

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**GENERAL INFORMATION AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2023**

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## I N D E X

Year ended 31 December 2023

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# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## GENERAL INFORMATION

Year ended 31 December 2023

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### INTRODUCTION

#### The Organization

The International Mobile Satellite Organization (IMSO) is an intergovernmental organization established in 1976 by the International Maritime Organization (IMO), a United Nations specialized agency. The membership of the Organization as of 31 December 2023 stands at 110 Member States.

IMSO contributes to the safety and security of seafarers and passengers around the world by providing oversight of the performance of all components and the availability of the mobile satellite communications systems recognized by IMO for their use in the Global Maritime Distress and Safety System (GMDSS). IMO has recognised Inmarsat and Iridium as providers of satellite communication systems for use in the GMDSS. The maritime mobile satellite services provided by China Transport Telecommunication Information Group Co. Ltd. (CTTIC) through the BeiDou Message Service System (BDMSS) have also been recognized by IMO, however, the Letter of Compliance has not been issued by IMSO due to pending implementation issues.

Furthermore, since 2008, IMSO has been serving as the Co-ordinator for the Long Range Identification and Tracking of Ships (LRIT) system, appointed by IMO, with responsibilities to audit and review the performance of the international LRIT system. IMSO currently conducts annual audits and review of all elements of the LRIT system across 135 Flag Administrations. Ships worldwide of 300 gross tonnage and over and all passenger ships carrying more than twelve passengers when travelling on international voyages or in the open sea must be GMDSS and LRIT compliant.

IMSO participates regularly and actively in meetings of various specialized agencies of the United Nations and intergovernmental organizations including, inter alia, IMO, ITU, WMO, IHO and others. IMSO represents its Member States' interests during high level meetings by providing expertise and advice as well as written technical submissions on matters relating to IMSO's mandate, i.e. GMDSS and LRIT. IMSO also provides technical assistance to its Member States with a view to facilitating compliance with their international obligations derived from the International Convention for the Safety of Life at Sea (SOLAS), 1974, as amended and other International Conventions and instruments where relevant to GMDSS and LRIT requirements.

The Organization's structure is comprised of the Assembly of Parties and the Directorate, headed by a Director General. The Director General is the legal representative of the Organization and Chief Executive Officer of the Directorate, appointed by and responsible to the Assembly. In September 2022, the twenty-eighth session of the Assembly elected Mr. Laurent Parenté to the post of Director General from 15 April 2023.

#### 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 a going concern basis unless it is inappropriate to presume that the Organization will continue to operate.

As agreed by the Assembly at its 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.

## **HIGHLIGHTS OF ACTIVITIES IN 2023**

IMSO continues to actively pursue its targets and objectives in a wide range of subject areas, and some of the highlights of 2023 for the Organization are summarized below.

### **Directorate**

#### *Good governance*

Good governance is essential for any intergovernmental organization as it contributes to enhancing Member States' trust in the Organization and strengthens its legitimacy and credibility. Since taking office in April 2023, the Director General has worked to ensure that the Directorate applies the highest standards of governance and be responsive, efficient, effective, transparent, accountable, financially sound and open to changes.

#### *Senior management team and staff*

The Director General is assisted by a Senior Management Team in the day-to-day running of the Directorate. Upon joining the Organization, the Director General decided to confer on each Department an appropriate level of autonomy to enhance Department Heads' performance by fostering ownership and motivation among these senior team members.

From 2023, the Senior Management Team consists of the Director General, the Head of Administrative Services and the Head of Operational Services. Related party disclosures in line with the IFRS requirements are included in the notes to the Financial Statements.

Furthermore, following an in-depth analysis of the workload of the Directorate and enhanced efficiency, the Director General reduced the workforce of both Departments while maintaining the current structure to enable adaptation in the future.

### **Outreach**

#### *Communication with Member States*

IMSO's public-facing visibility continues apace. With a view to improving communication with Member States, the Director General introduced the practice of sending regular circular letters and IMSO document notifications to ensure that the Directorate reaches as many key stakeholders as possible with the objective of keeping them aware of IMSO's work and submissions for meetings.

#### *Open discussion with the Providers of GMDSS satellite services*

Consultation with the Providers is of paramount importance and forms a key element of IMSO's GMDSS oversight mandate. The Directorate has increased the frequency and depth of the consultations with the Providers to ensure proper collaboration and understanding of the interests of IMSO and/or the Providers.

#### *Focal Points of IMSO Stakeholders*

Each IMSO Member State and Observer appoints a Focal Point, with responsibility for engaging with IMSO on all relevant matters. To facilitate communication with and between the Focal Points, a new feature has been introduced to the Focal Points module of the IMSO Docs portal, which allows Focal Points to enable or disable the sharing of their contact details with other IMSO Docs registered users.

#### *Multilingualism*

Multilingualism is both a value and an asset for an intergovernmental organization and a core principle of multilateralism as it contributes to facilitating the development and implementation of international safety standards at sea. It also ensures effective participation of all Member States and other stakeholders in the work of the Organization, with greater transparency and efficiencies, contributing to better outcomes. The Director General's commitments towards the enhancement and improvement of multilingualism and the languages of the Organization, during the 2023, was highlighted by translating the basic documents in all four official languages (English, French, Russian, and Spanish) of the Organization and making them available for the current and potential Member States.

## *Website*

In September 2023, IMSO launched a new website designed to provide users with a more streamlined and engaging platform. The aim of the new website is not only to give it a refreshed format but also to improve communication and increase awareness of the work of the Organization and provide users with useful information and, in the future, training materials.

## *Director General's and staff meetings attendance abroad*

During 2023, the Director General and some IMSO staff members participated in key meetings and conferences in order to engage in critical policy discussions and debates with the wider maritime communications and safety sector.

## **Office relocation**

The current size and location of the IMSO offices result in the Organization having difficulties in strengthening its operations and improving its working environment but also its public perception. Since taking office and following the recommendation of the Assembly, at its twenty-fifth session, the Director General had consultations with the IMO Secretary-General and the Director of the Administrative Division, seeking their cooperation in considering allocating an alternative office location for the IMSO Directorate. This new location was identified and secured, and would enable the IMSO Headquarters to move and be modernized during the course of year 2024.

## **GMDSS**

### ***Close collaboration with the Providers***

One of the core missions of the Organization is the oversight of the recognised mobile satellite communication services in the GMDSS provided by Inmarsat and Iridium. The Directorate has been working very closely with the recognised Providers given that cooperation and collaboration is of paramount importance and should form the cornerstone of IMSO's GMDSS oversight mandate.

### ***Modernization of oversight activities***

#### *Oversight based on data analysis*

In close collaboration with the Providers and given technological developments, IMSO is exploring how the oversight activities could be modernized within the framework of the Public Service Agreements and applicable IMO resolutions with a view to providing a more detailed analysis of the provision of mobile satellite communication systems in GMDSS in the interest of SOLAS Contracting States.

#### *IMSO GMDSS services feedback system*

Based on voluntary feedback as well as spontaneous requests received from several Administrations, IMSO is currently developing an online feedback system with a view to inform the Directorate regarding any difficulties related to the delivery of GMDSS services.

#### *IMSO online satellite outage notification system*

IMSO is currently developing an online notification system to be used to provide real-time updates when there is a prolonged service outage.

## ***GMDSS Manual***

To ensure fairness and consistency in IMSO's oversight functions as well as support business continuity and retention of knowledge, in 2023 the development of an Oversight Manual was initiated for the components of the GMDSS that IMSO has responsibilities for overseeing. The manual should be completed during the first quarter of 2024.

## ***Spectrum Protection***

The radio spectrum is the part of the electromagnetic spectrum with frequencies from 3 Hz to 3,000 GHz (3 THz). Signals from radio transmitters can interfere with each other unless they operate on sufficiently different frequencies or polarizations, are located sufficiently far apart, directed at different geographical areas, or subjected to appropriate power limits. There is therefore a need for an international framework to coordinate frequency use and to deal with interference if it does arise.

IMSO continues to take an active role in the protection of the spectrum used for the provision of mobile satellite communication systems in the GMDSS. This ensures that these systems can continue to operate in an environment of increasing competition for the use of spectrum.

The Directorate participated in the various ITU-R Working Parties (WP): WP 4C (Efficient orbit/spectrum utilization for mobile-satellite service (MSS) and the radiodetermination-satellite service (RDSS)) and WP 5D (IMT Systems) and contributed to the development of the various International Telecommunications Union (ITU) publications.

## **LRIT**

### *New LRIT Data Centres*

During 2023, 3 new Data Centres have been established and integrated into the LRIT system with a further two Contracting Government joining the system as part of the already established join Data Centres.

### *Use of LRIT*

The Director General has decided to expand on the contribution of the Organization to the LRIT system and take advantage of the expert knowledge gathered over the last 14 years in auditing the system to demonstrate not only the reliability of the system but also, and more importantly, the lack of use of the system for search and rescue (SAR) and security purposes. With a view to raising awareness amongst search and rescue service providers across the world about the LRIT system in SAR, a series of training events are being organised throughout 2024, starting in February.

### **Capacity-building and outreach activities**

To promote greater collaboration and efficiencies in outreach to Member States for capacity-building and engagement activities, the Director General agreed with the IMO Technical Cooperation Division (TCD) that IMSO would work in close cooperation with TCD and participate in relevant regional activities not only to increase awareness among stakeholders about the work of the Organization but also, and more importantly, to share its knowledge and expertise with Member States. This joint work will promote efficiencies by enabling IMSO to leverage the extensive existing technical cooperation and capacity building activities of IMO through active participation in the IMO Integrated Technical Cooperation programme (ITCP) and it would be at no additional cost to the Organization.

## **FINANCIAL MANAGEMENT**

### *Visibility and transparency*

With a view to enhancing visibility, transparency and promoting good governance, it is paramount to have clear and accurate financial reporting to ensure that Member States have a transparent view of the Organization's financial health and performance. This transparency fosters trust and confidence in the Organization.

With this in mind, the Director General decided to proactively produce Financial Regulations that would govern the financial administration of the Organization and centralise in one document the current adopted Revised Budget Arrangements and financial parts of the Business Plan. The draft Financial Regulations have been reviewed by the forty-ninth session of the Advisory Committee in November 2023 and would be submitted to the next regular session of the Assembly for consideration and approval.

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

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Laurent Parenté  
Director General

10 April 2024

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

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

Year ended 31 December 2023

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

#### Opinion

We have audited the financial statements of the International Mobile Satellite Organization (the 'Organization') for the year ended 31 December 2023, 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 2023 and of its loss 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](http://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

10 April 2024



**INTERNATIONAL MOBILE SATELLITE ORGANIZATION****I N C O M E   S T A T E M E N T****Year ended 31 December 2023**

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|                                    | Note | 2023<br>£      | 2022<br>£        |
|------------------------------------|------|----------------|------------------|
| <b>Continuing Operations</b>       |      |                |                  |
| Revenue                            |      | 1,933,215      | 1,026,391        |
| Administrative expenses            | 10   | (1,614,394)    | (1,247,478)      |
| <b>Operating surplus/(loss)</b>    |      | <u>318,821</u> | <u>(221,087)</u> |
| Finance income                     | 11   | 13,572         | 1,729            |
| Finance costs                      | 11   | (976)          | (1,237)          |
| <b>Surplus/(loss) for the year</b> |      | <u>331,417</u> | <u>(220,595)</u> |

The notes on pages 12 to 26 are an integral part of these financial statements.

## INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## B A L A N C E S H E E T

At 31 December 2023

|                                       | Note | 2023<br>£        | 2022<br>£        |
|---------------------------------------|------|------------------|------------------|
| <b>Assets</b>                         |      |                  |                  |
| <b>Non-current assets</b>             |      |                  |                  |
| Property, plant and equipment         | 5    | 272,701          | 303,632          |
|                                       |      | <u>272,701</u>   | <u>303,632</u>   |
| <b>Current assets</b>                 |      |                  |                  |
| Trade and other receivables           | 6    | 1,178,798        | 108,944          |
| Cash and cash equivalents             | 7    | 1,918,992        | 1,098,812        |
|                                       |      | <u>3,097,790</u> | <u>1,207,756</u> |
| <b>Total assets</b>                   |      | <u>3,370,491</u> | <u>1,511,388</u> |
| <b>Reserves and liabilities</b>       |      |                  |                  |
| <b>Reserves</b>                       |      |                  |                  |
| General reserve                       | 15   | 176,227          | 6,171            |
| Interest reserve                      | 15   | 131,428          | 117,856          |
| LRIT Contingency reserve              | 15   | 146,085          | 98,296           |
| GMDSS Contingency reserve             | 15   | 115,000          | 15,000           |
|                                       |      | <u>568,740</u>   | <u>237,323</u>   |
| <b>Liabilities</b>                    |      |                  |                  |
| <b>Non-current liabilities</b>        |      |                  |                  |
| Provisions                            | 9    | 93,939           | 100,346          |
| Office lease                          | 13   | 241,770          | 272,701          |
|                                       |      | <u>335,709</u>   | <u>373,047</u>   |
| <b>Current liabilities</b>            |      |                  |                  |
| Trade and other payables              | 8    | 2,466,042        | 901,018          |
| <b>Total liabilities</b>              |      | <u>2,801,752</u> | <u>1,274,065</u> |
| <b>Total reserves and liabilities</b> |      | <u>3,370,491</u> | <u>1,511,388</u> |

The notes on pages 12 to 26 are an integral part of these financial statements. The financial statements on pages 8 to 34 were authorised for issue by the Director General on 10 April 2024.

Laurent Parenté  
Director General

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

STATEMENT OF CHANGES IN RESERVES

Year ended 31 December 2023

|                                    | Note | General<br>reserve<br>£ | Interest<br>reserve<br>£ | LRIT<br>Contingency<br>reserve<br>£ | GMDSS<br>Contingency<br>reserve<br>£ | Total<br>£     |
|------------------------------------|------|-------------------------|--------------------------|-------------------------------------|--------------------------------------|----------------|
| <b>Balance at 31 December 2022</b> | 15   | 6,171                   | 117,856                  | 98,296                              | 15,000                               | 237,323        |
| Transfer between reserves          | 15   | (147,789)               | -                        | 47,789                              | 100,000                              | -              |
| Surplus for the year               | 15   | 317,845                 | 13,572                   | -                                   | -                                    | 331,417        |
| <b>Balance at 31 December 2023</b> |      | <u>176,227</u>          | <u>131,428</u>           | <u>146,085</u>                      | <u>115,000</u>                       | <u>568,740</u> |

|                                    | Note | General<br>reserve<br>£ | Interest<br>reserve<br>£ | LRIT<br>Contingency<br>reserve<br>£ | GMDSS<br>Contingency<br>reserve<br>£ | Total<br>£     |
|------------------------------------|------|-------------------------|--------------------------|-------------------------------------|--------------------------------------|----------------|
| <b>Balance at 31 December 2021</b> | 15   | 233,245                 | 116,127                  | 93,546                              | 15,000                               | 457,918        |
| Transfer between reserves          | 15   | (4,750)                 | -                        | 4,750                               | -                                    | -              |
| Loss for the year                  | 15   | (222,324)               | 1,729                    | -                                   | -                                    | (220,595)      |
| <b>Balance at 31 December 2022</b> |      | <u>6,171</u>            | <u>117,856</u>           | <u>98,296</u>                       | <u>15,000</u>                        | <u>237,323</u> |

The notes on pages 12 to 26 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 2023**

|  | <b>Note</b> | <b>2023</b><br>£ | <b>2022</b><br>£ |
|--|-------------|------------------|------------------|
| <b>Cash flows from operating activities</b>                                  |             |                  |                  |
| Cash generated/(used in) from operations                                     | 12          | 807,584          | (211,976)        |
| Interest paid  |             | (976)            | (1,237)          |
| <b>Net cash from operating activities</b>                                    |             | <u>806,608</u>   | <u>(213,213)</u> |
| <b>Cash flows from investing activities</b>                                  |             |                  |                  |
| Interest received  |             | <u>13,572</u>    | <u>1,729</u>     |
| <b>Net cash received from investing activities</b>                           |             | <u>13,572</u>    | <u>1,729</u>     |
| <b>Net increase/(decrease) in cash, cash equivalents and bank overdrafts</b> |             | 820,180          | (211,484)        |
| Cash and cash equivalents at beginning of the year                           |             | <u>1,098,812</u> | <u>1,310,296</u> |
| <b>Cash, cash equivalents and bank overdrafts at end of the year</b>         |             | <u>1,918,992</u> | <u>1,098,812</u> |

The notes on pages 12 to 26 are an integral part of these financial statements.

## INTERNATIONAL MOBILE SATELLITE ORGANIZATION

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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#### 1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### 1.1 Basis of preparation

The financial statements of the 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 £176,227 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 2023 are the thirteenth annual financial statements that comply with IFRS.

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

##### 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.

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## INTERNATIONAL MOBILE SATELLITE ORGANIZATION

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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#### 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 and Iridium 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.

#### 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.

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## INTERNATIONAL MOBILE SATELLITE ORGANIZATION

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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#### 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 four 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 or fee payable for an additional audit. 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.
  - The fourth relates to Other incomes, e.g. support costs payable to IMSO.
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## INTERNATIONAL MOBILE SATELLITE ORGANIZATION

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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#### 1.11 Revenue recognition (continued)

(c) *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.

(d) *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.

(e) *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.

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## 2. Financial risk management

### 2.1 Financial risk factors

The Organization's activities expose it to a variety of financial risks: currency risk, credit risk and liquidity risk. The Organization's overall risk management monitors the financial risk to the Organization.

(i) *Foreign exchange risk*

The Organization operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and UK pound. Foreign exchange risk arises from future commercial transactions and employee remuneration. The Director General reduces the risk from future commercial transactions by requiring all receivables to be discharged in UK pounds. The risk associated with employee remuneration arises as most employees are paid 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.



## INTERNATIONAL MOBILE SATELLITE ORGANIZATION

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

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(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 £1,918,992 (2022 – £1,098,812) 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.

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### 3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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### 4. Segment information

The reportable operating segments are the Organization's GMDSS and LRIT functions, Capacity Building activities and BeiDou assessment. Income sources are directly identifiable and are detailed in note 1.11. Costs have been wholly allocated to either segment where they are directly identifiable, at a ratio agreed by the IMSO Assembly of Parties. Despite the global nature of the Organization's functions, the Director General does not consider measuring performance based on geographic perspectives to be worthwhile as there is no scope for management control or oversight in this regard.

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**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2023**

The segment information for the year ended 31 December 2023 is as follows:

| Income statement             | Note |                |                |          |                   |                          | <b>2023</b>    |
|------------------------------|------|----------------|----------------|----------|-------------------|--------------------------|----------------|
|                              |      | GMDSS          | LRIT           | BeiDou   | Capacity Building | Inter-segment adjustment | Total          |
|                              |      | £              | £              | £        | £                 | £                        | £              |
| <b>Continuing operations</b> |      |                |                |          |                   |                          |                |
| Revenue                      |      | 1,323,699      | 608,662        | 854      | 12,750            | (12,750)                 | 1,933,215      |
| Administrative expenses      | 10   | (1,222,750)    | (390,790)      | (854)    | (12,750)          | 12,750                   | (1,614,394)    |
| <b>Operating loss</b>        |      | <u>100,949</u> | <u>217,872</u> | <u>-</u> | <u>-</u>          | <u>-</u>                 | <u>318,821</u> |
| Finance income               | 11   | 12,095         | 1,477          | -        | -                 | -                        | 13,572         |
| Finance costs                | 11   | (949)          | (27)           | -        | -                 | -                        | (976)          |
| <b>Surplus for the year</b>  |      | <u>112,095</u> | <u>219,322</u> | <u>-</u> | <u>-</u>          | <u>-</u>                 | <u>331,417</u> |

The segment information for the year ended 31 December 2022 is as follows:

| Income statement                   | Note |              |                  |           |                   |                          | <b>2022</b>      |
|------------------------------------|------|--------------|------------------|-----------|-------------------|--------------------------|------------------|
|                                    |      | GMDSS        | LRIT             | BeiDou    | Capacity Building | Inter-segment adjustment | Total            |
|                                    |      | £            | £                | £         | £                 | £                        | £                |
| <b>Continuing operations</b>       |      |              |                  |           |                   |                          |                  |
| Revenue                            |      | 1,017,589    | 75,878           | 76,977    | 13,000            | (157,053)                | 1,026,391        |
| Administrative expenses            | 10   | (1,016,501)  | (298,108)        | (76,922)  | (13,000)          | 157,053                  | (1,247,478)      |
| <b>Operating loss</b>              |      | <u>1,088</u> | <u>(222,230)</u> | <u>55</u> | <u>-</u>          | <u>-</u>                 | <u>(221,087)</u> |
| Finance income                     | 11   | 1,568        | 161              | -         | -                 | -                        | 1,729            |
| Finance costs                      | 11   | (1,088)      | (94)             | (55)      | -                 | -                        | (1,237)          |
| <b>Surplus/(loss) for the year</b> |      | <u>1,568</u> | <u>(222,163)</u> | <u>-</u>  | <u>-</u>          | <u>-</u>                 | <u>(220,595)</u> |

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2023**

The segment information for the year ended 31 December 2023 is as follows:

| Balance sheet                         | Note |                  |                  |                |                          |                   | <b>2023</b>      |
|---------------------------------------|------|------------------|------------------|----------------|--------------------------|-------------------|------------------|
|                                       |      | <b>GMDSS</b>     | <b>LRIT</b>      | <b>BeiDou</b>  | <b>Capacity Building</b> | <b>Inter-fund</b> | <b>Total</b>     |
|                                       |      | £                | £                | £              | £                        | £                 | £                |
| <b>Assets</b>                         |      |                  |                  |                |                          |                   |                  |
| <b>Non-current assets</b>             |      |                  |                  |                |                          |                   |                  |
| Property, plant and Equipment         | 5    | 170,902          | 101,799          | -              | -                        | -                 | 272,701          |
| <b>Current assets</b>                 |      |                  |                  |                |                          |                   |                  |
| Trade and other Receivables           | 6    | 931,303          | 463,157          | -              | -                        | (215,662)         | 1,178,798        |
| Cash and cash Equivalents             | 7    | 1,039,779        | 594,364          | 204,030        | 80,819                   | -                 | 1,918,992        |
|                                       |      | <u>1,971,082</u> | <u>1,057,521</u> | <u>204,030</u> | <u>80,819</u>            | <u>(215,662)</u>  | <u>3,097,790</u> |
| <b>Total assets</b>                   |      | <u>2,141,984</u> | <u>1,159,320</u> | <u>204,030</u> | <u>80,819</u>            | <u>(215,662)</u>  | <u>3,370,491</u> |
| <b>Reserves and liabilities</b>       |      |                  |                  |                |                          |                   |                  |
| <b>Reserves</b>                       |      |                  |                  |                |                          |                   |                  |
| General reserve                       | 15   | -                | 176,227          | -              | -                        | -                 | 176,227          |
| Interest reserve                      | 15   | 129,141          | 2,287            | -              | -                        | -                 | 131,428          |
| Contingency reserve                   | 15   | 115,000          | 146,085          | -              | -                        | -                 | 261,085          |
|                                       |      | <u>244,141</u>   | <u>324,599</u>   | <u>-</u>       | <u>-</u>                 | <u>-</u>          | <u>568,740</u>   |
| <b>Liabilities</b>                    |      |                  |                  |                |                          |                   |                  |
| <b>Non-current liabilities</b>        |      |                  |                  |                |                          |                   |                  |
| Provisions                            | 9    | 75,152           | 18,787           | -              | -                        | -                 | 93,939           |
| Office lease                          | 13   | 149,029          | 92,741           | -              | -                        | -                 | 241,770          |
|                                       |      | <u>224,181</u>   | <u>111,528</u>   | <u>-</u>       | <u>-</u>                 | <u>-</u>          | <u>335,709</u>   |
| <b>Current liabilities</b>            |      |                  |                  |                |                          |                   |                  |
| Trade and other Payables              | 8    | 1,673,662        | 723,193          | 204,030        | 80,819                   | (215,662)         | 2,466,042        |
| <b>Total liabilities</b>              |      | <u>1,897,843</u> | <u>834,721</u>   | <u>204,030</u> | <u>80,819</u>            | <u>(215,662)</u>  | <u>2,801,751</u> |
| <b>Total reserves and liabilities</b> |      | <u>2,141,984</u> | <u>1,159,320</u> | <u>204,030</u> | <u>80,819</u>            | <u>(215,662)</u>  | <u>3,370,491</u> |

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2023**

The segment information for the year ended 31 December 2022 is as follows:

| Balance sheet                         | Note |                |                |                |                          |                   | <b>2022</b>      |
|---------------------------------------|------|----------------|----------------|----------------|--------------------------|-------------------|------------------|
|                                       |      | <b>GMDSS</b>   | <b>LRIT</b>    | <b>BeiDou</b>  | <b>Capacity Building</b> | <b>Inter-fund</b> | <b>Total</b>     |
|                                       |      | £              | £              | £              | £                        | £                 | £                |
| <b>Assets</b>                         |      |                |                |                |                          |                   |                  |
| <b>Non-current assets</b>             |      |                |                |                |                          |                   |                  |
| Property, plant and Equipment         | 5    | 190,286        | 113,346        | -              | -                        | -                 | 303,632          |
| <b>Current assets</b>                 |      |                |                |                |                          |                   |                  |
| Trade and other Receivables           | 6    | 103,513        | 73,956         | 21             | -                        | (68,546)          | 108,944          |
| Cash and cash Equivalents             | 7    | 588,876        | 263,508        | 144,109        | 102,319                  | -                 | 1,098,812        |
|                                       |      | <u>692,389</u> | <u>337,464</u> | <u>144,130</u> | <u>102,319</u>           | <u>(68,546)</u>   | <u>1,207,756</u> |
| <b>Total assets</b>                   |      | <u>882,675</u> | <u>450,810</u> | <u>144,130</u> | <u>102,319</u>           | <u>(68,546)</u>   | <u>1,511,388</u> |
| <b>Reserves and liabilities</b>       |      |                |                |                |                          |                   |                  |
| <b>Reserves</b>                       |      |                |                |                |                          |                   |                  |
| General reserve                       | 15   | -              | 6,171          | -              | -                        | -                 | 6,171            |
| Interest reserve                      | 15   | 117,046        | 810            | -              | -                        | -                 | 117,856          |
| Contingency reserve                   | 15   | 15,000         | 98,296         | -              | -                        | -                 | 113,296          |
|                                       |      | <u>132,046</u> | <u>105,277</u> | <u>-</u>       | <u>-</u>                 | <u>-</u>          | <u>237,323</u>   |
| <b>Liabilities</b>                    |      |                |                |                |                          |                   |                  |
| <b>Non-current liabilities</b>        |      |                |                |                |                          |                   |                  |
| Provisions                            | 9    | 80,277         | 20,069         | -              | -                        | -                 | 100,346          |
| Office lease                          | 13   | 170,905        | 101,796        | -              | -                        | -                 | 272,701          |
|                                       |      | <u>251,182</u> | <u>121,865</u> | <u>-</u>       | <u>-</u>                 | <u>-</u>          | <u>373,047</u>   |
| <b>Current liabilities</b>            |      |                |                |                |                          |                   |                  |
| Trade and other Payables              | 8    | 499,447        | 223,668        | 144,130        | 102,319                  | (68,546)          | 901,018          |
| <b>Total liabilities</b>              |      | <u>750,629</u> | <u>345,533</u> | <u>144,130</u> | <u>102,319</u>           | <u>(68,546)</u>   | <u>1,274,065</u> |
| <b>Total reserves and liabilities</b> |      | <u>882,675</u> | <u>450,810</u> | <u>144,130</u> | <u>102,319</u>           | <u>(68,546)</u>   | <u>1,511,388</u> |

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2023**

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

|                      |              |             |               |                          | <b>2023</b>  |
|----------------------|--------------|-------------|---------------|--------------------------|--------------|
|                      | <b>GMDSS</b> | <b>LRIT</b> | <b>BeiDou</b> | <b>Capacity Building</b> | <b>Total</b> |
|                      | <b>£</b>     | <b>£</b>    | <b>£</b>      | <b>£</b>                 | <b>£</b>     |
| Inter fund debtors   | 215,662      | -           | -             | -                        | 215,662      |
| Inter fund creditors | -            | 211,144     | 268           | 4,250                    | 215,662      |

|                      |              |             |               |                          | <b>2022</b>  |
|----------------------|--------------|-------------|---------------|--------------------------|--------------|
|                      | <b>GMDSS</b> | <b>LRIT</b> | <b>BeiDou</b> | <b>Capacity Building</b> | <b>Total</b> |
|                      | <b>£</b>     | <b>£</b>    | <b>£</b>      | <b>£</b>                 | <b>£</b>     |
| Inter fund debtors   | 68,546       | -           | -             | -                        | 68,546       |
| Inter fund creditors | -            | 3,832       | 51,714        | 13,000                   | 68,546       |

These amounts have been included within trade and other receivables and trade and other payables in the above segmental analysis as applicable.

**5. Property, plant and equipment**

|                        | <b>Land and Building</b> | <b>Plant and equipment</b> | <b>Total</b> |
|------------------------|--------------------------|----------------------------|--------------|
|                        | <b>£</b>                 | <b>£</b>                   | <b>£</b>     |
| <b>Cost</b>            |                          |                            |              |
| At 1 January 2023      | 442,822                  | 50,099                     | 492,291      |
| At 31 December 2023    | 442,822                  | 50,099                     | 492,921      |
| <b>Depreciation</b>    |                          |                            |              |
| At 1 January 2023      | 139,190                  | 50,099                     | 189,289      |
| Charge for the year    | 30,931                   | -                          | 30,931       |
| At 31 December 2023    | 170,121                  | 50,099                     | 220,220      |
| <b>Carrying amount</b> |                          |                            |              |
| At 31 December 2023    | 272,701                  | -                          | 272,701      |
| At 31 December 2022    | 303,632                  | -                          | 303,632      |

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2023**

**6. Trade and other receivables**

|                    |                |                |               |                   | <b>2023</b>      |
|--------------------|----------------|----------------|---------------|-------------------|------------------|
|                    | <b>GMDSS</b>   | <b>LRIT</b>    | <b>BeiDou</b> | <b>Inter-fund</b> | <b>Total</b>     |
|                    | <b>£</b>       | <b>£</b>       | <b>£</b>      | <b>£</b>          | <b>£</b>         |
| Trade receivables  | 693,213        | 457,412        | -             | -                 | 1,150,625        |
| Prepayments        | 16,639         | 1,886          | -             | -                 | 18,525           |
| Taxation           | 5,789          | 3,859          | -             | -                 | 9,648            |
| Inter-fund balance | 215,662        | -              | -             | (215,662)         | -                |
|                    | <u>931,303</u> | <u>463,157</u> | <u>-</u>      | <u>(215,662)</u>  | <u>1,178,798</u> |
|                    |                |                |               |                   |                  |
|                    | <b>GMDSS</b>   | <b>LRIT</b>    | <b>BeiDou</b> | <b>Inter-fund</b> | <b>Total</b>     |
|                    | <b>£</b>       | <b>£</b>       | <b>£</b>      | <b>£</b>          | <b>£</b>         |
| Trade receivables  | -              | 62,183         | 21            | -                 | 62,204           |
| Prepayments        | 19,941         | 1,755          | -             | -                 | 21,696           |
| Taxation           | 15,026         | 10,018         | -             | -                 | 25,044           |
| Inter-fund balance | 68,546         | -              | -             | (68,546)          | -                |
|                    | <u>103,513</u> | <u>73,956</u>  | <u>21</u>     | <u>(68,546)</u>   | <u>108,944</u>   |

Trade receivables have not been discounted and no provision has been made against the carrying amount shown above. The Director General considers the expected discounted value received for all receivables to be materially similar to the carrying values shown. All receivables are denominated in the functional currency shown.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Organization does not hold any collateral as security.

**7. Cash and cash equivalents**

The Organization holds all cash and cash equivalents in instant access bank accounts. The Organization had no overdrawn accounts at the year-end or the previous year end.

|                           |                  |                |                |                          | <b>2023</b>      |
|---------------------------|------------------|----------------|----------------|--------------------------|------------------|
|                           | <b>GMDSS</b>     | <b>LRIT</b>    | <b>BeiDou</b>  | <b>Capacity Building</b> | <b>Total</b>     |
|                           | <b>£</b>         | <b>£</b>       | <b>£</b>       | <b>£</b>                 | <b>£</b>         |
| Cash and cash equivalents | 1,039,779        | 594,364        | 204,030        | 80,819                   | 1,918,992        |
|                           | <u>1,039,779</u> | <u>594,364</u> | <u>204,030</u> | <u>80,819</u>            | <u>1,918,992</u> |
|                           |                  |                |                |                          |                  |
|                           | <b>GMDSS</b>     | <b>LRIT</b>    | <b>BeiDou</b>  | <b>Capacity Building</b> | <b>Total</b>     |
|                           | <b>£</b>         | <b>£</b>       | <b>£</b>       | <b>£</b>                 | <b>£</b>         |
| Cash and cash equivalents | 588,876          | 263,508        | 144,109        | 102,319                  | 1,098,812        |
|                           | <u>588,876</u>   | <u>263,508</u> | <u>144,109</u> | <u>102,319</u>           | <u>1,098,812</u> |

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2023**

**8. Trade and other payables**

|                                    | <b>2023</b>      |                |                |                          |                   |                  |
|------------------------------------|------------------|----------------|----------------|--------------------------|-------------------|------------------|
|                                    | <b>GMDSS</b>     | <b>LRIT</b>    | <b>BeiDou</b>  | <b>Capacity Building</b> | <b>Inter-fund</b> | <b>Total</b>     |
|                                    | £                | £              | £              | £                        | £                 | £                |
| Trade payable                      | 7,402            | 1,154          | -              | -                        | -                 | 8,556            |
| Accrued expenses                   | 40,106           | 10,496         | -              | -                        | -                 | 50,602           |
| Office lease                       | 21,873           | 9,058          | -              | -                        | -                 | 30,931           |
| Social security and other taxation | 1,112            | 741            | -              | -                        | -                 | 1,853            |
| Deferred income                    | 1,234,588        | 490,600        | 203,762        | 76,569                   | -                 | 2,005,519        |
| Legal fund                         | 100,000          | -              | -              | -                        | -                 | 100,000          |
| GMDSS surplus                      | 268,581          | -              | -              | -                        | -                 | 268,581          |
| Inter-fund balance                 | -                | 211,144        | 268            | 4,250                    | (215,662)         | -                |
|                                    | <u>1,673,662</u> | <u>723,193</u> | <u>204,030</u> | <u>80,819</u>            | <u>(215,662)</u>  | <u>2,466,042</u> |

|                                    | <b>2022</b>    |                |                |                          |                   |                |
|------------------------------------|----------------|----------------|----------------|--------------------------|-------------------|----------------|
|                                    | <b>GMDSS</b>   | <b>LRIT</b>    | <b>BeiDou</b>  | <b>Capacity Building</b> | <b>Inter-fund</b> | <b>Total</b>   |
|                                    | £              | £              | £              | £                        | £                 | £              |
| Trade payable                      | 12,709         | 1,364          | -              | -                        | -                 | 14,073         |
| Accrued expenses                   | 18,199         | 4,798          | -              | -                        | -                 | 22,997         |
| Office lease                       | 19,383         | 11,548         | -              | -                        | -                 | 30,931         |
| Social security and other taxation | 8,014          | 7,626          | -              | -                        | -                 | 15,640         |
| Deferred income                    | -              | 194,500        | 92,416         | 89,319                   | -                 | 376,235        |
| Legal fund                         | 100,000        | -              | -              | -                        | -                 | 100,000        |
| GMDSS surplus                      | 341,142        | -              | -              | -                        | -                 | 341,142        |
| Inter-fund balance                 | -              | 3,832          | 51,714         | 13,000                   | (68,546)          | -              |
|                                    | <u>499,447</u> | <u>223,668</u> | <u>144,130</u> | <u>102,319</u>           | <u>(68,546)</u>   | <u>901,018</u> |

The Legal fund is interest-free and is retained by the Organization while the current Public Services Agreement with Inmarsat is in force. These funds are only available to be used for costs associated with arbitration or other legal proceedings in connection with enforcement of the Public Services Agreement with Inmarsat.

**9. Provisions**

|                                | <b>2023</b>   |               |               | <b>2022</b>   |               |                |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|
|                                | <b>GMDSS</b>  | <b>LRIT</b>   | <b>Total</b>  | <b>GMDSS</b>  | <b>LRIT</b>   | <b>Total</b>   |
| Repatriation grant (see below) | <u>75,152</u> | <u>18,787</u> | <u>93,939</u> | <u>80,277</u> | <u>20,069</u> | <u>100,346</u> |

The Organization is committed to providing repatriation grants to employees who are not UK nationals upon their leaving employment. The total provision decreased by £6,406 in total during the year. The provision decreased by £5,125 for GMDSS and by £1,281 for LRIT.

## INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

## 10. Expenses by nature

|   |                  |                |               |                              |  | <b>2023</b>      |
|---|------------------|----------------|---------------|------------------------------|--|------------------|
|   | <b>GMDSS</b>     | <b>LRIT</b>    | <b>BeiDou</b> | <b>Capacity<br/>Building</b> | <b>Inter-<br/>segment<br/>adjustment</b> | <b>Total</b>     |
|   | <b>£</b>         | <b>£</b>       | <b>£</b>      | <b>£</b>                     | <b>£</b>                                 | <b>£</b>         |
| Employees' benefits expenses              | 858,729          | 283,241        | -             | -                            | -  | 1,141,970        |
| Pension costs -<br>(defined contribution) | 147,801          | 51,701         | -             | -                            | -  | 199,502          |
| Depreciation                              | 19,383           | 11,548         | -             | -                            | -  | 30,931           |
| IMSO daily fees                           | -                | -              | -             | -                            | -  | -                |
| Other expenses                            | 196,837          | 44,300         | 854           | 12,750                       | (12,750)                                 | 241,991          |
| <b>Administrative expenses</b>            | <b>1,222,750</b> | <b>390,790</b> | <b>854</b>    | <b>12,750</b>                | <b>(12,750)</b>                          | <b>1,614,394</b> |

|   |                  |                |               |                              |  | <b>2022</b>      |
|---|------------------|----------------|---------------|------------------------------|--|------------------|
|   | <b>GMDSS</b>     | <b>LRIT</b>    | <b>BeiDou</b> | <b>Capacity<br/>Building</b> | <b>Inter-<br/>segment<br/>adjustment</b> | <b>Total</b>     |
|   | <b>£</b>         | <b>£</b>       | <b>£</b>      | <b>£</b>                     | <b>£</b>                                 | <b>£</b>         |
| Employees' benefits expenses              | 639,205          | 214,615        | -             | -                            | -  | 853,820          |
| Pension costs -<br>(defined contribution) | 114,827          | 41,002         | -             | -                            | -  | 155,829          |
| Depreciation                              | 19,383           | 11,548         | -             | -                            | -  | 30,931           |
| IMSO daily fees                           | 76,893           | -              | 49,284        | 13,000                       | (139,177)                                | -                |
| Other expenses                            | 166,193          | 30,943         | 27,638        | -                            | (17,876)                                 | 206,898          |
| <b>Administrative expenses</b>            | <b>1,016,501</b> | <b>298,108</b> | <b>76,922</b> | <b>13,000</b>                | <b>(157,053)</b>                         | <b>1,247,478</b> |



**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2023**

**11. Finance income and costs**

|                                 |              |             |                |               | <b>2023</b>  |
|---------------------------------|--------------|-------------|----------------|---------------|--------------|
|                                 | <b>GMDSS</b> | <b>LRIT</b> | <b>Iridium</b> | <b>BeiDou</b> | <b>Total</b> |
|                                 | <b>£</b>     | <b>£</b>    | <b>£</b>       | <b>£</b>      | <b>£</b>     |
| Interest expense – bank charges | (949)        | (27)        | -              | -             | (976)        |
| Net finance costs               | (949)        | (27)        | -              | -             | (976)        |
| Finance income                  | 12,095       | 1,477       | -              | -             | 13,572       |
| Net finance income              | 11,146       | 1,450       | -              | -             | 12,596       |

|                                 |              |             |                |               | <b>2022</b>  |
|---------------------------------|--------------|-------------|----------------|---------------|--------------|
|                                 | <b>GMDSS</b> | <b>LRIT</b> | <b>Iridium</b> | <b>BeiDou</b> | <b>Total</b> |
|                                 | <b>£</b>     | <b>£</b>    | <b>£</b>       | <b>£</b>      | <b>£</b>     |
| Interest expense – bank charges | (1,088)      | (94)        | -              | (55)          | (1,237)      |
| Net finance costs               | (1,088)      | (94)        | -              | (55)          | (1,237)      |
| Finance income                  | 1,568        | 161         | -              | -             | 1,729        |
| Net finance income/(costs)      | 480          | 67          | -              | (55)          | 492          |

**12. Cash generated from operations**

|   | <b>2023</b> | <b>2022</b> |
|---|-------------|-------------|
|   | <b>£</b>    | <b>£</b>    |
| <b>Surplus/(loss) for the year</b>              | 331,417     | (220,595)   |
| Adjustments for:                                |             |             |
| Depreciation                                    | -           | -           |
| Net finance income                              | (12,596)    | (492)       |
| Trade and other receivables                     | (1,069,854) | (48,731)    |
| Trade and other payables                        | 1,565,024   | 45,391      |
| Provisions                                      | (6,407)     | 12,451      |
| <b>Cash generated/(used in) from operations</b> | 807,584     | (211,976)   |

**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:

|   | <b>2023</b> | <b>2022</b> |
|---|-------------|-------------|
|   | <b>£</b>    | <b>£</b>    |
| - 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                             | 118,046     | 148,977     |
|   | 272,701     | 303,632     |

Total cash paid in the period in respect of recognised lease liabilities was £30,931 (2022 - £30,931).

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2023**

**14. Financial instruments**

All financial instruments are held and denominated in UK pounds.

| <b>Assets as per balance sheet</b>                       | <b>2023</b>      | <b>Cash and receivables</b>     |
|--|------------------|---------------------------------|
|  | <b>£</b>         | <b>2022</b>                     |
|  |                  | <b>£</b>                        |
| Trade and other receivables excluding prepayments        | 1,150,625        | 62,204                          |
| Cash and cash equivalents                                | 1,918,992        | 1,098,812                       |
|  | <u>3,069,617</u> | <u>1,161,016</u>                |
|  |                  | <b>Financial liabilities at</b> |
|  |                  | <b>amortised cost</b>           |
| <b>Liabilities as per balance sheet</b>                  | <b>2023</b>      | <b>2022</b>                     |
|  | <b>£</b>         | <b>£</b>                        |
| Trade and other payables excluding statutory liabilities | 331,859          | 340,702                         |
| Provisions   | 93,939           | 100,346                         |
|  | <u>425,798</u>   | <u>441,048</u>                  |

**15. Reserves**

|                                | <b>General</b> | <b>Interest</b> | <b>LRIT</b>        | <b>GMDSS</b>       | <b>Total</b>   |
|--------------------------------|----------------|-----------------|--------------------|--------------------|----------------|
|                                | <b>reserve</b> | <b>reserve</b>  | <b>Contingency</b> | <b>Contingency</b> |                |
|                                | <b>£</b>       | <b>£</b>        | <b>reserve</b>     | <b>reserve</b>     | <b>£</b>       |
|                                |                |                 | <b>£</b>           | <b>£</b>           |                |
| Balance as at 1 January 2023   | 6,171          | 117,856         | 98,296             | 15,000             | 237,323        |
| Transfer from reserves         | (147,789)      | -               | 47,789             | 100,000            | -              |
| Surplus for the year           | 317,845        | 13,572          | -                  | -                  | 331,417        |
| Balance as at 31 December 2023 | <u>176,227</u> | <u>131,428</u>  | <u>146,085</u>     | <u>115,000</u>     | <u>568,740</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 2023, £47,789 was transferred to the LRIT Contingency reserves towards IMSO Headquarters relocation costs and to spread the costs relating to the 2024 Assembly. Moreover, in 2023, £100,000 was also transferred to the GMDSS Contingency reserve towards the IMSO Headquarters relocation costs.

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 Iridium and LRIT Contingency Fund.

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2023**

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**16. Related Parties**

**Key management compensation**

In 2022 the key management team consisted of only the Director General. However, from September 2022 the Head of Operational Services joined the key management team followed by the Head of Administrative Services joining the team in October 2022.

In 2023, the aggregate remuneration paid to key management personnel includes net salaries, post adjustment, entitlements, employer's pension contribution, current health and life insurances as well as assignment and repatriation grants and personal effects shipment costs for the former and current Director General.

The costs to the Organization for amounts payable to the key management for employees' services are shown accordingly below with the changes applied in 2023:

|   | <b>2023</b>    | <b>2022</b>    |
|---|----------------|----------------|
|   | <b>£</b>       | <b>£</b>       |
| Salaries and other staff short-term employee benefits | 781,461        | 207,788        |
| Post-employment benefits                              | 81,235         | 44,870         |
|   | <u>862,696</u> | <u>252,658</u> |

No amount (2022 – no amount) owed to the key management at the year end is included within the total for trade and other payables in note 8.

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**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 2023**

|  |             |                  |                |               |                              |  | <b>2023</b>      |
|--|-------------|------------------|----------------|---------------|------------------------------|--|------------------|
|  | <b>Note</b> | <b>GMDSS</b>     | <b>LRIT</b>    | <b>BeiDou</b> | <b>Capacity<br/>Building</b> | <b>Inter-<br/>segment<br/>adjustment</b> | <b>Total</b>     |
|  |             | <b>£</b>         | <b>£</b>       | <b>£</b>      | <b>£</b>                     | <b>£</b>                                 | <b>£</b>         |
| <b>General fund</b>                                      |             |                  |                |               |                              |  |                  |
| <b>Income</b>  |             |                  |                |               |                              |  |                  |
| <b>Contributions</b>                                     |             |                  |                |               |                              |  |                  |
| GMDSS – ordinary   |             | 1,463,612        | -              | -             | -                            | -  | 1,463,612        |
| Other parties – ordinary                                 |             | -                | 608,662        | 112,200       | -                            | -  | 720,862          |
| Add: Providers – underpaid /<br>(overpaid) contributions |             | (139,913)        | -              | (111,346)     | 12,750                       | (12,750)                                 | (251,259)        |
| Other income   |             |                  |                |               |                              |  |                  |
| Interest received  |             | 10,168           | -              | -             | -                            | -  | 10,168           |
| Interest received on<br>Legal fund                       |             | 1,806            | -              | -             | -                            | -  | 1,806            |
| Interest received on<br>Contingency fund                 |             | 121              | 1,477          | -             | -                            | -  | 1,598            |
|  |             | <u>1,335,794</u> | <u>610,139</u> | <u>854</u>    | <u>12,750</u>                | <u>(12,750)</u>                          | <u>1,946,787</u> |
| <b>Expenditure</b>                                       |             |                  |                |               |                              |  |                  |
| Directorate staff costs                                  |             | 1,006,530        | 334,941        | -             | -                            | -  | 1,341,471        |
| Office maintenance costs<br>(including bank charges)     |             | 76,242           | 27,637         | -             | 12,750                       | (12,750)                                 | 103,879          |
| Rent   |             | 34,062           | 15,634         | -             | -                            | -  | 49,696           |
| Travel costs   |             | 104,531          | 11,605         | -             | -                            | -  | 116,136          |
| Meeting costs  |             | 2,334            | 1,000          | -             | -                            | -  | 3,334            |
| Consultancy  |             | -                | -              | 854           | -                            | -  | 854              |
| IMSO Daily Fees  |             | -                | -              | -             | -                            | -  | -                |
|  |             | <u>1,223,699</u> | <u>390,817</u> | <u>854</u>    | <u>12,750</u>                | <u>(12,750)</u>                          | <u>1,615,370</u> |
| Operating loss   |             | <u>112,095</u>   | <u>219,322</u> | <u>-</u>      | <u>-</u>                     | <u>-</u>                                 | <u>331,417</u>   |
| <b>General reserve</b>                                   |             |                  |                |               |                              |  |                  |
| Balance brought forward                                  |             | -                | 6,171          | -             | -                            | -  | 6,171            |
| Transfer to Interest reserve                             |             | (12,095)         | (1,477)        | -             | -                            | -  | (13,572)         |
| Transfer to Contingency reserve                          |             | (100,000)        | (88,488)       | -             | -                            | -  | (188,488)        |
| Transfer from LRIT<br>Contingency reserve                |             | -                | 40,699         | -             | -                            | -  | 40,699           |
| Balance carried forward (page 9)                         |             | <u>-</u>         | <u>176,227</u> | <u>-</u>      | <u>-</u>                     | <u>-</u>                                 | <u>176,227</u>   |
| Interest reserve   |             |                  |                |               |                              |  |                  |
| Balance brought forward                                  |             | 117,046          | 810            | -             | -                            | -  | 117,856          |
| Transfer from General reserve                            | 15          | 12,095           | 1,477          | -             | -                            | -  | 13,572           |
| Balance carried forward (page 9)                         |             | <u>129,141</u>   | <u>2,287</u>   | <u>-</u>      | <u>-</u>                     | <u>-</u>                                 | <u>131,428</u>   |
| Contingency reserve                                      |             |                  |                |               |                              |  |                  |
| Balance brought forward                                  | 15          | 15,000           | 98,296         | -             | -                            | -  | 113,296          |
| Transfer to General reserve                              | 15          | -                | (40,699)       | -             | -                            | -  | (40,699)         |
| Transfer from General reserve                            | 15          | 100,000          | 88,488         | -             | -                            | -  | 188,488          |
| Balance carried forward (page 9)                         |             | <u>115,000</u>   | <u>146,085</u> | <u>-</u>      | <u>-</u>                     | <u>-</u>                                 | <u>261,085</u>   |

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**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**
**DETAILED STATEMENT OF INCOME AND EXPENDITURE**
**Year ended 31 December 2023**

|  |      |                  |                  |               |                      |                                 | <b>2022</b>      |
|--|------|------------------|------------------|---------------|----------------------|---------------------------------|------------------|
|  | Note | GMDSS            | LRIT             | BeiDou        | Capacity<br>Building | Inter-<br>segment<br>adjustment | Total            |
|  |      | £                | £                | £             | £                    | £                               | £                |
| <b>General fund</b>                                      |      |                  |                  |               |                      |                                 |                  |
| <b>Income</b>  |      |                  |                  |               |                      |                                 |                  |
| <b>Contributions</b>                                     |      |                  |                  |               |                      |                                 |                  |
| GMDSS – ordinary   |      | 783,011          | -                | -             | -                    | -                               | 783,011          |
| Other parties – ordinary                                 |      | 119,475          | 75,878           | 76,977        | 13,000               | (157,053)                       | 128,277          |
| Add: Providers – underpaid /<br>(overpaid) contributions |      | 115,103          | -                | -             | -                    | -                               | 115,103          |
| Other income   |      |                  |                  |               |                      |                                 |                  |
| Interest received  |      | 1,222            | -                | -             | -                    | -                               | 1,222            |
| Interest received on<br>Legal fund                       |      | 324              | -                | -             | -                    | -                               | 324              |
| Interest received on<br>Contingency fund                 |      | 22               | 161              | -             | -                    | -                               | 183              |
|  |      | <u>1,019,157</u> | <u>76,039</u>    | <u>76,977</u> | <u>13,000</u>        | <u>(157,053)</u>                | <u>1,028,120</u> |
| <b>Expenditure</b>                                       |      |                  |                  |               |                      |                                 |                  |
| Directorate staff costs                                  |      | 754,032          | 255,617          | -             | -                    | -                               | 1,009,649        |
| Office maintenance costs<br>(including bank charges)     |      | 54,136           | 10,337           | 2,032         | -                    | (17,876)                        | 48,629           |
| Rent   |      | 33,918           | 16,420           | -             | -                    | -                               | 50,338           |
| Travel costs   |      | 70,502           | 3,574            | 3,284         | -                    | -                               | 77,360           |
| Meeting costs  |      | 28,108           | 12,254           | -             | -                    | -                               | 40,362           |
| Consultancy  |      | -                | -                | 22,377        | -                    | -                               | 22,377           |
| IMSO Daily Fees  |      | 76,893           | -                | 49,284        | 13,000               | (139,177)                       | -                |
|  |      | <u>1,017,589</u> | <u>298,202</u>   | <u>76,977</u> | <u>13,000</u>        | <u>(157,053)</u>                | <u>1,248,715</u> |
| Operating loss   |      | <u>1,568</u>     | <u>(222,163)</u> | <u>-</u>      | <u>-</u>             | <u>-</u>                        | <u>(220,595)</u> |
| <b>General reserve</b>                                   |      |                  |                  |               |                      |                                 |                  |
| Balance brought forward                                  |      | -                | 233,245          | -             | -                    | -                               | 233,245          |
| Transfer to Interest reserve                             |      | (1,568)          | (161)            | -             | -                    | -                               | (1,729)          |
| Transfer to Contingency reserve                          |      | -                | (15,000)         | -             | -                    | -                               | (15,000)         |
| Transfer from LRIT<br>Contingency reserve                |      | -                | 10,250           | -             | -                    | -                               | 10,250           |
| Balance carried forward (page 9)                         |      | <u>-</u>         | <u>6,171</u>     | <u>-</u>      | <u>-</u>             | <u>-</u>                        | <u>6,171</u>     |
| Interest reserve   |      |                  |                  |               |                      |                                 |                  |
| Balance brought forward                                  |      | 115,478          | 649              | -             | -                    | -                               | 116,127          |
| Transfer from General reserve                            | 15   | 1,568            | 161              | -             | -                    | -                               | 1,729            |
| Balance carried forward (page 9)                         |      | <u>117,046</u>   | <u>810</u>       | <u>-</u>      | <u>-</u>             | <u>-</u>                        | <u>117,856</u>   |
| Contingency reserve                                      |      |                  |                  |               |                      |                                 |                  |
| Balance brought forward                                  | 15   | 15,000           | 93,546           | -             | -                    | -                               | 108,546          |
| Transfer to General reserve                              | 15   | -                | (10,250)         | -             | -                    | -                               | (10,250)         |
| Transfer from General reserve                            | 15   | -                | 15,000           | -             | -                    | -                               | 15,000           |
| Balance carried forward (page 9)                         |      | <u>15,000</u>    | <u>98,296</u>    | <u>-</u>      | <u>-</u>             | <u>-</u>                        | <u>113,296</u>   |

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INTERNATIONAL MOBILE SATELLITE ORGANIZATION

DETAILED BALANCE SHEET

At 31 December 2023

| Balance sheet   | Note |                  |                  |                |                   |                  | <b>2023</b>      |
|---|------|------------------|------------------|----------------|-------------------|------------------|------------------|
|   |      | GMDSS            | LRIT             | BeiDou         | Capacity Building | Inter-fund       | Total            |
|   |      | £                | £                | £              | £                 | £                | £                |
| <b>Tangible fixed Assets</b>                                | 5    | 170,902          | 101,799          | -              | -                 | -                | 272,701          |
| <b>Current assets</b>                                       |      |                  |                  |                |                   |                  |                  |
| Trade debtors   | 6    | 693,213          | 457,412          | -              | -                 | -                | 1,150,625        |
| Taxation  | 6    | 5,789            | 3,859            | -              | -                 | -                | 9,648            |
| Prepayments   | 6    | 16,639           | 1,886            | -              | -                 | -                | 18,525           |
| Cash at bank  | 7    | 1,039,779        | 594,364          | 204,030        | 80,819            | -                | 1,918,992        |
| Inter-fund balance  | 4    | 215,662          | -                | -              | -                 | (215,662)        | -                |
|   |      | <u>1,971,082</u> | <u>1,057,521</u> | <u>204,030</u> | <u>80,819</u>     | <u>(215,662)</u> | <u>3,097,790</u> |
| <b>Creditors: amounts falling due within one year</b>       |      |                  |                  |                |                   |                  |                  |
| Accounts payable  | 8    | 275,983          | 1,154            | -              | -                 | -                | 277,137          |
| Other creditors   | 8    | 101,112          | 741              | -              | -                 | -                | 101,853          |
| Accruals  | 8    | 40,106           | 10,496           | -              | -                 | -                | 50,602           |
| Office lease  | 8    | 21,873           | 9,058            | -              | -                 | -                | 30,931           |
| Deferred income   | 8    | 1,234,588        | 490,600          | 203,762        | 76,569            | -                | 2,005,519        |
| Inter fund balance  | 4    | -                | 211,144          | 268            | 4,250             | (215,662)        | -                |
|   |      | <u>1,673,662</u> | <u>723,193</u>   | <u>204,030</u> | <u>80,819</u>     | <u>(215,662)</u> | <u>2,466,042</u> |
| <b>Net current assets</b>                                   |      | <u>297,420</u>   | <u>334,328</u>   | <u>-</u>       | <u>-</u>          | <u>-</u>         | <u>631,748</u>   |
| <b>Creditors: amounts falling due in more than one year</b> |      |                  |                  |                |                   |                  |                  |
| Provisions  | 9    | 75,152           | 18,787           | -              | -                 | -                | 93,939           |
| Office lease  | 13   | 149,029          | 92,741           | -              | -                 | -                | 241,770          |
|   |      | <u>224,181</u>   | <u>111,528</u>   | <u>-</u>       | <u>-</u>          | <u>-</u>         | <u>335,709</u>   |
| <b>Net assets</b>   |      | <u>244,141</u>   | <u>324,599</u>   | <u>-</u>       | <u>-</u>          | <u>-</u>         | <u>568,740</u>   |
| Representing:   |      |                  |                  |                |                   |                  |                  |
| <b>Accumulated funds</b>                                    |      |                  |                  |                |                   |                  |                  |
| General reserve   | 15   | -                | 176,227          | -              | -                 | -                | 176,227          |
| Interest reserve  | 15   | 129,141          | 2,287            | -              | -                 | -                | 131,428          |
| Contingency reserve   | 15   | 115,000          | 146,085          | -              | -                 | -                | 261,085          |
|   |      | <u>244,141</u>   | <u>324,599</u>   | <u>-</u>       | <u>-</u>          | <u>-</u>         | <u>568,740</u>   |

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## INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## DETAILED BALANCE SHEET

At 31 December 2023

| Balance sheet   | Note |                |                |                |                   |                 | <b>2022</b>      |
|---|------|----------------|----------------|----------------|-------------------|-----------------|------------------|
|   |      | GMDSS          | LRIT           | BeiDou         | Capacity Building | Inter-fund      | Total            |
|   |      | £              | £              | £              | £                 | £               | £                |
| <b>Tangible fixed Assets</b>                                | 5    | 190,286        | 113,346        | -              | -                 | -               | 303,632          |
| <b>Current assets</b>                                       |      |                |                |                |                   |                 |                  |
| Trade debtors   | 6    | -              | 62,183         | 21             | -                 | -               | 62,204           |
| Taxation  | 6    | 15,026         | 10,018         | -              | -                 | -               | 25,044           |
| Prepayments   | 6    | 19,941         | 1,755          | -              | -                 | -               | 21,696           |
| Cash at bank  | 7    | 588,876        | 263,508        | 144,109        | 102,319           | -               | 1,098,812        |
| Inter-fund balance  | 4    | 68,546         | -              | -              | -                 | (68,546)        | -                |
|   |      | <u>692,389</u> | <u>337,464</u> | <u>144,130</u> | <u>102,319</u>    | <u>(68,546)</u> | <u>1,207,756</u> |
| <b>Creditors: amounts falling due within one year</b>       |      |                |                |                |                   |                 |                  |
| Accounts payable  | 8    | 353,851        | 1,364          | -              | -                 | -               | 355,215          |
| Other creditors   | 8    | 108,014        | 7,626          | -              | -                 | -               | 115,640          |
| Accruals  | 8    | 18,199         | 4,798          | -              | -                 | -               | 22,997           |
| Office lease  | 8    | 19,383         | 11,548         | -              | -                 | -               | 30,931           |
| Deferred income   | 8    | -              | 194,500        | 92,416         | 89,319            | -               | 376,235          |
| Inter fund balance  | 4    | -              | 3,832          | 51,714         | 13,000            | (68,546)        | -                |
|   |      | <u>499,447</u> | <u>223,668</u> | <u>144,130</u> | <u>102,319</u>    | <u>(68,546)</u> | <u>901,018</u>   |
| <b>Net current assets</b>                                   |      | <u>192,942</u> | <u>113,796</u> | <u>-</u>       | <u>-</u>          | <u>-</u>        | <u>306,738</u>   |
| <b>Creditors: amounts falling due in more than one year</b> |      |                |                |                |                   |                 |                  |
| Provisions  | 9    | 80,277         | 20,069         | -              | -                 | -               | 100,346          |
| Office lease  | 13   | 170,905        | 101,796        | -              | -                 | -               | 272,701          |
|   |      | <u>251,182</u> | <u>121,865</u> | <u>-</u>       | <u>-</u>          | <u>-</u>        | <u>373,047</u>   |
| <b>Net assets</b>   |      | <u>132,046</u> | <u>105,277</u> | <u>-</u>       | <u>-</u>          | <u>-</u>        | <u>237,323</u>   |
| Representing:   |      |                |                |                |                   |                 |                  |
| <b>Accumulated funds</b>                                    |      |                |                |                |                   |                 |                  |
| General reserve   | 15   | -              | 6,171          | -              | -                 | -               | 6,171            |
| Interest reserve  | 15   | 117,046        | 810            | -              | -                 | -               | 117,856          |
| Contingency reserve   | 15   | 15,000         | 98,296         | -              | -                 | -               | 113,296          |
|   |      | <u>132,046</u> | <u>105,277</u> | <u>-</u>       | <u>-</u>          | <u>-</u>        | <u>237,323</u>   |

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**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

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

**Year ended 31 December 2023**

|  |                  |                |                |                              |  | <b>2023</b>      |
|--|------------------|----------------|----------------|------------------------------|--|------------------|
|  | <b>GMDSS</b>     | <b>LRIT</b>    | <b>BeiDou</b>  | <b>Capacity<br/>Building</b> | <b>Inter-<br/>segment<br/>adjustment</b> | <b>Total</b>     |
|  | <b>£</b>         | <b>£</b>       | <b>£</b>       | <b>£</b>                     | <b>£</b>                                 | <b>£</b>         |
| <b>General fund</b>                    |                  |                |                |                              |  |                  |
| <b>Income – Contributions</b>          |                  |                |                |                              |  |                  |
| GMDSS – ordinary                       | 1,463,612        | -              | -              | -                            | -  | 1,463,612        |
| Other parties – ordinary               | -                | 608,661        | 112,200        | -                            | -  | 720,861          |
| Other income                           |                  |                |                |                              |  |                  |
| Interest received                      | 10,168           | -              | -              | -                            | -  | 10,168           |
| Interest received on Contingency Fund  | 121              | 1,477          | -              | -                            | -  | 1,598            |
| Interest received on Legal fund        | 1,806            | -              | -              | -                            | -  | 1,806            |
|  | <u>1,475,707</u> | <u>610,138</u> | <u>112,200</u> | <u>-</u>                     | <u>-</u>                                 | <u>2,198,045</u> |
| <b>Expenditure</b>                     |                  |                |                |                              |  |                  |
| Directorate staff costs                | 1,011,655        | 336,223        | -              | -                            | -  | 1,347,878        |
| Office maintenance costs               | 76,242           | 27,636         | 854            | 12,750                       | -  | 117,482          |
| Rent                                   | 34,062           | 15,634         | -              | -                            | -  | 49,696           |
| Travel costs                           | 104,531          | 11,605         | -              | -                            | -  | 116,136          |
| Consultancy Fees                       | -                | -              | -              | -                            | -  | -                |
| IMSO daily fees                        | -                | -              | -              | -                            | -  | -                |
| Meeting costs                          | 2,334            | 1,000          | -              | -                            | -  | 3,334            |
|  | <u>1,228,824</u> | <u>392,098</u> | <u>854</u>     | <u>12,750</u>                | <u>-</u>                                 | <u>1,634,526</u> |
| <b>Operating surplus/(deficit)</b>     | <u>246,883</u>   | <u>218,040</u> | <u>111,346</u> | <u>(12,750)</u>              | <u>-</u>                                 | <u>563,519</u>   |
| Transfer to Interest reserve           | (12,095)         | (1,477)        | -              | -                            | -  | (13,572)         |
| Transfer to LRIT Contingency reserve   | -                | (88,488)       | -              | -                            | -  | (88,488)         |
| Transfer from LRIT Contingency reserve | -                | 40,699         | -              | -                            | -  | 40,699           |
| Fund surplus/(deficit)/ current year   | 234,788          | 168,774        | 111,346        | (12,750)                     | -  | 502,158          |
| Balance brought forward                | 359,519          | 26,240         | 92,416         | 89,319                       | -  | 567,494          |
| Fund surplus total                     | <u>594,307</u>   | <u>195,014</u> | <u>203,762</u> | <u>76,569</u>                | <u>-</u>                                 | <u>1,069,652</u> |
| Transfer to GMDSS Contingency reserve  | (100,000)        | -              | -              | -                            | -  | (100,000)        |

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**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

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

**Year ended 31 December 2023**

|   |              |             |               |                              |  | <b>2023</b>  |
|---|--------------|-------------|---------------|------------------------------|--|--------------|
|   | <b>GMDSS</b> | <b>LRIT</b> | <b>BeiDou</b> | <b>Capacity<br/>Building</b> | <b>Inter-<br/>segment<br/>adjustment</b> | <b>Total</b> |
|   | <b>£</b>     | <b>£</b>    | <b>£</b>      | <b>£</b>                     | <b>£</b>                                 | <b>£</b>     |
| Exceptional items:  |              |             |               |                              |  |              |
| Post-retirement benefits & Repatriation/Relocation grants | 5,125        | 1,281       | -             | -                            | -  | 6,451        |
| Prior year adjustment effect                              | (80,277)     | (20,069)    | -             | -                            | -  | (100,346)    |
| Fund surplus/(deficit) including exceptional items        | 419,155      | 176,226     | 203,762       | 76,569                       | -  | 875,712      |
| Interest reserve  |              |             |               |                              |  |              |
| Balance brought forward                                   | 117,046      | 810         | -             | -                            | -  | 117,856      |
| Transfer from General reserve                             | 12,095       | 1,477       | -             | -                            | -  | 13,572       |
| Balance carried forward                                   | 129,141      | 2,287       | -             | -                            | -  | 131,428      |
| LRIT Contingency reserve                                  |              |             |               |                              |  |              |
| Balance brought forward                                   | -            | 98,296      | -             | -                            | -  | 98,296       |
| Transfer to General reserve                               | -            | (40,699)    | -             | -                            | -  | (40,699)     |
| Transfer from General reserve                             | -            | 88,488      | -             | -                            | -  | 88,488       |
| Balance carried forward                                   | -            | 146,085     | -             | -                            | -  | 146,085      |
| GMDSS Contingency reserve                                 |              |             |               |                              |  |              |
| Balance brought forward                                   | 15,000       | -           | -             | -                            | -  | 15,000       |
| Transfer to General reserve                               | -            | -           | -             | -                            | -  | -            |
| Transfer from General reserve                             | 100,000      | -           | -             | -                            | -  | 100,000      |
| Balance carried forward                                   | 115,000      | -           | -             | -                            | -  | 115,000      |

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**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

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

**Year ended 31 December 2023**

|   |                 |                  |                 |                              |  | <b>2022</b>      |
|---|-----------------|------------------|-----------------|------------------------------|--|------------------|
|   | <b>GMDSS</b>    | <b>LRIT</b>      | <b>BeiDou</b>   | <b>Capacity<br/>Building</b> | <b>Inter-<br/>segment<br/>adjustment</b> | <b>Total</b>     |
|   | <b>£</b>        | <b>£</b>         | <b>£</b>        | <b>£</b>                     | <b>£</b>                                 | <b>£</b>         |
| <b>General fund</b>                       |                 |                  |                 |                              |  |                  |
| <b>Income – Contributions</b>             |                 |                  |                 |                              |  |                  |
| GMDSS – ordinary                          | 783,011         | -                | -               | -                            | -  | 783,011          |
| Other parties – ordinary                  | 119,476         | 75,878           | -               | -                            | (157,053)                                | 38,301           |
| Other income                              |                 |                  |                 |                              |  |                  |
| Interest received                         | 1,222           | -                | -               | -                            | -  | 1,222            |
| Interest received on<br>Contingency Fund  | 22              | 161              | -               | -                            | -  | 183              |
| Interest received on Legal<br>fund        | 324             | -                | -               | -                            | -  | 324              |
|   | <u>904,055</u>  | <u>76,039</u>    | <u>-</u>        | <u>-</u>                     | <u>(157,053)</u>                         | <u>823,041</u>   |
| <b>Expenditure</b>                        |                 |                  |                 |                              |  |                  |
| Directorate staff costs                   | 728,189         | 269,009          | -               | -                            | -  | 997,198          |
| Office maintenance costs                  | 54,136          | 10,337           | 2,032           | -                            | (17,876)                                 | 48,629           |
| Rent                                      | 33,918          | 16,420           | -               | -                            | -  | 50,338           |
| Travel costs                              | 70,502          | 3,574            | 3,284           | -                            | -  | 77,360           |
| Consultancy Fees                          | -               | -                | 22,377          | -                            | -  | 22,377           |
| IMSO daily fees                           | 76,893          | -                | 49,284          | 13,000                       | (139,177)                                | -                |
| Meeting costs                             | 28,108          | 12,254           | -               | -                            | -  | 40,362           |
|   | <u>991,746</u>  | <u>311,594</u>   | <u>76,977</u>   | <u>13,000</u>                | <u>(157,053)</u>                         | <u>1,236,264</u> |
| <b>Operating surplus/(deficit)</b>        | <u>(87,691)</u> | <u>(235,555)</u> | <u>(76,977)</u> | <u>(13,000)</u>              | <u>-</u>                                 | <u>(413,223)</u> |
| Transfer to Interest reserve              | (1,568)         | (161)            | -               | -                            | -  | (1,729)          |
| Transfer to LRIT<br>Contingency reserve   | -               | (15,000)         | -               | -                            | -  | (15,000)         |
| Transfer from LRIT<br>Contingency reserve | -               | 10,250           | -               | -                            | -  | 10,250           |
| Fund surplus/(deficit)/<br>current year   | (89,259)        | (240,466)        | (76,977)        | (13,000)                     | -  | (419,702)        |
| Balance brought forward                   | 448,778         | 266,706          | 169,393         | 102,319                      | -  | 987,196          |
| Fund surplus total                        | <u>359,519</u>  | <u>26,240</u>    | <u>92,416</u>   | <u>89,319</u>                | <u>-</u>                                 | <u>567,494</u>   |
| Transfer to GMDSS<br>Contingency reserve  | -               | -                | -               | -                            | -  | -                |

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**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

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

**Year ended 31 December 2023**

|   |              |             |               |                              |  | <b>2022</b>  |
|---|--------------|-------------|---------------|------------------------------|--|--------------|
|   | <b>GMDSS</b> | <b>LRIT</b> | <b>BeiDou</b> | <b>Capacity<br/>Building</b> | <b>Inter-<br/>segment<br/>adjustment</b> | <b>Total</b> |
|   | <b>£</b>     | <b>£</b>    | <b>£</b>      | <b>£</b>                     | <b>£</b>                                 | <b>£</b>     |
| Exceptional items:  |              |             |               |                              |  |              |
| Post-retirement benefits & Repatriation/Relocation grants | (25,843)     | 13,392      | -             | -                            | -  | (12,451)     |
| Prior year adjustment effect                              | (54,434)     | (33,461)    | -             | -                            | -  | (87,895)     |
| Fund surplus/(deficit) including exceptional items        | 279,242      | 6,171       | 92,416        | 89,319                       | -  | 467,148      |
| Interest reserve  |              |             |               |                              |  |              |
| Balance brought forward                                   | 115,478      | 649         | -             | -                            | -  | 116,127      |
| Transfer from General reserve                             | 1,568        | 161         | -             | -                            | -  | 1,729        |
| Balance carried forward                                   | 117,046      | 810         | -             | -                            | -  | 117,856      |
| LRIT Contingency reserve                                  |              |             |               |                              |  |              |
| Balance brought forward                                   | -            | 93,546      | -             | -                            | -  | 93,546       |
| Transfer to General reserve                               | -            | (10,250)    | -             | -                            | -  | (10,250)     |
| Transfer from General reserve                             | -            | 15,000      | -             | -                            | -  | 15,000       |
| Balance carried forward                                   | -            | 98,296      | -             | -                            | -  | 98,296       |
| GMDSS Contingency reserve                                 |              |             |               |                              |  |              |
| Balance brought forward                                   | 15,000       | -           | -             | -                            | -  | 15,000       |
| Transfer to General reserve                               | -            | -           | -             | -                            | -  | -            |
| Transfer from General reserve                             | -            | -           | -             | -                            | -  | -            |
| Balance carried forward                                   | 15,000       | -           | -             | -                            | -  | 15,000       |

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