

The Nautical Institute Annual Report – 2021



John Lloyd FNI
Chief Executive and Company
Secretary on behalf of the
Executive Board

The Nautical Institute continued its positive engagement across a full range of activities during 2021, despite the ongoing challenges brought about by Covid-19, with resulting limitations on travel and personal interactions.

Specific operational challenges through the year were handled effectively, including the processing of record numbers of DPO Certificate applications. These numbers were particularly high in the first quarter of the year due to the extension granted for revalidation.

The NI also continued to expand its connections with the wider maritime community through its webinar series, reaching out to over 12,000 on-line delegates during the year.

Key meetings were held on-line for the whole of the year. Managers met regularly to discuss day-to-day issues, while the Executive Board maintained the increased frequency of its meetings, continuing its close support and monitoring of the organisation. These meetings were especially important as we adopted the new structures required under the new Strategic Plan. In some areas staff responsibilities were re-defined and opportunities taken for cross-discipline working where possible.

Objectives and Activities

This report provides an insight into the activities of the NI during 2021 and provides key performance and financial highlights.

The work of the Institute is not only a service to members but also a public benefit to maritime professionals, the industry and society in general worldwide, by improving safety and the protection of the marine environment through the sharing of knowledge in nautical science and the raising of professional standards.

The ISO 9002:2015 QM certification audit was held remotely. No non-conformances were identified, and the auditor was highly appreciative of the running of the quality management processes during the pandemic.



NI HQ Staff outside
the old office

Finance and Staffing

The Trustees met throughout the year on a regular basis and continued their close support of the HQ executive team.

The drop in revenue experienced during 2020 was reversed somewhat during the early part of 2021 due to the high level of certificate processing. The improved situation continued throughout the year, leaving the NI in a good position financially.

The management of the investment portfolio was kept under regular review in what was generally a good market for growth after some uncertainty in the early part of the year. The balanced low-medium risk portfolio invested through Rathbones performed well against market comparators.

The Institute continued to carry a healthy bank balance throughout the year as revenues improved and strong expenditure controls continued.

The surplus of £630,455 is a reflection of these circumstances, though it should be noted that there are likely to be some additional costs incurred in the coming years for events and activities that have been deferred due to Covid limitations.

The Reserves policy has proved to be effective and ensures the NI has adequate cover as a going concern.

The Capital Reserve Fund value at year end was £2,574,579, reflecting a total return of £235,000 for the financial year. During the financial year an additional £1 million was invested. The like for like return on the original investment was 11.78%.

Staff continued to work both in the office and remotely as dictated by UK Covid policies during the year.

In the later months, significant preparation went into preparing for an office move into a building adjacent to the existing premises. The office move will be reported on more fully in the next Annual Report.

MEMBERSHIP & BRANCHES

Conscious of the difficulties many members have faced during the pandemic, membership fees for 2021 were frozen at the 2020 level. Fees have again been frozen for 2022 and will next be reviewed at the beginning of 2023.

Total membership at the end of 2021 stood at 7,230 – up from 6,869 the previous year. Much of this growth has been driven by the Institute's success in convincing those holding a DP Operator's certificate of the merits of becoming a member of The Nautical

Institute. In the latter six months of 2021 no fewer than 388 members joined via this route.

In addition, personal recommendations from current members to their colleagues and friends continue to prove an important source of member recruitment. New members have also been attracted to the Institute through our highly acclaimed webinars and through our LinkedIn technical group.

Skillshub – a new member benefit

In February 2021 the Institute launched Skillshub, an online learning platform giving members free access to an exceptional range of work and business related courses.

Members can choose from more than 500 programmes that cover topics such as management and leadership, project management, communication skills, health and wellbeing and equality and diversity.

The courses feature videos, audio, infographics, blogs and images, making them informative and engaging. After completing a course, members can opt to receive a Continuing Professional Development certificate.

Introductory video for new members

In addition to introducing new benefits, the Institute has also improved the welcome process for its newest members. A new introductory video explains how members can make the most of the many benefits their membership provides and complements an upgraded membership certificate and welcome pack.

New app for members

Much of the groundwork for a new member app was completed during 2021. Incorporating a range of useful features and scheduled for a Q3, 2022 launch, the app will enable members to catch up on the Institute's latest news, view upcoming events, read MARS reports, watch webinars, record CPD and read (and download) their monthly membership magazine *Seaways*.

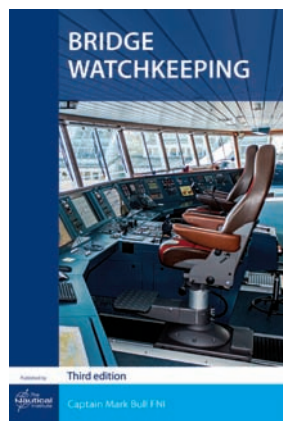
NI Branches

In 2021 we were delighted to support a number of the Institute's branches in promoting technical seminars. We were particularly honoured to provide extensive help to the Institute's London Branch which in November hosted an in-person conference on board *HQS Wellington* on the subject of container fires. It was pleasing to see the excitement among attendees at once again being able to network with colleagues face-to-face.

Support was also provided to those branches planning to hold NI 50th anniversary events in 2022. This included advising on the nature of the event they might wish to hold and providing marketing support to help in raising sponsorship at the local level.

Welcoming new Nautical Affiliate partners

We are indebted to our Nautical Affiliate partners whose annual donations fund the Institute's Mariners' Alerting & Reporting Scheme (MARS). The scheme provides a free online database of marine accidents and near misses stretching back over 25 years.



Armillary News



In 2021 we were delighted to welcome the following organisations as new Nautical Affiliate partners and thank them for their contribution in helping to make shipping a safer industry: Blue Orange Wave, Nautical Science Academy, Green Bow Maritime Ltd, Octant Marine Limited, SQLearn, Fundacion Avante, Intership Navigation Co. Ltd. and Iridium Maritime.

Launch of the Armillary Club

On 11 February 2021 we were honoured to host the inaugural meeting of the Armillary Club, a new and exclusive community for alumni and friends of The Nautical Institute. The Club provides its members with a forum through which they can stay in touch with developments at the Institute and also with each other. Members of the Club also provide generous and valuable support to the Institute's newly introduced legacy programme which aims to help those at the start of their maritime careers.

Speakers at the event included the Institute's current President Ms Jillian Carson-Jackson together with past Presidents Captain Nick Nash and Captain Duke Snider.

PUBLICATIONS

The pandemic continued to impact on the publications schedule, with authors unable to provide planned contributions for personal as well as work-related reasons. We are very grateful to all our volunteer authors and peer reviewers for the support and dedication they show to the task. The efforts they put in last year were second to none.

We published a new edition of *Bridge Watchkeeping*. This edition has been completely revised and fully updated for the electronic bridge era. The practical manual gives advice on avoiding potential pitfalls, for example by not relying on a single source of information, and utilising a combine and compare strategy rather than either/or. Captain Yves Vandenberg FNI, Director of Loss Prevention at the Standard Club says in his Foreword that many accidents 'could have been prevented if the bridge teams had embraced the best practices set out in this book'.

The launch webinar attracted some 897 participants.

Staying on the bridge, a fully revised and updated edition of *Bridge Team Management* is in planning. Taking into consideration the new IMO Bridge Resource Management model course, this update will include assessment tools and broaden the scope of the book to resource management in line with current practice. The book is intended for practical use on the bridge as well as by students. Publication is likely to be Q1 2023.

With support from bulk carrier fleet personnel, Intercargo carried out a major review of the second edition of the industry standard work *Bulk Carrier Practice* which will publish in Q3 2022.

A revised and updated edition of *The Shipmaster's Self Examiner* is near completion and will publish in Q2 2022. We are looking at a more sustainable way to update this practical guide. We are considering an

annual update model with a dated edition each year.

Finally, we will be publishing a 50th anniversary book in April, a lavish hardback bound in water resistant cloth to celebrate this anniversary year.

In line with the growth in digital content, we are proposing to expand the channels that NI publications are sold through. In line with our strategic aim to grow book sales, we will look at creating a bespoke Amazon store, initially on the .uk and .com domains, which would give us increased visibility through Amazon Marketing Services and allow us to create NI books in the epub and other formats, which will mitigate ongoing supply chain issues.

As part of this digital strategy, we are proposing to update the Publications pages on the website, publishing free content in html on the website to improve search and discoverability, especially for *The Navigator*. This will allow us to reach the younger navigator community in print and online. We are also investigating *The Navigator* branded podcasts and videos to strengthen our reach into these areas and help us in fundraising.

Book sales remained solid in 2021 built on a strong performance from the new edition of *Bridge Watchkeeping*. Total book sales were 13,515 copies with a total value of £577,683. We maintained good relations with resellers. These account for the majority of the market. Many resellers have undergone strategic changes during the year with ownership and emphasis changing for some.

Seaways

Seaways continues to reflect the evolving concerns of our members, with an increasing focus on issues surrounding mental health and wellness on board and on environmental issues, particularly those surrounding the reduction of greenhouse gases. Cooperation with the research and relationships team through webinars, articles and surveys has resulted in member input on EEDI and power limitation which have been taken into account at international level.

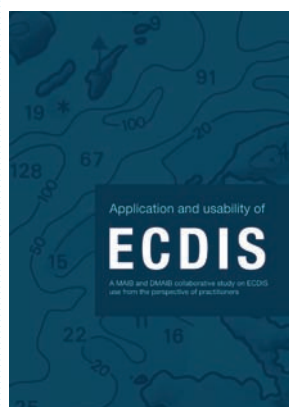
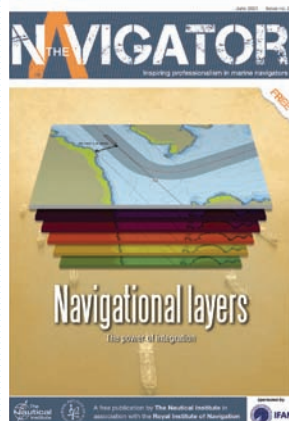
A close cooperation with the IMO committee, chaired by Capt Robert McCabe, keeps members updated on decisions and the work the NI does to represent our views there.

The magazine continues to be a forum for discussion, debate and the development of new ideas, as well as the reinforcement of current best practice. As always, a lot of productive and informative discussion takes place in Branch meetings and seminars, and *Seaways* allows us to share these events across the wider institute.

RESEARCH AND RELATIONSHIPS PROJECTS

The Navigator Magazine

The Navigator magazine continues to inspire professionalism in marine navigators. Its impact is evident from testimonials illustrating changes of behaviour, improved teamwork and a focus on mentoring.



With generous funding from IFAN and Ocean Technologies Group, the UK P&I Club, Rightship, and the PTC Group, we were able to deliver thousands of paper copies of *The Navigator* and many thousands more copies by the app and free downloads. Although some of the paper copies have been delayed due to flight restrictions imposed due to the pandemic, the electronic copies have come into their own. Users particularly appreciate that the app is fully searchable across all issues. We do recognise the value of the paper copies, and please be assured that all back copies are in the system and will be delivered eventually.

Issue 26 in February 2021 focused on Under Keel Clearance (UKC) and the complexities of managing what is regularly the closest navigational hazard – the seabed. Issue 27 in June 2021 focused on the management of navigational layers and how the integration of ECDIS, Radar and AIS can improve situational awareness and positional integrity. Issue 28 in October 2021 focused on data quality and how to ask the right questions to get the correct information. This is an important issue in an age of digitalisation and increasingly complex data streams.

A focus on ECDIS

During 2021 the UK MAIB and the Danish MAIB published a major report on the use of ECDIS identifying benefits, but also significant challenges, for the industry. This report was the result of years of investigation, and many interviews and ship visits. The NI technical committee was consulted on the draft and the NI was instrumental in the promotion of the report, not least with a webinar attracting more than 1,000 participants with insightful debate. This webinar was followed with an NI organised industry stakeholder workshop in October. The NI continues to focus on improving navigational safety and identifying 'what good practice and design looks like'.

Virtual Reality and Shiphandling

In 2021 the NI started a collaboration with Lloyds Register SafetyTech Accelerator (STA) programme, the first fully dedicated technology accelerator focused on safety and risk in industrial sectors and critical infrastructure. The NI has identified significant risk from poor shiphandling, arising from the challenge of gaining inexpensive and accessible experience. Further, onboard mentoring can be rare and simulation and manned models were too expensive for personal professional development. This issue has been repeatedly raised by NI members in many membership surveys and events.

Kilo Solutions was selected by the Safetytech Accelerator to develop VR training that helps users understand how to use controllable ship capabilities to counter external forces.

The training will be accessed via Oculus Quest and will allow the user to experience wind, tide, drift and momentum while manoeuvring a vessel in a restricted space. VR technology has come on in leaps and bounds over recent years, allowing a fully immersive learning experience.

In collaboration with the NI a short term 'proof of concept' project was started and by the end of 2021 the results were promising. Full results will be shared with the membership early in 2022.

Technology Register

Our current Strategic Plan reflects our members' desire to keep pace with emerging technology, how to best use it and to understand the skills needed to remain competent. In 2021 the NI surveyed our members to identify which technologies were of most interest to them. A dedicated group of members has now been assembled to review this technology register and will start advising the membership on the issues of greatest concern, starting in 2022.

IMO and IALA

The NI continues its involvement with the IMO as a non-governmental organisation (NGO), attending a broad spectrum of meetings to address the wide range of our Members' interests. Throughout 2021 all IMO meetings have been virtual. Although there are certainly limitations from e-meetings due to the loss of personal networking and time constraints, this does allow us to involve delegates from around the world at little cost. Meetings attended in 2021 included MSC, MEPC, HTW, STC, LEG, PPR, FAL, NCSR, III, and CCC. Issues of priority were safety of navigation, the Human Element, life saving appliances, marine autonomous surface ships (MASS), greenhouse gas emissions, training, fatigue, and of course the welfare of seafarers and issues of repatriation due to Covid. These issues and meeting notes have been regularly reported in *Seaways*. The Executive Board particularly thanks our IMO Committee Chair Capt Robert McCabe, FNI for his commitment to this work.

The Board also thanks our President Jillian Carson-Jackson, FNI for her commitment to IALA, in particular on the subjects of eNavigation and VTS. The NI continues to engage with many other international organisations with staff and volunteers, operating remotely (in 2021) both from ashore and on occasion while at sea.

Webinars

The Nautical Institute and its Branches produced a series of webinars on many issues including technical and welfare matters. These webinars were first introduced many years ago as 'virtual Branch meetings,' but became more popular during the challenging times of Covid.



Trialling the VR headset



Members were encouraged to use the webinars as part of their Continuous Professional Development (CPD) with certificates provided to those who attend the live events.

During 2021, the NIHQ webinars attracted over 20,000 registrants and many thousands more took advantage of the recordings.

QUALIFICATIONS

Accreditation Updates 2021

Due to the pandemic, NI Accreditation audits were postponed from March 2020 and remained in abeyance throughout that year. 2021 remained very challenging due to the Covid-19 restrictions. Travelling was one of the biggest concerns, and maintaining the accreditation of our worldwide approved training centres without physically attending them was a key challenge.

In response, we introduced remote online accreditation audits, with the results subject to physical site visits when travelling is possible. The remote audit solution was well received by all our training providers, and we completed 37 audits, of which 34 were remote online audits and three were onsite.

Perhaps the greatest difficulty was timing, as our training providers are located in time zones around the world and we have to conduct the audit from 9 to 5 local time – often the middle of the night in the UK. Internet connectivity was another challenge in some locations, particularly when inspecting the simulator equipment.

Accredited Training Centre Worldwide Map



Accreditation Status

From January 2021 to December 2021:

- 83 centres registered (Americas 20, Asia & Australasia 28, Europe and Africa 35).
- 4 Training centres opted out from the scheme.
- 3 New training centres added (CAL Maritime – May; Solent University – July; Estonian Maritime – November).
- 26 Centres accredited for STR Course.
- 46 Revalidation Courses.
- 6 Tanker Courses.
- 4 DP Emergency Ship Handling Recognition Courses.
- 9 Refresher Courses.
- 16 DPVM Scheme.

NI DP Instructors

We have approved nine new DP instructors and 17 instructors for multiple training centres. All new instructors were interviewed before issuing the approval, in order to ensure the continued high quality of training. There are now 206 DP instructors worldwide, including new appointments.

Blended Induction Course delivery support

In March 2020, The Nautical Institute introduced temporary measures to deliver a 'blended' DP Induction course for an initial period of three months. 48 training centres benefited from the online delivery solution, which kept our DP training in good order. As the blended learning solution was well-received by the industry, we subsequently introduced a blended induction course where the theory part is taken online, followed by two days of practical training at the training centre. The changes have been published in the 2022 Accreditation and Certification Standards.

Regional Training Providers and DPTEG Meetings

Our regional training providers meeting and our steering committee (DPTEG) meetings were conducted online without disruption. However, the Global Regional Training Providers' face to face meeting was postponed until mid-2022.

DP Vessel Maintainer Training and Certificate Scheme (Engineers)

The DP Vessel Maintainer Scheme was launched in 2021. It has been promoted throughout the year on various platforms including webinars, social media, and DP Conferences, and has been well received by the industry.

By the end of 2021, 677 DPVM logbooks had been issued, indicating a positive response from the industry.

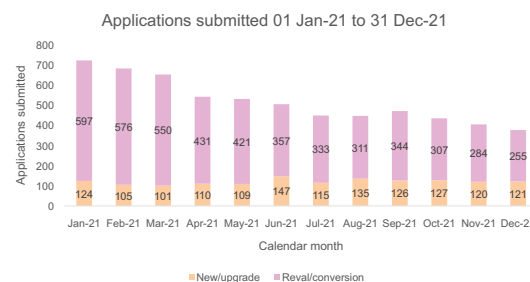
On-line assessments with remote invigilation were introduced allowing new entrants to this scheme to make good progress and proceed with recording the necessary practical experience.

Training Scheme for DP Station Keeping Systems for Remote Operation

Throughout 2021 The Nautical Institute worked closely with the Marine Autonomous Surface Ship Regulatory Working Group (MASSRWG). A sub-working group was established with industry experts to introduce a new NI Scheme and model course for Remote DP Station Keeping Vessels. This course was approved by our industry steering committee and will be published in the 2022 Accreditation and Certification Standards.

DP Certification Status

The Qualifications team processes all DP applications remotely using data and scanned documents uploaded to individual accounts. Paper and electronic certificates are sent to successful applicants. First-time and upgrading DPOs are still required to mail their



documents to our office for final verification checks before the physical card certificate can be despatched.

- 2920 DP Offshore logbooks issued in 2021.
- 1112 DP Revalidation logbooks issued in 2021.
- 34 Ship handling logbooks issued in 2021.
- 677 DPVM logbooks issued in 2021.

TestReach online exam activity 2021:

- 2951 Induction Course online exams at training centres.
- 90 Induction Course remote online exams.
- 1678 Simulator Course online exams.
- 358 DPVM online exams at training centre.
- 22 DPVM remote online exams.
- 201 Revalidation Courses.
- 5300 Total TestReach online exams during 2021.

Non-DP Recognised courses activity 2021

The Recognition Scheme remains popular. The total number of Recognitions in 2021, including Recognition of Services and Ice Navigation is:

- 20 New recognitions.
- 28 Recognition renewals.
- 1 Recognition of services.
- 1 Renewal of recognition of services.
- 1 Ice Navigation recognition.

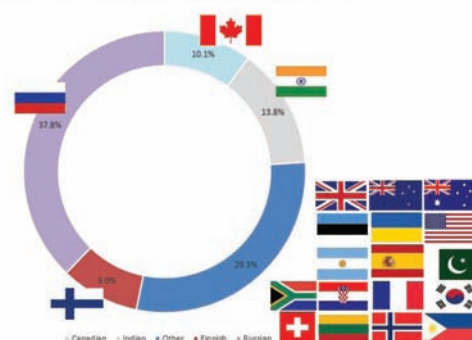
Ice Navigation Scheme

The Ice Navigation Scheme has continued to demonstrate global appeal, with the NI now having certificated 188 competent navigators of ships in a range of ice conditions at sea hailing from over 20 nations.

As before, all applicants to the scheme applied via the 'grandfather' route, using a mixture of sea time and simulator training to qualify.

We are committed to improving awareness of the Scheme, and to promoting the value of this certificate in a world where ice navigation is likely to increase. The nationality distribution of Ice Navigators is:

Certificated Ice Navigators by nationality Jan 2021



Ballast Control Operator Accreditation Scheme

The Nautical Institute's ballast control operator (BCO) Scheme and accreditation standard, developed with the International Association of Drilling Contractors (IADC), was reviewed in 2021, and substantial updates have been introduced. These are under final scrutiny and will be released in 2022.

The Nautical Institute Vessel Traffic Services (VTS) Accreditation Scheme (IALA R0103)

The Nautical Institute received a request for an IALA VTS accreditation audit from the Finnish Transport and Communications Agency (Traficom). This was the first audit of its nature, and there were many milestones and challenges on the way, requiring a number of consultation meetings throughout the year. The first online audit meeting was on 24th September 2021, and the final closing meeting was online on 20th December 2021.

Oil Spill Response

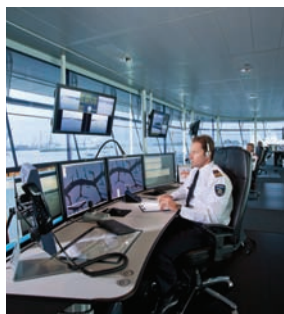
The provision of oil spill response training by blended learning techniques continued to expand considerably in 2021, the catalyst being the introduction of travel restrictions due to the global pandemic.

The NI worked with UK regulators to authorise blended learning packages that would meet UK regulatory requirements. Providers had to submit revised packages for approval to the NI before endorsements to current certificates could be issued. The strategy was extended to international scheme members.

As the year developed, applications for the use of blended learning techniques were authorised free of charge on a temporary basis. As new accreditation and re-accreditation visits were not possible the use of video meetings and observations of courses via remote means permitted the work to continue. As restrictions, particularly in the UK, were lifted during 2021 it became possible to charge for the addition of blended learning courses.

Certificate issue income continued its upward trend.

Four new centres were added in 2021; two in Nigeria and two in the UK. There are good prospects for further growth in 2022 and we also expect to resume on-site accreditation visits.



A VTS Accreditation scheme was launched



EDUCATION AND TRAINING

Short Courses

The short courses developed and delivered by The Nautical Institute are now offered under the 'NI Academy' logo and branding, helping to define our contribution in this important professional development sector.

During the year, the number of short courses continued to grow. Popularity of the courses is such that it remains a challenge to find enough suitable instructors to maintain the quality of delivery, even after inducting new instructors.

We now deliver the following courses online using the Zoom platform:

- Navigation Assessor.
- Add-on course to Navigation Assessor.
- Onboard Competency Assessment.
- Rethinking Investigations and Audits modules.
- Blockchain for Maritime Professionals – The Fundamentals.
- Introduction to Shipping.
- Human Element Modules.
- Casualty Management Course.
- Bespoke Onboard Competency Assessment Course for shipping companies.
- Bespoke Behaviour assessment course.

One key objective for the year was improving student learning experience in the virtual classroom used for all course delivery.

Maintaining quality of delivery is key to the reputation of these courses. Considerable efforts were made in ensuring customer feedback was closely monitored and improvements made where necessary.

These developments included increasing the amount of workshop-style interactions to complement traditional delivery and the implementation of on-line assessments.

Research continues to identify future skills gaps and prepare new courses using new technology such as cloud-based simulation for ship handling training.

The Self Study Command Scheme:

The Command Scheme is continuing to grow and is now attracting candidates globally.

The Scheme has seen an increase of almost 37% in student numbers, leading us to increase the total number of mentors/assessors to six (from three last year) in preparation for further increases in student numbers due to the uptake by shipping companies and the Scheme Scholarship.

During 2021 we reserved 25% of the scholarships for women seafarers. We continue to offer this incentive in 2022.

The Nautical Institute Foundation

The Nautical Institute Foundation is a wholly owned subsidiary of The Nautical Institute, governed by a team of trustees with industry expertise and experience. It aims to be self-sufficient and cover its costs through revenue from courses produced and offered to the wider maritime community. It aims to be financially independent of The Nautical Institute yet it draws from the needs of the community which the Institute serves.

It has a vision that no loss or injury to people or the environment need happen worldwide for the want of adequate access to awareness and training in the maritime community.

In order to work towards this vision, The Nautical Institute Foundation's mission is to work globally with maritime communities to identify, address, research and develop effective educational solutions for industry challenges, delivered in the most effective and cost-effective manner.

It operates to a defined set of values:

- Resilience – providing tools to build resilience to tackle the growing needs of maritime actors today, and empowering them to be the best they can.
- Partnerships – An integral part of the maritime community, looked upon as dependable. Partners with a shared vision of need.
- Integrity – working to high personal and professional standards, delivering effective programmes and content that meet end user expectations within time and cost considerations.
- Evolution and Innovation – Understanding that every assignment is different, and that stakeholder needs, and values, change, along with public awareness. Utilising the most effective methods and latest neuroscience to ensure learning is robust and embedded effectively for long term value.
- Excellence – Always open to being challenged by the maritime community and committed to being the partner of choice in developing meaningful training materials.
- Person Centric – Recognising that people are at the core of everything we do – both within and outside the foundation. Helping people thrive despite apparent adversity.
- Equity – Delivering educational solutions to those who need it most, without fear or favour.

Perhaps most importantly The Foundation was established to work with the wider maritime community in identifying today's challenges and thus its educational offerings are not confined to members of The Nautical Institute.

To date the Foundation has built a cyber training course for seafarers in conjunction with leading cyber risk management company Hudson Cyber. The course meets all the objectives of the IMO circular MSC-FAL 1/Circ3. With the increasing threats and incidences of cyber-attacks by threat actors, this course is a must have in trying to stay ahead of costly breaches.

The Foundation has also started work on improving education and awareness of incidents of liquefaction of solid bulk cargoes. This is an issue that continues to contribute to the loss of life and assets at sea.

Currently in development is a course to understand the leadership competencies and skills needed to manage a modern ship today along with the ever-changing demands on today's seafarer, including the need for resilience training. This is a massive topic that the Foundation aims to deliver to interested parties online and in small communities over approximately 12 weeks. Technical skills will always be needed but leadership skills can be learned



and practised to empower the ship's crew to take on a more productive role as a highly professional component of the shipping company. In today's work environment we need to give the modern seafarer the skills and practical leadership knowledge to advance despite adversity.

The Foundation aims to deliver compelling practical short courses online at the most cost-effective rates. According to information scientists we take in five times more information today than we did in 1986. While we have the ability to take it in, we have trouble separating the trivial from the important. Well-designed training can help us filter and preserve resources freeing us up to manage the information and make good decisions without feeling overwhelmed.

The foundation is open to discuss with all maritime stakeholders how it might research and develop solutions for training needs where they are not readily available elsewhere. Suggestions can be made direct to the CEO, Colin Payne at colin.payne@nautinst.org.

Looking Ahead

The Nautical Institute has developed an exciting and challenging Strategic Plan for the period 2021 to 2026. One key milestone will be the celebration of 50 years since the founding of the Institute.

Development of membership and increasing our technical contributions to the industry will remain central to our activities and we look forward to the ongoing support and engagement from our community.

List of Trustees

Mr Peter Hinchliffe FNI (Chair)
 Capt Duncan Telfer FNI (Hon Treasurer)
 Capt Graham Cowling FNI
 Mr Frank Coles FNI
 Capt Zillur Bhuiyan FNI
 Capt John Menezes FNI
 Capt Kuba Szymanski FNI
 Capt Ian Mathison FNI
 Mr Allen Brink FNI
 Mr George Lang FNI
 Mr Moin Ahmed FNI
 Capt Karl Austin FNI
 Capt Ivor Goveas MNI
 Capt Duke Snider FNI

All financial results are provisional pending final approval of the accounts.

THE NAUTICAL INSTITUTE

(A Company Limited by Guarantee)
Company No. 2570030

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2021

Registered Charity No: 1002462

THE NAUTICAL INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2021

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THE NAUTICAL INSTITUTE
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2021

LEGAL AND ADMINISTRATION INFORMATION

Status

The Nautical Institute is a charitable company limited by guarantee, incorporated on 20th December 1990.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Under those Articles, the trustees are elected by Council to serve a period of up to 3 years and may be re-elected for a further 3 years.

Trustees

The trustees of the company at the financial year end were:

Mr P B Hinchliffe	Chair	Mr G Lang
Captain D M Telfer	Treasurer	Captain I Mathison
Mr Moin Ahmed		Captain JP Menezes
Captain K D Austin		Captain D Snider
Captain Z Bhuiyan		Captain JP Szymanski
Mr A Brink		
Mr F Coles		
Captain G Cowling		
Captain I Goveas		

Secretary Mr. P J Lloyd

Registered Office	202 Lambeth Road London SE1 7LQ	200B Lambeth Road London SE1 7JY	from 1st February 2022
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Auditors Appleby & Wood (London) Limited
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E15 2QB

Bankers The Royal Bank of Scotland
62-63 The Threadneedle Street
London
EC2R 8LA

Fund Managers Rathbones
1 Curzon Street
London
W1J 5FB

THE NAUTICAL INSTITUTE
REPORT OF THE TRUSTEES
31ST DECEMBER 2021
Co. No. 2570030

The trustees present their report and the audited financial statements for the year ended 31st December 2021.

Principal activities

The Institute is registered as a Company limited by guarantee to promote and maintain nautical education.

Public Benefit

The trustees confirm that they have complied with the duty in Section 4 of the Companies Act 2006 to have due regard to the Charity Commission's general guidance on public benefit and that the activities carried out by the charity during the year were all undertaken in order to further the charity's aims for the benefit of the Charity's beneficiaries. A detailed explanation is shown under Objectives and Activities on the Trustees report published in the May issue of the Institute's Journal, Seaways.

State of affairs and business review

The company made an operating surplus on the General Fund of £668,287 for the current year (2020: £289,250). After taking into account investment activities, designated funds movements and unrealised surplus the company made a surplus of £903,492 (2020: £279,347).

The trustees keep the Reserves Policy under regular review. The Institute holds reserves in order to ensure as far as possible that its Objects may be met in future. Total Capital reserves at present stand at £2,573,079 (2020: £1,337,874) which is comprised of the Contingency Reserve £644,000 (2020: £663,000) calculated as shown on page 13 and the remainder acting as a Projects Reserve. The trustees consider that this amount of free reserves is adequate to ensure that the Institute's services are not compromised in the short term. The investment policy of the Institute is to maximise the total return from capital and income combined while maintaining a medium level of risk. Management of the funds is delegated to external investment managers on a discretionary basis and the trustees review the performance of the managers against benchmarks on a regular basis.

The trustees review the Institute's Risk Management Policy at regular intervals. After considering the principal areas of strategic and operational risk, the trustees are confident that the appropriate means of control and mitigation have been adopted. Prudent management practices with awareness of changes in the operating environment are felt to be in place. The management of the Institute are responsible for the day to day management of risk and minimising the effect of any adverse events. The trustees decided to maintain staffing levels through the year due to the demand for Institute services, so authorised cash drawdown to sustain operations, which was not actually required.

The Institute operates a remuneration policy based on salary scales by grade with annual RPI and other changes determined by the Executive Board during the budget planning process. A delegated group of trustees appraise the Chief Executive at least annually and set his remuneration for the forthcoming year. A non-contributory pension investment of 9% of salary, is made to staff personal pension schemes.

The Institute greatly values the contribution of its trustees and members in the work of the charity which ranges from their roles in the governance structure to representation input to the industry's decision making bodies and writing for the Journal and other publications. Due to the diversity of these voluntary contributions and the large number of members involved (some 140 in central governance roles) it is not feasible to assess the value in terms of time or money.

Auditors

The auditors, Appleby & Wood (London) Limited are willing to continue in office and resolutions concerning the appointment of Auditors will be submitted to the annual general meeting.

Fixed assets

Changes in the company's fixed assets during the year are shown on the balance sheet.

Trustees

The Trustees of the Charitable Company are stated on page 1.

This report has been prepared in accordance with Statement of Recommended Practice- Accounting and Reporting by Charities and in accordance with special provisions of part 15 of the Companies Act 2006.

Approved by the trustees and signed on their behalf by :

Mr P J Lloyd
Secretary



Date: 07/07/2022

THE NAUTICAL INSTITUTE
TRUSTEES' RESPONSIBILITIES

Statement of Trustees' Responsibilities

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the trustees are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

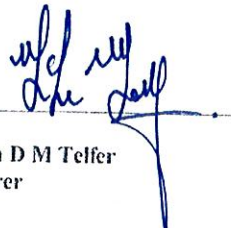
State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.



Mr P B Hinchliffe
Chair



Captain D M Telfer
Treasurer

Date: 07/07/2022

THE NAUTICAL INSTITUTE
Independent Auditor's Report to the members of The Nautical Institute

Opinion

We have audited the financial statements of The Nautical Institute (the 'charitable company') for the year ended 31st December 2021 which comprise the Statement of Financial Activities and the Balance Sheet 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 applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' 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 entity'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 Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees other than the financial statements and our auditor's report thereon. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

THE NAUTICAL INSTITUTE
Independent Auditor's Report to the members of The Nautical Institute (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees (who are also the directors of the charitable company for the purposes of company law) are 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 trustees determine 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 trustees are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are FRS102, the Companies Act 2006 with the supervisory requirements of Companies House.
- The charitable company operates internationally and is significantly impacted by international law and regulations. Taxation law and regulation apply to the charitable company but it is not involved in any complex matters that increase the risk of non compliance.

THE NAUTICAL INSTITUTE

Independent Auditor's Report to the members of The Nautical Institute (continued)

- We understood how the charitable company is complying with those frameworks through discussions with the Trustees and review of the Trustees' minutes and the charitable company's documented policies and procedures.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the Trustee's reporting to the charitable company with respect of the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the charitable company.
- Our pre-audit review specifically makes reference to fraud and this is supported by audit documentation. We also review board minutes to identify any matters of concern or risk. None was identified.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the charitable company and management.

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

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



R W Williams FCCA
(Senior Statutory Auditor)
For and on behalf of Appleby & Wood (London) Limited
40 The Lock Building
72 High Street
Stratford
London E15 2QB

Date 27th September 2022

THE NAUTICAL INSTITUTE
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2021

	2021	2020
Income	3,705,760	3,112,522
Gain/(loss) on investments	<u>203,158</u>	<u>(30,811)</u>
Gross income in reporting period	3,908,918	3,081,711
Expenditure	(3,005,426)	(2,802,364)
Net income before tax for the reporting period	<u>903,492</u>	<u>279,347</u>
Tax Payable	-	-
Net income for the financial year	<u><u>903,492</u></u>	<u><u>279,347</u></u>

All income is unrestricted funds.

A detailed analysis of income and expenditure by source is provided in the Statement of Financial Activities and the notes to the financial statements.

THE NAUTICAL INSTITUTE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2021

	Note	Unrestricted Fund £	Designated Fund £	Total Funds 2021 £	Total Funds 2020 £
Income and endowments from:					
Donations and Legacies		102,132	-	102,132	92,297
Charitable activities	2	2,943,836	-	2,943,836	2,411,084
Other trading activities	4	612,206	-	612,206	575,819
Investment income	5	137	45,912	46,049	33,322
Other		1,537	-	1,537	-
Total		3,659,848	45,912	3,705,760	3,112,522
Expenditure on:					
Raising funds	6	406,676	-	406,676	410,556
Charitable Activities	7	2,584,885	-	2,584,885	2,391,808
Other		-	13,865	13,865	-
Total		2,991,561	13,865	3,005,426	2,802,364
Net gain / (loss) on investments		-	203,158	203,158	(30,811)
Net income		668,287	235,205	903,492	279,347
Transfers between general funds		(1,000,000)	1,000,000	-	-
Movement on education fund		-	(1,111)	(1,111)	-
Net movement in funds		(331,713)	1,234,094	902,381	279,347
Reconciliation of funds:					
Total funds brought forward		1,407,357	1,346,508	2,753,865	2,474,518
Total funds carried forward at 31st December 2021	18	1,075,644	2,580,602	3,656,246	2,753,865

Movements in funds are disclosed in Note 18 to the financial statements.

All amounts above relate to unrestricted funds.

The notes on pages 10 to 15 form part of these financial statements.

THE NAUTICAL INSTITUTE
BALANCE SHEET AS AT 31ST DECEMBER 2021
Company No. 2570030

	Note	Total funds 2021		Total funds 2020	
		£	£	£	£
Fixed assets					
Tangible assets	13		105,595		71,592
Investments	14		<u>2,574,588</u>		<u>1,339,384</u>
Total fixed assets			<u>2,680,183</u>		<u>1,410,976</u>
Current assets					
Stocks	15		39,941		41,253
Debtors	16		206,420		269,922
Cash at bank and in hand			<u>1,195,852</u>		<u>1,376,532</u>
Total current assets			<u>1,442,213</u>		<u>1,687,707</u>
Liabilities:					
Creditors: amounts falling due within one year	17	(<u>466,150</u>)	(<u>344,818</u>)
Net current assets			976,063		1,342,889
Total net assets or liabilities			<u>3,656,246</u>		<u>2,753,865</u>
The funds of the charity:					
Unrestricted funds:					
Designated funds	18		2,580,602		1,346,508
General funds			<u>1,075,644</u>		<u>1,407,357</u>
Total charity funds			<u>3,656,246</u>		<u>2,753,865</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the board of trustees on 07/07/2022 and signed on their behalf by:



Mr P B Hinchliffe
Chair



Captain DM Telfer
Treasurer

The notes on pages 10 to 15 form part of these financial statements.

THE NAUTICAL INSTITUTE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

1. Accounting policies

a) Basis of accounting

The financial statements have been prepared in accordance with the Companies Act 2006 and follow the recommendations of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

b) Depreciation of fixed assets

Furniture and office equipment is depreciated on the straight line basis at cost over its estimated useful life at the rate of 10% per annum. Computer equipment is depreciated at a rate of 33 1/3% per annum on cost.

c) Revaluation of investments

The investment assets have been shown at market value for the year ending 31st December 2021 with the comparatives for the year ending 31st December 2020 also shown at their market value. The revaluation surplus has been shown on the statement of financial activities as net realised and unrealised gain on investment assets.

d) Corporation tax

The company has taken advantage of the tax exemption allowed due to its charitable status.

e) Allocation of expenditure

10% of salaries and 50% of travelling and meeting expenses have been allocated to management and administration of the Institute, which reflects the proportion incurred in this activity.

f) Capital reserve fund

This has been set up to create a Contingency Reserve and a Projects Reserve. The Contingency Reserve should be based on 3 months staff costs, 6 months rent and services and the average trade creditors. The Projects Reserve is to enable the Institute to fund specific projects with the approval of the Executive Board of Trustees. This Fund would be reviewed annually.

g) Stock

The stock held is the stock of books, both historical and current, and are valued at the lower of cost or net reliable value. The stock of books is reviewed periodically for the professional content and current relevance and a bad debt provision is calculated on this basis.

THE NAUTICAL INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

	Unrestricted Fund £	Designated Fund £	Total 2021 £	Total 2020 £
2 Charitable activities				
Charitable activities event & journals 3	128,030	-	128,030	152,618
Entrance fees, transfer fees and subscriptions	735,227	-	735,227	671,236
Training and courses	230,036	-	230,036	201,224
Accreditation Certification and training	1,850,543	-	1,850,543	1,386,006
Educational Fund grants	-	-	-	-
	<u>2,943,836</u>	<u>-</u>	<u>2,943,836</u>	<u>2,411,084</u>
3 Seminars, Conferences, events & journals				
	Seminar/ Conferences £	Seaways Journals £	2021 £	2020 £
Income				
Conferences and seminars	5,250	-	5,250	21,500
Seaways income (subscribers & Affiliates)	-	101,670	101,670	103,700
Seaways advertising income	-	21,110	21,110	27,418
	<u>5,250</u>	<u>122,780</u>	<u>128,030</u>	<u>152,618</u>
Expenditure				
Conferences/seminars	20,989	-	20,989	19,005
Seaways publications	-	224,114	224,114	215,814
Mars	-	6,000	6,000	6,000
Seaways advertising cost	-	5,076	5,076	6,068
	<u>20,989</u>	<u>235,190</u>	<u>256,179</u>	<u>246,887</u>
(Deficit) on Seaways, conferences, event & journals	<u>(15,739)</u>	<u>(112,410)</u>	<u>(128,149)</u>	<u>(94,269)</u>
4 Other trading activities				
	Books	Services	2021	2020
Sales	610,596	1,610	612,206	575,819
Costs of sales				
Opening stocks	35,540	5,713	41,253	51,083
Purchases	362,110	987	363,097	373,583
	<u>397,650</u>	<u>6,700</u>	<u>404,350</u>	<u>424,666</u>
Less: closing stocks	(37,077)	(2,864)	(39,941)	(41,253)
Costs of sales	<u>360,573</u>	<u>3,836</u>	<u>364,409</u>	<u>383,413</u>
Surplus/(Deficit) on other trading activities	<u>250,023</u>	<u>(2,226)</u>	<u>247,797</u>	<u>192,406</u>
5 Investments income				
	General Fund £	Designated Fund £	2021 £	2020 £
Bank interest	137	6,096	6,233	7,108
Dividends	-	39,816	39,816	26,214
	<u>137</u>	<u>45,912</u>	<u>46,049</u>	<u>33,322</u>

THE NAUTICAL INSTITUTE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

	Note	Unrestricted Fund £	Designated Fund £	Total 2021 £	Total 2020 £
6 Raising funds					
Cost of generating funds	4	364,409	-	364,409	383,413
Publicity		42,267	-	42,267	27,143
		<u>406,676</u>	<u>-</u>	<u>406,676</u>	<u>410,556</u>
7 Charitable activities					
Cost of activities in furtherance of the Institute's objectives	3	256,179	-	256,179	246,887
Support costs	8	556,507	-	556,507	612,218
Administration & Governance costs	9	573,327	-	573,327	532,838
Project & Training		425,752	-	425,752	377,371
Training and Courses		-	-	-	-
Accreditation and Certification		773,120	-	773,120	620,494
Prizes and scholarships		-	-	-	2,000
		<u>2,584,885</u>	<u>-</u>	<u>2,584,885</u>	<u>2,391,808</u>
8 Support costs					
			2021 £		2020 £
Branch subventions			16,670		10,984
Staff costs	11		537,503		590,525
Travelling and meetings			2,335		10,709
			<u>556,507</u>		<u>612,218</u>
9 Administration & Governance costs			2021 £		2020 £
Postage and telephone			52,278		40,803
Printing and stationery			8,437		10,759
Computer expenses			51,338		57,825
Auditors fees			5,800		6,600
Credit Card & Bank Charges			48,626		41,928
Rent, rates and service charges			176,710		155,806
Insurance			7,165		7,074
Insurance - Members Benefit			31,197		41,976
Office equipment rental			6,418		6,252
General expenses			11,375		9,826
Travelling, meetings and AGM expenses			2,335		10,709
Overhead Recovery			(18,000)		(17,170)
Legal & Professional fees			38,834		20,380
Training Costs			10,427		2,073
Staff costs	11		59,723		65,614
Depreciation			80,665		72,383
			<u>573,327</u>		<u>532,838</u>
10 Net movement in funds for the year			2021 £		2020 £
This is stated after charging:					
Depreciation of fixed assets			80,665		72,383
Auditors remuneration (audit services)			<u>5,800</u>		<u>6,600</u>

THE NAUTICAL INSTITUTE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

11	Staff costs	2021	2020
		£	£
	Salaries & wages	1,339,943	1,208,892
	Social security costs	144,954	134,249
	Pension	119,578	119,452
	Total staff cost including benefits	1,604,475	1,462,593
	Less: allocated to cost centres (excluding membership) (1,007,250)	(806,454)
	Staff costs included within overhead cost.	597,225	656,139
	No. of employees earning £60,000 to £70,000	4	2
	No. of employees earning £70,001 to £80,000	1	-
	No. of employees earning £80,001 to £90,000	-	-
	No. of employees earning £90,001 to £100,000	3	3
	No. of employees earning £100,000 +	1	1
	Average number of employees	34	35
	The chairman and trustees did not receive any remuneration during the year.		
12	Taxation		
	The charitable company is exempt from corporation tax on its charitable activities.		
13	Tangible fixed assets	Office furniture & Equipment	Computers
	Cost	£	£
	At 1st January 2021	79,768	692,470
	Additions	-	114,668
	Disposals	-	-
	At 31st December 2021	79,768	807,138
	Accumulated depreciation		
	At 1st January 2021	59,260	641,386
	Charge for the year	6,033	74,632
	Disposals	-	-
	At 31st December 2021	65,293	716,018
	Net book values:		
	As at 31st December 2021	14,475	91,120
	As at 31st December 2020	20,509	51,083
14	Investments	2021	2020
		£	£
	Market value at 1 January 2021	1,281,363	1,290,332
	Acquisition at cost	1,192,062	62,167
	Sales proceeds at market value	(203,301)	(40,325)
	Surplus / Loss in the year	203,158	(30,811)
	Market value at 31 December 2021	2,473,282	1,281,363
	Other Holdings		
	Cash	101,306	58,021
	Market value at 31 December 2021	2,574,588	1,339,384
	Market value at 1 January 2021	1,339,384	1,347,287

THE NAUTICAL INSTITUTE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2021

	2021	2020			
	£	£			
15 Stocks					
Books	37,077	35,540			
Member services	2,864	5,713			
	<u>39,941</u>	<u>41,253</u>			
16 Debtors					
Trade debtors	42,079	109,831			
Prepayments	42,649	81,264			
Other debtors	95,306	75,511			
VAT	26,386	3,316			
	<u>206,420</u>	<u>269,922</u>			
17 Liabilities: Creditors: Amounts falling due within one year:					
Trade creditors	63,669	78,323			
Accruals	306,791	210,842			
PAYE & other creditors	95,690	55,653			
	<u>466,150</u>	<u>344,818</u>			
18 Designated funds	Balance 01.01.2021 £	New Designated £	Utilised/ Realised £	Transferred £	Balance 31.12.2021 £
Capital Reserve Fund	1,337,874	32,047	203,158	1,000,000	2,573,079
Educational fund	8,634	-	-	(1,111)	7,523
	<u>1,346,508</u>	<u>32,047</u>	<u>203,158</u>	<u>998,889</u>	<u>2,580,602</u>
General Fund	Balance 01.01.2021	Designated	Utilised/ Realised	Transferred	Balance 31.12.2021
Bfwd	1,407,357	-	-	-	1,407,357
Transfer in year	-	-	-	(1,000,000)	(1,000,000)
Surplus for year	-	668,287	-	-	668,287
	<u>1,407,357</u>	<u>668,287</u>	<u>-</u>	<u>(1,000,000)</u>	<u>1,075,644</u>

19 Related Party Transactions

No Trustee received any remuneration for services as a Trustee. The amount of £Nil (2020: £1,710) was reimbursed to Trustees to cover miscellaneous travel expenses in connection with their roles as Trustees.

Trustees and Council members use the Institute's services on the same terms as other members. Because of the nature of the Institute's trades it is not practical to quantify the total of transactions with these members during the year. However, only minor balances were owed to and from these members as at 31st December 2021 and any fees paid to these members are shown separately in the Revenue Account. Trustees and Council members are required to be full voting members of the Institute.

Due to the nature of the Institute's trade, a number of the Trustees and Council are also directors/trustees/employees of entities with which the Institute trades, and due to the nature of the trade, it would not be practical to quantify the total of transactions in the period.

THE NAUTICAL INSTITUTE
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST DECEMBER 2021

<u>Statement of cash flows</u>	Total 2021 £	Total 2020 £
Cash flows from operating activities:		
<i>Net cash provided by (used in) operating activities</i>	919,985	467,215
Cash flows from investing activities:		
Dividends, interest and rents from investments	46,049	33,322
Proceeds from the sale of property, plant and equipment	-	-
Purchase of property, plant and equipment	(114,668)	(42,588)
Proceeds from sale of investments	203,301	40,325
Purchase of investments	(1,192,062)	(60,167)
<i>Net cash provided by (used in) investing activities</i>	-	436,107
Cash flows from financing activities:		
Repayments of borrowing	-	-
Cash inflow from new borrowing	-	-
Receipt of endowment	-	-
<i>Net cash provided by (used in) financing activities</i>	(137,395)	436,107
<i>Change in cash and cash equivalents in the reporting period</i>	(137,395)	436,107
Cash and cash equivalents at the beginning of the reporting period	1,434,553	998,446
Change in cash and cash equivalents due to exchange rate movements	-	-
<i>Cash and cash equivalents at the end of the reporting period</i>	<u>1,297,158</u>	<u>1,434,553</u>
<u>Reconciliation of net income/(expenditure) to net cash flow from operating activities</u>		
<i>Net income/(expenditure) for the reporting period</i>		
<i>(as per the statement of financial activities)</i>	903,492	279,347
Adjustments for:		
Depreciation charges	80,665	72,383
Movement on education fund	(1,111)	-
(Gains)/Losses on investments	(203,158)	30,811
Dividends, interest and rent from investments	(46,049)	(33,322)
Loss/(profit) on the sale of fixed assets	-	-
(Increase)/decrease in stocks	1,312	9,830
(Increase)/decrease in debtors	63,502	89,989
Increase/(decrease) in creditors	121,332	18,177
<i>Net cash provided by (used in) operating activities</i>	<u>919,985</u>	<u>467,215</u>
	Total	Total
<u>Analysis of cash and cash equivalents</u>		
Cash in hand	1,195,852	1,376,532
Investment capital reserve account	101,306	58,021
Notice deposits (less than 3 months)	-	-
Overdraft facility repayable on demand	-	-
<i>Total cash and cash equivalents</i>	<u>1,297,158</u>	<u>1,434,553</u>