on or after 1 January 2013;
- IAS 27 (revised 2011), Separate financial statements, effective for annual periods beginning on or after 1 January 2013;
- IAS 28 (revised 2011), Associates and joint ventures, effective for annual periods beginning on or after 1 January 2013;
- IFRIC 20, Stripping costs in the production phase of a surface mine, effective for annual periods beginning on or after 1 January 2013;
- Amendment to IAS 32, Financial instruments: Presentation, effective for annual periods beginning on or after 1 January 2014; and
- IFRS 9, Financial instruments, effective for annual periods beginning on or after 1 January 2015.

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

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### 1.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Director General who makes strategic decisions.

*Common abbreviations used:*

GMDSS – Global Maritime Distress and Safety System  
LRIT – Long Range Identification and Tracking of Ships

### 1.3 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in British pounds sterling (GBP £), which is the Organization’s functional and presentational currency.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the income statement.

### 1.4 Property, plant and equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only where it is probable that future economic benefits associated with the item will flow to the Organization and the cost of the item can be reliably measured. The carrying amount of any part replaced is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on plant and equipment is calculated using the straight-line method to allocate cost to the residual values over estimated useful lives, as follows:

Furniture and fittings – 10 years  
Computer equipment – 3 years

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset’s carrying amount is immediately written down to its recoverable amount if the former is greater than the latter. Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised separately in the income statement.

### 1.5 Trade receivables

Trade receivables are amounts due from LRIT Data Centres in respect of services performed by the Organization in its function as LRIT Coordinator. If collection is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### 1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

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### 1.7 Reserves

Reserves relate to surplus amounts retained by the Organization:

- (i) General reserve: The General reserve relates to the difference in amounts received for LRIT funding when compared to costs incurred to date. These surplus funds are carried forward to the following year, where they may be taken into account when calculating the annual audit fees payable by Data Centres.
- (ii) Interest reserve: Amounts received from Inmarsat for the GMDSS functions of IMSO have earned interest while on deposit with banks. This interest is not repayable by the Organization and is therefore recognised as a reserve.
- (iii) LRIT Contingency reserve: The LRIT Contingency reserve relates to the accumulated funds to cover future liabilities in relation to the relocation costs of internationally recruited staff, and post-retirement benefits.

### 1.8 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### 1.9 Taxation

Under an agreement between the Organization and the Government of the United Kingdom dated 15 April 1999, the Organization and its property and income within the scope of its official activities are exempt from all direct taxes including income tax, capital gains tax and corporation tax.

The Organization receives a refund of Value Added Tax, Insurance Premium Tax, Fuel Duty and Air Passenger Duty paid on the receipt of goods and services which are necessary for the official activities of the Organization.

### 1.10 Employee benefits

- (a) *Pension obligations*

The Organization contributes to a defined contribution scheme on behalf of its employees. Defined contribution plans are pension plans under which the Organization pays fixed contributions into a separate entity. The Organization has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits in relation to employee service in the current and prior periods. The amounts contributed are based on salary levels and are charged to the income and expenditure account in the year in which they are payable.
- (b) *Other post-employment benefits*

The Organization provides post-retirement healthcare benefits to certain of its retirees. The entitlement to these benefits is conditional on the employee up to retirement age which cannot be before 58 and the completion of a minimum service period of 10 years. The expected costs of these benefits are accrued over the period of employment once the Organization is demonstrably committed to incurring these costs without the possibility of withdrawal. Obligations under these benefits are valued annually by independent qualified actuaries. A liability is recognised in the balance sheet in respect of these benefits at the present value of the defined benefit obligation at the end of the reporting period, which is determined by discounting the estimated future cash outflows using an interest rate of 4.15%. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in the income statement in the period in which they arise.
- (c) *Termination benefits*

Termination benefits are payable when employment is terminated by the Organization, or when an employee reaches the end of their fixed term contract. The Organization recognises termination benefits when it is demonstrably committed to either the termination of the employment of current employees without the possibility of withdrawal, or to providing the termination benefits as the employee's fixed term contract is not intended to be renewed. Benefits falling due more than 12 months after the end of the reporting date are discounted to their present value.

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

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### 1.11 Revenue recognition

Revenue comprises the fair value of the contributions received or receivable for the provision of services in the ordinary course of the Organization's activities.

(a) *GMDSS Contributions*

Contribution income consists of agreed contributions from Inmarsat payable in respect of the Organization's oversight of Inmarsat's GMDSS public service obligations for the year under review. These contributions are then amended to reflect the final amounts due at the end of the period based on the costs incurred by the Organization in respect of its GMDSS functions.

(b) *LRIT Contributions*

Contribution income consists of three income sources:

- The first relates to an agreed integration fee payable for the integration of new LRIT Data Centres to provide LRIT services. Invoices are raised for services provided by the Organization in integrating new Data Centres and are raised and recognised at the point where the Data Centre is ready to be integrated.
- The second relates to an annual audit fee payable by each integrated Data Centre. These invoices are raised for each period under review based on the agreed fee per Data Centre for audit of LRIT systems, and revenue recognised in stages as audits are completed.
- No voluntary contributions were received in 2012.

(c) *Interest income*

Interest income is recognised using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to the recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

### 1.12 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

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## 2. Financial risk management

### 2.1 Financial risk factors

The Organization's activities expose it to a variety of financial risks: currency risk, credit risk and liquidity risk. The Organization's overall risk management monitors the financial risk to the Organization.

(i) *Foreign exchange risk*

The Organization operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and UK pound. Foreign exchange risk arises from future commercial transactions and employee remuneration. The Director General reduces the risk from future commercial transactions by requiring all receivables to be discharged in UK pounds. The risk associated with employee remuneration arises as the majority of employees are paid based on the UN Salary scheme which is denominated in US dollars. The risk to the business therefore is that fluctuations in exchange rates will result in adverse cash flow impacts, as all costs ultimately will be covered by income streams. Management monitor this risk, and also hold contingency reserves to cover potential short-term cash flow shortfalls.

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

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(ii) *Credit risk*

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to trade receivables both in terms of outstanding receivables and committed transactions. For banks and financial institutions, the Organization uses the Royal Bank of Scotland plc which has a top-rating. Trade receivables relate to various Data Centres which provide LRIT services. These generally are funded by international governments and therefore do not, in the opinion of the Director General, represent a significant risk to the Organization. No trade receivable would be capable of mounting material debts as services would be withdrawn if one year's funds remained outstanding. No credit losses were incurred during the period under review, and management do not expect any losses from non-performance by these counterparties.

(iii) *Liquidity risk*

Detailed budgets are prepared on a regular basis by management and agreed with the funding parties for the Organization. These budgets have the intention of ensuring sufficient headroom is maintained for available cash to meet operational needs. Surplus cash is held by the Organization as contingency funds to cover any potential shortfall in working capital. These funds are invested in interest-bearing accounts with instant access should funds be required at short notice.

At the balance sheet date the Organization held funds of £295,011 (2011 - £315,346) capable of being used to meet liquidity requirements. The Director General constantly monitors the Organization's cash position, and considers the liquidity risk to the Organization at the year end to be low.

### 2.2 Capital risk management

The Director General's objective when managing capital is to safeguard the Organization's ability to continue as a going concern in order to meet the Organization's responsibilities to Member States. In order to do this, the Director General ensures sufficient funds are retained in reserve accounts, available for use at his discretion, to meet the Organization's requirements should there be a temporary shortfall in funding.

### 2.3 Fair value estimation

The Organization does not have any financial instruments under IFRS 7 which are held on the balance sheet at fair value.

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## 3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Director General believes the actuarial estimate of the present value of post-retirement employee medical benefits to be a significant estimate in these financial statements.

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## 4. Segment information

The reportable operating segments are the Organization's GMDSS and LRIT functions. Income sources are directly identifiable and are detailed in note 1.11. Costs have been wholly allocated to either segment where they are directly identifiable. All other general overhead costs have been split between the segments at an agreed ratio of 7:3 GMDSS: LRIT for all other costs except meeting costs which are split on an agreed ratio of 1:1. Despite the global nature of the Organization's functions, the Director General does not consider measuring performance based on geographic perspectives to be worthwhile as there is no scope for management control or oversight in this regard.

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

The segment information for the year ended 31 December 2012 is as follows:

Income statement	Note	2012			2011		
		GMDSS £	LRIT £	Total £	GMDSS £	LRIT £	Total £
<b>Continuing operations</b>							
Revenue		842,984	571,987	1,414,971	772,282	434,388	1,206,670
<b>Gross profit</b>		<b>842,984</b>	<b>571,987</b>	<b>1,414,971</b>	<b>772,282</b>	<b>434,388</b>	<b>1,206,670</b>
Administrative expenses	10	(842,112)	(632,422)	(1,474,534)	(771,383)	(572,083)	(1,343,466)
<b>Operating profit/(loss)</b>		<b>872</b>	<b>(60,435)</b>	<b>(59,563)</b>	<b>899</b>	<b>(137,695)</b>	<b>(136,796)</b>
Finance income	12	1,469	-	1,469	1,387	-	1,387
Finance costs	12	(872)	(21)	(893)	(899)	(129)	(1,028)
<b>Profit/(loss) for the year</b>		<b>1,469</b>	<b>(60,456)</b>	<b>(58,987)</b>	<b>1,387</b>	<b>(137,824)</b>	<b>(136,437)</b>

Balance sheet		2012				2011			
		GMDSS £	LRIT £	Inter- fund £	Total £	GMDSS £	LRIT £	Inter- fund £	Total £
<b>Assets</b>									
<b>Non-current assets</b>									
Property, plant and equipment	5	-	15,922	-	15,922	-	14,282	-	14,282
<b>Current assets</b>									
Trade and other receivables	6	1,023,850	127,675	(34,748)	1,116,777	823,464	97,506	(43,295)	877,675
Cash and cash equivalents	7	220,402	74,609	-	295,011	225,538	89,808	-	315,346
		<b>1,244,252</b>	<b>202,284</b>	<b>(34,748)</b>	<b>1,411,788</b>	<b>1,049,002</b>	<b>187,314</b>	<b>(43,295)</b>	<b>1,193,021</b>
<b>Total assets</b>		<b>1,244,252</b>	<b>218,206</b>	<b>(34,748)</b>	<b>1,427,710</b>	<b>1,049,002</b>	<b>201,596</b>	<b>(43,295)</b>	<b>1,207,303</b>
<b>Reserves and liabilities</b>									
<b>Reserves</b>									
General reserve	16	-	(138,458)	-	(138,458)	-	(83,964)	-	(83,964)
Interest reserve	16	108,105	-	-	108,105	106,636	-	-	106,636
LRIT Contingency reserve	16	-	36,106	-	36,106	-	42,068	-	42,068
		<b>108,105</b>	<b>(102,352)</b>	<b>-</b>	<b>5,753</b>	<b>106,636</b>	<b>(41,896)</b>	<b>-</b>	<b>64,740</b>
<b>Liabilities</b>									
<b>Non-current liabilities</b>									
Provisions	9	1,005,385	258,239	-	1,263,624	790,343	160,739	-	951,082
<b>Current liabilities</b>									
Trade and other payables	8	130,762	62,319	(34,748)	158,333	152,023	82,753	(43,295)	191,481
<b>Total liabilities</b>		<b>1,136,147</b>	<b>320,558</b>	<b>(34,748)</b>	<b>1,421,957</b>	<b>942,366</b>	<b>243,492</b>	<b>(43,295)</b>	<b>1,142,563</b>
<b>Total reserves and liabilities</b>		<b>1,244,252</b>	<b>218,206</b>	<b>(34,748)</b>	<b>1,427,710</b>	<b>1,049,002</b>	<b>201,596</b>	<b>(43,295)</b>	<b>1,207,303</b>

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

At the year end, the following balances were owed between the two reporting segments for amounts paid on behalf of the other segment:

	2012			2011		
	GMDSS £	LRIT £	Total £	GMDSS £	LRIT £	Total £
Inter fund debtor	34,748	-	34,748	43,295	-	43,295
Inter fund creditor	-	34,748	34,748	-	43,295	43,295

These amounts have been included within trade and other receivables and trade and other payables in the above segmental analysis as applicable.

### 5. Property, plant and equipment

	Furniture & Fittings £	Plant and equipment £	Total £
<b>Cost</b>			
At 1 January 2012	8,654	21,562	30,216
Additions	-	9,694	9,694
At 31 December 2012	8,654	31,256	39,910
<b>Depreciation</b>			
At 1 January 2012	1,731	14,203	15,934
Change for the year	865	7,189	8,054
At 31 December 2012	2,596	21,392	23,988
<b>Carrying amount</b>			
At 31 December 2012	6,058	9,864	15,922
At 31 December 2011	6,923	7,359	14,282

### 6. Trade and other receivables

	2012				2011			
	GMDSS £	LRIT £	Inter-fund £	Total £	GMDSS £	LRIT £	Inter-fund £	Total £
Trade receivables	-	94,996	-	94,996	-	61,519	-	61,519
Prepayments	22,998	20,208	-	43,206	22,979	19,002	-	41,981
Taxation	16,674	11,116	-	27,790	23,986	15,991	-	39,977
Staff loans	1,794	1,355	-	3,149	1,492	994	-	2,486
Inmarsat – GMDSS deficit	947,636	-	-	947,636	731,712	-	-	731,712
Inter-fund balance	34,748	-	(34,748)	-	43,295	-	(43,295)	-
	1,023,850	127,675	(34,748)	1,116,777	823,464	97,506	(43,295)	877,675

Trade receivables have not been discounted and no provision has been made against the carrying amount shown above. At 31 December 2012, trade receivables of £34,769 (2011 - £29,019) were fully performing. Trade receivables of £60,227 (2011 - £32,500) were past due but not impaired. The Director General considers the expected discounted value received for all receivables to be materially similar to the carrying values shown. All receivables are denominated in the functional currency shown.

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

### 6. Trade and other receivables (continued)

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Organization does not hold any collateral as security.

### 7. Cash and cash equivalents

The Organization holds all cash and cash equivalents in instant access bank accounts. The Organization had no overdrawn accounts at the year end or the previous year end.

	2012				2011			
	GMDSS	LRIT	Inter-fund	Total	GMDSS	LRIT	Inter-fund	Total
	£	£	£	£	£	£	£	£
Cash and cash equivalents	220,402	74,609	-	295,011	225,538	89,808	-	315,346

### 8. Trade and other payables

Trade payables	15,218	13,992	-	29,210	15,188	14,614	-	29,802
Accrued expenses	9,500	4,317	-	13,817	8,804	3,862	-	12,666
Pension payments	-	-	-	-	23,201	18,745	-	41,946
Social security and other taxation	1,214	762	-	1,976	-	-	-	-
Deferred income	-	8,500	-	8,500	-	2,237	-	2,237
Cospas-Sarsat Limited	4,830	-	-	4,830	4,830	-	-	4,830
Legal fund	100,000	-	-	100,000	100,000	-	-	100,000
Inter-fund balance	-	34,748	(34,748)	-	-	43,295	(43,295)	-
	130,762	62,319	(34,748)	158,333	152,023	82,753	(43,295)	191,481

The Legal fund is interest-free and is retained by the Organization while the current Public Services Agreement with Inmarsat is in force. These funds are only available to be used for costs associated with arbitration or other legal proceedings in connection with enforcement of the Public Services Agreement with Inmarsat.

The loan from Cospas-Sarsat Limited relates to a refund for life assurance received by the Organization in relation to Cospas-Sarsat Limited employees. No terms have been agreed with Cospas-Sarsat Limited regarding these funds, and therefore they are shown as being repayable on demand.

### 9. Provisions

Post-retirement employee benefits:	2012			2011		
	GMDSS	LRIT	Total	GMDSS	LRIT	Total
	£	£	£	£	£	£
Repatriation grant (see below)	39,185	55,439	94,624	34,143	47,939	82,082
Medical insurance (note 17)	966,200	202,800	1,169,000	756,200	112,800	869,000
	1,005,385	258,239	1,263,624	790,343	160,739	951,082

The Organization is committed to providing repatriation grants to employees who are not UK nationals upon their leaving employment.



**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**
**NOTES TO THE FINANCIAL STATEMENTS**
**Year ended 31 December 2012**

10. Expenses by nature	2012			2011		
	GMDSS £	LRIT £	Total £	GMDSS £	LRIT £	Total £
<b>Directorate staff costs</b>						
Salaries	306,953	269,757	576,710	283,705	247,016	530,721
Allowances	83,732	69,716	153,448	74,003	60,693	134,696
Employer costs	48,416	40,312	88,728	46,751	31,161	77,912
Pension costs (defined contribution)	63,842	51,765	115,607	59,526	47,924	107,450
Pension provider fees	5,142	1,508	6,650	5,347	2,541	7,888
Post-retirement benefits & Repatriation/relocation grants	215,042	97,500	312,542	188,706	89,829	278,535
	<u>723,127</u>	<u>530,558</u>	<u>1,253,685</u>	<u>658,038</u>	<u>479,164</u>	<u>1,137,202</u>
<b>Office maintenance costs</b>						
Audit fee	6,373	2,731	9,104	13,132	5,629	18,761
Accounting and administrative support	1,814	776	2,590	2,105	2,020	4,125
Printing and copying	1,372	588	1,960	260	112	372
Telephone and fax	2,110	2,110	4,220	2,329	2,331	4,660
Postage	2,275	1,084	3,359	559	367	926
Office supplies	5,525	2,900	8,425	6,587	3,430	10,017
Computers	-	-	-	329	328	657
Depreciation	-	8,054	8,054	-	8,052	8,052
Office Insurance	1,202	515	1,717	1,358	582	1,940
	<u>20,671</u>	<u>18,758</u>	<u>39,429</u>	<u>26,659</u>	<u>22,851</u>	<u>49,510</u>
<b>Rental costs</b>						
Office lease (incl. service charges)	47,329	44,028	91,357	49,528	42,365	91,893
<b>Travel costs</b>						
Business travel	16,138	6,131	22,269	20,594	11,155	31,749
Hospitality	2,126	1,203	3,329	3,817	1,776	5,593
Car parking costs	962	517	1,479	988	423	1,411
Congestion charge	935	401	1,336	826	354	1,180
	<u>20,161</u>	<u>8,252</u>	<u>28,413</u>	<u>26,225</u>	<u>13,708</u>	<u>39,933</u>
<b>Meeting costs</b>						
Assembly	20,720	20,720	41,440	-	-	-
Advisory committee	-	-	-	10,934	10,933	21,867
LRIT Coordination meeting	-	-	-	-	3,061	3,061
Translations & Interpretation	10,105	10,105	20,210	-	-	-
	<u>30,825</u>	<u>30,825</u>	<u>61,650</u>	<u>10,934</u>	<u>13,994</u>	<u>24,928</u>
<b>Administrative expenses</b>	<u>842,113</u>	<u>632,421</u>	<u>1,474,534</u>	<u>771,384</u>	<u>572,082</u>	<u>1,343,466</u>

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2012**

<b>11. Employee benefit expense</b>	<b>2012</b>			<b>2011</b>		
	<b>GMDSS</b>	<b>LRIT</b>	<b>Total</b>	<b>GMDSS</b>	<b>LRIT</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Salaries	306,953	269,757	576,710	283,705	247,016	530,721
Allowances	83,732	69,716	153,448	74,003	60,693	134,696
Employer costs	48,416	40,312	88,728	46,751	31,161	77,912
Pension costs – defined contribution plans	63,842	51,765	115,607	59,526	47,924	107,450
Pension provider fees	5,142	1,508	6,650	5,347	2,541	7,888
Post-retirement benefits & repatriation/relocation grants	215,042	97,500	312,542	188,706	89,829	278,535
	<u>723,127</u>	<u>530,558</u>	<u>1,253,685</u>	<u>658,038</u>	<u>479,164</u>	<u>1,137,202</u>
<b>Average number of people employed</b>	<u>4</u>	<u>3</u>	<u>7</u>	<u>4</u>	<u>3</u>	<u>7</u>

The Employees listed under GMDSS also contribute to the Organization's LRIT function, and their costs are split between the two funds at agreed rates.

<b>12. Finance income and costs</b>	<b>2012</b>			<b>2011</b>		
	<b>GMDSS</b>	<b>LRIT</b>	<b>Total</b>	<b>GMDSS</b>	<b>LRIT</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Interest expense – bank charges	(872)	(21)	(893)	(899)	(129)	(1,028)
Net finance costs	<u>(872)</u>	<u>(21)</u>	<u>(893)</u>	<u>(899)</u>	<u>(129)</u>	<u>(1,028)</u>
Finance income	1,469	-	1,469	1,387	-	1,387
Net finance income/(costs)	<u>597</u>	<u>(21)</u>	<u>576</u>	<u>488</u>	<u>(129)</u>	<u>359</u>

<b>13. Cash generated from operations</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Profit/(loss) for the year</b>	<b>(58,987)</b>	<b>(136,437)</b>
Adjustments for:		
Depreciation	8,054	8,052
Net finance income	(576)	(359)
Trade and other receivables	(239,102)	(182,536)
Trade and other payables	(33,148)	16,255
Provisions	312,542	278,535
<b>Cash (used in)/generated from operations</b>	<u><b>(11,217)</b></u>	<u><b>(16,490)</b></u>

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

### 14. Operating leases

The future minimum lease payments under non-cancellable operating leases in each of the following periods are:

	2012	2011
	£	£
<i>Land and buildings</i>		
- not later than one year	91,357	91,893
- later than one year and not later than five years	-	-
- later than five years	-	-
	<u>91,357</u>	<u>91,893</u>

### 15. Financial instruments

All financial instruments are held and denominated in UK pounds.

	Loans and receivables	
	2012	2011
	£	£
<b>Assets as per balance sheet</b>		
Trade and other receivables excluding prepayments	1,073,571	835,694
Cash and cash equivalents	295,011	315,346
	<u>1,368,582</u>	<u>1,151,040</u>
	Financial liabilities at amortised cost	
	2012	2011
	£	£
<b>Liabilities as per balance sheet</b>		
Trade and other payables excluding statutory liabilities	158,333	191,481
Provisions	1,263,624	951,082
	<u>1,421,957</u>	<u>1,142,563</u>

### 16. Reserves

	General reserve	Interest reserve	LRIT Contingency reserve	Total
	£	£	£	£
Balance as at 1 January 2012	(83,964)	106,636	42,068	64,740
Transfer between reserves	20,000	-	(20,000)	-
Profit/(loss) for the year	(74,494)	1,469	14,038	(58,987)
Balance as at 31 December 2012	<u>(138,458)</u>	<u>108,105</u>	<u>36,106</u>	<u>5,753</u>

The General reserve represents surplus/(loss) funds in relation to the Organization's LRIT functions.

The LRIT Contingency reserve is part of the General reserve, and is being built up annually but retained separately to cover the cost of future liabilities in relation to repatriation. In 2011, an additional £20,000 was transferred to the LRIT Contingency reserve to spread the costs relating to the 2012 Assembly, and transferred back to General reserve in 2012.

The 1% Contingency budgeted in relation to GMDSS is returned to Inmarsat if unused.

The Interest reserve relates to amounts of interest received on cash balances held in the Organization's bank accounts due to funding received for GMDSS from Inmarsat.

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

### 17. Post-retirement healthcare benefits

International Mobile Satellite Organization operates a post-retirement healthcare benefit scheme in the UK which provides healthcare for life for one member. The arrangement is currently insured with Simplyhealth (previously called GROUPAMA) and premiums are paid annually to Simplyhealth. The premiums paid in 2012 were £16,656, relating to the one member.

The scheme is closed to new members and applies for one current employee only. The benefits are not funded in advance of premium payments being required.

International Mobile Satellite Organization has opted to recognise all actuarial gains and losses immediately in the income statement.

The major assumptions used by the actuary were (in nominal terms):

	2012 £	2011 £
Discount rate	4.15%	4.65%
Premium inflation	10.00%	10.00%
Assumed life expectancy of member		
Female retiring today at 65	25.0	24.9
Female retiring in 2015 at 65	25.2	25.2
Present value of unfunded scheme liabilities	(1,169,000)	(869,000)
Surplus/(deficit)	(1,169,000)	(869,000)
(Irrecoverable surplus)	-	-
Net asset/(liability) recognised before tax	(1,169,000)	(869,000)

### Actuarial gains and (losses) to be shown in the Income Statement

	2012 £	2011 £
Actuarial gains/(losses)	(260,000)	(226,000)

### Reconciliation of opening and closing balances of the present value of the scheme liabilities

Liabilities at beginning of year	869,000	610,000
Interest cost	40,000	33,000
Actuarial (gain)/loss	260,000	226,000
Liabilities at end of year	1,169,000	869,000

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2012**

**17. Post-retirement healthcare benefits (continued)**

**History of scheme assets, obligations and experience adjustments**

	2012	2011	2010	2009	2008
	£	£	£	£	£
Present value of scheme liabilities	1,169,000	869,000	610,000	593,000	493,000
Fair value of scheme assets	-	-	-	-	-
Recoverable surplus/(deficit) in the scheme	1,169,000	869,000	(610,000)	(593,000)	(493,000)
Total adjustments arising on scheme liabilities	(260,000)	(226,000)	17,000	(69,000)	-
Total adjustment item as a percentage of scheme liabilities	(22.2%)	(26.0%)	2.8%	(11.6%)	-
Experience adjustments arising on scheme liabilities	(144,000)	(91,000)	55,000	(2,000)	-
Experience item as a percentage of scheme liabilities	(12.3%)	(10.5%)	9.1%	(0.3%)	-

Cumulative gains and (losses) recognised in Income Statement

**Sensitivity of amounts recognised in profit and loss to changes in long-term healthcare inflation assumption**

	Projected	As at	Actual	As at
	2013	31 December	2012	31 December
	£	2012	£	2011
		£		£
One percentage point increase in assumed long-term healthcare inflation rate				
Effect on the interest cost	11,000		9,000	
Effect on the liabilities		261,000		198,000
One percentage point decrease in assumed long-term healthcare inflation rate				
Effect on the interest cost	(9,000)		(7,000)	
Effect on the liabilities		(206,000)		(156,000)

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2012**

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**17. Post-retirement healthcare benefits (continued)**

**This year's Income Statement**

	<b>2012</b>
	<b>£</b>
<b>Analysis of the amount charged to operating profit</b>	
Interest on pension scheme liabilities	(40,000)
<b>Net charge</b>	<u>(40,000)</u>

**Estimation of next year's Profit and Loss**

**Analysis of the amount charged to operating profit**

	<b>£</b>
Interest on pension scheme liabilities	(49,000)
<b>Net charge</b>	<u>(49,000)</u>

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**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**DETAILED STATEMENT OF INCOME AND EXPENDITURE**

**Year ended 31 December 2012**

	Note	2012			2011		
		GMDSS £	LRIT £	Total £	GMDSS £	LRIT £	Total £
<b>General fund</b>							
<b>Income</b>							
<b>Contributions</b>							
Inmarsat – ordinary		627,060	-	627,060	608,717	-	608,717
Other parties – ordinary		-	571,987	571,987	-	434,388	434,388
Less: Inmarsat – (overpaid)/ underpaid contributions		215,924	-	215,924	163,565	-	163,565
<b>Other income</b>							
Interest received		742	-	742	665	-	665
Interest received on Legal fund		727	-	727	722	-	722
		<u>844,453</u>	<u>571,987</u>	<u>1,416,440</u>	<u>773,669</u>	<u>434,388</u>	<u>1,208,057</u>
<b>Expenditure</b>							
Directorate staff costs	10	723,127	530,558	1,253,685	658,038	479,164	1,137,202
Office maintenance costs (including bank charges)	10	21,542	18,780	40,322	27,557	22,980	50,537
Rent	10	47,329	44,028	91,357	49,528	42,365	91,893
Travel costs	10	20,161	8,252	28,413	26,225	13,708	39,933
Meeting costs	10	30,825	30,825	61,650	10,934	13,995	24,929
		<u>842,984</u>	<u>632,443</u>	<u>1,475,427</u>	<u>772,282</u>	<u>572,212</u>	<u>1,344,494</u>
<b>Operating surplus</b>		1,469	(60,456)	(58,987)	1,387	(137,824)	(136,437)
<b>General reserve</b>							
Balance brought forward		-	(83,964)	(83,964)	-	87,898	87,898
Transfer to interest reserve		(1,469)	-	(1,469)	(1,387)	-	(1,387)
Transfer from LRIT Contingency reserve		-	5,962	5,962	-	(34,038)	(34,038)
Balance carried forward (page 6)		<u>-</u>	<u>(138,458)</u>	<u>(138,458)</u>	<u>-</u>	<u>(83,964)</u>	<u>(83,964)</u>
<b>Interest reserve</b>							
Balance brought forward		106,636	-	106,636	105,249	-	105,249
Transfer from General reserve	16	1,469	-	1,469	1,387	-	1,387
Balance carried forward (page 6)		<u>108,105</u>	<u>-</u>	<u>108,105</u>	<u>106,636</u>	<u>-</u>	<u>106,636</u>
<b>LRIT Contingency reserve</b>							
Balance brought forward	16	-	42,068	42,068	-	8,030	8,030
Transfer to General reserve	16	-	(5,962)	(5,962)	-	34,038	34,038
Balance carried forward (page 6)		<u>-</u>	<u>36,106</u>	<u>36,106</u>	<u>-</u>	<u>42,068</u>	<u>42,068</u>

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## DETAILED BALANCE SHEET

At 31 December 2012

	Note	2012				2011			
		GMDSS	LRIT	Inter-fund	Total	GMDSS	LRIT	Inter-fund	Total
		£	£	£	£	£	£	£	£
<b>Tangible fixed assets</b>	5	-	15,922	-	15,922	-	14,282	-	14,282
<b>Current assets</b>									
Trade debtors	6	-	94,996	-	94,996	-	61,519	-	61,519
Other debtors	6	949,430	1,355	-	950,785	733,204	994	-	734,198
Tax	6	16,674	11,116	-	27,790	23,986	15,991	-	39,977
Prepayments	6	22,998	20,208	-	43,206	22,979	19,002	-	41,981
Cash at bank	7	220,402	74,609	-	295,011	225,538	89,808	-	315,346
Inter fund balance	4	34,748	-	(34,748)	-	43,295	-	(43,295)	-
		<u>1,244,252</u>	<u>202,284</u>	<u>(34,748)</u>	<u>1,411,788</u>	<u>1,049,002</u>	<u>187,314</u>	<u>(43,295)</u>	<u>1,193,021</u>
<b>Creditors: amounts falling due within one year</b>									
Accounts payable	8	15,218	13,992	-	29,210	15,188	14,614	-	29,802
Other creditors	8	106,044	762	-	106,806	128,031	18,745	-	146,776
Accruals	8	9,500	4,317	-	13,817	8,804	3,862	-	12,666
Deferred income	8	-	8,500	-	8,500	-	2,237	-	2,237
Inter fund balance	4	-	34,748	(34,748)	-	-	43,295	(43,295)	-
		<u>130,762</u>	<u>62,319</u>	<u>(34,748)</u>	<u>158,333</u>	<u>152,023</u>	<u>82,753</u>	<u>(43,295)</u>	<u>191,481</u>
<b>Net current assets</b>		<u>1,113,490</u>	<u>139,965</u>	<u>-</u>	<u>1,253,455</u>	<u>896,979</u>	<u>104,561</u>	<u>-</u>	<u>1,001,540</u>
<b>Creditors: amounts falling due in more than one year</b>									
Provisions	9	1,005,385	258,239	-	1,263,624	790,343	160,739	-	951,082
<b>Net (liabilities)/ assets</b>		<u>108,105</u>	<u>(102,352)</u>	<u>-</u>	<u>5,753</u>	<u>106,636</u>	<u>(41,896)</u>	<u>-</u>	<u>64,740</u>
Representing:									
<b>Accumulated funds</b>									
General reserve	16	-	(138,458)	-	(138,458)	-	(83,964)	-	(83,964)
Interest reserve	16	108,105	-	-	108,105	106,636	-	-	106,636
LRIT Contingency reserve	16	-	36,106	-	36,106	-	42,068	-	42,068
		<u>108,105</u>	<u>(102,352)</u>	<u>-</u>	<u>5,753</u>	<u>106,636</u>	<u>(41,896)</u>	<u>-</u>	<u>64,740</u>



**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**NON-STATUTORY DETAILED STATEMENT OF  
INCOME AND EXPENDITURE**

**Year ended 31 December 2012**

	<b>2012</b>			<b>2011</b>		
	<b>GMDSS</b>	<b>LRIT</b>	<b>Total</b>	<b>GMDSS</b>	<b>LRIT</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>General fund</b>						
<b>Income – Contributions</b>						
Inmarsat – ordinary	627,060	-	627,060	608,717	-	608,717
Other parties – ordinary	-	571,987	571,987	-	434,388	434,388
<b>Other income</b>						
Interest received	742	-	742	665	-	665
Interest received on Legal fund	727	-	727	722	-	722
	<u>628,529</u>	<u>571,987</u>	<u>1,200,516</u>	<u>610,104</u>	<u>434,388</u>	<u>1,044,492</u>
<b>Expenditure</b>						
Directorate staff costs	501,543	430,950	932,493	463,986	386,794	850,780
Office maintenance costs	28,084	20,888	48,972	32,903	25,521	58,424
Rent	47,329	44,028	91,357	49,528	42,365	91,893
Travel costs	20,161	8,252	28,413	26,225	13,708	39,933
Meeting costs	30,825	30,825	61,650	10,934	13,995	24,929
	<u>627,942</u>	<u>534,943</u>	<u>1,162,885</u>	<u>583,576</u>	<u>482,383</u>	<u>1,065,959</u>
<b>Operating surplus/(deficit)</b>	587	37,044	37,631	26,528	(47,995)	(21,467)
Transfer to Interest reserve	(1,469)	-	(1,469)	(1,387)	-	(1,387)
Transfer from LRIT Contingency reserve	-	5,962	5,962	-	(34,038)	(34,038)
<b>Fund surplus/(deficit) current year</b>	(882)	43,006	42,124	25,141	(82,033)	(56,892)
Balance brought forward	58,631	76,775	135,406	33,490	158,808	192,298
<b>Fund surplus total</b>	<u>57,749</u>	<u>119,781</u>	<u>177,530</u>	<u>58,631</u>	<u>76,775</u>	<u>135,406</u>
<b>Exceptional items:</b>						
Post-retirement benefits & Repatriation/Relocation grants	(215,042)	(97,500)	(312,542)	(188,706)	(89,829)	(278,535)
Prior year adjustment effect	(790,343)	(160,739)	(951,082)	(601,637)	(70,910)	(672,547)
<b>Fund surplus/(deficit) including exceptional items</b>	<u>(947,636)</u>	<u>(138,458)</u>	<u>(1,086,094)</u>	<u>(731,712)</u>	<u>(83,964)</u>	<u>(815,676)</u>
<b>Interest reserve</b>						
Balance brought forward	106,636	-	106,636	105,249	-	105,249
Transfer from General reserve	1,469	-	1,469	1,387	-	1,387
Balance carried forward	<u>108,105</u>	<u>-</u>	<u>108,105</u>	<u>106,636</u>	<u>-</u>	<u>106,636</u>
<b>LRIT Contingency reserve</b>						
Balance brought forward	-	42,068	42,068	-	8,030	8,030
Transfer to General reserve	-	(5,962)	(5,692)	-	34,038	34,038
Balance carried forward	<u>-</u>	<u>36,106</u>	<u>36,106</u>	<u>-</u>	<u>42,068</u>	<u>42,068</u>