

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

GENERAL INFORMATION AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

I N D E X

Year ended 31 December 2018

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INTERNATIONAL MOBILE SATELLITE ORGANIZATION

G E N E R A L I N F O R M A T I O N

Year ended 31 December 2018

Organization

The International Mobile Satellite Organization is an intergovernmental organization which has been headquartered in London since it was established in 1979. Following the restructuring on 15 April 1999, part of the Organization was converted into a business entity, and the Company named "Inmarsat" was established; the other part of the Organization retained the intergovernmental facets as the "International Mobile Satellite Organization" (IMSO).

At the time of restructuring, 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 with effect from 15 April 2015, 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 pays an oversight fee that covers the costs of the establishment and operation of the GMDSS activities of the Directorate.

In 2008, amendments to the Convention were adopted by the IMSO Assembly which extend IMSO oversight to any new provider of GMDSS and to the functions of coordinator of the Long Range Identification and Tracking of Ships (LRIT) system. The amendments were 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 held in February 1999, 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.

It is important to note that 2018 saw IMSO actively pursuing its targets and objectives in a wide range of subject areas. Some of the highlights of the year for the Organization are summarized below.

Outreach

IMSO's public facing visibility continues to improve. The Director General has hosted numerous visits to IMSO by the Member States and States that are currently not IMSO Member States but are interested in joining IMSO. The visitors having gained an enhanced insight about the role of IMSO expressed their appreciation on the Organization's role in promoting maritime safety, security and protection of the marine environment, and they have committed to reinforce the special bond between their States and IMSO. The membership of the Organization in 2018 reached 104 Member States, following acceptance of the IMSO Convention by Plurinational State of Bolivia, on 9 March 2018.

Global Maritime Distress and Safety System

As requested by the 98th session of the IMO Maritime Safety Committee (MSC 98), IMSO carried out the technical and operational assessment of the Inmarsat FleetBroadband Maritime Safety Data Service (MSDS) for recognition and use in the GMDSS. IMSO reported to the IMO Sub-Committee on Navigation, Communication and Search and Rescue at its fifth session (NCSR 5) that the Inmarsat FleetBroadband MSDS had met the applicable requirements of resolution A.1001(25) in the context of the directions given

by MSC 98. As a result, MSC 99 in May 2018 issued the resolution containing the statement of recognition for the new service, now under the name "Fleet Safety".

Furthermore, during 2018 IMSO oversaw the migration of GMDSS services provided by Inmarsat from the third generation of Inmarsat satellite (I-3) to the fourth generation of Inmarsat satellite (I-4). The migration of services was successfully completed in May 2018.

In 2018 IMSO also completed the technical and operational assessment of the Iridium system as a potential provider of recognized satellite services in the GMDSS. Subsequently, MSC 99 issued the resolution containing the statement of recognition of Iridium as a GMDSS service provider with IMSO being requested to monitor the implementation (of the recognized services by Iridium).

Long Range Identification and Tracking of Ships

The Director General mobilised special efforts in pursuing possible new members to join the LRIT system. Several new SOLAS Contracting Governments have joined the LRIT system resulting in higher implementation, as well as reducing LRIT audit fee.

During 2018 IMSO has continued working on the LRIT audit software, completing the necessary updates required for the second modification and starting the necessary work on the updates for the third modification.

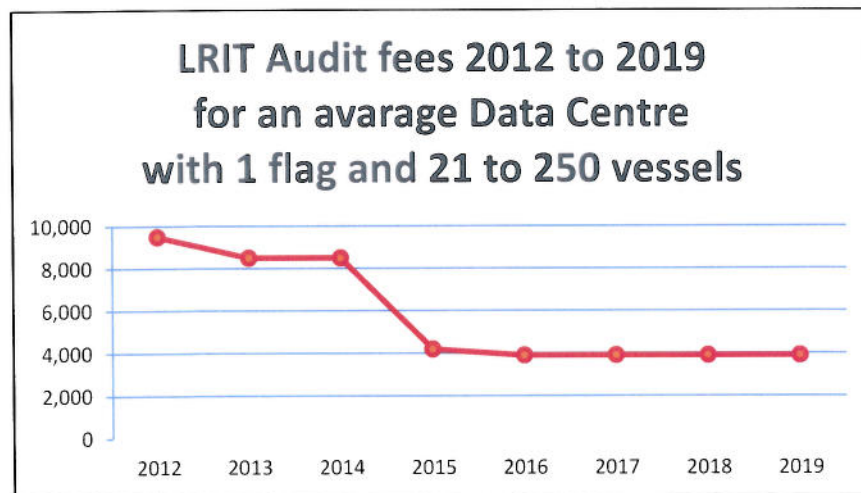
By the end of the year, the backlog of the outstanding audits was cleared and based on the audit experience gained, IMSO proposed to IMO the amendments to the LRIT audit procedures.

In addition, in February 2018, an international seminar on the "Effective Implementation and Management of the LRIT System" was delivered. It was attended by more than 135 participants from several States, international and regional organizations, maritime policy makers and regulators, LRIT communications and infrastructure service providers, LRIT application providers, data centres, search and rescue entities and mobile satellite communications service providers.

Financial Management

Since taking the office in April 2015, the Director General has been maintaining a prudent cost base even with the increased volume of activities in GMDSS and LRIT.

The Director General has managed to keep significantly lower audit fee for LRIT (no increase in fees since 2015). Strict financial control measures, recovery of debts from the data centre audits and integration of new LRIT data centres have enabled the Director General to maintain a stable and historically-low audit fees.



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

Moin Ahmed
Director General

4 April 2019

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

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

Year ended 31 December 2018

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 2018, 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.

In our opinion, the financial statements:

- give a true and fair view of the state of the Organization's affairs as at 31 December 2018 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 the Director General

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.

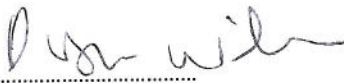
Auditor's responsibilities for the audit of the financial statements

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. This description forms part of our auditor's report.

Use of our report

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.


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

4 April 2019

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

I N C O M E S T A T E M E N T

Year ended 31 December 2018

	Note	2018 £	2017 £
Continuing operations			
Revenue		1,203,266	857,400
Administrative expenses	10	(981,891)	(835,119)
Operating surplus		<u>221,375</u>	<u>22,281</u>
Finance income	11	346	550
Finance costs	11	(1,141)	(1,100)
Surplus for the year		<u>220,580</u>	<u>21,731</u>

The notes on pages 10 to 23 are an integral part of these financial statements.

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

BALANCE SHEET

At 31 December 2018

	Note	2018 £	2017 £
Assets			
Non-current assets			
Property, plant and equipment	5	4,547	12,234
		<u>4,547</u>	<u>12,234</u>
Current assets			
Trade and other receivables	6	97,988	61,853
Cash and cash equivalents	7	684,515	594,544
		<u>782,503</u>	<u>656,397</u>
Total assets		<u>787,050</u>	<u>668,631</u>
Reserves and liabilities			
Reserves			
General reserve	15	298,337	77,853
Interest reserve	15	114,448	114,102
LRIT Contingency reserve	15	53,296	53,546
		<u>466,081</u>	<u>245,501</u>
Liabilities			
Non-current liabilities			
Provisions	9	85,244	78,724
Current liabilities			
Trade and other payables	8	235,725	344,406
Total liabilities		<u>320,969</u>	<u>423,130</u>
Total reserves and liabilities		<u>787,050</u>	<u>668,631</u>

The notes on pages 10 to 23 are an integral part of these financial statements. The financial statements on pages 6 to 29 were authorised for issue by the Director General on 4 April 2019.

Moin Ahmed
Director General

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

STATEMENT OF CHANGES IN RESERVES

Year ended 31 December 2018

	Note	General reserve £	Interest reserve £	LRIT Contingency reserve £	Total £
Balance at 31 December 2017	15	77,853	114,102	53,546	245,501
Transfer between reserves	15	250	-	(250)	-
Surplus for the year	15	220,234	346	-	220,580
Balance at 31 December 2018		<u>298,337</u>	<u>114,448</u>	<u>53,296</u>	<u>466,081</u>

The notes on pages 10 to 23 are an integral part of these financial statements.

INTERNATIONAL MOBILE SATELLITE ORGANIZATION**STATEMENT OF CASH FLOWS****Year ended 31 December 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	12	90,766	178,062
Interest paid		(1,141)	(1,100)
Net cash from operating activities		<u>89,625</u>	<u>176,962</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		-	(1,458)
Interest received		346	550
Net cash received/(used in) from investing activities		<u>346</u>	<u>(908)</u>
Net increase in cash, cash equivalents and bank overdrafts		89,971	176,054
Cash, cash equivalents and bank overdrafts at beginning of the year		594,544	418,490
Cash, cash equivalents and bank overdrafts at end of the year		<u>684,515</u>	<u>594,544</u>

The notes on pages 10 to 23 are an integral part of these financial statements.

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

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 International Financial Reporting Interpretations Committee's (IFRIC's) 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 £298,337 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 2018 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:

- 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.

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:

- it is expected that IFRS 16 will result in material increases in non-current assets and liabilities through recognition of a right-of-use asset and lease liability.

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 2018

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 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.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

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 2018

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 Fees*

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 Fees*

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 proportion of daily fees charged in accordance with IMSO business plan.
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INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

1.11 Revenue recognition (continued)

(c) *Iridium Fees*

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 Fees*

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.

(f) *General Statement*

Revenue from other sources is recognised as performance obligations are satisfied and is measured at the fair value of consideration receivable, in accordance with IFRS 15.

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 4 Albert Embankment, London, SE1 7SR, United Kingdom.

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 on the basis of salary scales applied worldwide, and established by the General Assembly of the United Nations on the recommendation of ICSC, 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.

2.1 Financial risk factors (continued)

(ii) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to trade receivables both in terms of outstanding receivables and committed transactions. For banks and financial institutions, the Organization uses the Royal Bank of Scotland plc which has a top-rating. Trade receivables relate to various Data Centres which provide LRIT services. These generally are funded by national governments and therefore do not, in the opinion of the Director General, represent a significant risk to the Organization. No trade receivable would be capable of mounting material debts as services would be withdrawn if one year's funds remained outstanding. No credit losses were incurred during the period under review, and management do not expect any 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 £684,515 (2017 - £594,544) 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.

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.

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.

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

The segment information for the year ended 31 December 2018 is as follows:

Income statement	Note	2018						2017					
		GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total
		£	£	£	£	£	£	£	£	£	£	£	£
Continuing operations													
Revenue		677,937	579,142	106,209	6,370	(166,392)	1,203,266	484,350	327,719	95,922	59,335	(109,926)	857,400
Administrative expenses	10	(677,036)	(358,812)	(106,137)	(6,298)	166,392	(981,891)	(483,473)	(306,418)	(95,850)	(59,304)	109,926	(835,119)
Operating surplus		901	220,330	72	72	-	221,375	877	21,301	72	31	-	22,281
Finance income	11	301	45	-	-	-	346	491	59	-	-	-	550
Finance costs	11	(901)	(96)	(72)	(72)	-	(1,141)	(877)	(120)	(72)	(31)	-	(1,100)
Surplus for the year		301	220,279	-	-	-	220,580	491	21,240	-	-	-	21,731

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

The segment information for the year ended 31 December 2018 is as follows:

Balance sheet	Note	2018					2017						
		GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total
		£	£	£	£	£	£	£	£	£	£	£	£
Assets													
Non-current assets													
Property, plant and Equipment	5	3,183	1,364	-	-	-	4,547	7,049	5,185	-	-	-	12,234
Current assets													
Trade and other Receivables	6	125,916	71,751	10,583	705	(110,967)	97,988	148,244	27,249	19,374	-	(133,014)	61,853
Cash and cash Equivalents	7	217,664	368,365	95,261	3,225	-	684,515	234,643	263,469	48,889	47,543	-	594,544
		343,580	440,116	105,844	3,930	(110,967)	782,503	382,887	290,718	68,263	47,543	(133,014)	656,397
Total assets		346,763	441,480	105,844	3,930	(110,967)	787,050	389,936	295,903	68,263	47,543	(133,014)	668,631
Reserves and liabilities													
Reserves													
General reserve	15	-	298,337	-	-	-	298,337	77,853	-	-	-	-	77,853
Interest reserve	15	114,448	-	-	-	-	114,448	114,102	-	-	-	-	114,102
LRIT Contingency Reserve	15	-	53,296	-	-	-	53,296	-	53,546	-	-	-	53,546
		114,448	351,633	-	-	-	466,081	114,102	131,399	-	-	-	245,501
Liabilities													
Non-current liabilities													
Provisions	9	46,723	38,521	-	-	-	85,244	43,462	35,262	-	-	-	78,724
Current liabilities													
Trade and other Payables	8	185,592	51,326	105,844	3,930	(110,967)	235,725	232,372	129,242	68,263	47,543	(133,014)	344,406
		232,315	89,847	105,844	3,930	(110,967)	320,969	275,834	164,504	68,263	47,543	(133,014)	423,130
Total liabilities		346,763	441,480	105,844	3,930	(110,967)	787,050	389,936	295,903	68,263	47,543	(133,014)	668,631

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

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

	2018					2017				
	GMDSS	LRIT	Iridium	Inmarsat	Total	GMDSS	LRIT	Iridium	Inmarsat	Total
	£	£	£	£	£	£	£	£	£	£
Inter fund debtors	110,967	-	-	-	110,967	133,014	-	-	-	133,014
Inter fund creditors	-	1,193	105,844	3,930	110,967	-	23,474	67,662	41,878	133,014

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
	£	£	£
Cost			
At 1 January 2018	8,654	50,099	58,753
Additions	-	-	-
At 31 December 2018	8,654	50,099	58,753
Depreciation			
At 1 January 2018	6,923	39,596	46,519
Change for the year	1,731	5,956	7,687
At 31 December 2018	8,654	45,552	54,206
Carrying amount			
At 31 December 2018	-	4,547	4,547
At 31 December 2017	1,731	10,503	12,234

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

6. Trade and other receivables

	2018					2017						
	GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total
	£	£	£	£	£	£	£	£	£	£	£	£
Trade receivables	-	61,980	10,583	705	-	73,268	-	16,607	19,374	-	-	35,981
Prepayments	3,547	2,170	-	-	-	5,717	2,441	2,116	-	-	-	4,557
Taxation	11,402	7,601	-	-	-	19,003	12,789	8,526	-	-	-	21,315
Inter-fund balance	110,967	-	-	-	(110,967)	-	133,014	-	-	-	(133,014)	-
	<u>125,916</u>	<u>71,751</u>	<u>10,583</u>	<u>705</u>	<u>(110,967)</u>	<u>97,988</u>	<u>148,244</u>	<u>27,249</u>	<u>19,374</u>	<u>-</u>	<u>(133,014)</u>	<u>61,853</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.

	2018					2017						
	GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total
	£	£	£	£	£	£	£	£	£	£	£	£
Cash and cash equivalents	217,664	368,365	95,261	3,225	-	684,515	234,643	263,469	48,889	47,543	-	594,544

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

8. Trade and other payables

	2018					2017						
	GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total
	£	£	£	£	£	£	£	£	£	£	£	£
Trade payable	41,622	11,814	-	-	-	53,436	15,287	6,554	601	5,665	-	28,107
Accrued expenses	7,843	3,634	-	-	-	11,477	10,515	4,506	-	-	-	15,021
Social security and other taxation	20,430	12,785	-	-	-	33,215	464	308	-	-	-	772
Deferred income	-	21,900	-	-	-	21,900	-	94,400	-	-	-	94,400
Legal fund	100,000	-	-	-	-	100,000	100,000	-	-	-	-	100,000
Inmarsat surplus	15,697	-	-	-	-	15,697	106,106	-	-	-	-	106,106
Iridium surplus	-	-	-	-	-	-	-	-	-	-	-	-
Inter-fund balance	-	1,193	105,844	3,930	(110,967)	-	-	23,474	67,662	41,878	(133,014)	-
	185,592	51,326	105,844	3,930	(110,967)	235,725	232,372	129,242	68,263	47,543	(133,014)	344,406

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

	2018		2017	
	GMDSS	LRIT	Total	Total
Repatriation grant (see below)	46,723	38,521	85,244	78,724
			GMDSS	LRIT
			43,462	35,262
				78,724

The Organization is committed to providing repatriation grants to employees who are not UK nationals upon their leaving employment. The total provision increased by £6,520 in total during the year. The provision for GMDSS increased by £3,260 and for LRIT by £3,260.

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

10. Expenses by nature

	2018					2017						
	GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total
	£	£	£	£	£	£	£	£	£	£	£	£
Employees' benefits expenses	388,559	227,923	-	-	-	616,482	335,102	224,603	-	-	-	559,705
Pension costs - (defined contribution)	50,445	32,151	-	-	-	82,596	48,899	33,693	-	-	-	82,592
Depreciation	4,008	3,679	-	-	-	7,687	3,875	2,848	-	-	-	6,723
IMSO daily fees	57,759	-	104,854	3,779	(166,392)	-	-	67,374	42,552	(109,926)	-	-
Other expenses	176,265	95,059	1,283	2,519	-	275,126	95,597	45,274	28,476	16,752	-	186,099
Administrative expenses	677,036	358,812	106,137	6,298	(166,392)	981,891	483,473	306,418	95,850	59,304	(109,926)	835,119

11. Finance income and costs

	2018					2017				
	GMDSS	LRIT	Iridium	Inmarsat	Total	GMDSS	LRIT	Iridium	Inmarsat	Total
	£	£	£	£	£	£	£	£	£	£
Interest expense – bank charges	(901)	(96)	(72)	(72)	(1,141)	(877)	(120)	(72)	(31)	(1,100)
Net finance costs	(901)	(96)	(72)	(72)	(1,141)	(877)	(120)	(72)	(31)	(1,100)
Finance income	301	45	-	-	346	491	59	-	-	550
Net finance (costs)/ income	(600)	(51)	(72)	(72)	(795)	(386)	(61)	(72)	(31)	(550)

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

	2018	2017
	£	£
12. Cash generated from operations		
Surplus for the year	220,580	21,731
Adjustments for:		
Depreciation	7,687	6,723
Net finance costs	795	550
Trade and other receivables	(36,135)	34,996
Trade and other payables	(108,681)	117,484
Provisions	6,520	(3,422)
Cash generated from operations	<u>90,766</u>	<u>178,062</u>

13. Operating leases

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

	2018	2017
	£	£
<i>Land and buildings</i>		
- not later than one year	48,251	-
- later than one year and not later than five years	233,213	-
- later than five years	-	-
	<u>281,464</u>	<u>-</u>

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

14. Financial instruments

All financial instruments are held and denominated in UK pounds.

Assets as per balance sheet

	2018 £	Loans and receivables 2017 £
Trade and other receivables excluding prepayments	92,271	57,296
Cash and cash equivalents	684,515	594,544
	<u>776,786</u>	<u>651,840</u>

Liabilities as per balance sheet

	2018 £	Financial liabilities at amortised cost 2017 £
Trade and other payables excluding statutory liabilities	235,725	344,406
Provisions	85,244	78,724
	<u>320,969</u>	<u>423,130</u>

15. Reserves

	General reserve £	Interest reserve £	LRRIT Contingency reserve £	Total £
Balance as at 1 January 2018	77,853	114,102	53,546	245,501
Transfer from reserves	250	-	(250)	-
Surplus for the year	220,234	346	-	220,580
Balance as at 31 December 2018	<u>298,337</u>	<u>114,448</u>	<u>53,296</u>	<u>466,081</u>

The General reserve represents surplus/(deficit) funds in relation to the Organization's LRRIT functions. The LRRIT 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 2018, £10,000 was transferred to the Contingency reserve. However, the amount of £10,250 that was transferred to the LRRIT Contingency reserve in 2017 to spread the costs relating to the 2018 Assembly was 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 LRRIT Contingency Fund.

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

16. Related Parties

Key management compensation

The costs to the Organization or payable to key management for employee services are shown below:

	2018	2017
	£	£
Salaries and other staff short-term employee benefits	188,831	196,733
Post-employment benefits	36,814	38,013
Repatriation / Assignment Grants	-	-
	<u>225,645</u>	<u>234,746</u>

The amount of £23,694 (2017 - £15,212) was owed to the key management at the year end and is included within the total for trade payables in note 8.

INTERNATIONAL MOBILE SATELLITE ORGANIZATION
D E T A I L E D S T A T E M E N T O F I N C O M E A N D E X P E N D I T U R E
Year ended 31 December 2018

	Note	2018					2017						
		GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total
		£	£	£	£	£	£	£	£	£	£	£	£
General fund													
Income													
Contributions													
Inmarsat – ordinary		519,828	-	-	-	-	-	-	-	-	-	-	476,155
Other parties – ordinary		67,699	579,142	106,209	6,370	(166,392)	519,828	327,719	95,922	59,335	(109,926)	439,006	
Less: Inmarsat – (overpaid)/ underpaid contributions		90,410	-	-	-	-	90,410	(57,761)	-	-	-	(57,761)	
Other income													
Interest received		172	-	-	-	-	172	306	-	-	-	306	
Interest received on Legal fund		129	-	-	-	-	129	185	-	-	-	185	
Interest received on Contingency fund		-	45	-	-	-	45	-	59	-	-	59	
		<u>678,238</u>	<u>579,187</u>	<u>106,209</u>	<u>6,370</u>	<u>(166,392)</u>	<u>1,203,612</u>	<u>484,841</u>	<u>327,778</u>	<u>95,922</u>	<u>59,335</u>	<u>(109,926)</u>	<u>857,950</u>
Expenditure													
Directorate staff costs	10	439,004	260,074	-	-	-	699,078	384,001	258,296	-	-	-	642,297
Office maintenance costs (including bank charges)	10	88,731	50,444	461	424	-	140,060	30,227	20,319	553	444	-	51,543
Rent	10	33,920	20,523	-	-	-	54,443	36,167	24,470	-	-	-	60,637
Travel costs	10	43,988	7,187	-	338	-	51,513	33,868	3,366	17,190	1,383	-	55,807
Meeting costs	10	14,535	20,680	-	-	-	35,215	87	87	-	-	-	174
Consultancy	10	-	-	894	1,829	-	2,723	-	-	10,805	14,956	-	25,761
IMSO Daily Fees	10	57,759	-	104,854	3,779	(166,392)	-	-	-	67,374	42,552	(109,926)	-
Bad Debt	10	-	-	-	-	-	-	-	-	-	-	-	-
		<u>677,937</u>	<u>358,908</u>	<u>106,209</u>	<u>6,370</u>	<u>(166,392)</u>	<u>983,032</u>	<u>484,350</u>	<u>306,538</u>	<u>95,922</u>	<u>59,335</u>	<u>(109,926)</u>	<u>836,219</u>
Operating surplus		<u>301</u>	<u>220,279</u>	-	-	-	<u>220,580</u>	<u>491</u>	<u>21,240</u>	-	-	-	<u>21,731</u>

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INTERNATIONAL MOBILE SATELLITE ORGANIZATION
DETAILED STATEMENT OF INCOME AND EXPENDITURE (continued)
Year ended 31 December 2018

Note	2018						2017					
	GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total
	£	£	£	£	£	£	£	£	£	£	£	£
General reserve												
Balance brought forward	-	77,853	-	-	-	77,853	-	76,922	-	-	-	76,922
Transfer to interest reserve	(301)	(45)	-	-	-	(346)	(491)	(59)	-	-	-	(550)
Transfer to LRIT	-	250	-	-	-	250	-	(20,250)	-	-	-	(20,250)
Contingency reserve	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from LRIT	-	-	-	-	-	-	-	-	-	-	-	-
Contingency reserve	-	-	-	-	-	-	-	-	-	-	-	-
Balance carried forward (page 6)	-	298,337	-	-	-	298,337	-	77,853	-	-	-	77,853
Interest reserve												
Balance brought forward	113,698	404	-	-	-	114,102	113,207	345	-	-	-	113,552
Transfer from General reserve 15	301	45	-	-	-	346	491	59	-	-	-	550
Balance carried forward (page 6)	113,999	449	-	-	-	114,448	113,698	404	-	-	-	114,102
LRIT Contingency reserve												
Balance brought forward 15	-	53,546	-	-	-	53,546	-	33,296	-	-	-	33,296
Transfer to General reserve 15	-	(250)	-	-	-	(250)	-	20,250	-	-	-	20,250
Transfer from General reserve 15 -	-	-	-	-	-	-	-	-	-	-	-	-
Balance carried forward (page 6)	-	53,296	-	-	-	53,296	-	53,546	-	-	-	53,546

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INTERNATIONAL MOBILE SATELLITE ORGANIZATION

DETAILED BALANCE SHEET

At 31 December 2018

Balance sheet	Note	2018					2017						
		GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total
		£	£	£	£	£	£	£	£	£	£	£	£
Tangible fixed Assets	5	3,183	1,364	-	-	-	4,547	7,049	5,185	-	-	-	12,234
Current assets													
Trade debtors	6	-	61,980	10,583	705	-	73,268	-	16,607	19,374	-	-	35,981
Other debtors	6	-	-	-	-	-	-	-	-	-	-	-	-
Taxation	6	11,402	7,601	-	-	-	19,003	12,789	8,526	-	-	-	21,315
Prepayments	6	3,547	2,170	-	-	-	5,717	2,441	2,116	-	-	-	4,557
Cash at bank	7	217,664	368,365	95,261	3,225	-	684,515	234,643	263,469	48,889	47,543	-	594,544
Inter-fund balance	4	110,967	-	-	-	(110,967)	-	133,014	-	-	(133,014)	-	-
		343,580	440,116	105,844	3,930	(110,967)	782,503	382,887	290,718	68,263	47,543	(133,014)	656,397
Creditors: amounts falling due within one year													
Accounts payable	8	57,319	11,814	-	-	-	69,133	121,393	6,554	601	5,665	-	134,213
Other creditors	8	120,430	12,785	-	-	-	133,215	100,464	308	-	-	-	100,772
Accruals	8	7,843	3,634	-	-	-	11,477	10,515	4,506	-	-	-	15,021
Deferred income	8	-	21,900	-	-	-	21,900	-	94,400	-	-	-	94,400
Inter fund balance	4	-	1,193	105,844	3,930	(110,967)	-	-	23,474	67,662	41,878	(133,014)	-
		185,592	51,326	105,844	3,930	(110,967)	235,725	232,372	129,242	68,263	47,543	(133,014)	344,406
Net current assets		157,988	388,790	-	-	-	546,778	150,515	161,476	-	-	-	311,991

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INTERNATIONAL MOBILE SATELLITE ORGANIZATION

DETAILED BALANCE SHEET (continued)

At 31 December 2018

Balance sheet	Note	2018					2017						
		GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total
		£	£	£	£	£	£	£	£	£	£	£	£
Creditors: amounts falling due in more than one year													
Provisions	9	46,723	38,521	-	-	-	85,244	35,262	-	-	-	-	78,724
Net assets (liabilities)		114,448	351,633	-	-	-	466,081	114,102	131,399	-	-	-	245,501
Representing:													
Accumulated funds													
General reserve	15	-	298,337	-	-	-	298,337	77,853	-	-	-	-	77,853
Interest reserve	15	114,448	-	-	-	-	114,448	-	-	-	-	-	114,102
LRIT Contingency reserve	15	-	53,296	-	-	-	53,296	53,546	-	-	-	-	53,546
		114,448	351,633	-	-	-	466,081	114,102	131,399	-	-	-	245,501

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INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NON - STATUTORY DETAILED STATEMENT OF
INCOME AND EXPENDITURE

Year ended 31 December 2018

	2018					2017						
	GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total
	£	£	£	£	£	£	£	£	£	£	£	£
General fund												
Income – Contributions												
Inmarsat – ordinary	519,828	-	-	-	-	519,828	476,155	-	-	-	-	476,155
Other parties – ordinary	67,699	579,142	115,000	-	(166,392)	595,449	65,956	327,719	74,988	65,000	(109,926)	423,737
Other income												
Interest received	172	-	-	-	-	172	306	-	-	-	-	306
Interest received on LRIT	-	45	-	-	-	45	-	59	-	-	-	59
Contingency Fund	129	-	-	-	-	129	185	-	-	-	-	185
Interest received on Legal fund	587,828	579,187	115,000	-	(166,392)	1,115,623	542,602	327,778	74,988	65,000	(109,926)	900,442
Expenditure												
Directorate staff costs	435,744	256,814	-	-	-	692,558	387,367	258,352	-	-	-	645,719
Office maintenance costs	88,731	50,444	461	424	-	140,060	30,227	20,319	553	444	-	51,543
Rent	33,920	20,523	-	-	-	54,443	36,167	24,470	-	-	-	60,637
Travel costs	43,988	7,187	-	338	-	51,513	33,868	3,366	17,190	1,383	-	55,807
Consultancy Fees	-	-	894	1,829	-	2,723	-	-	10,805	14,956	-	25,761
IMSO daily fees	57,759	-	104,854	3,779	(166,392)	-	-	-	67,374	42,552	(109,926)	-
Meeting costs	14,535	20,680	-	-	-	35,215	87	87	-	-	-	174
	674,677	355,648	106,209	6,370	(166,392)	976,512	487,716	306,594	95,922	59,335	(109,926)	839,641
Operating surplus/(deficit)	(86,849)	223,539	8,791	(6,370)	-	139,111	54,886	21,184	(20,934)	5,665	-	60,801

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INTERNATIONAL MOBILE SATELLITE ORGANIZATION

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

Year ended 31 December 2018

	2018					2017						
	GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total
	£	£	£	£	£	£	£	£	£	£	£	£
Transfer to Interest reserve	(301)	(45)	-	-	-	(346)	(491)	(59)	-	-	-	(550)
Transfer from LRIT Contingency reserve	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from LRIT Contingency reserve	-	250	-	-	-	250	-	(20,250)	-	-	-	(20,250)
Fund surplus/(deficit) current year	(87,150)	223,744	8,791	(6,370)	-	139,015	54,395	875	(20,934)	5,665	-	40,001
Balance brought forward	149,568	113,115	(19,374)	5,665	-	248,974	95,173	112,240	1,560	-	-	208,973
Fund surplus total	62,418	336,859	(10,583)	(705)	-	387,989	149,568	113,115	(19,374)	5,665	-	248,974
Exceptional items:												
Post-retirement benefits & Repatriation/Relocation grants	(3,260)	(3,260)	-	-	-	(6,520)	3,366	56	-	-	-	3,422
Prior year adjustment effect	(43,462)	(35,262)	-	-	-	(78,724)	(46,828)	(35,318)	-	-	-	(82,146)
Fund surplus/(deficit) including exceptional items	15,696	298,337	(10,583)	(705)	-	302,745	106,106	77,853	(19,374)	5,665	-	170,250
Interest reserve												
Balance brought forward	113,698	404	-	-	-	114,102	113,207	345	-	-	-	113,552
Transfer from General reserve	301	45	-	-	-	346	491	59	-	-	-	550
Balance carried forward	113,999	449	-	-	-	114,448	113,698	404	-	-	-	114,102
LRIT Contingency reserve												
Balance brought forward	-	53,546	-	-	-	53,546	-	33,296	-	-	-	33,296
Transfer to General reserve	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from General reserve	-	(250)	-	-	-	(250)	-	20,250	-	-	-	20,250
Balance carried forward	-	53,296	-	-	-	53,296	-	53,546	-	-	-	53,546

This page does not form part of the audited financial statements