

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

GENERAL INFORMATION AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2019

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

I N D E X

Year ended 31 December 2019

	Page
General information	2
Auditor's report	4
Income statement	6
Balance sheet	7
Statement of changes in reserves	8
Statement of cash flows	9
Notes to the financial statements	10

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 2019

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, making him 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.

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 2019 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, as a regular practice has approached governments and 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 is currently at 105 Member States.

Global Maritime Distress and Safety System

Following the resolution by MSC 99 in 2018 containing the statement of recognition of Iridium as a GMDSS service provider, in 2019 IMSO continued to monitor the implementation of the recognized services by Iridium. This process of implementation has included the signing of a Public Services Agreement by both parties on 12 May 2019 and subsequently the issuance of the Letter of Compliance by IMSO on 19 December 2019. Iridium is now authorised to provide services recognised in the GMDSS from 1 January 2020, launching the system into a multi-provider environment.

With regard to an application from China for the introduction of the BeiDou Message Service System (BDMSS) as a recognised GMDSS service provider, the IMO Maritime Safety Committee (MSC) at its 99th session in 2018, accepted the application and invited the Navigation, Communication Search and Rescue Sub-Committee (NCSR) to proceed with the assessment process inviting IMSO

to conduct the Technical and Operational Assessment. Pursuant to the MSC decision IMSO has worked with NCSR 7 and BDMSS to carry forward the process.

Long Range Identification and Tracking of Ships

The Director General mobilised special efforts in pursuing possible new members to join the LRIT system. In 2019 4 new SOLAS Contracting Governments have joined the system (Albania, Georgia, Peru and Tunisia) resulting in higher implementation, as well as reducing the LRIT audit fee.

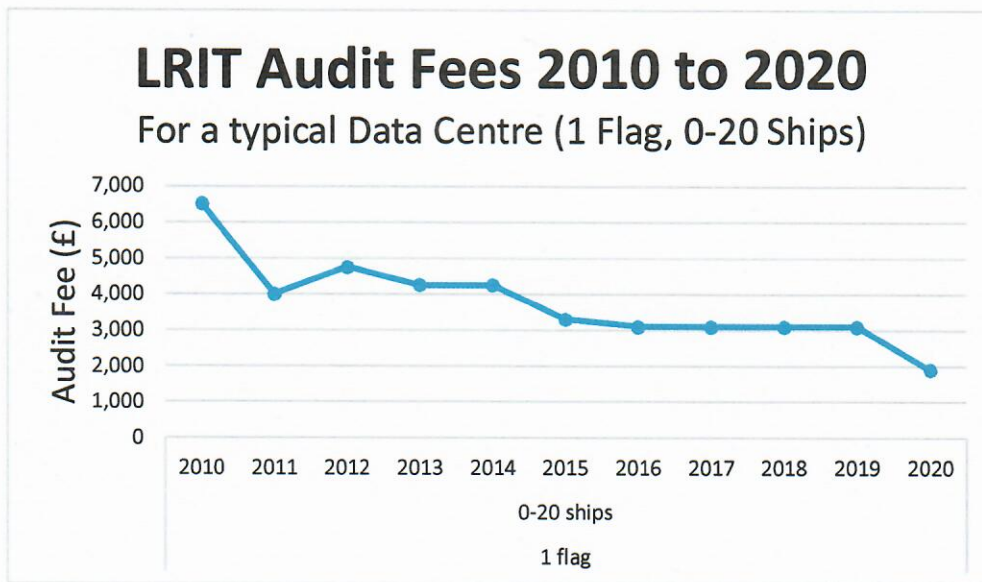
Following the success of the 2018 international seminar on the “Effective Implementation and Management of the LRIT System” and the involvement of new Contracting Governments in the LRIT system in the timeframe since, the Director General has begun planning to conduct a similar seminar for outreach purposes in 2020.

With a view to enhance the system development, during 2019 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.

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 a significantly lower audit fee for LRIT (in general, no increase in fees since 2015, excepting for the cases of change in LRIT audit fee charging formulae and increase in number of ships under a flag). Strict financial control measures, recovery of debts from the data centre audits and integration of new LRIT data centres, reintegration of disconnected data centres, staff motivation have enabled the Director General to maintain stable and historically low audit fees. The Director General is implementing a further reduction in Audit Fees for 2020, as a result of the success of the measures implemented during his tenure.



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

5 May 2020

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

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

Year ended 31 December 2019

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 2019, 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 2019 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 Financial Reporting Council's (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.



.....
Dixon Wilson Audit Services LLP, Statutory Auditor
22 Chancery Lane
London
WC2A 1LS

7 May 2020

INTERNATIONAL MOBILE SATELLITE ORGANIZATION**I N C O M E S T A T E M E N T****Year ended 31 December 2019**

	Note	2019	2018
		£	£
Continuing Operations			
Revenue		1,227,962	1,203,266
Administrative expenses	10	(1,064,138)	(981,891)
Operating surplus		<u>163,824</u>	<u>221,375</u>
Finance income	11	874	346
Finance costs	11	(1,365)	(1,141)
Surplus for the year		<u>163,333</u>	<u>220,580</u>

The notes on pages 10 to 24 are an integral part of these financial statements.

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

BALANCE SHEET

At 31 December 2019

	Note	2019 £	2018 restated £
Assets			
Non-current assets			
Property, plant and equipment	5	402,103	437,581
		<u>402,103</u>	<u>437,581</u>
Current assets			
Trade and other receivables	6	143,192	97,988
Cash and cash equivalents	7	801,737	684,515
		<u>944,929</u>	<u>782,503</u>
Total assets		<u>1,347,032</u>	<u>1,220,084</u>
Reserves and liabilities			
Reserves			
General reserve	15	433,857	298,337
Interest reserve	15	115,322	114,448
LRIT Contingency reserve	15	73,546	53,296
GMDSS Contingency reserve	15	6,689	-
		<u>629,414</u>	<u>466,081</u>
Liabilities			
Non-current liabilities			
Provisions	9	90,444	85,244
Office lease	13	371,172	402,103
		<u>461,616</u>	<u>487,347</u>
Current liabilities			
Trade and other payables	8	256,002	266,656
Total liabilities		<u>717,618</u>	<u>754,003</u>
Total reserves and liabilities		<u>1,347,032</u>	<u>1,220,084</u>

The notes on pages 10 to 24 are an integral part of these financial statements. The financial statements on pages 6 to 31 were authorised for issue by the Director General on 5 May 2020.

Moin Ahmed
Director General

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

S T A T E M E N T O F C H A N G E S I N R E S E R V E S

Year ended 31 December 2019

	Note	General reserve £	Interest reserve £	LRIT Contingency reserve £	GMDSS Contingency reserve £	Total £
Balance at 31 December 2018	15	298,337	114,448	53,296	-	466,081
Transfer between reserves	15	-	-	20,250	6,689	26,939
Surplus for the year	15	135,520	874	-	-	136,394
Balance at 31 December 2019		<u>433,857</u>	<u>115,322</u>	<u>73,546</u>	<u>6,689</u>	<u>629,414</u>

The notes on pages 10 to 24 are an integral part of these financial statements.

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

S T A T E M E N T O F C A S H F L O W S

Year ended 31 December 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	12	117,713	90,766
Interest paid		(1,365)	(1,141)
Net cash from operating activities		<u>116,348</u>	<u>89,625</u>
Cash flows from investing activities			
Interest received		874	346
Net cash received/(used in) from investing activities		<u>874</u>	<u>346</u>
Net increase in cash, cash equivalents and bank overdrafts		117,222	89,971
Cash, cash equivalents and bank overdrafts at beginning of the year		684,515	594,544
Cash, cash equivalents and bank overdrafts at end of the year		<u>801,737</u>	<u>684,515</u>

The notes on pages 10 to 24 are an integral part of these financial statements.

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

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 £433,857 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 2019 are the eighth 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 and have had a material impact on the financial statements. None of the other standards, interpretations and amendments effective for the first time from 1 January 2019 have had a material effect on the financial statements.

IFRS 16: Leases

The introduction of IFRS 16 removes the distinction between operating leases (off balance sheet) and finance leases (on balance sheet) for lessee accounting. A new model where a right-of-use asset and a corresponding liability has to be recognised for all leases by lessees.

The standard has been applied retrospectively to restate comparatives for fixed assets, current and non-current liabilities, depreciation and rent expenses.

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

There are no new standards, amendments and interpretations that are not yet effective.

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 2019

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) GMDSS and LRIT Contingency reserves: The GMDSS and LRIT Contingency reserves relate 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 2019

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 GMDSS satellite service providers payable in respect of the Organization's oversight of mobile satellite service providers' 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.
-

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

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

At inception of a contract, the Organisation assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where a lease is identified, a right-of-use asset and lease liability are recognised at the lease commencement date.

The lease liability is initially measured at the value of expected future payments under the lease, including those payable under any extension options if these are reasonably certain to be exercised. Future payments are not discounted, as the convention of the Organisation and its underlying purpose mean that an appropriate incremental borrowing rate is substantially nil.

The right-of-use asset is initially measured at cost, which is equal to the value of the initial lease liability. It is subsequently depreciated on a straight line basis over the lease term.

1.13 Organization's principal place of business

The Organization's principal place of business is 4 Albert Embankment, London, SE1 7SR, United Kingdom.

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

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.

(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 £801,737 (2018 - £684,515) capable of being used to meet liquidity requirements. The Director General constantly monitors the Organization's cash position, and considers the liquidity risk to the Organization at the year-end to be low.

2.2 Capital risk management

The Director General's objective when managing capital is to safeguard the Organization's ability to continue as a going concern in order to meet the Organization's responsibilities to Member States. 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.

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

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 2019

The segment information for the year ended 31 December 2019 is as follows:

Income statement	Note	2019						2018					
		GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total
		£	£	£	£	£	£	£	£	£	£	£	£
Continuing operations													
Revenue		715,930	494,296	79,136	11	(61,411)	1,227,962	677,937	579,142	106,209	6,370	(166,392)	1,203,266
Administrative expenses	10	(708,135)	(338,350)	(79,064)	-	61,411	(1,064,138)	(677,036)	(358,812)	(106,137)	(6,298)	166,392	(981,891)
Operating surplus		7,795	155,946	72	11	-	163,824	901	220,330	72	72	-	221,375
Finance income	11	747	127	-	-	-	874	301	45	-	-	-	346
Finance costs	11	(1,106)	(176)	(72)	(11)	-	(1,365)	(901)	(96)	(72)	(72)	-	(1,141)
Surplus for the year		7,436	155,897	-	-	-	163,333	301	220,279	-	-	-	220,580

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

The segment information for the year ended 31 December 2019 is as follows:

Balance sheet	Note	2019						2018 restated					
		GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total
		£	£	£	£	£	£	£	£	£	£	£	£
Assets													
Non-current assets													
Property, plant and Equipment	5	251,998	150,105	-	-	-	402,103	274,551	163,030	-	-	-	437,581
Current assets													
Trade and other Receivables	6	133,481	97,384	9,209	716	(97,598)	143,192	125,916	71,751	10,583	705	(110,967)	97,988
Cash and cash Equivalents	7	224,622	505,833	71,282	-	-	801,737	217,664	368,365	95,261	3,225	-	684,515
		358,103	603,217	80,491	716	(97,598)	944,929	343,580	440,116	105,844	3,930	(110,967)	782,503
Total assets		610,101	753,322	80,491	716	(97,598)	1,347,032	618,131	603,146	105,844	3,930	(110,967)	1,220,084
Reserves and liabilities													
Reserves													
General reserve	15	-	433,857	-	-	-	433,857	-	298,337	-	-	-	298,337
Interest reserve	15	115,322	-	-	-	-	115,322	114,448	-	-	-	-	114,448
Contingency reserve	15	6,689	73,546	-	-	-	80,235	-	53,296	-	-	-	53,296
		122,011	507,403	-	-	-	629,414	114,448	351,633	-	-	-	466,081
Liabilities													
Non-current liabilities													
Provisions	9	49,323	41,121	-	-	-	90,444	46,723	38,521	-	-	-	85,244
Office lease	9	232,601	138,571	-	-	-	371,172	251,985	150,118	-	-	-	402,103
		281,924	179,692	-	-	-	461,616	298,708	188,639	-	-	-	487,347
Current liabilities													
Trade and other Payables	8	206,166	66,227	80,491	716	(97,598)	256,002	204,975	62,874	105,844	3,930	(110,967)	266,656
Total liabilities		488,090	245,919	80,491	716	(97,598)	717,618	503,683	251,513	105,844	3,930	(110,967)	754,003
Total reserves and liabilities		610,101	753,322	80,491	716	(97,598)	1,347,032	618,131	603,146	105,844	3,930	(110,967)	1,220,084

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

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

	2019					2018				
	GMDSS	LRIT	Iridium	Inmarsat	Total	GMDSS	LRIT	Iridium	Inmarsat	Total
	£	£	£	£	£	£	£	£	£	£
Inter fund debtors	97,598	-	-	-	97,598	110,967	-	-	-	110,967
Inter fund creditors	-	16,391	80,491	716	97,598	-	1,193	105,844	3,930	110,967

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

	Office lease £	Plant and equipment £	Total £
Cost			
At 1 January 2019	448,500	50,099	498,599
Additions	-	-	-
At 31 December 2019	448,500	50,099	498,599
Depreciation			
At 1 January 2019	15,466	45,552	61,018
Change for the year	30,931	4,547	35,478
At 31 December 2019	46,397	50,099	96,496
Carrying amount			
At 31 December 2019	402,103	-	402,103
At 31 December 2018	433,034	4,547	437,581

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

6. Trade and other receivables

	2019						2018					
	GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total
	£	£	£	£	£	£	£	£	£	£	£	£
Trade receivables	-	74,576	9,209	716	-	84,501	-	61,980	10,583	705	-	73,268
Prepayments	13,698	8,018	-	-	-	21,716	3,547	2,170	-	-	-	5,717
Taxation	22,185	14,790	-	-	-	36,975	11,402	7,601	-	-	-	19,003
Inter-fund balance	97,598	-	-	-	(97,598)	-	110,967	-	-	-	(110,967)	-
	<u>133,481</u>	<u>97,384</u>	<u>9,209</u>	<u>716</u>	<u>(97,598)</u>	<u>143,192</u>	<u>125,916</u>	<u>71,751</u>	<u>10,583</u>	<u>705</u>	<u>(110,967)</u>	<u>97,988</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.

	2019						2018					
	GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total
	£	£	£	£	£	£	£	£	£	£	£	£
Cash and cash equivalents	224,622	505,833	71,282	-	-	801,737	217,664	368,365	95,261	3,225	-	684,515

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

8. Trade and other payables

	2019						2018 restated					
	GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total
	£	£	£	£	£	£	£	£	£	£	£	£
Trade payable	61,848	14,827	-	-	-	76,675	41,622	11,814	-	-	-	53,436
Accrued expenses	13,347	4,442	-	-	-	17,789	7,843	3,634	-	-	-	11,477
Office lease	19,383	11,548	-	-	-	30,931	19,383	11,548	-	-	-	30,931
Social security and other taxation	929	619	-	-	-	1,548	20,430	12,785	-	-	-	33,215
Deferred income	-	18,400	-	-	-	18,400	-	21,900	-	-	-	21,900
Legal fund	100,000	-	-	-	-	100,000	100,000	-	-	-	-	100,000
GMDSS surplus	10,659	-	-	-	-	10,659	15,697	-	-	-	-	15,697
Inter-fund balance	-	16,391	80,491	716	(97,598)	-	-	1,193	105,844	3,930	(110,967)	-
	<u>206,166</u>	<u>66,227</u>	<u>80,491</u>	<u>716</u>	<u>(97,598)</u>	<u>256,002</u>	<u>204,975</u>	<u>62,874</u>	<u>105,844</u>	<u>3,930</u>	<u>(110,967)</u>	<u>266,656</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

	2019			2018		
	GMDSS	LRIT	Total	GMDSS	LRIT	Total
Repatriation grant (see below)	<u>49,322</u>	<u>41,122</u>	<u>90,444</u>	<u>46,723</u>	<u>38,521</u>	<u>85,244</u>

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 2019

10. Expenses by nature

	2019					2018						
	GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total
	£	£	£	£	£	£	£	£	£	£	£	£
Employees' benefits expenses	425,941	254,087	-	-	-	680,028	388,559	227,923	-	-	-	616,482
Pension costs - (defined contribution)	59,399	36,603	-	-	-	96,002	50,445	32,151	-	-	-	82,596
Depreciation	22,566	12,912	-	-	-	35,478	13,700	9,453	-	-	-	23,153
IMSO daily fees	-	-	61,411	-	(61,411)	-	57,759	-	104,854	3,779	(166,392)	-
Other expenses	200,229	34,748	17,653	-	-	252,630	166,573	89,285	1,283	2,519	-	259,660
Administrative expenses	(708,135)	(338,350)	(79,064)	-	61,411	(1,064,138)	677,036	358,812	106,137	6,298	(166,392)	981,891

11. Finance income and costs

	2019					2018				
	GMDSS	LRIT	Iridium	Inmarsat	Total	GMDSS	LRIT	Iridium	Inmarsat	Total
	£	£	£	£	£	£	£	£	£	£
Interest expense – bank charges	(1,106)	(176)	(72)	(11)	(1,365)	(901)	(96)	(72)	(72)	(1,141)
Net finance costs	(1,106)	(176)	(72)	(11)	(1,365)	(901)	(96)	(72)	(72)	(1,141)
Finance income	747	127	-	-	874	301	45	-	-	346
Net finance (costs)/ income	(359)	(49)	(72)	(11)	(491)	(600)	(51)	(72)	(72)	(795)

INTERNATIONAL MOBILE SATELLITE ORGANIZATION**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2019**

12. Cash generated from operations	2019	2018
	£	restated £
Surplus for the year	163,333	220,580
Adjustments for:		
Depreciation	35,478	38,619
Net finance costs	491	795
Trade and other receivables	(45,204)	(36,135)
Trade and other payables	(41,585)	(139,613)
Provisions	5,200	6,520
Cash generated from operations	<u>117,713</u>	<u>90,766</u>

13. Maturity analysis of lease liabilities

All right-of-use assets capitalised under IFRS 16 relate to the lease of offices. Payments due under the corresponding liabilities are expected to become payable as follows:

	2019	2018
	£	restated £
- not later than one year	30,931	30,931
- later than one year and not later than five years	123,724	123,724
- later than five years	247,448	278,379
	<u>402,103</u>	<u>433,034</u>

Total cash paid in the period in respect of recognised lease liabilities was £30,931 (2018 - £15,466).

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

14. Financial instruments

All financial instruments are held and denominated in UK pounds.

Assets as per balance sheet	2019	Loans and receivables	2018
	£		£
Trade and other receivables excluding prepayments	121,476		92,271
Cash and cash equivalents	801,737		684,515
	<u>923,213</u>		<u>776,786</u>
		Financial liabilities at	
		amortised cost	
Liabilities as per balance sheet	2019	2018	restated
	£		£
Trade and other payables excluding statutory liabilities	286,933		266,656
Provisions	90,444		85,244
	<u>377,377</u>		<u>351,900</u>

15. Reserves

	General	Interest	LRIT	GMDSS	Total
	reserve	reserve	Contingency	Contingency	
	£	£	reserve	reserve	£
Balance as at 1 January 2019	298,337	114,448	53,296	-	466,081
Transfer from reserves	-	-	20,250	6,689	26,939
Surplus for the year	135,520	874	-	-	136,394
Balance as at 31 December 2019	<u>433,857</u>	<u>115,322</u>	<u>73,546</u>	<u>6,689</u>	<u>629,414</u>

The General reserve represents surplus/(deficit) funds in relation to the Organization's LRIT functions. The LRIT and GMDSS Contingency reserves are being built up annually but retained separately to cover the cost of future liabilities in relation to repatriation. Therefore, in 2019, £16,689 was transferred to the Contingency reserve. Moreover, in 2019, 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 2020.

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 2019

16. Related Parties

Key management compensation

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

	2019	2018
	£	£
Salaries and other staff short-term employee benefits	191,721	188,831
Post-employment benefits	40,332	36,814
	<u>232,053</u>	<u>225,645</u>

The amount of £24,565 (2018 - £23,694) was owed to the key management at the year end and is included within the total for trade payables in note 8.

17. Post Balance Sheet Events

The Director General has assessed the impact of the Covid-19 pandemic on the ability of the Organisation to carry out its operational activities, including its oversight functions. In a situation of precautionary measures against the pandemic and resultant constraints, the Director General has undertaken necessary measures pursuant to the guidelines circulated by the United Kingdom Government, World Health Organization and IMO, in order to continue to operate as effectively as possible for the foreseeable future.

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

DETAILED STATEMENT OF INCOME AND EXPENDITURE

Year ended 31 December 2019

	Note	2019					2018						
		GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total
		£	£	£	£	£	£	£	£	£	£	£	£
General fund													
Income													
Contributions													
GMDSS – ordinary		652,757	-	-	-	-	652,757	519,828	-	-	-	-	519,828
Other parties – ordinary		58,136	494,290	79,136	11	(61,411)	570,162	67,699	579,142	106,209	6,370	(166,392)	593,028
Less: Inmarsat – underpaid/ (overpaid) contributions		5,037	-	-	-	-	5,037	90,410	-	-	-	-	90,410
Other income													
Interest received		450	-	-	-	-	450	172	-	-	-	-	172
Interest received on Legal fund		297	-	-	-	-	297	129	-	-	-	-	129
Interest received on Contingency fund		-	127	-	-	-	127	-	45	-	-	-	45
		<u>716,677</u>	<u>494,417</u>	<u>79,136</u>	<u>11</u>	<u>(61,411)</u>	<u>1,228,830</u>	<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>
Expenditure													
Directorate staff costs		485,340	290,690	-	-	-	776,030	439,004	260,074	-	-	-	699,078
Office maintenance costs (including bank charges)		135,842	16,725	17,725	11	-	170,303	88,731	50,444	461	424	-	140,060
Rent		30,237	18,014	-	-	-	48,251	33,920	20,523	-	-	-	54,443
Travel costs		57,010	12,285	-	-	-	69,295	43,988	7,187	-	338	-	51,513
Meeting costs		812	812	-	-	-	1,624	14,535	20,680	-	-	-	35,215
Consultancy		-	-	-	-	-	-	-	-	894	1,829	-	2,723
IMSO Daily Fees		-	-	61,411	-	(61,411)	-	57,759	-	104,854	3,779	(166,392)	-
		<u>709,241</u>	<u>338,526</u>	<u>79,136</u>	<u>11</u>	<u>(61,411)</u>	<u>1,065,503</u>	<u>677,937</u>	<u>358,908</u>	<u>106,209</u>	<u>6,370</u>	<u>(166,392)</u>	<u>983,032</u>
Operating surplus		<u>7,436</u>	<u>155,891</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>163,327</u>	<u>301</u>	<u>220,279</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>220,580</u>

This page does not form part of the audited financial statements

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

DETAILED STATEMENT OF INCOME AND EXPENDITURE (continued)

Year ended 31 December 2019

	Note	2019					2018						
		GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total
		£	£	£	£	£	£	£	£	£	£	£	
General reserve													
Balance brought forward		-	298,337	-	-	-	298,337	-	77,853	-	-	-	77,853
Transfer to interest reserve		(747)	(127)	-	-	-	(874)	(301)	(45)	-	-	-	(346)
Transfer to LRIT													
Contingency reserve		(6,689)	(20,250)	-	-	-	(26,939)	-	250	-	-	-	250
Transfer from LRIT													
Contingency reserve		-	-	-	-	-	-	-	-	-	-	-	-
Balance carried forward (page 6)		-	433,851	-	-	-	433,851	-	298,337	-	-	-	298,337
Interest reserve													
Balance brought forward		113,999	449	-	-	-	114,448	113,698	404	-	-	-	114,102
Transfer from General reserve	15	747	127	-	-	-	874	301	45	-	-	-	346
Balance carried forward (page 6)		114,746	576	-	-	-	115,322	113,999	449	-	-	-	114,448
LRIT Contingency reserve													
Balance brought forward	15	-	53,296	-	-	-	53,296	-	53,546	-	-	-	53,546
Transfer to General reserve	15	-	-	-	-	-	-	-	(250)	-	-	-	(250)
Transfer from General reserve	15	6,689	20,250	-	-	-	26,939	-	-	-	-	-	-
Balance carried forward (page 6)		6,689	73,546	-	-	-	80,235	-	53,296	-	-	-	53,296

This page does not form part of the audited financial statements

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

D E T A I L E D B A L A N C E S H E E T

At 31 December 2019

Balance sheet	Note	2019						2018 restated					
		GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-fund	Total
		£	£	£	£	£	£	£	£	£	£	£	£
Tangible fixed Assets	5	251,998	150,105	-	-	-	402,103	274,551	163,030	-	-	-	437,581
Current assets													
Trade debtors	6	-	74,576	9,209	716	-	84,501	-	61,980	10,583	705	-	73,268
Taxation	6	22,185	14,790	-	-	-	36,975	11,402	7,601	-	-	-	19,003
Prepayments	6	13,698	8,018	-	-	-	21,716	3,547	2,170	-	-	-	5,717
Cash at bank	7	224,622	505,833	71,282	-	-	801,737	217,664	368,365	95,261	3,225	-	684,515
Inter-fund balance	4	97,598	-	-	-	(97,598)	-	110,967	-	-	-	(110,967)	-
		<u>358,103</u>	<u>603,217</u>	<u>80,491</u>	<u>716</u>	<u>(97,598)</u>	<u>944,929</u>	<u>343,580</u>	<u>440,116</u>	<u>105,844</u>	<u>3,930</u>	<u>(110,967)</u>	<u>782,503</u>
Creditors: amounts Falling due within one year													
Accounts payable	8	72,507	14,827	-	-	-	87,334	57,319	11,814	-	-	-	69,133
Other creditors	8	100,929	619	-	-	-	101,548	120,430	12,785	-	-	-	133,215
Accruals	8	13,347	4,442	-	-	-	17,789	7,843	3,634	-	-	-	11,477
Office lease	8	19,383	11,548	-	-	-	30,931	19,383	11,548	-	-	-	30,931
Deferred income	8	-	18,400	-	-	-	18,400	-	21,900	-	-	-	21,900
Inter fund balance	4	-	16,391	80,491	716	(97,598)	-	-	1,193	105,844	3,930	(110,967)	-
		<u>206,166</u>	<u>66,227</u>	<u>80,491</u>	<u>716</u>	<u>(97,598)</u>	<u>256,002</u>	<u>204,975</u>	<u>62,874</u>	<u>105,844</u>	<u>3,930</u>	<u>(110,967)</u>	<u>266,656</u>
Net current assets		<u>151,937</u>	<u>536,990</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>688,927</u>	<u>138,605</u>	<u>377,242</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>515,847</u>

This page does not form part of the audited financial statements

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

DETAILED BALANCE SHEET (continued)

At 31 December 2019

Balance sheet	Note	2019						2018 restated					
		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	49,322	41,122	-	-	-	90,444	46,723	38,521	-	-	-	85,244
Office lease	13	232,602	138,570	-	-	-	371,172	251,985	150,118	-	-	-	402,103
		<u>281,924</u>	<u>179,692</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>461,616</u>	<u>298,708</u>	<u>188,639</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>487,347</u>
Net assets (liabilities)		<u>122,011</u>	<u>507,403</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>629,414</u>	<u>114,448</u>	<u>351,633</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>466,081</u>
Representing:													
Accumulated funds													
General reserve	15	-	433,857	-	-	-	433,857	-	298,337	-	-	-	298,337
Interest reserve	15	115,322	-	-	-	-	115,322	114,448	-	-	-	-	114,448
Contingency reserve	15	6,689	73,546	-	-	-	80,235	-	53,296	-	-	-	53,296
		<u>122,011</u>	<u>507,403</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>629,414</u>	<u>114,448</u>	<u>351,633</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>466,081</u>

This page does not form part of the audited financial statements

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NON - STATUTORY DETAILED STATEMENT OF INCOME AND EXPENDITURE

Year ended 31 December 2019

	2019					Total	2018					Total
	GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment		GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	
	£	£	£	£	£	£	£	£	£	£	£	
General fund												
Income – Contributions												
GMDSS – ordinary	652,757	-	-	-	-	652,757	519,828	-	-	-	-	519,828
Other parties – ordinary	58,136	494,290	80,510	-	(61,411)	571,525	67,699	579,142	115,000	-	(166,392)	595,449
Other income												
Interest received	450	-	-	-	-	450	172	-	-	-	-	172
Interest received on LRIT	-	127	-	-	-	127	-	45	-	-	-	45
Contingency Fund	-	-	-	-	-	-	-	-	-	-	-	-
Interest received on Legal fund	297	-	-	-	-	297	129	-	-	-	-	129
	<u>711,640</u>	<u>494,417</u>	<u>80,510</u>	<u>-</u>	<u>(61,411)</u>	<u>1,225,156</u>	<u>587,828</u>	<u>579,187</u>	<u>115,000</u>	<u>-</u>	<u>(166,392)</u>	<u>1,115,623</u>
Expenditure												
Directorate staff costs	482,740	288,090	-	-	-	770,830	435,744	256,814	-	-	-	692,558
Office maintenance costs	135,842	16,725	17,725	11	-	170,303	88,731	50,444	461	424	-	140,060
Rent	30,237	18,014	-	-	-	48,251	33,920	20,523	-	-	-	54,443
Travel costs	57,010	12,285	-	-	-	69,295	43,988	7,187	-	338	-	51,513
Consultancy Fees	-	-	-	-	-	-	-	-	894	1,829	-	2,723
IMSO daily fees	-	-	61,411	-	(61,411)	-	57,759	-	104,854	3,779	(166,392)	-
Meeting costs	812	812	-	-	-	1,624	14,535	20,680	-	-	-	35,215
	<u>706,641</u>	<u>335,926</u>	<u>79,136</u>	<u>11</u>	<u>(61,411)</u>	<u>1,060,303</u>	<u>674,677</u>	<u>355,648</u>	<u>106,209</u>	<u>6,370</u>	<u>(166,392)</u>	<u>976,512</u>
Operating surplus/(deficit)	<u>4,999</u>	<u>158,491</u>	<u>1,374</u>	<u>(11)</u>	<u>-</u>	<u>164,853</u>	<u>(86,849)</u>	<u>223,539</u>	<u>8,791</u>	<u>(6,370)</u>	<u>-</u>	<u>139,111</u>

This page does not form part of the audited financial statements

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

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

Year ended 31 December 2019

	2019						2018					
	GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total	GMDSS	LRIT	Iridium	Inmarsat	Inter-segment adjustment	Total
	£	£	£	£	£	£	£	£	£	£	£	£
Transfer to Interest reserve	(747)	(127)	-	-	-	(874)	(301)	(45)	-	-	-	(346)
Transfer to LRIT Contingency reserve	-	(20,250)	-	-	-	(20,250)	-	-	-	-	-	-
Transfer from LRIT Contingency reserve	-	-	-	-	-	-	-	250	-	-	-	250
Fund surplus/(deficit) current year	4,252	138,114	1,374	(11)	-	143,729	(87,150)	223,744	8,791	(6,370)	-	139,015
Balance brought forward	62,418	336,859	(10,583)	(705)	-	387,989	149,568	113,115	(19,374)	5,665	-	248,974
Fund surplus total	66,670	474,973	(9,209)	(716)	-	531,718	62,418	336,859	(10,583)	(705)	-	387,989
Transfer to GMDSS Contingency reserve	(6,689)	-	-	-	-	(6,689)	-	-	-	-	-	-
Exceptional items:												
Post-retirement benefits & Repatriation/Relocation grants	(2,600)	(2,600)	-	-	-	(5,200)	(3,260)	(3,260)	-	-	-	(6,520)
Prior year adjustment effect	(46,722)	(38,522)	-	-	-	(85,244)	(43,462)	(35,262)	-	-	-	(78,724)
Fund surplus/(deficit) including exceptional items	10,659	433,851	(9,209)	(716)	-	434,585	15,696	298,337	(10,583)	(705)	-	302,745
Interest reserve												
Balance brought forward	113,999	449	-	-	-	114,448	113,698	404	-	-	-	114,102
Transfer from General reserve	747	127	-	-	-	874	301	45	-	-	-	346
Balance carried forward	114,746	576	-	-	-	115,322	113,999	449	-	-	-	114,448

This page does not form part of the audited financial statements

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

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

Year ended 31 December 2019

	2019					Total	2018					Total
	GMDSS	LRIT	Iridium	Inmarsat	Inter- segment adjustment		GMDSS	LRIT	Iridium	Inmarsat	Inter- segment adjustment	
LRIT Contingency reserve												
Balance brought forward	-	53,296	-	-	-	53,296	-	53,546	-	-	-	53,546
Transfer to General reserve	-	20,250	-	-	-	20,250	-	-	-	-	-	-
Transfer from General reserve	-	-	-	-	-	-	-	(250)	-	-	-	(250)
Balance carried forward	-	73,546	-	-	-	73,546	-	53,296	-	-	-	53,296
GMDSS Contingency reserve												
Balance brought forward	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to General reserve	6,689	-	-	-	-	-	-	-	-	-	-	-
Transfer from General reserve	-	-	-	-	-	6,689	-	-	-	-	-	-
Balance carried forward	6,689	-	-	-	-	6,689	-	-	-	-	-	-

This page does not form part of the audited financial statements