

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

GENERAL INFORMATION AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

I N D E X

Year ended 31 December 2020

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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 2020

Organization

The International Mobile Satellite Organization (IMSO) is an intergovernmental organization (IGO) which has been headquartered in London since it was established in 1979, through the Convention on the International Maritime Satellite Organization (INMARSAT Convention – now known as IMSO Convention). However, the IGO was restructured in 1999, following the agreement by the Member States to modify INMARSAT's mission as an intergovernmental organization by separating the Organization's commercial operation to establish a new company called Inmarsat Ventures Limited (Inmarsat).

Following the restructuring, IMSO continued as the IGO, providing 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 the mobile satellite assets and commercial operations were transferred), 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 Agreements between IMSO and Recognised Mobile Satellite Service (RMSS) providers, the latter pay 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 (IFRS) 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; and
- 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 2020 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.

COVID-19

In response to the challenges posed by the global COVID-19 pandemic, the Organization adapted to remain functioning optimally. Directorate staff members worked remotely to ensure IMSO continued to work at capacity, with, amongst others, Contingency Exercises, Public Service Committee (PSC) meetings and the IMSO Assembly all being conducted remotely. The Director General also conducted a series of quarterly briefing sessions with representatives from SOLAS Contracting Governments, rescue coordination centres and maritime safety information providers to ensure all stakeholders were aware of the ongoing work of the Organization.

Outreach

IMSO's public facing visibility continues to improve despite the challenges of the pandemic. At the beginning of the year, the Director General, approached governments to host numerous visits to IMSO by the Member States and States that are currently not IMSO Member States but are interested in joining IMSO. Following the limitation of in person meetings, representatives were invited to remote meetings for the same purpose. 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 106 Member States.

Global Maritime Distress and Safety System

Following the adoption of resolution by MSC 99 in 2018 containing the *Statement of Recognition* of Iridium as an RMSS 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 GMDSS activities were launched on 11 December 2020, moving GMDSS into a multi-provider environment.

Having considered the application from China for the introduction of its BeiDou Message Service System (BDMSS) as an RMSS 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 begin the technical and operational assessment with a view to report to future NCSR Sub-Committee sessions.

Long Range Identification and Tracking of Ships

The Director General mobilised special efforts in pursuing possible new members to join the LRIT system. In 2020 one new SOLAS Contracting Government has joined the system (Gabon) resulting in higher implementation, as well as reducing the LRIT audit fee.

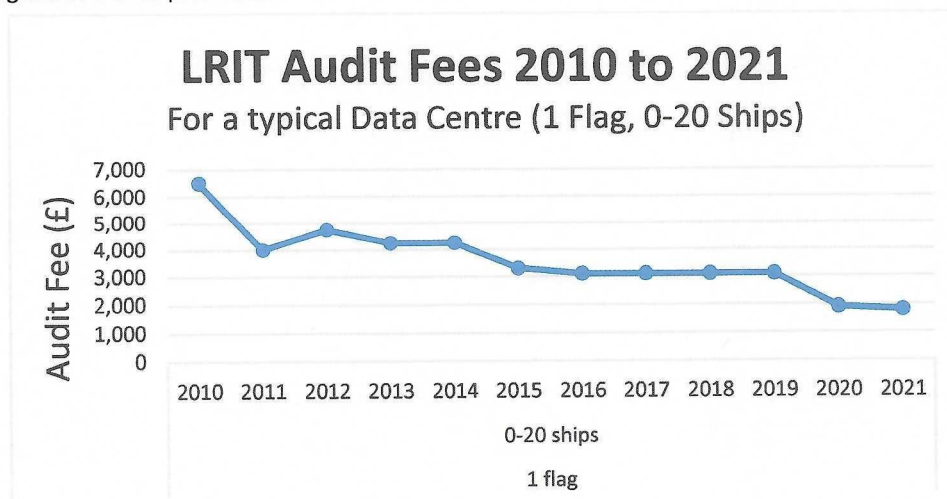
Following the success of the 2018 international seminar on the *'Effective Implementation and Management of the LRIT System'* and the involvement of new Contracting Governments in the LRIT system in the timeframe since, the Director General has begun planning to conduct a similar seminar for outreach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

Following the continuation of work on the LRIT audit software to enhance the system's development, during 2020 the IMSO Directorate adopted the draft amendments to the Revised LRIT Audit Procedures at its Assembly in December 2020. Draft amendments to the Model LRIT Services Agreement have been developed with a view to make further progress on the matter 2021.

Financial Management

Since taking his 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, a decrease in fees since 2015, excepting for the cases of change in LRIT audit fee charging formula 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 and staff motivation have enabled the Director General to maintain stable and historically low audit fees. Following a further reduction in Audit Fees for 2020, as a result of the success of the measures implemented during the Director General's tenure, costs have remained at this historic low for 2021, and even reduced further in the light of the financial pressure faced by many states during the COVID-19 pandemic.



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

25 May 2021

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

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

Year ended 31 December 2020

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 2020, 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.

In our opinion, the financial statements:

- give a true and fair view of the state of the Organization's affairs as at 31 December 2020 and of its surplus for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. An audit conducted in accordance with ISAs (UK) is also compliant with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (IAASB). 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

In auditing the financial statements, we have concluded that the Director General's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Organization's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Director General with respect to going concern are described in the relevant sections of this report.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Organization by considering, amongst other things, the industry in which it operates, and considered the risk of acts by the Organization that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the assessed level of risk, but recognised that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to The IMSO Convention and the Headquarters Agreement.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management.

As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by management that represented a risk of material misstatement due to fraud. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud.

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

25 May 2021

INTERNATIONAL MOBILE SATELLITE ORGANIZATION**I N C O M E S T A T E M E N T****Year ended 31 December 2020**

	Note	2020 £	2019 £
Continuing Operations			
Revenue		945,615	1,227,962
Administrative expenses	10	(1,048,461)	(1,064,138)
Operating surplus		<u>(102,846)</u>	<u>163,824</u>
Finance income	11	736	874
Finance costs	11	(751)	(1,365)
(Loss)/surplus for the year		<u>(102,861)</u>	<u>163,333</u>

The notes on pages 10 to 25 are an integral part of these financial statements.

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

BALANCE SHEET

At 31 December 2020

	Note	2020 £	2019 £
Assets			
Non-current assets			
Property, plant and equipment	5	365,494	402,103
		<u>365,494</u>	<u>402,103</u>
Current assets			
Trade and other receivables	6	83,839	143,192
Cash and cash equivalents	7	1,025,124	801,737
		<u>1,108,963</u>	<u>944,929</u>
Total assets		<u>1,474,457</u>	<u>1,347,032</u>
Reserves and liabilities			
Reserves			
General reserve	15	327,199	433,857
Interest reserve	15	116,058	115,322
LRIT Contingency reserve	15	73,296	73,546
GMDSS Contingency reserve	15	10,000	6,689
		<u>526,553</u>	<u>629,414</u>
Liabilities			
Non-current liabilities			
Provisions	9	85,545	90,444
Office lease	13	334,563	371,172
		<u>420,108</u>	<u>461,616</u>
Current liabilities			
Trade and other payables	8	527,796	256,002
Total liabilities		<u>947,904</u>	<u>717,618</u>
Total reserves and liabilities		<u>1,474,457</u>	<u>1,347,032</u>

The notes on pages 10 to 25 are an integral part of these financial statements. The financial statements on pages 6 to 33 were authorised for issue by the Director General on 25 May 2021.



Moin Ahmed
Director General

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

STATEMENT OF CHANGES IN RESERVES

Year ended 31 December 2020

	Note	General reserve £	Interest reserve £	LRIT Contingency reserve £	GMDSS Contingency reserve £	Total £
Balance at 31 December 2019	15	433,857	115,322	73,546	6,689	629,414
Transfer between reserves	15	-	-	(250)	3,311	3,061
Surplus for the year	15	(106,658)	736	-	-	(105,922)
Balance at 31 December 2020		<u>327,199</u>	<u>116,058</u>	<u>73,296</u>	<u>10,000</u>	<u>526,553</u>

		General reserve £	Interest reserve £	LRIT Contingency reserve £	GMDSS Contingency reserve £	Total £
Balance at 31 December 2018		298,337	114,448	53,296	-	466,081
Transfer between reserves		-	-	20,250	6,689	26,939
Surplus for the year		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 25 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 2020**

	Note	2020	2019
		£	£
Cash flows from operating activities			
Cash generated from operations	12	223,402	117,713
Interest paid		(751)	(1,365)
Net cash from operating activities		<u>222,651</u>	<u>116,348</u>
Cash flows from investing activities			
Interest received		<u>736</u>	<u>874</u>
Net cash received from investing activities		<u>736</u>	<u>874</u>
Net increase in cash, cash equivalents and bank overdrafts		223,387	117,222
Cash, cash equivalents and bank overdrafts at beginning of the year		<u>801,737</u>	<u>684,515</u>
Cash, cash equivalents and bank overdrafts at end of the year		<u>1,025,124</u>	<u>801,737</u>

The notes on pages 10 to 25 are an integral part of these financial statements.

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

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 £327,199 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 2020 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.

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 2020

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.
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INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

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 Recognised Mobile Satellite Service (RMSS) 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.
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INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

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) *BeiDou Fees*

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

(f) *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.

(g) *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.

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 £1,025,124 (2019 – £801,737) 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 2020

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 2020

The segment information for the year ended 31 December 2020 is as follows:

Income statement	Note							2020
		GMDSS	LRIT	Iridium	Inmarsat	BeiDou	Inter-segment adjustment	Total
		£	£	£	£	£	£	£
Continuing operations								
Revenue		652,169	289,100	16	-	31,387	(27,057)	945,615
Administrative expenses	10	(648,173)	(395,970)	-	-	(31,375)	27,057	(1,048,461)
Operating surplus		3,996	(106,870)	16	-	12	-	(102,846)
Finance income	11	670	66	-	-	-	-	736
Finance costs	11	(685)	(38)	(16)	-	(12)	-	(751)
Surplus for the year		3,981	(106,842)	-	-	-	-	(102,861)

Income statement	Note							2019
		GMDSS	LRIT	Iridium	Inmarsat	BeiDou	Inter-segment adjustment	Total
		£	£	£	£	£	£	£
Continuing operations								
Revenue		715,930	494,296	79,136	11	-	(61,411)	1,227,962
Administrative expenses	10	(708,135)	(338,350)	(79,064)	-	-	61,411	(1,064,138)
Operating surplus		7,795	155,946	72	11	-	-	163,824
Finance income	11	747	127	-	-	-	-	874
Finance costs	11	(1,106)	(176)	(72)	(11)	-	-	(1,365)
Surplus for the year		7,436	155,897	-	-	-	-	163,333

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

The segment information for the year ended 31 December 2020 is as follows:

Balance sheet	Note							2020
		GMDSS	LRIT	Iridium	Inmarsat	BeiDou	Inter-fund	Total
		£	£	£	£	£	£	£
Assets								
Non-current assets								
Property, plant and Equipment	5	229,055	136,439	-	-	-	-	365,494
Current assets								
Trade and other Receivables	6	245,761	68,134	-	-	-	(230,056)	83,839
Cash and cash Equivalents	7	236,702	601,434	-	-	186,988	-	1,025,124
		482,463	669,568	-	-	186,988	(230,056)	1,108,963
Total assets		711,518	806,007	-	-	186,988	(230,056)	1,474,457
Reserves and liabilities								
Reserves								
General reserve	15	-	327,199	-	-	-	-	327,199
Interest reserve	15	116,058	-	-	-	-	-	116,058
Contingency reserve	15	10,000	73,296	-	-	-	-	83,296
		126,058	400,495	-	-	-	-	526,553
Liabilities								
Non-current liabilities								
Provisions	9	52,848	32,697	-	-	-	-	85,545
Office lease	13	209,660	124,903	-	-	-	-	334,563
		262,508	157,600	-	-	-	-	420,108
Current liabilities								
Trade and other Payables	8	322,952	247,912	-	-	186,988	(230,056)	527,796
Total liabilities		585,460	405,512	-	-	186,988	(230,056)	947,904
Total reserves and liabilities		711,518	806,007	-	-	186,988	(230,056)	1,474,457

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

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

Balance sheet	Note							2019
		GMDSS	LRIT	Iridium	Inmarsat	BeiDou	Inter-fund	Total
		£	£	£	£	£	£	£
Assets								
Non-current assets								
Property, plant and Equipment	5	251,998	150,105	-	-	-	-	402,103
Current assets								
Trade and other Receivables	6	133,481	97,384	9,209	716	-	(97,598)	143,192
Cash and cash Equivalents	7	224,622	505,833	71,282	-	-	-	801,737
		358,103	603,217	80,491	716	-	(97,598)	944,929
Total assets		610,101	753,322	80,491	716	-	(97,598)	1,347,032
Reserves and liabilities								
Reserves								
General reserve	15	-	433,857	-	-	-	-	433,857
Interest reserve	15	115,322	-	-	-	-	-	115,322
Contingency reserve	15	6,689	73,546	-	-	-	-	80,235
		122,011	507,403	-	-	-	-	629,414
Liabilities								
Non-current liabilities								
Provisions	9	49,323	41,121	-	-	-	-	90,444
Office lease	13	232,601	138,571	-	-	-	-	371,172
		281,924	179,692	-	-	-	-	461,616
Current liabilities								
Trade and other Payables	8	206,166	66,227	80,491	716	-	(97,598)	256,002
Total liabilities		488,090	245,919	80,491	716	-	(97,598)	717,618
Total reserves and liabilities		610,101	753,322	80,491	716	-	(97,598)	1,347,032

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

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

	2020					
	GMDSS	LRIT	Iridium	Inmarsat	BeiDou	Total
	£	£	£	£	£	£
Inter fund debtors	230,056	-	-	-	-	230,056
Inter fund creditors	-	202,928	-	-	27,128	230,056

	2019					
	GMDSS	LRIT	Iridium	Inmarsat	BeiDou	Total
	£	£	£	£	£	£
Inter fund debtors	97,598	-	-	-	-	97,598
Inter fund creditors	-	16,391	80,491	716	-	97,598

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 2020	448,500	50,099	498,599
Adjustment to brought forward	(5,678)	-	(5,678)
At 31 December 2020	442,822	50,099	492,921
Depreciation			
At 1 January 2020	46,397	50,099	96,496
Charge for the year	30,931	-	30,931
At 31 December 2020	77,328	50,099	127,427
Carrying amount			
At 31 December 2020	365,494	-	365,494
At 31 December 2019	402,103	-	402,103

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

6. Trade and other receivables

							2020
	GMDSS	LRIT	Iridium	Inmarsat	BeiDou	Inter-fund	Total
	£	£	£	£	£	£	£
Trade receivables	-	57,978	-	-	-	-	57,978
Prepayments	1,612	761	-	-	-	-	2,373
Taxation	14,093	9,395	-	-	-	-	23,488
Inter-fund balance	230,056	-	-	-	-	(230,056)	-
	<u>245,761</u>	<u>68,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(230,056)</u>	<u>83,839</u>
							2019
	GMDSS	LRIT	Iridium	Inmarsat	BeiDou	Inter-fund	Total
	£	£	£	£	£	£	£
Trade receivables	-	74,576	9,209	716	-	-	84,501
Prepayments	13,698	8,018	-	-	-	-	21,716
Taxation	22,185	14,790	-	-	-	-	36,975
Inter-fund balance	97,598	-	-	-	-	(97,598)	-
	<u>133,481</u>	<u>97,384</u>	<u>9,209</u>	<u>716</u>	<u>-</u>	<u>(97,598)</u>	<u>143,192</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.

							2020
	GMDSS	LRIT	Iridium	Inmarsat	BeiDou	Inter-fund	Total
	£	£	£	£	£	£	£
Cash and cash equivalents	236,702	601,434	-	-	186,988	-	1,025,124
	<u>236,702</u>	<u>601,434</u>	<u>-</u>	<u>-</u>	<u>186,988</u>	<u>-</u>	<u>1,025,124</u>
							2019
	GMDSS	LRIT	Iridium	Inmarsat	BeiDou	Inter-fund	Total
	£	£	£	£	£	£	£
Cash and cash equivalents	224,622	505,833	71,282	-	-	-	801,737
	<u>224,622</u>	<u>505,833</u>	<u>71,282</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>801,737</u>

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

8. Trade and other payables

							2020
	GMDSS	LRIT	Iridium	Inmarsat	BeiDou	Inter-fund	Total
	£	£	£	£	£	£	£
Trade payable	7,669	4,816	-	-	-	-	12,485
Accrued expenses	26,480	13,683	-	-	2,998	-	43,161
Office lease	19,383	11,548	-	-	-	-	30,931
Social security and other taxation	956	637	-	-	-	-	1,593
Deferred income	-	14,300	-	-	156,862	-	171,162
Legal fund	100,000	-	-	-	-	-	100,000
GMDSS surplus	168,464	-	-	-	-	-	168,464
Inter-fund balance	-	202,928	-	-	27,128	(230,056)	-
	322,952	247,912	-	-	186,988	(230,056)	527,796

							2019
	GMDSS	LRIT	Iridium	Inmarsat	BeiDou	Inter-fund	Total
	£	£	£	£	£	£	£
Trade payable	61,848	14,827	-	-	-	-	76,675
Accrued expenses	13,347	4,442	-	-	-	-	17,789
Office lease	19,383	11,548	-	-	-	-	30,931
Social security and other taxation	929	619	-	-	-	-	1,548
Deferred income	-	18,400	-	-	-	-	18,400
Legal fund	100,000	-	-	-	-	-	100,000
GMDSS surplus	10,659	-	-	-	-	-	10,659
Inter-fund balance	-	16,391	80,491	716	-	(97,598)	-
	206,166	66,227	80,491	716	-	(97,598)	256,002

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

	2020			2019		
	GMDSS	LRIT	Total	GMDSS	LRIT	Total
Repatriation grant (see below)	52,848	32,697	85,545	49,322	41,122	90,444

The Organization is committed to providing repatriation grants to employees who are not UK nationals upon their leaving employment. The total provision decreased by £4,899 in total during the year. The provision for GMDSS increased by £3,526 and for LRIT decreased by £8,425.

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

10. Expenses by nature

							2020
	GMDSS	LRIT	Iridium	Inmarsat	BeiDou	Inter-segment adjustment	Total
	£	£	£	£	£	£	£
Employees' benefits expenses	481,788	288,568	-	-	-	-	770,356
Pension costs - (defined contribution)	71,709	42,712	-	-	-	-	114,421
Depreciation	19,383	11,548	-	-	-	-	30,931
IMSO daily fees	-	-	-	-	27,057	(27,057)	-
Other expenses	75,293	53,142	-	-	4,318	-	132,753
Administrative expenses	(648,173)	(395,970)	-	-	(31,375)	27,057	(1,048,461)

							2019
	GMDSS	LRIT	Iridium	Inmarsat	BeiDou	Inter-segment adjustment	Total
	£	£	£	£	£	£	£
Employees' benefits expenses	425,941	254,087	-	-	-	-	680,028
Pension costs - (defined contribution)	59,399	36,603	-	-	-	-	96,002
Depreciation	22,566	12,912	-	-	-	-	35,478
IMSO daily fees	-	-	61,411	-	-	(61,411)	-
Other expenses	200,229	34,748	17,653	-	-	-	252,630
Administrative expenses	(708,135)	(338,350)	(79,064)	-	-	61,411	(1,064,138)

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

11. Finance income and costs

						2020
	GMDSS	LRIT	Iridium	Inmarsat	BeiDou	Total
	£	£	£	£	£	£
Interest expense – bank charges	(685)	(38)	(16)	-	(12)	(751)
Net finance costs	(685)	(38)	(16)	-	(12)	(751)
Finance income	670	66	-	-	-	736
Net finance (costs)/ income	(15)	28	(16)	-	(12)	(15)

						2019
	GMDSS	LRIT	Iridium	BeiDou	Inmarsat	Total
	£	£	£	£	£	£
Interest expense – bank charges	(1,106)	(176)	(72)	-	(11)	(1,365)
Net finance costs	(1,106)	(176)	(72)	-	(11)	(1,365)
Finance income	747	127	-	-	-	874
Net finance (costs)/ income	(359)	(49)	(72)	-	(11)	(491)

12. Cash generated from operations

	2020	2019
	£	£
Surplus for the year	(102,861)	163,333
Adjustments for:		
Depreciation	-	35,478
Net finance costs	15	491
Trade and other receivables	59,353	(45,204)
Trade and other payables	271,794	(41,585)
Provisions	(4,899)	5,200
Cash generated from operations	223,402	117,713

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:

	2020	2019
	£	£
- 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	210,839	247,448
	365,494	402,103

Total cash paid in the period in respect of recognised lease liabilities was £30,931 (2019 - £30,931).

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

14. Financial instruments

All financial instruments are held and denominated in UK pounds.

Assets as per balance sheet	2020	Loans and receivables
	£	2019
Trade and other receivables excluding prepayments	81,466	121,476
Cash and cash equivalents	1,025,124	801,737
	<u>1,106,590</u>	<u>923,213</u>
		Financial liabilities at amortised cost
Liabilities as per balance sheet	2020	2019
	£	£
Trade and other payables excluding statutory liabilities	527,796	286,933
Provisions	85,545	90,444
	<u>613,341</u>	<u>377,377</u>

15. Reserves

	General reserve	Interest reserve	LRIT Contingency reserve	GMDSS Contingency reserve	Total
	£	£	£	£	£
Balance as at 1 January 2020	433,857	115,322	73,546	6,689	629,414
Transfer from reserves	-	-	(250)	3,311	3,061
Surplus for the year	(106,658)	736	-	-	(105,922)
Balance as at 31 December 2020	<u>327,199</u>	<u>116,058</u>	<u>73,296</u>	<u>10,000</u>	<u>526,553</u>

The General reserve represents surplus/ 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 2020, £3,311 and £10,000 was transferred to the GMDSS and LRIT Contingency reserves respectively. However, in 2020, £10,250 was also transferred from the LRIT Contingency reserve to spread the costs relating to the 2020 Assembly.

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 2020

16. Related Parties

Key management compensation

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

	2020	2019
	£	£
Salaries and other staff short-term employee benefits	196,312	191,721
Post-employment benefits	41,035	40,332
	<u>237,347</u>	<u>232,053</u>

The amount of £756 (2019 - £24,565) 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 2020

							2020	
	Note	GMDSS	LRIT	Iridium	Inmarsat	BeiDou	Inter- segment adjustment	Total
		£	£	£	£	£	£	£
General fund								
Income								
Contributions								
GMDSS – ordinary		787,472	-	-	-	-	-	787,472
Other parties – ordinary		22,500	289,100	16	-	187,000	(27,057)	471,559
Less: Providers – (overpaid) / underpaid contributions		(157,803)	-	-	-	(155,613)	-	(313,416)
Other income								
Interest received		538	-	-	-	-	-	538
Interest received on Legal fund		131	-	-	-	-	-	131
Interest received on Contingency fund		1	66	-	-	-	-	67
		<u>652,839</u>	<u>289,166</u>	<u>16</u>	<u>-</u>	<u>31,387</u>	<u>(27,057)</u>	<u>946,351</u>
Expenditure								
Directorate staff costs		553,497	331,280	-	-	-	-	884,777
Office maintenance costs (including bank charges)		36,148	21,277	16	-	197	-	57,638
Rent		30,454	18,143	-	-	-	-	48,597
Travel costs		5,522	2,071	-	-	-	-	7,593
Meeting costs		23,237	23,237	-	-	-	-	46,474
Consultancy		-	-	-	-	4,133	-	4,133
IMSO Daily Fees		-	-	-	-	27,057	(27,057)	-
		<u>648,858</u>	<u>396,008</u>	<u>16</u>	<u>-</u>	<u>31,387</u>	<u>(27,057)</u>	<u>1,049,212</u>
Operating surplus		<u>3,981</u>	<u>(106,842)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(102,861)</u>
General reserve								
Balance brought forward		-	433,857	-	-	-	-	433,857
Transfer to interest reserve		(670)	(66)	-	-	-	-	(736)
Transfer to LRIT								
Contingency reserve		(3,311)	-	-	-	-	-	(3,311)
Transfer from LRIT								
Contingency reserve		-	250	-	-	-	-	250
Balance carried forward (page 7)		<u>-</u>	<u>327,199</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>327,199</u>
Interest reserve								
Balance brought forward		114,746	576	-	-	-	-	115,322
Transfer from General reserve	15	670	66	-	-	-	-	736
Balance carried forward (page 7)		<u>115,416</u>	<u>642</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,058</u>
LRIT Contingency reserve								
Balance brought forward	15	6,689	73,546	-	-	-	-	80,235
Transfer to General reserve	15	3,311	-	-	-	-	-	3,311
Transfer from General reserve	15	-	(250)	-	-	-	-	(250)
Balance carried forward (page 7)		<u>10,000</u>	<u>73,296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,296</u>

This page does not form part of the audited financial statements

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

DETAILED STATEMENT OF INCOME AND EXPENDITURE

Year ended 31 December 2020

	Note						2019	
		GMDSS	LRIT	Iridium	Inmarsat	BeiDou	Inter-segment adjustment	Total
		£	£	£	£	£	£	£
General fund								
Income								
Contributions								
GMDSS – ordinary		652,757	-	-	-	-	-	652,757
Other parties – ordinary		58,136	494,290	79,136	11	-	(61,411)	570,162
Less: Inmarsat – underpaid/ (overpaid) contributions		5,037	-	-	-	-	-	5,037
Other income								
Interest received		450	-	-	-	-	-	450
Interest received on Legal fund		297	-	-	-	-	-	297
Interest received on Contingency fund		-	127	-	-	-	-	127
		<u>716,677</u>	<u>494,417</u>	<u>79,136</u>	<u>11</u>	<u>-</u>	<u>(61,411)</u>	<u>1,228,830</u>
Expenditure								
Directorate staff costs		485,340	290,690	-	-	-	-	776,030
Office maintenance costs (including bank charges)		135,842	16,725	17,725	11	-	-	170,303
Rent		30,237	18,014	-	-	-	-	48,251
Travel costs		57,010	12,285	-	-	-	-	69,295
Meeting costs		812	812	-	-	-	-	1,624
Consultancy		-	-	-	-	-	-	-
IMSO Daily Fees		-	-	61,411	-	-	(61,411)	-
		<u>709,241</u>	<u>338,526</u>	<u>79,136</u>	<u>11</u>	<u>-</u>	<u>(61,411)</u>	<u>1,065,503</u>
Operating surplus		<u>7,436</u>	<u>155,891</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>163,327</u>
General reserve								
Balance brought forward		-	298,337	-	-	-	-	298,337
Transfer to interest reserve		(747)	(127)	-	-	-	-	(874)
Transfer to LRIT Contingency reserve		(6,689)	(20,250)	-	-	-	-	(26,939)
Transfer from LRIT Contingency reserve		-	-	-	-	-	-	-
Balance carried forward (page 7)		<u>-</u>	<u>433,851</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>433,851</u>
Interest reserve								
Balance brought forward		113,999	449	-	-	-	-	114,448
Transfer from General reserve	15	747	127	-	-	-	-	874
Balance carried forward (page 7)		<u>114,746</u>	<u>576</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,322</u>
LRIT Contingency reserve								
Balance brought forward	15	-	53,296	-	-	-	-	53,296
Transfer to General reserve	15	-	-	-	-	-	-	-
Transfer from General reserve	15	6,689	20,250	-	-	-	-	26,939
Balance carried forward (page 7)		<u>6,689</u>	<u>73,546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,235</u>

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INTERNATIONAL MOBILE SATELLITE ORGANIZATION

DETAILED BALANCE SHEET

At 31 December 2020

Balance sheet	Note							2020	Total £
		GMDSS £	LRIT £	Iridium £	Inmarsat £	BeiDou £	Inter- fund £		
Tangible fixed Assets	5	229,055	136,439	-	-	-	-	365,494	
Current assets									
Trade debtors	6	-	57,978	-	-	-	-	57,978	
Taxation	6	14,093	9,395	-	-	-	-	23,488	
Prepayments	6	1,612	761	-	-	-	-	2,373	
Cash at bank	7	236,702	601,434	-	-	186,988	-	1,025,124	
Inter-fund balance	4	230,056	-	-	-	-	(230,056)	-	
		<u>482,463</u>	<u>669,568</u>	<u>-</u>	<u>-</u>	<u>186,988</u>	<u>(230,056)</u>	<u>1,108,963</u>	
Creditors: amounts falling due within one year									
Accounts payable	8	176,133	4,816	-	-	-	-	180,949	
Other creditors	8	100,956	637	-	-	-	-	101,593	
Accruals	8	26,480	13,683	-	-	2,998	-	43,161	
Office lease	8	19,383	11,548	-	-	-	-	30,931	
Deferred income	8	-	14,300	-	-	156,862	-	171,162	
Inter fund balance	4	-	202,928	-	-	27,128	(230,056)	-	
		<u>322,952</u>	<u>247,912</u>	<u>-</u>	<u>-</u>	<u>186,988</u>	<u>(230,056)</u>	<u>527,796</u>	
Net current assets		<u>159,511</u>	<u>421,656</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>581,167</u>	
Creditors: amounts falling due in more than one year									
Provisions	9	52,848	32,697	-	-	-	-	85,545	
Office lease	13	209,660	124,903	-	-	-	-	334,563	
		<u>262,508</u>	<u>157,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>420,108</u>	
Net assets		<u>126,058</u>	<u>400,495</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>526,553</u>	
Representing:									
Accumulated funds									
General reserve	15	-	327,199	-	-	-	-	327,199	
Interest reserve	15	116,058	-	-	-	-	-	116,058	
Contingency reserve	15	10,000	73,296	-	-	-	-	83,296	
		<u>126,058</u>	<u>400,495</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>526,553</u>	

This page does not form part of the audited financial statements

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

DETAILED BALANCE SHEET

At 31 December 2020

Balance sheet	Note							2019
		GMDSS	LRIT	Iridium	Inmarsat	BeiDou	Inter-fund	Total
		£	£	£	£	£	£	£
Tangible fixed Assets	5	251,998	150,105	-	-	-	-	402,103
Current assets								
Trade debtors	6	-	74,576	9,209	716	-	-	84,501
Taxation	6	22,185	14,790	-	-	-	-	36,975
Prepayments	6	13,698	8,018	-	-	-	-	21,716
Cash at bank	7	224,622	505,833	71,282	-	-	-	801,737
Inter-fund balance	4	97,598	-	-	-	-	(97,598)	-
		<u>358,103</u>	<u>603,217</u>	<u>80,491</u>	<u>716</u>	<u>-</u>	<u>(97,598)</u>	<u>944,929</u>
Creditors: amounts falling due within one year								
Accounts payable	8	72,507	14,827	-	-	-	-	87,334
Other creditors	8	100,929	619	-	-	-	-	101,548
Accruals	8	13,347	4,442	-	-	-	-	17,789
Office lease	8	19,383	11,548	-	-	-	-	30,931
Deferred income	8	-	18,400	-	-	-	-	18,400
Inter fund balance	4	-	16,391	80,491	716	-	(97,598)	-
		<u>206,166</u>	<u>66,227</u>	<u>80,491</u>	<u>716</u>	<u>-</u>	<u>(97,598)</u>	<u>256,002</u>
Net current assets		<u>151,937</u>	<u>536,990</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>688,927</u>
Creditors: amounts falling due in more than one year								
Provisions	9	49,322	41,122	-	-	-	-	90,444
Office lease	13	232,602	138,570	-	-	-	-	371,172
		<u>281,924</u>	<u>179,692</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>461,616</u>
Net assets (liabilities)		<u>122,011</u>	<u>507,403</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>629,414</u>
Representing:								
Accumulated funds								
General reserve	15	-	433,857	-	-	-	-	433,857
Interest reserve	15	115,322	-	-	-	-	-	115,322
Contingency reserve	15	6,689	73,546	-	-	-	-	80,235
		<u>122,011</u>	<u>507,403</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>629,414</u>

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INTERNATIONAL MOBILE SATELLITE ORGANIZATION
NON - STATUTORY DETAILED STATEMENT OF INCOME AND EXPENDITURE
Year ended 31 December 2020

							2020
	GMDSS	LRIT	Iridium	Inmarsat	BeiDou	Inter-segment adjustment	Total
	£	£	£	£	£	£	£
General fund							
Income – Contributions							
GMDSS – ordinary	787,472	-	-	-	-	-	787,472
Other parties – ordinary	22,500	289,100	9,225	716	187,000	(27,057)	481,484
Other income							
Interest received	538	-	-	-	-	-	538
Interest received on Contingency Fund	1	66	-	-	-	-	67
Interest received on Legal fund	131	-	-	-	-	-	131
	<u>810,642</u>	<u>289,166</u>	<u>9,225</u>	<u>716</u>	<u>187,000</u>	<u>(27,057)</u>	<u>1,269,692</u>
Expenditure							
Directorate staff costs	549,971	339,705	-	-	-	-	889,676
Office maintenance costs	36,154	21,271	16	-	197	-	57,638
Rent	30,454	18,143	-	-	-	-	48,597
Travel costs	5,522	2,071	-	-	-	-	7,593
Consultancy Fees	-	-	-	-	4,133	-	4,133
IMSO daily fees	-	-	-	-	27,057	(27,057)	-
Meeting costs	23,237	23,237	-	-	-	-	46,474
	<u>645,338</u>	<u>404,427</u>	<u>16</u>	<u>-</u>	<u>31,387</u>	<u>(27,057)</u>	<u>1,054,111</u>
Operating surplus/(deficit)	<u>165,304</u>	<u>(115,261)</u>	<u>9,209</u>	<u>716</u>	<u>155,613</u>	<u>-</u>	<u>215,581</u>
Transfer to Interest reserve							
	(670)	(66)	-	-	-	-	(736)
Transfer to LRIT Contingency reserve							
	-	-	-	-	-	-	-
Transfer from LRIT Contingency reserve							
	-	250	-	-	-	-	250
Fund surplus/(deficit) current year							
	164,634	(115,077)	9,209	716	155,613	-	215,095
Balance brought forward							
	66,670	474,973	(9,209)	(716)	-	-	531,718
Fund surplus total	<u>231,304</u>	<u>359,896</u>	<u>-</u>	<u>-</u>	<u>155,613</u>	<u>-</u>	<u>746,813</u>
Transfer to GMDSS Contingency reserve							
	(3,311)	-	-	-	-	-	(3,311)
Exceptional items:							
Post-retirement benefits & Repatriation/Relocation grants							
	(3,526)	8,425	-	-	-	-	4,899
Prior year adjustment effect							
	(49,322)	(41,122)	-	-	-	-	(90,444)
Fund surplus/(deficit) including exceptional items							
	<u>175,145</u>	<u>327,199</u>	<u>-</u>	<u>-</u>	<u>155,613</u>	<u>-</u>	<u>657,957</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 2020

							2020
	GMDSS	LRIT	Iridium	Inmarsat	BeiDou	Inter- segment adjustment	Total
	£	£	£	£	£	£	£
Interest reserve							
Balance brought forward	114,746	576	-	-	-	-	115,322
Transfer from General reserve	670	66	-	-	-	-	736
Balance carried forward	<u>115,416</u>	<u>642</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,058</u>
LRIT Contingency reserve							
Balance brought forward	-	73,546	-	-	-	-	73,546
Transfer to General reserve	-	-	-	-	-	-	-
Transfer from General reserve	-	(250)	-	-	-	-	(250)
Balance carried forward	<u>-</u>	<u>73,296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,296</u>
GMDSS Contingency reserve							
Balance brought forward	6,689	-	-	-	-	-	6,689
Transfer to General reserve	3,311	-	-	-	-	-	3,311
Transfer from General reserve	-	-	-	-	-	-	-
Balance carried forward	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</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 2020

							2019
	GMDSS	LRIT	Iridium	Inmarsat	BeiDou	Inter-segment adjustment	Total
	£	£	£	£	£	£	£
General fund							
Income – Contributions							
GMDSS – ordinary	652,757	-	-	-	-	-	652,757
Other parties – ordinary	58,136	494,290	80,510	-	-	(61,411)	571,525
Other income							
Interest received	450	-	-	-	-	-	450
Interest received on Contingency Fund	-	127	-	-	-	-	127
Interest received on Legal fund	297	-	-	-	-	-	297
	<u>711,640</u>	<u>494,417</u>	<u>80,510</u>	<u>-</u>	<u>-</u>	<u>(61,411)</u>	<u>1,225,156</u>
Expenditure							
Directorate staff costs	482,740	288,090	-	-	-	-	770,830
Office maintenance costs	135,842	16,725	17,725	11	-	-	170,303
Rent	30,237	18,014	-	-	-	-	48,251
Travel costs	57,010	12,285	-	-	-	-	69,295
Consultancy Fees	-	-	-	-	-	-	-
IMSO daily fees	-	-	61,411	-	-	(61,411)	-
Meeting costs	812	812	-	-	-	-	1,624
	<u>706,641</u>	<u>335,926</u>	<u>79,136</u>	<u>11</u>	<u>-</u>	<u>(61,411)</u>	<u>1,060,303</u>
Operating surplus/(deficit)	<u>4,999</u>	<u>158,491</u>	<u>1,374</u>	<u>(11)</u>	<u>-</u>	<u>-</u>	<u>164,853</u>
Transfer to Interest reserve	(747)	(127)	-	-	-	-	(874)
Transfer to LRIT Contingency reserve	-	(20,250)	-	-	-	-	(20,250)
Transfer from LRIT Contingency reserve	-	-	-	-	-	-	-
Fund surplus/(deficit) current year	4,252	138,114	1,374	(11)	-	-	143,729
Balance brought forward	62,418	336,859	(10,583)	(705)	-	-	387,989
Fund surplus total	<u>66,670</u>	<u>474,973</u>	<u>(9,209)</u>	<u>(716)</u>	<u>-</u>	<u>-</u>	<u>531,718</u>
Transfer to GMDSS Contingency reserve	(6,689)	-	-	-	-	-	(6,689)
Exceptional items:							
Post-retirement benefits & Repatriation/Relocation grants	(2,600)	(2,600)	-	-	-	-	(5,200)
Prior year adjustment effect	(46,722)	(38,522)	-	-	-	-	(85,244)

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INTERNATIONAL MOBILE SATELLITE ORGANIZATION

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

Year ended 31 December 2020

							2019
	GMDSS	LRIT	Iridium	Inmarsat	BeiDou	Inter- segment adjustment	Total
	£	£	£	£	£	£	£
Fund surplus/(deficit) including exceptional items	10,659	433,851	(9,209)	(716)	-	-	434,585
Interest reserve							
Balance brought forward	113,999	449	-	-	-	-	114,448
Transfer from General reserve	747	127	-	-	-	-	874
Balance carried forward	114,746	576	-	-	-	-	115,322
LRIT Contingency reserve							
Balance brought forward	-	53,296	-	-	-	-	53,296
Transfer to General reserve	-	20,250	-	-	-	-	20,250
Transfer from General reserve	-	-	-	-	-	-	-
Balance carried forward	-	73,546	-	-	-	-	73,546
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

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