

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2015**

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## I N D E X

Year ended 31 December 2015

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# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## GENERAL INFORMATION

Year ended 31 December 2015

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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 an intergovernmental organization with 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 Moin Ahmed of the People's Republic of Bangladesh 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 Organization, 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 for 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.



MOIN AHMED  
Director General

29 April 2016

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## A U D I T O R ' S   R E P O R T

Year ended 31 December 2015

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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 2015 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.

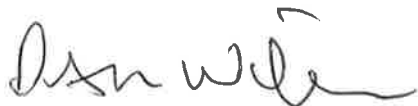
#### Scope of the audit of the financial statements

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 and to identify any information that is materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 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  
29 April 2016

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION****I N C O M E   S T A T E M E N T****Year ended 31 December 2015**

	Note	2015 £	2014 (restated) £
<b>Continuing operations</b>			
Revenue		1,130,300	1,064,572
<b>Gross profit</b>		<u>1,130,300</u>	<u>1,064,572</u>
Administrative expenses	10	(1,134,147)	(983,313)
<b>Operating profit/(loss)</b>		<u>(3,847)</u>	<u>81,259</u>
Finance income	12	1,338	1,650
Finance costs	12	(1,172)	(721)
<b>Profit/(loss) for the year before and after taxation</b>		<u>(3,681)</u>	<u>82,188</u>

The notes on pages 8 to 31 are an integral part of these financial statements.

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**BALANCE SHEET**

**At 31 December 2015**

	Note	2015 £	2014 (restated) £
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	7,555	7,536
		<u>7,555</u>	<u>7,536</u>
<b>Current assets</b>			
Trade and other receivables	6	53,658	114,683
Cash and cash equivalents	7	423,241	517,560
		<u>476,899</u>	<u>632,243</u>
<b>Total assets</b>		<u>484,454</u>	<u>639,779</u>
<b>Reserves and liabilities</b>			
<b>Reserves</b>			
General reserve	16	40,342	18,238
Interest reserve	16	112,559	111,221
LRIT Contingency reserve	16	33,546	60,669
		<u>186,447</u>	<u>190,128</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions	9	67,148	92,222
<b>Current liabilities</b>			
Trade and other payables	8	230,859	357,429
<b>Total liabilities</b>		<u>298,007</u>	<u>449,651</u>
<b>Total reserves and liabilities</b>		<u>484,454</u>	<u>639,779</u>

The notes on pages 8 to 31 are an integral part of these financial statements. The financial statements on pages 4 to 31 were authorised for issue by the Director General on 29 April 2016.



MOIN AHMED  
Director General

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**STATEMENT OF CHANGES IN RESERVES**

**Year ended 31 December 2015**

	Note	General reserve £	Interest reserve £	LRIT Contingency reserve £	Total £
<b>Balance at 31 December 2013</b>	16	(62,414)	109,571	57,644	104,801
Effect of restatement of comparatives	16	3,139	-	-	3,139
<b>Balance at 31 December 2013 (restated)</b>		<u>(59,275)</u>	<u>109,571</u>	<u>57,644</u>	<u>107,940</u>
<b>Balance at 31 December 2014</b>	16	11,798	111,221	60,669	183,688
Effect of restatement of comparatives	16	6,440	-	-	6,440
<b>Balance at 31 December 2014 (restated)</b>		<u>18,238</u>	<u>111,221</u>	<u>60,669</u>	<u>190,128</u>
Transfer between reserves	16	51,411	-	(51,411)	-
Profit for the year	16	(29,307)	1,338	24,288	(3,681)
<b>Balance at 31 December 2015</b>		<u>40,342</u>	<u>112,559</u>	<u>33,546</u>	<u>186,447</u>

The notes on pages 8 to 31 are an integral part of these financial statements.

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION****STATEMENT OF CASH FLOWS****Year ended 31 December 2015**

	<b>Note</b>	<b>2015</b> £	<b>2014</b> £
<b>Cash flows from operating activities</b>			
Cash generated/(used in) from operations	13	(90,044)	267,983
Interest paid		(1,172)	(721)
<b>Net cash (used in)/from operating activities</b>		<u>(91,216)</u>	<u>267,262</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(4,441)	-
Interest received		1,338	1,650
<b>Net cash received from investing activities</b>		<u>(3,103)</u>	<u>1,650</u>
<b>Net increase/(decrease) in cash, cash equivalents and bank overdrafts</b>		(94,319)	268,912
Cash, cash equivalents and bank overdrafts at beginning of the year		517,560	248,648
<b>Cash, cash equivalents and bank overdrafts at end of the year</b>		<u>423,241</u>	<u>517,560</u>

The notes on pages 8 to 20 are an integral part of these financial statements.



# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

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### 1. Summary of significant accounting policies

The principal 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 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 profit on the general reserve of £40,342 and 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.

##### 1.1.1 Changes in accounting policy and disclosures

The Organization's financial statements for the year ended 31 December 2015 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:

- Amendments 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 IAS 16, Property, plant and equipment, effective for annual periods beginning on or after 1 July 2014, further amendments effective for annual periods beginning on or after 1 January 2016;
- Amendments to IAS 24, Related party disclosure, effective for annual periods beginning on or after 1 July 2014;
- Amendments to IAS 38, Intangible assets, effective for annual periods beginning on or after 1 July 2014, further amendments effective for annual periods beginning on or after 1 January 2016;
- Amendments to IAS40, Investment property, effective for annual periods beginning on or after 1 January 2014.

## INTERNATIONAL MOBILE SATELLITE ORGANIZATION

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

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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:

- Amendments to IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, effective for annual periods beginning on or after 1 January 2016;
- Amendments to IFRS 7, Financial Instruments: Disclosures, effective for annual periods beginning on or after 1 January 2016;
- Amendments to IFRS 9, Financial instruments, effective for annual periods beginning on or after 1 January 2018;
- Amendments to IFRS 10, Consolidated Financial statements, effective for annual periods beginning on or after 1 January 2016;
- Amendments to IFRS 11 Joint Arrangements, effective for annual periods beginning on or after 1 January 2016;
- Amendments to IFRS 12, Disclosure of Interests in Other Entities, effective for annual periods on or after 1 January 2016;
- IFRS 14, Regulatory deferral accounting, effective for annual periods beginning on or after 1 January 2016;
- IFRS 15, Revenue from Contracts with Customers, effective for annual periods beginning on or after 1 January 2018;
- IFRS 16, Leases, effective for annual periods beginning on or after 1 January 2019;
- Amendments to IFRS for SME's, effective for annual periods beginning on or after 1 January 2017;
- Amendments to IAS 1, Presentation of Financial Statements, effective for annual periods beginning on or after 1 January 2016;
- Amendments to IAS 7, Statement of Cash Flows, effective for annual periods beginning on or after 1 January 2017;
- Amendments to IAS 12, Income Taxes, effective for annual periods beginning on or after 1 January 2017;
- Amendments to IAS 16, Property, plant and equipment, effective for annual periods beginning on or after 1 January 2016;
- Amendments to IAS 19, Employee benefits, effective for annual periods beginning on or after 1 January 2016;
- Amendments to IAS 27, Separate Financial Statements, effective for annual periods beginning on or after 1 January 2016;
- Amendments to IAS 28, Investments in Associates and Joint Ventures, effective for annual periods beginning on or after 1 January 2016;
- Amendments to IAS 34, Interim Financial Reporting, effective for annual periods beginning on or after 1 January 2016;
- Amendments to IAS 38, Intangible assets, effective for annual periods beginning on or after 1 January 2016;
- Amendments to IAS 39, Financial Instruments: Recognition and Measurement, effective on adoption of IFRS 9;
- Amendments to IAS 41, Agriculture, effective for annual periods beginning on or after 1 January 2016.

#### 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

## INTERNATIONAL MOBILE SATELLITE ORGANIZATION

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

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#### 1.3 Foreign currency translation

(a) *Functional and presentational 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.

#### 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 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 2015

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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) *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.

### 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 2015.

## INTERNATIONAL MOBILE SATELLITE ORGANIZATION

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

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#### 1.11 Revenue recognition (continued)

(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 loans 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.

(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 £423,241 (2014 - £517,560) 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.

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## **INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

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

**Year ended 31 December 2015**

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#### **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 1.1.1. Costs have been wholly allocated to either segment where they are directly identifiable, at a ratio agreed by the IMSO Assembly of Parties. 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 2015**

The segment information for the year ended 31 December 2015 is as follows:

Income statement	Note	2015				2014			
		GMDSS	LRIT	Iridium	Total	GMDSS	LRIT	Iridium	restated Total
		£	£	£	£	£	£	£	£
<b>Continuing operations</b>									
Revenue		573,624	360,455	196,221	1,130,300	607,376	457,196	-	1,064,572
<b>Gross profit</b>		573,624	360,455	196,221	1,130,300	607,376	457,196	-	1,064,572
Administrative expenses	10	(572,783)	(365,447)	(195,917)	(1,134,147)	(606,711)	(376,602)	-	(983,313)
<b>Operating profit/(loss)</b>		841	(4,992)	304	(3,847)	665	80,594	-	81,259
Finance income	12	1,197	141	-	1,338	1,518	132	-	1,650
Finance costs	12	(841)	(27)	(304)	(1,172)	(665)	(56)	-	(721)
<b>Profit/(loss) for the year</b>		1,197	(4,878)	-	(3,681)	1,518	80,670	-	82,188

Balance sheet	Note	2015					2014				
		GMDSS	LRIT	Iridium	Inter-fund	Total	GMDSS	LRIT	Iridium	Inter-fund	Total
		£	£	£	£	£	£	£	£	£	
<b>Assets</b>											
<b>Non-current assets</b>											
Property, plant and equipment	5	2,253	5,302	-	-	7,555	-	7,536	-	7,536	
<b>Current assets</b>											
Trade and other receivables	6	83,671	37,066	-	(67,079)	53,658	129,699	76,294	-	(91,310)	114,683
Cash and cash equivalents	7	273,194	84,811	65,236	-	423,241	369,406	148,154	-	-	517,560
		356,865	121,877	65,236	(67,079)	476,899	499,105	224,448	-	(91,310)	632,243
<b>Total assets</b>		359,118	127,179	65,236	(67,079)	484,454	499,105	231,984	-	(91,310)	639,779
<b>Reserves and liabilities</b>											
<b>Reserves</b>											
General reserve	16	-	40,342	-	-	40,342	-	18,238	-	-	18,238
Interest reserve	16	112,559	-	-	-	112,559	111,221	-	-	-	111,221
LRIT Contingency reserve	16	-	33,546	-	-	33,546	-	60,669	-	-	60,669
		112,559	73,888	-	-	186,447	111,221	78,907	-	-	190,128
<b>Liabilities</b>											
<b>Non-current liabilities</b>											
Provisions	9	37,674	29,474	-	-	67,148	48,792	43,430	-	-	92,222
<b>Current liabilities</b>											
Trade and other payables	8	208,885	23,817	65,236	(67,079)	230,859	339,092	109,647	-	(91,310)	357,429
<b>Total liabilities</b>		246,559	53,291	65,236	(67,079)	298,007	387,884	153,077	-	(91,310)	449,651
<b>Total reserves and liabilities</b>		359,118	127,179	65,236	(67,079)	484,454	499,105	231,984	-	(91,310)	639,779

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

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

	2015				2014			
	GMDSS £	LRIT £	Iridium £	Total £	GMDSS £	LRIT £	Iridium £	Total £
Inter fund debtor	67,079	-	-	67,079	91,310	-	-	91,310
Inter fund creditor-	-	7,327	59,752	67,079	-	91,310	-	91,310

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 2015	8,654	31,187	39,841
Additions	-	4,441	4,441
At 31 December 2015	8,654	35,628	44,282
<b>Depreciation</b>			
At 1 January 2015	4,327	27,978	32,305
Change for the year	865	3,557	4,422
At 31 December 2015	5,192	31,535	36,727
<b>Carrying amount</b>			
At 31 December 2015	3,462	4,093	7,555
At 31 December 2014	4,327	3,209	7,536

### 6. Trade and other receivables

	2015					2014 restated				
	GMDSS £	LRIT £	Iridium £	Inter-fund £	Total £	GMDSS £	LRIT £	Iridium £	Inter-fund £	Total £
Trade receivables	-	25,800	-	-	25,800	15,028	57,481	-	-	72,509
Prepayments	5,343	3,767	-	-	9,110	8,439	8,736	-	-	17,175
Taxation	11,249	7,499	-	-	18,748	14,054	9,369	-	-	23,423
Staff loans	-	-	-	-	-	868	708	-	-	1,576
Inmarsat –										
Inter-fund balance	67,079	-	-	(67,079)	-	91,310	-	-	(91,310)	-
	83,671	37,066	-	(67,079)	53,658	129,699	76,294	-	(91,310)	114,683

Trade receivables have not been discounted and no provision has been made against the carrying amount shown above. 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.

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.



## INTERNATIONAL MOBILE SATELLITE ORGANIZATION

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

#### 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.

	2015					2014				
	GMDSS	LRIT	Iridium	Inter-fund	Total	GMDSS	LRIT	Iridium	Inter-fund	Total
	£	£	£	£	£	£	£	£	£	£
Cash and cash equivalents	273,194	84,811	65,236	-	423,241	369,406	148,154	-	-	517,560

#### 8. Trade and other payables

	2015					2014				
	GMDSS	LRIT	Iridium	Inter-fund	Total	GMDSS	LRIT	Iridium	Inter-fund	Total
	£	£	£	£	£	£	£	£	£	£
Trade payable	21,845	9,471	-	-	31,316	3,407	1,445	-	-	4,852
Accrued expenses	9,480	4,063	-	-	13,543	8,527	14,913	-	-	23,440
Social security and other taxation	838	461	-	-	1,299	274	274	-	-	548
Deferred income	-	4,200	-	-	4,200	218,439	1,705	-	-	220,144
Legal fund	100,000	-	-	-	100,000	100,000	-	-	-	100,000
Inmarsat surplus	76,722	-	-	-	76,722	8,445	-	-	-	8,445
Iridium surplus	-	-	3,779	-	3,779	-	-	-	-	-
Inter-fund balance	-	5,622	61,457	(67,079)	-	-	91,310	-	(91,310)	-
	208,885	23,817	65,236	(67,079)	230,859	339,092	109,647	-	(91,310)	357,429

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

	2015			2014		
	GMDSS	LRIT	Total	GMDSS	LRIT	Total
	£	£	£	£	£	£
Repatriation grant (see below)	37,674	29,474	67,148	48,792	43,430	92,222

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 2015**

**10. Expenses by nature**

	2015				2014			
	GMDSS	LRIT	Iridium	Total	GMDSS	LRIT	Iridium	restated Total
	£	£	£	£	£	£	£	£
<b>Directorate staff costs</b>								
Salaries	284,005	190,211	-	474,216	302,296	259,914	-	562,210
Allowances	36,257	21,710	-	57,967	75,076	48,209	-	123,285
Employer costs	30,689	24,890	-	55,579	48,835	57,724	-	106,559
Pension costs								
(defined contribution)	54,863	35,233	-	90,096	59,265	46,335	-	105,600
Pension provider fees	6,244	2,676	-	8,920	6,108	2,617	-	8,725
Repatriation/relocation grants	83,798	37,456	-	121,254	14,288	(116,292)	-	(102,004)
	<u>495,856</u>	<u>312,176</u>	<u>-</u>	<u>808,032</u>	<u>505,868</u>	<u>298,507</u>	<u>-</u>	<u>804,375</u>
<b>Office maintenance costs</b>								
Audit fee	4,831	2,070	-	6,901	4,096	1,755	-	5,851
Accounting and administrative support	11,125	4,903	205	16,233	4,369	2,029	-	6,398
Telephone and fax	1,523	1,523	-	3,046	2,202	2,202	-	4,404
Postage	388	222	-	610	720	550	-	1,270
Office supplies	3,907	1,859	-	5,766	4,603	1,987	-	6,590
Depreciation	2,338	2,084	-	4,422	-	4,073	-	4,073
Office insurance	1,421	609	-	2,030	1,354	581	-	1,935
	<u>25,533</u>	<u>13,270</u>	<u>205</u>	<u>39,008</u>	<u>17,344</u>	<u>13,177</u>	<u>-</u>	<u>30,521</u>
<b>Rental costs</b>								
Office lease (incl. service charges)	39,436	26,781	-	66,217	47,346	39,341	-	86,687
<b>Travel costs</b>								
Business travel	7,880	3,033	37,184	48,097	10,877	3,620	-	14,497
Hospitality	3,137	1,411	326	4,874	3,062	1,103	-	4,165
Car parking costs	721	309	-	1,030	1,189	510	-	1,699
Congestion charge	470	217	-	687	1,256	540	-	1,796
	<u>12,208</u>	<u>4,970</u>	<u>37,510</u>	<u>54,688</u>	<u>16,384</u>	<u>5,773</u>	<u>-</u>	<u>22,157</u>
<b>Meeting costs</b>								
Assembly	-	-	-	-	9,494	9,494	-	18,988
Advisory committee	-	-	-	-	150	150	-	300
LRIT Coordination meeting	-	-	-	-	-	35	-	35
Translations & interpretation	(250)	(250)	-	(500)	10,125	10,125	-	20,250
	<u>(250)</u>	<u>(250)</u>	<u>-</u>	<u>(500)</u>	<u>19,769</u>	<u>19,804</u>	<u>-</u>	<u>39,573</u>
<b>Consultancy</b>								
Consultancy	-	-	98,202	98,202	-	-	-	-
<b>IMSO Daily Fees</b>								
IMSO Daily Fees	-	-	60,000	60,000	-	-	-	-
<b>Bad Debt</b>								
Bad Debt	-	8,500	-	8,500	-	-	-	-
<b>Administrative expenses</b>	<u>572,783</u>	<u>365,447</u>	<u>195,917</u>	<u>1,134,147</u>	<u>606,711</u>	<u>376,602</u>	<u>-</u>	<u>983,313</u>

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2015**

**11. Employee benefit expense**

	2015			2014		
	GMDSS	LRIT	Total	GMDSS	LRIT	Total
	£	£	£	£	£	£
Salaries	284,005	190,211	474,216	302,296	259,914	562,210
Allowances	36,257	21,710	57,967	75,076	48,209	123,285
Employer costs	30,689	24,890	55,579	48,835	57,724	106,559
Pension costs – defined contribution plans	54,863	35,233	90,096	59,265	46,335	105,600
Pension provider fees	6,244	2,676	8,920	6,108	2,617	8,725
Post-retirement benefits & repatriation/relocation grants	83,798	37,456	121,254	14,288	(116,292)	(102,004)
	<u>495,856</u>	<u>312,176</u>	<u>808,032</u>	<u>505,868</u>	<u>298,507</u>	<u>804,375</u>
<b>Average number of people employed</b>	<u>3</u>	<u>3</u>	<u>6</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.

**12. Finance income and costs**

	2015			2014				
	GMDSS	LRIT	Iridium	Total	GMDSS	LRIT	Iridium	Total
	£	£	£	£	£	£	£	£
Interest expense – bank charges	(841)	(27)	(304)	(1,172)	(665)	(56)	-	(721)
Net finance costs	<u>(841)</u>	<u>(27)</u>	<u>(304)</u>	<u>(1,172)</u>	<u>(665)</u>	<u>(56)</u>	<u>-</u>	<u>(721)</u>
Finance income	1,197	141	-	1,338	1,518	132	-	1,650
Net finance income/(costs)	<u>356</u>	<u>114</u>	<u>(304)</u>	<u>166</u>	<u>853</u>	<u>76</u>	<u>-</u>	<u>929</u>

**13. Cash generated from operations**

	2015	2014
	£	restated £
<b>Profit/(loss) for the year</b>	(3,681)	82,188
Adjustments for:		
Depreciation	4,422	4,073
Net finance income	(166)	(929)
Trade and other receivables	61,420	843,561
Trade and other payables	(126,965)	192,394
Provisions	(25,074)	(853,304)
<b>Cash (used in)/generated from operations</b>	<u>(90,044)</u>	<u>267,983</u>

## INTERNATIONAL MOBILE SATELLITE ORGANIZATION

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

#### 14. Operating leases

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

	2015	2014
	£	£
<i>Land and buildings</i>		
- not later than one year	66,217	86,687
- later than one year and not later than five years	-	-
- later than five years	-	-
	<u>66,217</u>	<u>86,687</u>

#### 15. Financial instruments

All financial instruments are held and denominated in UK pounds.

	Loans and receivables	
Assets as per balance sheet	2015	2014 restated
	£	£
Trade and other receivables excluding prepayments	44,548	97,508
Cash and cash equivalents	423,241	517,560
	<u>467,789</u>	<u>615,068</u>
	Financial liabilities at amortised cost	
Liabilities as per balance sheet	2015	2014 restated
	£	£
Trade and other payables excluding statutory liabilities	230,859	357,429
Provisions	67,148	92,222
	<u>298,007</u>	<u>449,651</u>

#### 16. Reserves

	General reserve	Interest reserve	LRIT Contingency reserve	Total
	£	£	£	£
Balance as at 1 January 2015	18,238	111,221	60,669	190,128
Transfer from reserves	51,411	-	(51,411)	-
Transfer to reserves	(10,250)	-	10,250	-
Profit for the year	(19,057)	1,338	14,038	(3,681)
Balance as at 31 December 2015	<u>40,342</u>	<u>112,559</u>	<u>33,546</u>	<u>186,447</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 2015, an additional £10,250 was transferred to the LRIT Contingency reserve to spread the costs relating to the 2016 Assembly, and will be transferred back to General reserve in 2016. However, an amount of £51,411 was transferred from the LRIT Contingency reserve to cover the costs relating to the repatriation of two staff members.

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 2015**

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**17. Related Parties**

**Key management compensation**

Key management includes the Director General (DG). The costs to the organization or payable to key management for employee services is shown below:

	<b>Former DG</b>	<b>Current DG</b>	<b>TOTAL</b>	
	<b>Jan – Apr 2015</b>	<b>Apr – Dec 2015</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Salaries and other staff short-term employee benefits	148,662	116,592	265,254	296,576
Repatriation / Assignment Grants	64,380	26,407	90,787	-
	<u>213,042</u>	<u>142,999</u>	<u>356,041</u>	<u>296,576</u>

The amount of £27,800 was owed to the key management at the year end and is included in note 8.

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**18. Restatement of the Financial Statements for the year ended 31 December 2014 and 31 December 2013**

A restatement was required on the grounds that an outgoing staff member had been audited and misappropriation of funds in respect of her dependency status, had become evident. The overpayment, from 5 January 2013 to 30 September 2015 was calculated as £31,932.49 (thirty-one thousand, nine hundred and thirty-two pounds, forty-nine pence). The amount was recovered from the outgoing staff member prior to her retirement. This has resulted in a restatement of prior period reserves for 2013 and 2014 to the extent that reserves were affected for those periods. Restated Income and Expenditure and Balance Sheets for those periods are included on pages 23 to 30.

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**DETAILED STATEMENT OF INCOME AND EXPENDITURE**

**Year ended 31 December 2015**

		2015				2014			
	Note	GMDSS	LRIT	Iridium	Total	GMDSS	LRIT	Iridium	Total
		£	£	£	£	£	£	£	£
<b>General fund</b>									
<b>Income</b>									
<b>Contributions</b>									
Inmarsat – ordinary		581,901	-	-	581,901	637,664	-	-	637,664
Other parties – ordinary		60,000	360,455	200,000	620,455	-	457,196	-	457,196
Less: Inmarsat – (overpaid)/ underpaid contributions		(68,277)	-	(3,779)	(72,056)	(30,288)	-	-	(30,288)
<b>Other income</b>									
Interest received		650	-	-	650	790	-	-	790
Interest received on Legal fund		547	-	-	547	728	-	-	728
Interest received on Contingency fund		-	141	-	141	-	132	-	132
		<u>574,821</u>	<u>360,596</u>	<u>196,221</u>	<u>1,131,638</u>	<u>608,894</u>	<u>457,328</u>	<u>-</u>	<u>1,066,222</u>
<b>Expenditure</b>									
Directorate staff costs	10	495,856	312,176	-	808,032	505,868	298,507	-	804,375
Office maintenance costs (including bank charges)	10	26,374	13,297	509	40,180	18,009	13,233	-	31,242
Rent	10	39,436	26,781	-	66,217	47,346	39,341	-	86,687
Travel costs	10	12,208	4,970	37,510	54,688	16,384	5,773	-	22,157
Meeting costs	10	(250)	(250)	-	(500)	19,769	19,804	-	39,573
Consultancy	10	-	-	98,202	98,202	-	-	-	-
IMSO Daily Fees	10	-	-	60,000	60,000	-	-	-	-
Bad Debt	10	-	8,500	-	8,500	-	-	-	-
		<u>573,624</u>	<u>365,474</u>	<u>196,221</u>	<u>1,135,319</u>	<u>607,376</u>	<u>376,658</u>	<u>-</u>	<u>984,034</u>
<b>Operating surplus</b>		<b>1,197</b>	<b>(4,878)</b>	<b>-</b>	<b>(3,681)</b>	<b>1,518</b>	<b>80,670</b>	<b>-</b>	<b>82,188</b>
<b>General reserve</b>									
Balance brought forward		-	18,238	-	18,238	-	(59,275)	-	(59,275)
Transfer to interest reserve		(1,197)	(141)	-	(1,338)	(1,518)	(132)	-	(1,650)
Transfer to LRIT Contingency reserve		-	(24,288)	-	(24,288)	-	(14,038)	-	(14,038)
Transfer from LRIT Contingency reserve		-	51,411	-	51,411	-	11,013	-	11,013
Balance carried forward (page 6)		<u>-</u>	<u>(40,342)</u>	<u>-</u>	<u>(40,342)</u>	<u>-</u>	<u>18,238</u>	<u>-</u>	<u>18,238</u>
<b>Interest reserve</b>									
Balance brought forward		111,087	134	-	111,221	109,569	2	-	109,571
Transfer from General reserve	16	1,197	141	-	1,338	1,518	132	-	1,650
Balance carried forward (page 6)		<u>112,284</u>	<u>275</u>	<u>-</u>	<u>112,559</u>	<u>111,087</u>	<u>134</u>	<u>-</u>	<u>111,221</u>
<b>LRIT Contingency reserve</b>									
Balance brought forward	16	-	60,669	-	60,669	-	57,644	-	57,644
Transfer to General reserve	16	-	-	-	-	-	3,025	-	3,025
Transfer from General reserve	16	-	(27,123)	-	(27,123)	-	-	-	-
Balance carried forward (page 6)		<u>-</u>	<u>33,546</u>	<u>-</u>	<u>33,546</u>	<u>-</u>	<u>60,669</u>	<u>-</u>	<u>60,669</u>

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

DETAILED BALANCE SHEET

At 31 December 2015

	Note	2015					2014				
		GMDSS	LRIT	Iridium	Inter-fund	Total	GMDSS	LRIT	Iridium	Inter-fund	Total
		£	£	£	£	£	£	£	£	£	
<b>Tangible fixed assets</b>	5	2,253	5,302	-	-	7,555	-	7,536	-	-	7,536
<b>Current assets</b>											
Trade debtors	6	-	25,800	-	-	25,800	15,028	57,481	-	-	72,509
Other debtors	6	-	-	-	-	-	868	708	-	-	1,576
Taxation	6	11,249	7,499	-	-	18,748	14,054	9,369	-	-	23,423
Prepayments	6	5,343	3,767	-	-	9,110	8,439	8,736	-	-	17,175
Cash at bank	7	273,194	84,811	65,236	-	423,241	369,406	148,154	-	-	517,560
Inter-fund balance	4	67,079	-	-	(67,079)	-	91,310	-	-	(91,310)	-
		356,865	121,877	65,236	(67,079)	476,899	499,105	224,448	-	(91,310)	632,243
<b>Creditors: amounts falling due within one year</b>											
Accounts payable	8	98,567	9,471	3,779	-	111,817	11,852	1,445	-	-	13,297
Other creditors	8	100,838	461	-	-	101,299	100,274	274	-	-	100,548
Accruals	8	9,480	4,063	-	-	13,543	8,527	14,913	-	-	23,440
Deferred income	8	-	4,200	-	-	4,200	218,439	1,705	-	-	220,144
Inter fund balance	4	-	5,622	61,457	(67,079)	-	-	91,310	-	(91,310)	-
		208,885	23,817	65,236	(67,079)	230,859	339,092	109,647	-	(91,310)	357,429
<b>Net current assets</b>		147,980	98,060	-	-	246,040	160,013	114,801	-	-	274,814
<b>Creditors: amounts falling due in more than one year</b>											
Provisions	9	37,674	29,474	-	-	67,148	48,792	43,430	-	-	92,222
<b>Net assets (liabilities)</b>		112,559	73,888	-	-	186,447	111,221	78,907	-	-	190,128
Representing:											
<b>Accumulated funds</b>											
General reserve	16	-	40,342	-	-	40,342	-	18,238	-	-	18,238
Interest reserve	16	112,559	-	-	-	112,559	111,221	-	-	-	111,221
LRIT Contingency reserve	16	-	33,546	-	-	33,546	-	60,669	-	-	60,669
		112,559	73,888	-	-	186,447	111,221	78,907	-	-	190,128

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION****I N C O M E   S T A T E M E N T****Year ended 31 December 2014**

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	<b>2014</b> <b>(restated)</b> £	<b>2013</b> <b>(restated)</b> £	<b>2012</b>  £
<b>Continuing operations</b>			
Revenue	1,064,572	895,978	1,414,971
<b>Gross profit</b>	<u>1,064,572</u>	<u>895,978</u>	<u>1,414,971</u>
Administrative expenses	(983,313)	(794,432)	(1,474,534)
<b>Operating profit/(loss)</b>	81,259	101,546	(59,563)
Finance income	1,650	1,466	1,469
Finance costs	(721)	(825)	(893)
<b>Profit/(loss) for the year before and after taxation</b>	<u>82,188</u>	<u>102,187</u>	<u>(58,987)</u>



**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**BALANCE SHEET**

**At 31 December 2014**

	2014 (restated) £	2013 (restated) £	2012 £
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7,536	11,609	15,922
	<u>7,536</u>	<u>11,609</u>	<u>15,922</u>
<b>Current assets</b>			
Trade and other receivables	114,683	952,938	1,116,777
Cash and cash equivalents	517,560	248,648	295,011
	<u>632,243</u>	<u>1,201,586</u>	<u>1,411,788</u>
<b>Total assets</b>	<u>639,779</u>	<u>1,213,195</u>	<u>1,427,710</u>
<b>Reserves and liabilities</b>			
<b>Reserves</b>			
General reserve	18,238	(59,275)	(138,458)
Interest reserve	111,221	109,571	108,105
LRIT Contingency reserve	60,669	57,644	36,106
	<u>190,128</u>	<u>107,940</u>	<u>5,753</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions	92,222	945,526	1,263,624
	<u>92,222</u>	<u>945,526</u>	<u>1,263,624</u>
<b>Current liabilities</b>			
Trade and other payables	357,429	159,729	158,333
	<u>357,429</u>	<u>159,729</u>	<u>158,333</u>
<b>Total liabilities</b>	<u>449,651</u>	<u>1,105,255</u>	<u>1,421,957</u>
<b>Total reserves and liabilities</b>	<u>639,779</u>	<u>1,213,195</u>	<u>1,427,710</u>

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**DETAILED STATEMENT OF INCOME AND EXPENDITURE**

**Year ended 31 December 2014**

	2014 (restated)			2013 (restated)		
	GMDSS £	LRIT £	Total £	GMDSS £	LRIT £	Total £
<b>General fund</b>						
<b>Income</b>						
<b>Contributions</b>						
Inmarsat – ordinary	637,664	-	637,664	564,471	-	564,471
Other parties – ordinary	-	457,196	457,196	-	506,000	506,000
Less: Inmarsat – (overpaid)/ underpaid contributions	(30,288)	-	(30,288)	(174,493)	-	(174,493)
<b>Other income</b>						
Interest received	790	-	790	729	-	729
Interest received on Legal fund	728	-	728	735	-	735
Interest received on Contingency fund	-	132	132	-	2	2
	<u>608,894</u>	<u>457,328</u>	<u>1,066,222</u>	<u>391,442</u>	<u>506,002</u>	<u>897,444</u>
<b>Expenditure</b>						
Directorate staff costs	505,868	298,507	804,375	294,513	335,736	630,249
Office maintenance costs (including bank charges)	18,009	13,233	31,242	19,923	15,691	35,614
Rent	47,346	39,341	86,687	47,655	43,702	91,357
Travel costs	16,384	5,773	22,157	27,887	10,150	38,037
Meeting costs	19,769	19,804	39,573	-	-	-
	<u>607,376</u>	<u>376,658</u>	<u>984,034</u>	<u>389,978</u>	<u>405,279</u>	<u>795,257</u>
<b>Operating surplus</b>	1,518	80,670	82,188	1,464	100,723	102,187
<b>General reserve</b>						
Balance brought forward	-	(59,275)	(59,275)	-	(138,458)	(138,458)
Transfer to interest reserve	(1,518)	(132)	(1,650)	(1,464)	(2)	(1,466)
Transfer to LRIT Contingency reserve	-	(14,038)	(14,038)	-	(21,538)	(21,538)
Transfer from LRIT Contingency reserve	-	11,013	11,013	-	-	-
Balance carried forward	-	18,238	18,238	-	(59,275)	(59,275)
<b>Interest reserve</b>						
Balance brought forward	109,569	2	109,571	108,105	-	108,105
Transfer from General reserve	1,518	132	1,650	1,464	2	1,466
Balance carried forward	<u>111,087</u>	<u>134</u>	<u>111,221</u>	<u>109,569</u>	<u>2</u>	<u>109,571</u>
<b>LRIT Contingency reserve</b>						
Balance brought forward	-	57,644	57,644	-	36,106	36,106
Transfer to General reserve	-	3,025	3,025	-	21,538	21,538
Balance carried forward	-	60,669	60,669	-	57,644	57,644

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

DETAILED BALANCE SHEET

At 31 December 2014

	2014 (restated)			2013 (restated)			Total
	GMDSS	LRIT	Inter-fund	GMDSS	LRIT	Inter-fund	
	£	£	£	£	£	£	£
<b>Tangible fixed assets</b>	-	7,536	-	7,536	-	11,609	11,609
<b>Current assets</b>							
Trade debtors	15,028	57,481	-	72,509	7,325	92,343	99,668
Other debtors	868	708	-	1,576	773,291	307	773,598
Taxation	14,054	9,369	-	23,423	15,086	10,058	25,144
Prepayments	8,439	8,736	-	17,175	30,853	23,675	54,528
Cash at bank	369,406	148,154	-	517,560	150,985	97,663	248,648
Inter-fund balance	91,310	-	(91,310)	-	51,334	-	(51,334)
	499,105	224,448	(91,310)	632,243	1,028,874	224,046	1,201,586
<b>Creditors: amounts falling due within one year</b>							
Accounts payable	11,852	1,445	-	13,297	24,684	18,075	42,759
Other creditors	100,274	274	-	100,548	100,617	392	101,009
Accruals	8,527	14,913	-	23,440	8,197	3,514	11,711
Deferred income	218,439	1,705	-	220,144	-	4,250	4,250
Inter fund balance	-	91,310	(91,310)	-	-	51,334	(51,334)
	339,092	109,647	(91,310)	357,429	133,498	77,565	159,729
<b>Net current assets</b>	160,013	114,801	-	274,814	895,376	146,481	1,041,857
<b>Creditors: amounts falling due in more than one year</b>							
Provisions	48,792	43,430	-	92,222	785,805	159,721	945,526
<b>Net assets(liabilities)</b>	111,221	78,907	-	190,128	109,571	(1,631)	107,940
Representing:							
<b>Accumulated funds</b>							
General reserve	-	18,238	-	18,238	-	(59,275)	(59,275)
Interest reserve	111,221	-	-	111,221	109,571	-	109,571
LRIT Contingency reserve	-	60,669	-	60,669	-	57,644	57,644
	111,221	78,907	-	190,128	109,571	(1,631)	107,940

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NON-STATUTORY DETAILED STATEMENT OF  
INCOME AND EXPENDITURE

Year ended 31 December 2014

	2014			2013		
	GMDSS	LRIT	(restated) Total	GMDSS	LRIT	(restated) Total
	£	£	£	£	£	£
<b>General fund</b>						
<b>Income – Contributions</b>						
Inmarsat – ordinary	637,664	-	637,664	564,471	-	564,471
Other parties – ordinary	-	457,196	457,196	-	506,000	506,000
<b>Other income</b>						
Interest received	790	-	790	729	-	729
Interest received on LRIT Contingency Fund	-	132	132	-	2	2
Interest received on Legal fund	728	-	728	735	-	735
	<u>639,182</u>	<u>457,328</u>	<u>1,096,510</u>	<u>565,935</u>	<u>506,002</u>	<u>1,071,937</u>
<b>Expenditure</b>						
Directorate staff costs	485,471	412,182	897,653	508,455	432,642	941,097
Office maintenance costs	24,118	15,850	39,968	25,561	17,303	42,864
Rent	47,346	39,341	86,687	47,655	43,702	91,357
Travel costs	16,384	5,773	22,157	27,887	10,150	38,037
Meeting costs	19,769	19,804	39,573	-	-	-
	<u>593,088</u>	<u>492,950</u>	<u>1,086,038</u>	<u>609,558</u>	<u>503,797</u>	<u>1,113,355</u>
<b>Operating surplus/(deficit)</b>	46,094	(35,622)	10,472	(43,623)	2,205	(41,418)
Transfer to Interest reserve	(1,518)	(132)	(1,650)	(1,464)	(2)	(1,466)
Transfer to LRIT Contingency reserve	-	(3,025)	(3,025)	-	(21,538)	(21,538)
<b>Fund surplus/(deficit) current year</b>	44,576	(38,779)	5,797	(45,087)	(19,335)	(64,422)
Balance brought forward	12,662	100,446	113,108	57,749	119,781	177,530
<b>Fund surplus total</b>	57,238	61,667	118,905	12,662	100,446	113,108
<b>Exceptional items:</b>						
Post-retirement benefits & Repatriation/Relocation grants	737,012	116,292	853,304	219,580	98,519	318,099
Prior year adjustment effect	(785,805)	(159,721)	(945,526)	(1,005,385)	(258,240)	(1,263,625)
<b>Fund surplus/(deficit) including exceptional items</b>	8,445	18,238	26,683	(773,143)	(59,275)	(832,418)
<b>Interest reserve</b>						
Balance brought forward	109,569	2	109,571	108,105	-	108,105
Transfer from General reserve	1,518	132	1,650	1,464	2	1,466
Balance carried forward	<u>111,087</u>	<u>134</u>	<u>111,221</u>	<u>109,569</u>	<u>2</u>	<u>109,571</u>
<b>LRIT Contingency reserve</b>						
Balance brought forward	-	57,644	57,644	-	36,106	36,106
Transfer to General reserve	-	3,025	3,025	-	21,538	21,538
Balance carried forward	-	60,669	60,669	-	57,644	57,644

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**DETAILED STATEMENT OF INCOME AND EXPENDITURE**

**Year ended 31 December 2013**

	2013 (restated)			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	(174,493)	-	(174,493)	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>391,442</u>	<u>506,002</u>	<u>897,444</u>	<u>844,453</u>	<u>571,987</u>	<u>1,416,440</u>
<b>Expenditure</b>						
Directorate staff costs	294,513	335,736	630,249	723,127	530,558	1,253,685
Office maintenance costs (including bank charges)	19,923	15,691	35,614	21,542	18,780	40,322
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>389,978</u>	<u>405,279</u>	<u>795,257</u>	<u>842,984</u>	<u>632,443</u>	<u>1,475,427</u>
<b>Operating surplus</b>	<b>1,464</b>	<b>100,723</b>	<b>102,187</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)	-	(14,038)	(14,038)
Transfer from LRIT Contingency reserve	-	-	-	-	20,000	20,000
Balance carried forward	<u>-</u>	<u>(59,275)</u>	<u>(59,275)</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	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)	(5,962)
Balance carried forward	<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

	2013				2012			
	GMDSS	LRIT	Inter-fund	(restated)	GMDSS	LRIT	Inter-fund	Total
				Total				
	£	£	£	£	£	£	£	£
<b>Tangible fixed assets</b>	-	11,609	-	11,609	-	15,922	-	15,922
<b>Current assets</b>								
Trade debtors	7,325	92,343	-	99,668	-	94,996	-	94,996
Other debtors	773,291	307	-	773,598	949,430	1,355	-	950,785
Tax	15,086	10,058	-	25,144	16,674	11,116	-	27,790
Prepayments	30,853	23,675	-	54,528	22,998	20,208	-	43,206
Cash at bank	150,985	97,663	-	248,648	220,402	74,609	-	295,011
Inter fund balance	51,334	-	(51,334)	-	34,748	-	(34,748)	-
	1,028,874	224,046	(51,334)	1,201,586	1,244,252	202,284	(34,748)	1,411,788
<b>Creditors: amounts falling due within one year</b>								
Accounts payable	24,684	18,075	-	42,759	15,218	13,992	-	29,210
Other creditors	100,617	392	-	101,009	106,044	762	-	106,806
Accruals	8,197	3,514	-	11,711	9,500	4,317	-	13,817
Deferred income	-	4,250	-	4,250	-	8,500	-	8,500
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
<b>Net current assets</b>	895,376	146,481	-	1,041,857	1,113,490	139,965	-	1,253,455
<b>Creditors: amounts falling due in more than one year</b>								
Provisions	785,805	159,721	-	945,526	1,005,385	258,239	-	1,263,624
<b>Net (liabilities)/ assets</b>	109,571	(1,631)	-	107,940	108,105	(102,352)	-	5,753
Representing:								
<b>Accumulated funds</b>								
General reserve	-	(59,275)	-	(59,275)	-	(138,458)	-	(138,458)
Interest reserve	109,571	-	-	109,571	108,105	-	-	108,105
LRIT Contingency reserve	-	57,644	-	57,644	-	36,106	-	36,106
	109,571	(1,631)	-	107,940	108,105	(102,352)	-	5,753

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

	2013 (restated)			2012		
	GMDSS £	LRIT £	Total £	GMDSS £	LRIT £	Total £
<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	508,455	432,642	941,097	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>609,558</u>	<u>503,797</u>	<u>1,113,355</u>	<u>627,942</u>	<u>534,943</u>	<u>1,162,885</u>
<b>Operating surplus/(deficit)</b>	(43,623)	2,205	(41,418)	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>	(45,087)	(19,335)	(64,422)	(882)	43,006	42,124
Balance brought forward	57,749	119,781	177,530	58,631	76,775	135,406
<b>Fund surplus total</b>	<u>12,662</u>	<u>100,446</u>	<u>113,108</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>(773,143)</u>	<u>(59,275)</u>	<u>(832,418)</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>

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**
**NON-STATUTORY DETAILED STATEMENT OF  
INCOME AND EXPENDITURE**
**Year ended 31 December 2015**

	2015				2014			
	GMDSS £	LRIT £	Iridium £	Total £	GMDSS £	LRIT £	Iridium £	restated Total £
<b>General fund</b>								
<b>Income – Contributions</b>								
Inmarsat – ordinary	581,901	-	-	581,901	637,664	-	-	637,664
Other parties – ordinary	60,000	360,455	200,000	620,455	-	457,196	-	457,196
<b>Other income</b>								
Interest received	650	-	-	650	790	-	-	790
Interest received on LRIT	-	141	-	141	-	132	-	132
Contingency Fund	-	-	-	-	-	-	-	-
Interest received on Legal fund	547	-	-	547	728	-	-	728
	<u>643,098</u>	<u>360,596</u>	<u>200,000</u>	<u>1,203,694</u>	<u>639,182</u>	<u>457,328</u>	<u>-</u>	<u>1,096,510</u>
<b>Expenditure</b>								
Directorate staff costs	500,730	323,455	-	824,185	485,471	412,182	-	897,653
Office maintenance costs	32,619	15,973	509	49,101	24,118	15,850	-	39,968
Rent	39,436	26,781	-	66,217	47,346	39,341	-	86,687
Travel costs	12,208	4,970	37,510	54,688	16,384	5,773	-	22,157
Consultancy Fees	-	-	98,202	98,202	-	-	-	-
IMSO daily fees	-	-	60,000	60,000	-	-	-	-
Bad debt	-	8,500	-	8,500	-	-	-	-
Meeting costs	(250)	(250)	-	(500)	19,769	19,804	-	39,573
	<u>584,743</u>	<u>379,429</u>	<u>196,221</u>	<u>1,160,393</u>	<u>593,088</u>	<u>492,950</u>	<u>-</u>	<u>1,086,038</u>
<b>Operating surplus/(deficit)</b>	58,355	(18,833)	3,779	43,301	46,094	(35,622)	-	10,472
Transfer to Interest reserve	(1,197)	(141)	-	(1,338)	(1,518)	(132)	-	(1,650)
Transfer from LRIT Contingency reserve	-	27,123	-	27,123	-	(3,025)	-	(3,025)
<b>Fund surplus/(deficit) current year</b>	57,158	8,149	3,779	69,086	44,576	(38,779)	-	5,797
Balance brought forward	57,238	61,667	-	118,905	12,662	100,446	-	113,108
<b>Fund surplus total</b>	<u>114,396</u>	<u>69,816</u>	<u>3,779</u>	<u>187,991</u>	<u>57,238</u>	<u>61,667</u>	<u>-</u>	<u>118,905</u>
<b>Exceptional items:</b>								
Post-retirement benefits & Repatriation/Relocation grants	11,118	13,956	-	25,074	737,012	116,292	-	853,304
Prior year adjustment effect	(48,792)	(43,430)	-	(92,222)	(785,805)	(159,721)	-	(945,526)
<b>Fund surplus/(deficit) including exceptional items</b>	<u>76,722</u>	<u>40,342</u>	<u>3,779</u>	<u>120,843</u>	<u>8,445</u>	<u>18,238</u>	<u>-</u>	<u>26,683</u>
<b>Interest reserve</b>								
Balance brought forward	111,087	134	-	111,221	109,569	2	-	109,571
Transfer from General reserve	1,197	141	-	1,338	1,518	132	-	1,650
Balance carried forward	<u>112,284</u>	<u>275</u>	<u>-</u>	<u>112,559</u>	<u>111,087</u>	<u>134</u>	<u>-</u>	<u>111,221</u>
<b>LRIT Contingency reserve</b>								
Balance brought forward	-	60,669	-	60,669	-	57,644	-	57,644
Transfer to General reserve	-	(27,123)	-	(27,123)	-	3,025	-	3,025
Balance carried forward	<u>-</u>	<u>33,546</u>	<u>-</u>	<u>33,546</u>	<u>-</u>	<u>60,669</u>	<u>-</u>	<u>60,669</u>