

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2013**

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## I N D E X

Year ended 31 December 2013

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# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## GENERAL INFORMATION

Year ended 31 December 2013

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### Organization

The International Mobile Satellite Organization 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" ("IMSO").

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.

The Director General has disclosed personal financial information to the Auditor, in accordance with the United Nations Financial Disclosure Programme.

  
ESTEBAN PACHA-VICENTE  
Director General

21 May 2014

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## AUDITOR'S REPORT

Year ended 31 December 2013

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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 2013 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. In addition, we read all the financial and non-financial information in the General Information to identify material inconsistencies with the audited financial statements. If we became aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

#### 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 2013 and of its profit 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

22 May 2014

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION****I N C O M E   S T A T E M E N T****Year ended 31 December 2013**

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	<b>Note</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
<b>Continuing operations</b>			
Revenue		903,303	1,414,971
<b>Gross profit</b>		<u>903,303</u>	<u>1,414,971</u>
Administrative expenses	10	(804,896)	(1,474,534)
<b>Operating profit/(loss)</b>		<u>98,407</u>	<u>(59,563)</u>
Finance income	12	1,466	1,469
Finance costs	12	(825)	(893)
<b>Profit/(loss) for the year before and after taxation</b>		<u>99,048</u>	<u>(58,987)</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 2013**

	Note	2013 £	2012 £
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	11,609	15,922
		<u>11,609</u>	<u>15,922</u>
<b>Current assets</b>			
Trade and other receivables	6	949,799	1,116,777
Cash and cash equivalents	7	248,648	295,011
		<u>1,198,447</u>	<u>1,411,788</u>
<b>Total assets</b>		<u>1,210,056</u>	<u>1,427,710</u>
<b>Reserves and liabilities</b>			
<b>Reserves</b>			
General reserve	16	(62,414)	(138,458)
Interest reserve	16	109,571	108,105
LRIT Contingency reserve	16	57,644	36,106
		<u>104,801</u>	<u>5,753</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions	9	945,526	1,263,624
<b>Current liabilities</b>			
Trade and other payables	8	159,729	158,333
<b>Total liabilities</b>		<u>1,105,255</u>	<u>1,421,957</u>
<b>Total reserves and liabilities</b>		<u>1,210,056</u>	<u>1,427,710</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 21 May 2014.

  
**ESTEBAN PACHA-VICENTE**  
 Director General

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION****STATEMENT OF CHANGES IN RESERVES****Year ended 31 December 2013**

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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 2012</b>	16	(138,458)	108,105	36,106	5,753
Transfer between reserves	16	(7,500)	-	7,500	-
Profit for the year	16	83,544	1,466	14,038	99,048
<b>Balance at 31 December 2013</b>		<u>(62,414)</u>	<u>109,571</u>	<u>57,644</u>	<u>104,801</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 2013**

	<b>Note</b>	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
<b>Cash flows from operating activities</b>			
Cash (used in)/generated from operations	13	(47,073)	(11,217)
Interest paid		(825)	(893)
<b>Net cash (used in)/from operating activities</b>		<u>(47,898)</u>	<u>(12,110)</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		-	(9,694)
Sale of property, plant and equipment		69	-
Interest received		1,466	1,469
<b>Net cash (used in)/received from investing activities</b>		<u>1,535</u>	<u>(8,225)</u>
<b>Net (decrease)/increase in cash, cash equivalents and bank overdrafts</b>		<u>(46,363)</u>	<u>(20,335)</u>
Cash, cash equivalents and bank overdrafts at beginning of the year		295,011	315,346
<b>Cash, cash equivalents and bank overdrafts at end of the year</b>		<u>248,648</u>	<u>295,011</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 2013

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### I. 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.

#### I.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 and on the going concern basis. In preparing the financial statements on the going concern basis, the Director General has assumed that the organization will continue to operate for the foreseeable future. At the year end there was a deficit on the general reserve of £62,414, although overall reserves were positive. The ability of the organization to continue as a going concern is in part dependent on being able to operate within the constraints of the budgets set by the IMSO Assembly.

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.

##### I.1.1 Changes in accounting policy and disclosures

The Organization's financial statements for the year ended 31 December 2013 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:

- 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;
- Amendment to IAS 32, Financial instruments: Presentation, effective for annual periods beginning on or after 1 January 2013;
- Amendments to IAS 34, Interim financial reporting, effective for 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;

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

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### 1.1.1 Changes in accounting policy and disclosures (continued)

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 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;
- Amendment to IFRS 2, Share-based payment, effective for annual periods beginning on or after 1 July 2014;
- Amendment to IFRS 3, Business combinations, effective for annual periods beginning on or after 1 July 2014;
- Amendments to IFRS 8, Operating segments, effective for annual periods beginning on or after 1 July 2014;
- Amendments to IFRS 10, Consolidated Financial statements, effective for annual periods beginning on or after 1 January 2014;
- Amendments to IFRS 12, Disclosure of Interests in other entities, effective for annual periods beginning on or after 1 January 2014;
- Amendments to IFRS 13, Fair value measurement, effective for annual periods beginning on or after 1 January 2014;
- IFRS 14, Regulatory deferral accounting, effective for annual periods beginning on or after 1 January 2016;
- Amendments to IAS 16, Property, plant and equipment, effective for annual periods beginning on or after 1 July 2014;
- Amendments to IAS 19, Employee benefits, effective for annual periods beginning on or after 1 July 2014;
- Amendments to IAS 24, Related party disclosure, effective for annual periods beginning on or after 1 July 2014;
- Amendments to IAS 27, Separate financial statements, effective for annual periods beginning on or after 1 January 2014;
- Amendments to IAS 36, Impairment of assets, effective for annual periods beginning on or after 1 January 2014;
- Amendments to IAS 38, Intangible assets, effective for annual periods beginning on or after 1 July 2014;
- Amendments to IAS 40, Investment property, effective for annual periods beginning on or after 1 July 2014.

### 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.

## **INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2013**

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#### **I.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.

#### **I.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.

#### **I.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.

#### **I.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 and the LRIT Contingency Fund 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.

## INTERNATIONAL MOBILE SATELLITE ORGANIZATION

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

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#### 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. Under the defined contribution scheme, 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 4.35%. 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 where the effect of discounting is material.

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

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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 2013.

(c) *Interest income*

Interest income is recognised using the effective interest method. When a receivable is impaired, the organization 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 2013

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### 2.1 Financial risk factors (continued)

(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 national 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 £248,648 (2012 - £295,011) 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.

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**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2013**

The segment information for the year ended 31 December 2013 is as follows:

Income statement	Note	2013			2012		
		GMDSS £	LRIT £	Total £	GMDSS £	LRIT £	Total £
<b>Continuing operations</b>							
Revenue		397,303	506,000	903,303	842,984	571,987	1,414,971
<b>Gross profit</b>		<u>397,303</u>	<u>506,000</u>	<u>903,303</u>	<u>842,984</u>	<u>571,987</u>	<u>1,414,971</u>
Administrative expenses	10	(396,505)	(408,391)	(804,896)	(842,112)	(632,422)	(1,474,534)
<b>Operating profit/(loss)</b>		<u>798</u>	<u>97,609</u>	<u>98,407</u>	<u>872</u>	<u>(60,435)</u>	<u>(59,563)</u>
Finance income	12	1,464	2	1,466	1,469	-	1,469
Finance costs	12	(798)	(27)	(825)	(872)	(21)	(893)
<b>Profit/(loss) for the year</b>		<u>1,464</u>	<u>97,584</u>	<u>99,048</u>	<u>1,469</u>	<u>(60,456)</u>	<u>(58,987)</u>

Balance sheet		2013				2012			
		GMDSS £	LRIT £	Inter- fund £	Total £	GMDSS £	LRIT £	Inter- fund £	Total £
<b>Assets</b>									
<b>Non-current assets</b>									
Property, plant and equipment	5	-	11,609	-	11,609	-	15,922	-	15,922
<b>Current assets</b>									
Trade and other receivables	6	877,888	123,245	(51,334)	949,799	1,023,850	127,675	(34,748)	1,116,777
Cash and cash equivalents	7	150,985	97,663	-	248,648	220,402	74,609	-	295,011
		<u>1,028,873</u>	<u>220,908</u>	<u>(51,334)</u>	<u>1,198,447</u>	<u>1,244,252</u>	<u>202,284</u>	<u>(34,748)</u>	<u>1,411,788</u>
<b>Total assets</b>		<u>1,028,873</u>	<u>232,517</u>	<u>(51,334)</u>	<u>1,210,056</u>	<u>1,244,252</u>	<u>218,206</u>	<u>(34,748)</u>	<u>1,427,710</u>
<b>Reserves and liabilities</b>									
<b>Reserves</b>									
General reserve	16	-	(62,414)	-	(62,414)	-	(138,458)	-	(138,458)
Interest reserve	16	109,571	-	-	109,571	108,105	-	-	108,105
LRIT Contingency reserve	16	-	57,644	-	57,644	-	36,106	-	36,106
		<u>109,571</u>	<u>(4,770)</u>	<u>-</u>	<u>104,801</u>	<u>108,105</u>	<u>(102,352)</u>	<u>-</u>	<u>5,753</u>
<b>Liabilities</b>									
<b>Non-current liabilities</b>									
Provisions	9	785,805	159,721	-	945,526	1,005,385	258,239	-	1,263,624
<b>Current liabilities</b>									
Trade and other payables	8	133,498	77,565	(51,334)	159,729	130,762	62,319	(34,748)	158,333
<b>Total liabilities</b>		<u>919,303</u>	<u>237,286</u>	<u>(51,334)</u>	<u>1,105,255</u>	<u>1,136,147</u>	<u>320,558</u>	<u>(34,748)</u>	<u>1,421,957</u>
<b>Total reserves and liabilities</b>		<u>1,028,874</u>	<u>232,516</u>	<u>(51,334)</u>	<u>1,210,056</u>	<u>1,244,252</u>	<u>218,206</u>	<u>(34,748)</u>	<u>1,427,710</u>

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

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

	2013			2012		
	GMDSS £	LRIT £	Total £	GMDSS £	LRIT £	Total £
Inter fund debtor	51,334	-	51,334	34,748	-	34,748
Inter fund creditor	-	51,334	51,334	-	34,748	34,748

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 2013	8,654	31,256	39,910
Disposals	-	(69)	(69)
At 31 December 2013	8,654	31,187	39,841
<b>Depreciation</b>			
At 1 January 2013	2,596	21,392	23,988
Change for the year	866	3,378	4,244
At 31 December 2013	3,462	24,770	28,232
<b>Carrying amount</b>			
At 31 December 2013	5,192	6,417	11,609
At 31 December 2012	6,058	9,864	15,922

### 6. Trade and other receivables

	2013				2012			
	GMDSS £	LRIT £	Inter-fund £	Total £	GMDSS £	LRIT £	Inter-fund £	Total £
Trade receivables	-	89,204	-	89,204	-	94,996	-	94,996
Prepayments	30,852	23,676	-	54,528	22,998	20,208	-	43,206
Taxation	15,086	10,058	-	25,144	16,674	11,116	-	27,790
Staff loans	148	307	-	455	1,794	1,355	-	3,149
Inmarsat – GMDSS deficit	780,468	-	-	780,468	947,636	-	-	947,636
Inter-fund balance	51,334	-	(51,334)	-	34,748	-	(34,748)	-
	877,888	123,245	(51,334)	949,799	1,023,850	127,675	(34,748)	1,116,777

Trade receivables have not been discounted and no provision has been made against the carrying amount shown above. At 31 December 2013, trade receivables of £33,995 (2012 - £34,769) were fully performing. Trade receivables of £55,209 (2012 - £60,227) 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 2013

### 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.

	2013				2012			
	GMDSS	LRIT	Inter-fund	Total	GMDSS	LRIT	Inter-fund	Total
	£	£	£	£	£	£	£	£
Cash and cash equivalents	150,985	97,663	-	248,648	220,402	74,609	-	295,011

### 8. Trade and other payables

Trade payables	24,684	18,075	-	42,759	15,218	13,992	-	29,210
Accrued expenses	8,197	3,514	-	11,711	9,500	4,317	-	13,817
Social security and other taxation	617	392	-	1,009	1,214	762	-	1,976
Deferred income	-	4,250	-	4,250	-	8,500	-	8,500
Cospas-Sarsat Limited	-	-	-	-	4,830	-	-	4,830
Legal fund	100,000	-	-	100,000	100,000	-	-	100,000
Inter-fund balance	-	51,334	(51,334)	-	-	34,748	(34,748)	-
	133,498	77,565	(51,334)	159,729	130,762	62,319	(34,748)	158,333

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.

### 9. Provisions

	2013			2012		
	GMDSS	LRIT	Total	GMDSS	LRIT	Total
	£	£	£	£	£	£
Post-retirement employee benefits:						
Repatriation grant (see below)	34,505	49,021	83,526	39,185	55,439	94,624
Medical insurance (note 17)	751,300	110,700	862,000	966,200	202,800	1,169,000
	785,805	159,721	945,526	1,005,385	258,239	1,263,624

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 2013**

10. Expenses by nature	2013			2012		
	GMDSS	LRIT	Total	GMDSS	LRIT	Total
	£	£	£	£	£	£
<b>Directorate staff costs</b>						
Salaries	319,612	279,259	598,871	306,953	269,757	576,710
Allowances	83,337	65,515	148,852	83,732	69,716	153,448
Employer costs	46,874	38,324	85,198	48,416	40,312	88,728
Pension costs (defined contribution)	65,957	52,683	118,640	63,842	51,765	115,607
Pension provider fees	5,638	1,612	7,250	5,142	1,508	6,650
Post-retirement benefits & Repatriation/relocation grants	(219,580)	(98,518)	(318,098)	215,042	97,500	312,542
	<u>301,838</u>	<u>338,875</u>	<u>640,713</u>	<u>723,127</u>	<u>530,558</u>	<u>1,253,685</u>
<b>Office maintenance costs</b>						
Audit fee	6,020	2,580	8,600	6,373	2,731	9,104
Accounting and administrative support	4,550	3,332	7,882	1,814	776	2,590
Printing and copying	-	-	-	1,372	588	1,960
Telephone and fax	2,213	2,213	4,426	2,110	2,110	4,220
Postage	420	714	1,134	2,275	1,084	3,359
Office supplies	4,692	2,054	6,746	5,525	2,900	8,425
Depreciation	-	4,244	4,244	-	8,054	8,054
Office Insurance	1,230	527	1,757	1,202	515	1,717
	<u>19,125</u>	<u>15,664</u>	<u>34,789</u>	<u>20,671</u>	<u>18,758</u>	<u>39,429</u>
<b>Rental costs</b>						
Office lease (incl. service charges)	47,655	43,702	91,357	47,329	44,028	91,357
<b>Travel costs</b>						
Business travel	21,283	7,258	28,541	16,138	6,131	22,269
Hospitality	4,237	1,862	6,099	2,126	1,203	3,329
Car parking costs	1,276	562	1,838	962	517	1,479
Congestion charge	1,091	468	1,559	935	401	1,336
	<u>27,887</u>	<u>10,150</u>	<u>38,037</u>	<u>20,161</u>	<u>8,252</u>	<u>28,413</u>
<b>Meeting costs</b>						
Assembly	-	-	-	20,720	20,720	41,440
Advisory committee	-	-	-	-	-	-
LRIT Coordination meeting	-	-	-	-	-	-
Translations & Interpretation	-	-	-	10,105	10,105	20,210
	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,825</u>	<u>30,825</u>	<u>61,650</u>
<b>Administrative expenses</b>	<u>396,505</u>	<u>408,391</u>	<u>804,896</u>	<u>842,113</u>	<u>632,421</u>	<u>1,474,534</u>

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2013**

<b>11. Employee benefit expense</b>	<b>GMDSS</b>	<b>LRIT</b>	<b>2013</b>	<b>GMDSS</b>	<b>LRIT</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>Total</b>	<b>£</b>	<b>£</b>	<b>Total</b>
			<b>£</b>			<b>£</b>
Salaries	319,612	279,259	598,871	306,953	269,757	576,710
Allowances	83,337	65,515	148,852	83,732	69,716	153,448
Employer costs	46,874	38,324	85,198	48,416	40,312	88,728
Pension costs – defined contribution plans	65,957	52,683	118,640	63,842	51,765	115,607
Pension provider fees	5,638	1,612	7,250	5,142	1,508	6,650
Post-retirement benefits & repatriation/relocation grants	(219,580)	(98,518)	(318,098)	215,042	97,500	312,542
	<u>301,838</u>	<u>338,875</u>	<u>640,713</u>	<u>723,127</u>	<u>530,558</u>	<u>1,253,685</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>GMDSS</b>	<b>LRIT</b>	<b>2013</b>	<b>GMDSS</b>	<b>LRIT</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>Total</b>	<b>£</b>	<b>£</b>	<b>Total</b>
			<b>£</b>			<b>£</b>
Interest expense – bank charges	(798)	(27)	(825)	(872)	(21)	(893)
Net finance costs	<u>(798)</u>	<u>(27)</u>	<u>(825)</u>	<u>(872)</u>	<u>(21)</u>	<u>(893)</u>
Finance income	1,464	2	1,466	1,469	-	1,469
Net finance income/(costs)	<u>666</u>	<u>(25)</u>	<u>641</u>	<u>597</u>	<u>(21)</u>	<u>576</u>

<b>13. Cash generated from operations</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Profit/(loss) for the year</b>	99,048	(58,987)
Adjustments for:		
Depreciation	4,244	8,054
Net finance income	(641)	(576)
Trade and other receivables	166,978	(239,102)
Trade and other payables	1,396	(33,148)
Provisions	(318,098)	312,542
<b>Cash (used in)/generated from operations</b>	<u>(47,073)</u>	<u>(11,217)</u>

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

### 14. Operating leases

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

	2013	2012
	£	£
<i>Land and buildings</i>		
- not later than one year	91,357	91,357
- later than one year and not later than five years	-	-
- later than five years	-	-
	<u>91,357</u>	<u>91,357</u>

### 15. Financial instruments

All financial instruments are held and denominated in UK pounds.

	<b>Loans and receivables</b>	
	2013	2012
	£	£
<b>Assets as per balance sheet</b>		
Trade and other receivables excluding prepayments	895,271	1,073,571
Cash and cash equivalents	248,648	295,011
	<u>1,143,919</u>	<u>1,368,582</u>
	<b>Financial liabilities at amortised cost</b>	
	2013	2012
	£	£
<b>Liabilities as per balance sheet</b>		
Trade and other payables excluding statutory liabilities	159,729	158,333
Provisions	945,526	1,263,624
	<u>1,105,255</u>	<u>1,421,957</u>

### 16. Reserves

	<b>General reserve</b>	<b>Interest reserve</b>	<b>LRIT Contingency reserve</b>	<b>Total</b>
	£	£	£	£
Balance as at 1 January 2013	(138,458)	108,105	36,106	5,753
Transfer between reserves	(7,500)	-	7,500	-
Profit for the year	83,544	1,466	14,038	99,048
Balance as at 31 December 2013	<u>(62,414)</u>	<u>109,571</u>	<u>57,644</u>	<u>104,801</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 2013, an additional £7,500 was transferred to the LRIT Contingency reserve to spread the costs relating to the 2014 Assembly, and will be transferred back to General reserve in 2014.

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 and LRIT Contingency Fund.

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2013

### 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 2013 were £13,454, 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):

	2013 £	2012 £
Discount rate	4.35%	4.15%
Premium inflation	10.00%	10.00%
Assumed life expectancy of member		
Female retiring today at 65	25.0	25.0
Female retiring in 2015 at 65	25.2	25.2
Present value of unfunded scheme liabilities	(862,000)	(1,169,000)
Surplus/(deficit)	(862,000)	(1,169,000)
(Irrecoverable surplus)	-	-
Net asset/(liability) recognised before tax	<u>(862,000)</u>	<u>(1,169,000)</u>

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

	2013 £	2012 £
Actuarial gains/(losses)	<u>356,000</u>	<u>(260,000)</u>

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

Liabilities at beginning of year	1,169,000	869,000
Interest cost	49,000	40,000
Actuarial (gain)/loss	(356,000)	260,000
Liabilities at end of year	<u>862,000</u>	<u>1,169,000</u>

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2013**

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

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

	2013	2012	2011	2010	2009
	£	£	£	£	£
Present value of scheme liabilities	862,000	1,169,000	869,000	610,000	593,000
Fair value of scheme assets	-	-	-	-	-
Recoverable surplus/(deficit) in the scheme	(862,000)	(1,169,000)	(869,000)	(610,000)	(593,000)
Total adjustments arising on scheme liabilities	356,000	(260,000)	(226,000)	17,000	(69,000)
Total adjustment item as a percentage of scheme liabilities	41.3%	(22.2%)	(26.0%)	2.8%	(11.6%)
Experience adjustments arising on scheme liabilities	321,000	(144,000)	(91,000)	55,000	(2,000)
Experience item as a percentage of scheme liabilities	37.2%	(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 2014	As at 31 December 2013	Actual 2013	As at 31 December 2012
	£	£	£	£
One percentage point increase in assumed long-term healthcare inflation rate				
Effect on the interest cost	8,000		11,000	
Effect on the liabilities		181,000		261,000
One percentage point decrease in assumed long-term healthcare inflation rate				
Effect on the interest cost	(6,000)		(9,000)	
Effect on the liabilities		(144,000)		(206,000)

**This year's Income Statement**

	2013
	£
<b>Analysis of the amount charged to operating profit</b>	
Interest on post-retirement scheme liabilities	(49,000)
<b>Net charge</b>	<b>(49,000)</b>

**18. Related Parties**

**Key management compensation**

Key management includes the Director General. The compensation paid or payable to key management for employee services is shown below:

	2013	2012
	£	£
Salaries and other staff short-term employee benefits	288,352	288,822

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**DETAILED STATEMENT OF INCOME AND EXPENDITURE**

**Year ended 31 December 2013**

	Note	2013			2012		
		GMDSS £	LRIT £	Total £	GMDSS £	LRIT £	Total £
<b>General fund</b>							
<b>Income</b>							
<b>Contributions</b>							
Inmarsat – ordinary		564,471	-	564,471	627,060	-	627,060
Other parties – ordinary		-	506,000	506,000	-	571,987	571,987
Less: Inmarsat – (overpaid)/ underpaid contributions		(167,168)	-	(167,168)	215,924	-	215,924
<b>Other income</b>							
Interest received		729	-	729	742	-	742
Interest received on Legal fund		735	-	735	727	-	727
Interest received on Contingency fund		-	2	2	-	-	-
		<u>398,767</u>	<u>506,002</u>	<u>904,769</u>	<u>844,453</u>	<u>571,987</u>	<u>1,416,440</u>
<b>Expenditure</b>							
Directorate staff costs	10	301,838	338,875	640,713	723,127	530,558	1,253,685
Office maintenance costs (including bank charges)	10	19,923	15,691	35,614	21,542	18,780	40,322
Rent	10	47,655	43,702	91,357	47,329	44,028	91,357
Travel costs	10	27,887	10,150	38,037	20,161	8,252	28,413
Meeting costs	10	-	-	-	30,825	30,825	61,650
		<u>397,303</u>	<u>408,418</u>	<u>805,721</u>	<u>842,984</u>	<u>632,443</u>	<u>1,475,427</u>
<b>Operating surplus</b>		<b>1,464</b>	<b>97,584</b>	<b>99,048</b>	<b>1,469</b>	<b>(60,456)</b>	<b>(58,987)</b>
<b>General reserve</b>							
Balance brought forward		-	(138,458)	(138,458)	-	(83,964)	(83,964)
Transfer to interest reserve		(1,464)	(2)	(1,466)	(1,469)	-	(1,469)
Transfer from LRIT Contingency reserve		-	(21,538)	(21,538)	-	5,962	5,962
Balance carried forward (page 6)		<u>-</u>	<u>(62,414)</u>	<u>(62,414)</u>	<u>-</u>	<u>(138,458)</u>	<u>(138,458)</u>
<b>Interest reserve</b>							
Balance brought forward		108,105	-	108,105	106,636	-	106,636
Transfer from General reserve	16	1,464	2	1,466	1,469	-	1,469
Balance carried forward (page 6)		<u>109,569</u>	<u>2</u>	<u>109,571</u>	<u>108,105</u>	<u>-</u>	<u>108,105</u>
<b>LRIT Contingency reserve</b>							
Balance brought forward	16	-	36,106	36,106	-	42,068	42,068
Transfer to General reserve	16	-	21,538	21,538	-	(5,962)	(5,962)
Balance carried forward (page 6)		<u>-</u>	<u>57,644</u>	<u>57,644</u>	<u>-</u>	<u>36,106</u>	<u>36,106</u>

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**DETAILED BALANCE SHEET**

**At 31 December 2013**

	Note	2013				2012			
		GMDSS	LRIT	Inter-fund	Total	GMDSS	LRIT	Inter-fund	Total
		£	£	£	£	£	£	£	£
<b>Tangible fixed assets</b>	5	-	11,609	-	11,609	-	15,922	-	15,922
<b>Current assets</b>									
Trade debtors	6	-	89,204	-	89,204	-	94,996	-	94,996
Other debtors	6	780,616	307	-	780,923	949,430	1,355	-	950,785
Tax	6	15,086	10,058	-	25,144	16,674	11,116	-	27,790
Prepayments	6	30,852	23,676	-	54,528	22,998	20,208	-	43,206
Cash at bank	7	150,985	97,663	-	248,648	220,402	74,609	-	295,011
Inter fund balance	4	51,334	-	(51,334)	-	34,748	-	(34,748)	-
		1,028,873	220,908	(51,334)	1,198,447	1,244,252	202,284	(34,748)	1,411,788
<b>Creditors: amounts falling due within one year</b>									
Accounts payable	8	24,684	18,075	-	42,759	15,218	13,992	-	29,210
Other creditors	8	100,617	392	-	101,009	106,044	762	-	106,806
Accruals	8	8,197	3,514	-	11,711	9,500	4,317	-	13,817
Deferred income	8	-	4,250	-	4,250	-	8,500	-	8,500
Inter fund balance	4	-	51,334	(51,334)	-	-	34,748	(34,748)	-
		133,498	77,565	(51,334)	159,729	130,762	62,319	(34,748)	158,333
<b>Net current assets</b>		895,376	143,342	-	1,038,718	1,113,490	139,965	-	1,253,455
<b>Creditors: amounts falling due in more than one year</b>									
Provisions	9	785,805	159,721	-	945,526	1,005,385	258,239	-	1,263,624
<b>Net (liabilities)/ assets</b>		109,571	(4,770)	-	104,801	108,105	(102,352)	-	5,753
Representing:									
<b>Accumulated funds</b>									
General reserve	16	-	(62,414)	-	(62,414)	-	(138,458)	-	(138,458)
Interest reserve	16	109,571	-	-	109,571	108,105	-	-	108,105
LRIT Contingency reserve	16	-	57,644	-	57,644	-	36,106	-	36,106
		109,571	(4,770)	-	104,801	108,105	(102,352)	-	5,753



**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**
**NON-STATUTORY DETAILED STATEMENT OF  
INCOME AND EXPENDITURE**
**Year ended 31 December 2013**

	<b>2013</b>			<b>2012</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	564,471	-	564,471	627,060	-	627,060
Other parties – ordinary	-	506,000	506,000	-	571,987	571,987
<b>Other income</b>						
Interest received	729	-	729	742	-	742
Interest received on LRIT Contingency Fund	-	2	2	-	-	-
Interest received on Legal fund	735	-	735	727	-	727
	<u>565,935</u>	<u>506,002</u>	<u>1,071,937</u>	<u>628,529</u>	<u>571,987</u>	<u>1,200,516</u>
<b>Expenditure</b>						
Directorate staff costs	515,780	435,781	951,561	501,543	430,950	932,493
Office maintenance costs	25,561	17,303	42,864	28,084	20,888	48,972
Rent	47,655	43,702	91,357	47,329	44,028	91,357
Travel costs	27,887	10,150	38,037	20,161	8,252	28,413
Meeting costs	-	-	-	30,825	30,825	61,650
	<u>616,883</u>	<u>506,936</u>	<u>1,123,819</u>	<u>627,942</u>	<u>534,943</u>	<u>1,162,885</u>
<b>Operating surplus/(deficit)</b>	(50,948)	(934)	(51,882)	587	37,044	37,631
Transfer to Interest reserve	(1,464)	(2)	(1,466)	(1,469)	-	(1,469)
Transfer from LRIT Contingency reserve	-	(21,538)	(21,538)	-	5,962	5,962
<b>Fund surplus/(deficit) current year</b>	<u>(52,412)</u>	<u>(22,474)</u>	<u>(74,886)</u>	<u>(882)</u>	<u>43,006</u>	<u>42,124</u>
Balance brought forward	57,749	119,781	177,530	58,631	76,775	135,406
<b>Fund surplus total</b>	<u>5,337</u>	<u>97,307</u>	<u>102,644</u>	<u>57,749</u>	<u>119,781</u>	<u>177,530</u>
<b>Exceptional items:</b>						
Post-retirement benefits & Repatriation/Relocation grants	219,580	98,519	318,099	(215,042)	(97,500)	(312,542)
Prior year adjustment effect	(1,005,385)	(258,240)	(1,263,625)	(790,343)	(160,739)	(951,082)
<b>Fund surplus/(deficit) including exceptional items</b>	<u>(780,468)</u>	<u>(62,414)</u>	<u>(842,882)</u>	<u>(947,636)</u>	<u>(138,458)</u>	<u>(1,086,094)</u>
<b>Interest reserve</b>						
Balance brought forward	108,105	-	108,105	106,636	-	106,636
Transfer from General reserve	1,464	2	1,466	1,469	-	1,469
Balance carried forward	<u>109,569</u>	<u>2</u>	<u>109,571</u>	<u>108,105</u>	<u>-</u>	<u>108,105</u>
<b>LRIT Contingency reserve</b>						
Balance brought forward	-	36,106	36,106	-	42,068	42,068
Transfer to General reserve	-	21,538	21,538	-	(5,962)	(5,692)
Balance carried forward	<u>-</u>	<u>57,644</u>	<u>57,644</u>	<u>-</u>	<u>36,106</u>	<u>36,106</u>