

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**GENERAL INFORMATION AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2017**

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## I N D E X

Year ended 31 December 2017

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# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## GENERAL INFORMATION

Year ended 31 December 2017

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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 surplus or deficit 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

22 March 2018

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## A U D I T O R ' S   R E P O R T

Year ended 31 December 2017

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

#### Opinion

We have audited the financial statements of the International Mobile Satellite Organization (the 'organization') for the year ended 31 December 2017 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Reserves, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is International Financial Reporting Standards as adopted by the European Union.

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

In our opinion, the financial statements:

- give a true and fair view of the state of the organization's affairs as at 31 December 2017 and of its surplus for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

- the Director General's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Director General has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the organization's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The other information comprises the information included in the General Information, and does not include the financial statements and our auditor's report thereon. The Director General is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of directors**

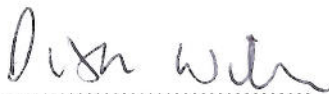
As explained more fully in the Director General's responsibilities statement set out on page 2, the Director General is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Director General determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director General is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Director General either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



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Dixon Wilson, Statutory Auditor  
22 Chancery Lane  
London  
WC2A 1LS

22 March 2018

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION****I N C O M E   S T A T E M E N T****Year ended 31 December 2017**

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	<b>Note</b>	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
<b>Continuing operations</b>			
Revenue		857,400	808,070
<b>Gross surplus</b>		<u>857,400</u>	<u>808,070</u>
Administrative expenses	10	(835,119)	(770,846)
<b>Operating surplus</b>		<u>22,281</u>	<u>37,224</u>
Finance income	11	550	993
Finance costs	11	(1,100)	(894)
<b>Surplus for the year</b>		<u>21,731</u>	<u>37,323</u>

The notes on pages 9 to 23 are an integral part of these financial statements.

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**BALANCE SHEET**

**At 31 December 2017**

	Note	2017 £	2016 £
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	12,234	17,499
		<u>12,234</u>	<u>17,499</u>
<b>Current assets</b>			
Trade and other receivables	6	61,853	96,849
Cash and cash equivalents	7	594,544	418,490
		<u>656,397</u>	<u>515,339</u>
<b>Total assets</b>		<u>668,631</u>	<u>532,838</u>
<b>Reserves and liabilities</b>			
<b>Reserves</b>			
General reserve	15	77,853	76,922
Interest reserve	15	114,102	113,552
LRIT Contingency reserve	15	53,546	33,296
		<u>245,501</u>	<u>223,770</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions	9	78,724	82,146
<b>Current liabilities</b>			
Trade and other payables	8	344,406	226,922
<b>Total liabilities</b>		<u>423,130</u>	<u>309,068</u>
<b>Total reserves and liabilities</b>		<u>668,631</u>	<u>532,838</u>

The notes on pages 9 to 23 are an integral part of these financial statements. The financial statements on pages 5 to 29 were authorised for issue by the Director General on 22 March 2018.

MO'IN AHMED  
Director General

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION****STATEMENT OF CHANGES IN RESERVES****Year ended 31 December 2017**

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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 2016</b>	15	76,922	113,552	33,296	223,770
Transfer between reserves	15	(20,250)	-	20,250	-
Surplus for the year	15	21,181	550	-	21,731
<b>Balance at 31 December 2017</b>		<u>77,853</u>	<u>114,102</u>	<u>53,546</u>	<u>245,501</u>

The notes on pages 9 to 23 are an integral part of these financial statements.



**INTERNATIONAL MOBILE SATELLITE ORGANIZATION****STATEMENT OF CASH FLOWS****Year ended 31 December 2017**

	<b>Note</b>	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
<b>Cash flows from operating activities</b>			
Cash generated/ (used in) from operations	12	178,062	8,163
Interest paid		(1,100)	(894)
<b>Net cash (used in)/from operating activities</b>		<u>176,962</u>	<u>7,269</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(1,458)	(13,013)
Interest received		550	993
<b>Net cash (used in)/received from investing activities</b>		<u>(908)</u>	<u>(12,020)</u>
<b>Net increase/(decrease) in cash, cash equivalents and bank overdrafts</b>		176,054	(4,751)
Cash, cash equivalents and bank overdrafts at beginning of the year		418,490	423,241
<b>Cash, cash equivalents and bank overdrafts at end of the year</b>		<u>594,544</u>	<u>418,490</u>

The notes on pages 9 to 23 are an integral part of these financial statements.

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

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### I. 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.

#### 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 an accumulated surplus on the general reserve of £77,853 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.

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

The Organization's financial statements for the year ended 31 December 2017 are the seventh 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 IAS 7, Statement of Cash Flows, effective for annual periods beginning on or after 1 January 2017;
- Amendments to IFRS for SME's, effective for annual periods beginning on or after 1 January 2017.

###### 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:

- 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.

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

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### I.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

### I.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.

### 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 in respect of services performed by the Organization. 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 and deposits held at call with banks.

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# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

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### 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.

### I.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.

### I.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.

### I.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.

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

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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.
- The third relates to the voluntary contributions. No voluntary contributions were received in 2017.

(c) *Iridium Contributions*

Contribution income consists of fees and expenses charged to Iridium in relation to IMSO services for the technical and operational evaluation and report of the Iridium system. The costs involved include fees and expenses of IMSO, the Group of Experts and the additional Experts. IMSO daily fees paid by Iridium have been recognised as GMDSS and LRIT income.

(d) *Inmarsat Contributions*

Contribution income consists of fees and expenses charged to Inmarsat in relation to IMSO services for the technical and operational evaluation and report of Inmarsat FleetBroadband services. The costs involved include fees and expenses of IMSO, the Group of Experts and the additional Experts. IMSO daily fees paid by Inmarsat have been recognised as GMDSS and LRIT income.

(e) *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.

### 1.13 Organization's principal place of business

The Organization's principal place of business is 99 City Road, London, EC1Y 1AX.

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# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

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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 most 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 deficits 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 £594,544 (2016 - £418,490) 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 yearend 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. With the aim to achieve 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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# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

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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.

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### 4. Segment information

The reportable operating segments are the Organization's GMDSS and LRIT functions and Iridium and Inmarsat FleetBroadband evaluation. 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, 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 2017**

The segment information for the year ended 31 December 2017 is as follows:

Income statement	Note	2017						2016					
		GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total
		£	£	£	£	£	£	£	£	£	£	£	£
<b>Continuing operations</b>													
Revenue		484,350	327,719	95,922	59,335	(109,926)	857,400	441,851	339,000	27,219	-	-	808,070
<b>Gross surplus</b>		484,350	327,719	95,922	59,335	(109,926)	857,400	441,851	339,000	27,219	-	-	808,070
Administrative expenses	10	(483,473)	(306,418)	(95,850)	(59,304)	109,926	(835,119)	(441,094)	(302,600)	(27,152)	-	-	(770,846)
<b>Operating surplus/(deficit)</b>		877	21,301	72	31	-	22,281	757	36,400	67	-	-	37,224
Finance income	11	491	59	-	-	-	550	923	70	-	-	-	993
Finance costs	11	(877)	(120)	(72)	(31)	-	(1,100)	(757)	(70)	(67)	-	-	(894)
<b>Surplus/(deficit) for the year</b>		491	21,240	-	-	-	21,731	923	36,400	-	-	-	37,323



**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2017**

The segment information for the year ended 31 December 2017 is as follows:

Balance sheet	Note	2017						2016					
		GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total
		£	£	£	£	£	£	£	£	£	£	£	£
<b>Assets</b>													
<b>Non-current assets</b>													
Property, plant and Equipment	5	7,049	5,185	-	-	-	12,234	10,045	7,454	-	-	-	17,499
<b>Current assets</b>													
Trade and other Receivables	6	148,244	27,249	19,374	-	(133,014)	61,853	39,668	81,833	183	-	(24,835)	96,849
Cash and cash Equivalents	7	234,643	263,469	48,889	47,543	-	594,544	290,942	126,171	1,377	-	-	418,490
		<u>382,887</u>	<u>290,718</u>	<u>68,263</u>	<u>47,543</u>	<u>(133,014)</u>	<u>656,397</u>	<u>330,610</u>	<u>208,004</u>	<u>1,560</u>	<u>-</u>	<u>(24,835)</u>	<u>515,339</u>
<b>Total assets</b>		<u>389,936</u>	<u>295,903</u>	<u>68,263</u>	<u>47,543</u>	<u>(133,014)</u>	<u>668,631</u>	<u>340,655</u>	<u>215,458</u>	<u>1,560</u>	<u>-</u>	<u>(24,835)</u>	<u>532,838</u>
<b>Reserves and liabilities</b>													
<b>Reserves</b>													
General reserve	15	-	77,853	-	-	-	77,853	-	76,922	-	-	-	76,922
Interest reserve	15	114,102	-	-	-	-	114,102	113,552	-	-	-	-	113,552
LRIT Contingency Reserve	15	-	53,546	-	-	-	53,546	-	33,296	-	-	-	33,296
		<u>114,102</u>	<u>131,399</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>245,501</u>	<u>113,552</u>	<u>110,218</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>223,770</u>
<b>Liabilities</b>													
<b>Non-current liabilities</b>													
Provisions	9	43,462	35,262	-	-	-	78,724	46,828	35,318	-	-	-	82,146
<b>Current liabilities</b>													
Trade and other Payables	8	232,372	129,242	68,263	47,543	(133,014)	344,406	180,275	69,922	1,560	-	(24,835)	226,922
<b>Total liabilities</b>		<u>275,834</u>	<u>164,504</u>	<u>68,263</u>	<u>47,543</u>	<u>(133,014)</u>	<u>423,130</u>	<u>227,103</u>	<u>105,240</u>	<u>1,560</u>	<u>-</u>	<u>(24,835)</u>	<u>309,068</u>
<b>Total reserves and liabilities</b>		<u>389,936</u>	<u>295,903</u>	<u>68,263</u>	<u>47,543</u>	<u>(133,014)</u>	<u>668,631</u>	<u>340,655</u>	<u>215,458</u>	<u>1,560</u>	<u>-</u>	<u>(24,835)</u>	<u>532,838</u>

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2017**

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

	<b>2017</b>					<b>2016</b>				
	<b>GMDSS</b>	<b>LRIT</b>	<b>Iridium</b>	<b>Inmarsat</b>	<b>Total</b>	<b>GMDSS</b>	<b>LRIT</b>	<b>Iridium</b>	<b>Inmarsat</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Inter fund debtors	133,014	-	-	-	133,014	24,652	-	183	-	24,835
Inter fund creditors	-	23,474	67,662	41,878	133,014	183	24,652	-	-	24,835

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**

	<b>Furniture &amp; Fittings</b>	<b>Plant and equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 January 2017	8,654	48,641	57,295
Additions	-	1,458	1,458
At 31 December 2017	8,654	50,099	58,753
<b>Depreciation</b>			
At 1 January 2017	6,058	33,738	39,796
Change for the year	865	5,858	6,723
At 31 December 2017	6,923	39,596	46,519
<b>Carrying amount</b>			
At 31 December 2017	1,731	10,503	12,234
At 31 December 2016	2,596	14,903	17,499

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2017**

**6. Trade and other receivables**

	<b>2017</b>					<b>Total</b>	<b>2016</b>					<b>Total</b>
	<b>GMDSS</b>	<b>LRIT</b>	<b>Iridium</b>	<b>Inmarsat</b>	<b>Inter-fund</b>		<b>GMDSS</b>	<b>LRIT</b>	<b>Iridium</b>	<b>Inmarsat</b>	<b>Inter-fund</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade receivables	-	16,607	19,374	-	-	35,981	3,934	74,803	-	-	-	78,737
Prepayments	2,441	2,116	-	-	-	4,557	2,780	1,495	-	-	-	4,275
Taxation	12,789	8,526	-	-	-	21,315	8,302	5,535	-	-	-	13,837
Inter-fund balance	133,014	-	-	-	(133,014)	-	24,652	-	183	-	(24,835)	-
	<u>148,244</u>	<u>27,249</u>	<u>19,374</u>	<u>-</u>	<u>(133,014)</u>	<u>61,853</u>	<u>39,668</u>	<u>81,833</u>	<u>183</u>	<u>-</u>	<u>(24,835)</u>	<u>96,849</u>

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.

**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.

	<b>2017</b>					<b>Total</b>	<b>2016</b>					<b>Total</b>
	<b>GMDSS</b>	<b>LRIT</b>	<b>Iridium</b>	<b>Inmarsat</b>	<b>Inter-fund</b>		<b>GMDSS</b>	<b>LRIT</b>	<b>Iridium</b>	<b>Inmarsat</b>	<b>Inter-fund</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash and cash equivalents	234,643	263,469	48,889	47,543	-	594,544	290,942	126,171	1,377	-	-	418,490

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2017**

**8. Trade and other payables**

	<b>2017</b>					<b>Total</b>	<b>2016</b>					<b>Total</b>
	<b>GMDSS</b>	<b>LRIT</b>	<b>Iridium</b>	<b>Inmarsat</b>	<b>Inter-fund</b>		<b>GMDSS</b>	<b>LRIT</b>	<b>Iridium</b>	<b>Inmarsat</b>	<b>Inter-fund</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade payable	15,287	6,554	601	5,665	-	28,107	13,347	8,648	-	-	-	21,995
Accrued expenses	10,515	4,506	-	-	-	15,021	17,947	8,167	-	-	-	26,114
Social security and other taxation	464	308	-	-	-	772	453	305	-	-	-	758
Deferred income	-	94,400	-	-	-	94,400	-	28,150	-	-	-	28,150
Legal fund	100,000	-	-	-	-	100,000	100,000	-	-	-	-	100,000
Inmarsat surplus	106,106	-	-	-	-	106,106	48,345	-	-	-	-	48,345
Iridium surplus	-	-	-	-	-	-	-	-	1,560	-	-	1,560
Inter-fund balance	-	23,474	67,662	41,878	(133,014)	-	183	24,652	-	-	(24,835)	-
	<u>232,372</u>	<u>129,242</u>	<u>68,263</u>	<u>47,543</u>	<u>(133,014)</u>	<u>344,406</u>	<u>180,275</u>	<u>69,922</u>	<u>1,560</u>	<u>-</u>	<u>(24,835)</u>	<u>226,922</u>

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**

	<b>2017</b>			<b>2016</b>		
	<b>GMDSS</b>	<b>LRIT</b>	<b>Total</b>	<b>GMDSS</b>	<b>LRIT</b>	<b>Total</b>
Repatriation grant (see below)	<u>43,462</u>	<u>35,262</u>	<u>78,724</u>	<u>46,828</u>	<u>35,318</u>	<u>82,146</u>

The Organization is committed to providing repatriation grants to employees who are not UK nationals upon their leaving employment. The total provision decreased by £3,422 in total during the year. The provision for GMDSS decreased by £3,366 and for LRIT by £56.

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

**10. Expenses by nature**

	2017					2016						
	GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total
	£	£	£	£	£	£	£	£	£	£	£	£
Employees' benefits expenses	335,102	224,603	-	-	-	559,705	308,558	213,252	-	-	-	521,810
Pension costs - (defined contribution)	48,899	33,693	-	-	-	82,592	39,471	28,448	-	-	-	67,919
Depreciation	3,875	2,848	-	-	-	6,723	1,317	1,752	-	-	-	3,069
IMSO daily fees	-	-	67,374	42,552	(109,926)	-	-	-	15,760	-	-	15,760
Other expenses	95,597	45,274	28,476	16,752	-	186,099	91,749	59,147	11,392	-	-	162,288
<b>Administrative expenses</b>	<b>483,473</b>	<b>306,418</b>	<b>95,850</b>	<b>59,304</b>	<b>(109,926)</b>	<b>835,119</b>	<b>441,095</b>	<b>302,599</b>	<b>27,152</b>	<b>-</b>	<b>-</b>	<b>770,846</b>

**11. Finance income and costs**

	2017					2016				
	GMDSS	LRIT	Iridium	Inmarsat	Total	GMDSS	LRIT	Iridium	Inmarsat	Total
	£	£	£	£	£	£	£	£	£	£
Interest expense – bank charges	(877)	(120)	(72)	(31)	(1,100)	(757)	(70)	(67)	-	(894)
Net finance costs	(877)	(120)	(72)	(31)	(1,100)	(757)	(70)	(67)	-	(894)
Finance income	491	59	-	-	550	923	70	-	-	993
Net finance (costs)/ income	(386)	(61)	(72)	(31)	(550)	166	-	(67)	-	99

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION****NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2017**

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<b>12. Cash generated from operations</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Surplus for the year</b>	21,731	37,323
Adjustments for:		
Depreciation	6,723	3,069
Net finance costs	550	(99)
Trade and other receivables	34,996	(43,191)
Trade and other payables	117,484	(3,937)
Provisions	(3,422)	14,998
<b>Cash generated from operations</b>	<u>178,062</u>	<u>8,163</u>

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**13. Operating leases**

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<i>Land and buildings</i>		
- not later than one year	-	60,637
- later than one year and not later than five years	-	-
- later than five years	-	-
	<u>-</u>	<u>60,637</u>

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## INTERNATIONAL MOBILE SATELLITE ORGANIZATION

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

#### 14. Financial instruments

All financial instruments are held and denominated in UK pounds.

Assets as per balance sheet	Loans and receivables	
	2017	2016
	£	£
Trade and other receivables excluding prepayments	57,296	92,574
Cash and cash equivalents	594,544	418,490
	<u>651,840</u>	<u>511,064</u>
Liabilities as per balance sheet	Financial liabilities at amortised cost	
	2017	2016
	£	£
Trade and other payables excluding statutory liabilities	344,406	226,922
Provisions	78,724	82,146
	<u>423,130</u>	<u>309,068</u>

#### 15. Reserves

	General reserve	Interest reserve	LRIT	Total
			Contingency reserve	
	£	£	£	£
Balance as at 1 January 2017	76,922	113,552	33,296	223,770
Transfer to reserves	(20,250)	-	20,250	-
Surplus for the year	21,181	550	-	21,731
Balance as at 31 December 2017	<u>77,853</u>	<u>114,102</u>	<u>53,546</u>	<u>245,501</u>

The General reserve represents surplus/(deficit) 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. Therefore, in 2017, £10,000 was transferred to the Contingency reserve. Moreover, in 2017, an additional £10,250 was transferred to the LRIT Contingency reserve to spread the costs relating to the 2018 Assembly, and will be transferred back to General reserve in 2018.

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 from the funding received for GMDSS from Inmarsat and LRIT Contingency Fund.

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2017**

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**16. 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>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Salaries and other staff short-term employee benefits	196,733	143,964
Post-employment benefits	38,013	27,496
Repatriation / Assignment Grants	-	-
	<u>234,746</u>	<u>171,460</u>

The amount of £15,212 (2016 - £10,674) was owed to the key management at the year end and is included in note 8.

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**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**DETAILED STATEMENT OF INCOME AND EXPENDITURE**

**Year ended 31 December 2017**

	Note	2017					2016						
		GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total
		£	£	£	£	£	£	£	£	£	£	£	£
<b>General fund</b>													
<b>Income</b>													
<b>Contributions</b>													
Inmarsat – ordinary		476,155	-	-	-	-	476,155	397,714	-	-	-	-	397,714
Other parties – ordinary		65,956	327,719	95,922	59,335	(109,926)	439,006	15,760	339,000	25,000	-	-	379,760
Less: Inmarsat – (overpaid)/ underpaid contributions		(57,761)	-	-	-	-	(57,761)	28,377	-	2,219	-	-	30,596
Other income													
Interest received		306	-	-	-	-	306	553	-	-	-	-	553
Interest received on Legal fund		185	-	-	-	-	185	370	-	-	-	-	370
Interest received on Contingency fund		-	59	-	-	-	59	-	70	-	-	-	70
		<u>484,841</u>	<u>327,778</u>	<u>95,922</u>	<u>59,335</u>	<u>(109,926)</u>	<u>857,950</u>	<u>442,774</u>	<u>339,070</u>	<u>27,219</u>	<u>-</u>	<u>-</u>	<u>809,063</u>
<b>Expenditure</b>													
Directorate staff costs	10	384,001	258,296	-	-	-	642,297	355,489	244,898	-	-	-	600,387
Office maintenance costs (including bank charges)	10	30,227	20,319	553	444	-	51,543	22,743	11,870	67	-	-	34,680
Rent	10	36,167	24,470	-	-	-	60,637	35,688	24,949	-	-	-	60,637
Travel costs	10	33,868	3,366	17,190	1,383	-	55,807	15,864	8,886	-	-	-	24,750
Meeting costs	10	87	87	-	-	-	174	12,067	12,067	-	-	-	24,134
Consultancy	10	-	-	10,805	14,956	-	25,761	-	-	11,392	-	-	11,392
IMSO Daily Fees	10	-	-	67,374	42,552	(109,926)	-	-	-	15,760	-	-	15,760
Bad Debt	10	-	-	-	-	-	-	-	-	-	-	-	-
		<u>484,350</u>	<u>306,538</u>	<u>95,922</u>	<u>59,335</u>	<u>(109,926)</u>	<u>836,219</u>	<u>441,851</u>	<u>302,670</u>	<u>27,219</u>	<u>-</u>	<u>-</u>	<u>771,740</u>
<b>Operating surplus</b>		<u>491</u>	<u>21,240</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,731</u>	<u>923</u>	<u>36,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,323</u>

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**DETAILED STATEMENT OF INCOME AND EXPENDITURE (continued)**

**Year ended 31 December 2017**

	Note	2017					2016						
		GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total
		£	£	£	£	£	£	£	£	£	£	£	
<b>General reserve</b>													
Balance brought forward		-	76,922	-	-	-	76,922	-	40,342	-	-	-	40,342
Transfer to interest reserve		(491)	(59)	-	-	-	(550)	(923)	(70)	-	-	-	(993)
Transfer to LRIT													
Contingency reserve		-	(20,250)	-	-	-	(20,250)	-	(10,000)	-	-	-	(10,000)
Transfer from LRIT													
Contingency reserve		-	-	-	-	-	-	-	10,250	-	-	-	10,250
Balance carried forward (page 6)		-	77,853	-	-	-	77,853	-	76,922	-	-	-	76,922
<b>Interest reserve</b>													
Balance brought forward		113,207	345	-	-	-	113,552	112,284	275	-	-	-	112,559
Transfer from General reserve 15		491	59	-	-	-	550	923	70	-	-	-	993
Balance carried forward (page 6)		113,698	404	-	-	-	114,102	113,207	345	-	-	-	113,552
<b>LRIT Contingency reserve</b>													
Balance brought forward	15	-	33,296	-	-	-	33,296	-	33,546	-	-	-	33,546
Transfer to General reserve	15	-	20,250	-	-	-	20,250	-	10,000	-	-	-	10,000
Transfer from General reserve 15		-	-	-	-	-	-	-	(10,250)	-	-	-	(10,250)
Balance carried forward (page 6)		-	53,546	-	-	-	53,546	-	33,296	-	-	-	33,296

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**DETAILED BALANCE SHEET**

**At 31 December 2017**

Balance sheet	Note	2017						2016					
		GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total
		£	£	£	£	£	£	£	£	£	£	£	£
<b>Tangible fixed Assets</b>	5	7,049	5,185	-	-	-	12,234	10,045	7,454	-	-	-	17,499
<b>Current assets</b>													
Trade debtors	6	-	16,607	19,374	-	-	35,981	3,934	74,803	-	-	-	78,737
Other debtors	6	-	-	-	-	-	-	-	-	-	-	-	-
Taxation	6	12,789	8,526	-	-	-	21,315	8,302	5,535	-	-	-	13,837
Prepayments	6	2,441	2,116	-	-	-	4,557	2,780	1,495	-	-	-	4,275
Cash at bank	7	234,643	263,469	48,889	47,543	-	594,544	290,942	126,171	1,377	-	-	418,490
Inter-fund balance	4	133,014	-	-	-	(133,014)	-	24,652	-	183	-	(24,835)	-
		<u>382,887</u>	<u>290,718</u>	<u>68,263</u>	<u>47,543</u>	<u>(133,014)</u>	<u>656,397</u>	<u>330,610</u>	<u>208,004</u>	<u>1,560</u>		<u>(24,835)</u>	<u>515,339</u>
<b>Creditors: amounts Falling due within one year</b>													
Accounts payable	8	121,393	6,554	601	5,665	-	134,213	61,692	8,648	-	-	-	70,340
Other creditors	8	100,464	308	-	-	-	100,772	100,453	305	1,560	-	-	102,318
Accruals	8	10,515	4,506	-	-	-	15,021	17,947	8,167	-	-	-	26,114
Deferred income	8	-	94,400	-	-	-	94,400	-	28,150	-	-	-	28,150
Inter fund balance	4	-	23,474	67,662	41,878	(133,014)	-	183	24,652	-	-	(24,835)	-
		<u>232,372</u>	<u>129,242</u>	<u>68,263</u>	<u>47,543</u>	<u>(133,014)</u>	<u>344,406</u>	<u>180,275</u>	<u>69,922</u>	<u>1,560</u>		<u>(24,835)</u>	<u>226,922</u>
<b>Net current assets</b>		<u>150,515</u>	<u>161,476</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>311,991</u>	<u>150,335</u>	<u>138,082</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>288,417</u>

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

DETAILED BALANCE SHEET (continued)

At 31 December 2017

Balance sheet	Note	2017						2016					
		GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total
		£	£	£	£	£	£	£	£	£	£	£	£
<b>Creditors: amounts falling due in more than one year</b>													
Provisions	9	43,462	35,262	-	-	-	78,724	46,828	35,318	-	-	-	82,146
<b>Net assets (liabilities)</b>		<u>114,102</u>	<u>131,399</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>245,501</u>	<u>113,552</u>	<u>110,218</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>223,770</u>
Representing:													
<b>Accumulated funds</b>													
General reserve	15	-	77,853	-	-	-	77,853	-	76,922	-	-	-	76,922
Interest reserve	15	114,102	-	-	-	-	114,102	113,552	-	-	-	-	113,552
LRIT Contingency reserve	15	-	53,546	-	-	-	53,546	-	33,296	-	-	-	33,296
		<u>114,102</u>	<u>131,399</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>245,501</u>	<u>113,552</u>	<u>110,218</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>223,770</u>

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

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

**Year ended 31 December 2017**

	2017						2016					
	GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total
	£	£	£	£	£	£	£	£	£	£	£	£
<b>General fund</b>												
<b>Income – Contributions</b>												
Inmarsat – ordinary	476,155	-	-	-	-	476,155	397,714	-	-	-	-	397,714
Other parties – ordinary	65,956	327,719	74,988	65,000	(109,926)	423,737	15,760	339,000	25,000	-	-	379,760
Other income												
Interest received	306	-	-	-	-	306	553	-	-	-	-	553
Interest received on LRIT												
Contingency Fund	-	59	-	-	-	59	-	70	-	-	-	70
Interest received on Legal fund	185	-	-	-	-	185	370	-	-	-	-	370
	<u>542,602</u>	<u>327,778</u>	<u>74,988</u>	<u>65,000</u>	<u>(109,926)</u>	<u>900,442</u>	<u>414,397</u>	<u>339,070</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>778,467</u>
<b>Expenditure</b>												
Directorate staff costs	387,367	258,352	-	-	-	645,719	338,875	235,856	-	-	-	574,731
Office maintenance costs	30,227	20,319	553	444	-	51,543	30,203	15,068	67	-	-	45,338
Rent	36,167	24,470	-	-	-	60,637	35,688	24,949	-	-	-	60,637
Travel costs	33,868	3,366	17,190	1,383	-	55,807	15,864	8,886	-	-	-	24,750
Consultancy Fees	-	-	10,805	14,956	-	25,761	-	-	11,392	-	-	11,392
IMSO daily fees	-	-	67,374	42,552	(109,926)	-	-	-	15,760	-	-	15,760
Meeting costs	87	87	-	-	-	174	12,067	12,067	-	-	-	24,134
	<u>487,716</u>	<u>306,594</u>	<u>95,922</u>	<u>59,335</u>	<u>(109,926)</u>	<u>839,641</u>	<u>432,697</u>	<u>296,826</u>	<u>27,219</u>	<u>-</u>	<u>-</u>	<u>756,742</u>
<b>Operating surplus/(deficit)</b>	<u>54,886</u>	<u>21,184</u>	<u>(20,934)</u>	<u>5,665</u>	<u>-</u>	<u>60,801</u>	<u>(18,300)</u>	<u>42,244</u>	<u>(2,219)</u>	<u>-</u>	<u>-</u>	<u>21,725</u>

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**NON-STATUTORY DETAILED STATEMENT OF  
INCOME AND EXPENDITURE (continued)**

**Year ended 31 December 2017**

	2017						2016					
	GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total
	£	£	£	£	£	£	£	£	£	£	£	£
Transfer to Interest reserve	(491)	(59)	-	-	-	(550)	(923)	(70)	-	-	-	(993)
Transfer from LRIT Contingency reserve	-	-	-	-	-	-	-	250	-	-	-	250
Transfer to LRIT Contingency reserve	-	(20,250)	-	-	-	(20,250)	-	-	-	-	-	-
Fund surplus/(deficit) current year	54,395	875	(20,934)	5,665	-	40,001	(19,223)	42,424	(2,219)	-	-	20,982
Balance brought forward	95,173	112,240	1,560	-	-	208,973	114,396	69,816	3,779	-	-	187,991
Fund surplus total	149,568	113,115	(19,374)	5,665	-	248,974	95,173	112,240	1,560	-	-	208,973
Exceptional items:												
Post-retirement benefits & Repatriation/Relocation grants	3,366	56	-	-	-	3,422	(9,154)	(5,844)	-	-	-	(14,998)
Prior year adjustment effect	(46,828)	(35,318)	-	-	-	(82,146)	(37,674)	(29,474)	-	-	-	(67,148)
Fund surplus/(deficit) including exceptional items	106,106	77,853	(19,374)	5,665	-	170,250	48,345	76,922	1,560	-	-	126,827
Interest reserve												
Balance brought forward	113,207	345	-	-	-	113,552	112,284	275	-	-	-	112,559
Transfer from General reserve	491	59	-	-	-	550	923	70	-	-	-	993
Balance carried forward	113,698	404	-	-	-	114,102	113,207	345	-	-	-	113,552
LRIT Contingency reserve												
Balance brought forward	-	33,296	-	-	-	33,296	-	33,546	-	-	-	33,546
Transfer to General reserve	-	-	-	-	-	-	-	(250)	-	-	-	(250)
Transfer from General reserve	-	20,250	-	-	-	20,250	-	-	-	-	-	-
Balance carried forward	-	53,546	-	-	-	53,546	-	33,296	-	-	-	33,296