

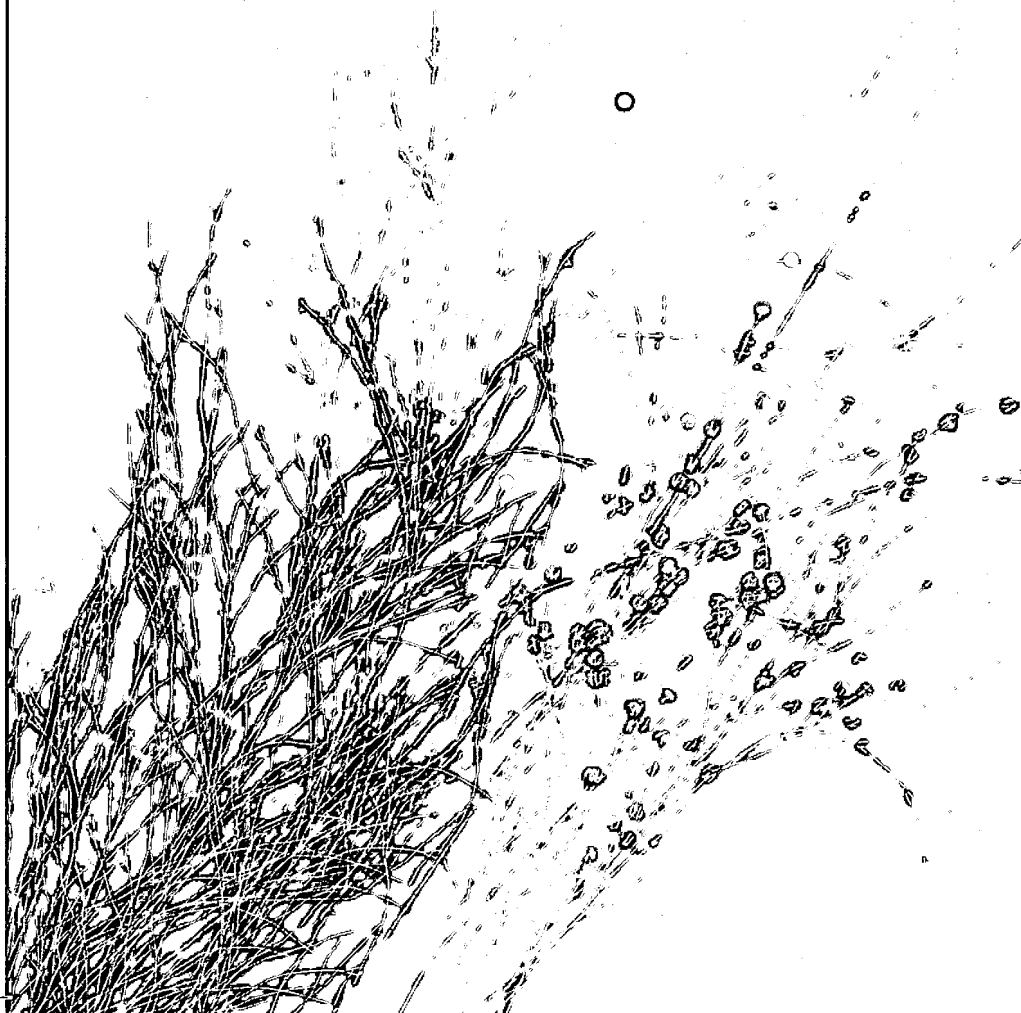
**ANNUAL
REPORT AND
FINANCIAL
STATEMENTS**
YEAR ENDED
31 MARCH 2023



Company
registration
number:
4178503

Charity
registration
number:
1091222

ANNUAL
REPORT AND
FINANCIAL
STATEMENTS
YEAR ENDED
31 MARCH 2023



CONTENTS

**Foreword by the
Chair of Trustees**
4

**Our Year
in Numbers**
6

**Trustees'
Report**
9

**Delivering our
Strategic Priorities**
12

**Principal Risks
& Uncertainties**
25

**Statement of Trustees'
Responsibilities**
31

**Consolidated Statement
of Financial Activities**
36

**Balance
Sheet**
40

**Notes to the Financial
Statements**
42

**A Message from
our Chief Executive**
5

**Reference and
Administrative Details**
8

**Our
Strategy**
11

**Financial
Review**
24

**Structure, Governance
& Management**
27

**Independent
Auditors' Report**
32

**Consolidated
Balance Sheet**
39

**Consolidated Statement
of Cash Flows**
41

FOREWORD BY THE CHAIR OF TRUSTEES



This past year has been hugely successful for PML on many fronts. The achievements detailed later in this report are outstanding, and all the more significant, when delivered in a very challenging environment of funding uncertainty, rising energy costs and inflation.

Of particular note are the three international awards conferred upon our scientists, which not only recognise the individuals' research contributions but also PML's scientific excellence. These awards together with many other activities, such as our contributions at the UN Climate Change Conference COP26, have continued to raise PML's profile and standing on the international stage.

A personal highlight of the year was the launch of the National Centre for Coastal Autonomy (NCCA) with our partners the Marine Biological Association and the University of Plymouth. It was an honour and privilege to welcome HRH the Princess Royal to PML to showcase to her and the 170 event guests how coastal autonomy is changing the way in which we undertake marine research.

During the year we made two excellent appointments to our Board of Trustees in Dan Crockett, Oceans and Climate Director at the Blue Marine Foundation, and Dr Jyotika Virmani, Executive Director of the Schmidt Ocean Institute. Both bring considerable fundraising experience and expertise which will help us shape and deliver our plans for increasing funding to PML from charitable and philanthropic sources.

On the subject of the Board of Trustees, strong governance is an important element in the operation of any charity. For that reason, an external evaluation of PML's governance was commissioned. The outcomes were very positive, with PML scoring above the all-charities benchmark. As with every aspect of PML, we will continue to strive to improve our performance further.

Finally, and importantly, these achievements are possible because of the strength and dedication of the PML team. I would like to thank the PML Senior Management, staff, students and Trustees for their part in what has been an incredibly successful year.

Janice Timberlake
Chair of Board of Trustees

A MESSAGE FROM OUR CHIEF EXECUTIVE

The quality and impact of PML research are key to its future, and we very much focus on producing high quality research publications and achieving impact from our research. One example of the former is a paper published last summer on a pioneering new study that investigates global trends in ship emissions, using a novel AI method to catalogue over one million ship tracks. This research established the first clear evidence of a global cloud response to changes in environmental regulations.

In terms of impact PML research fed into the UN Intergovernmental Panel on Climate Change report published in February 2022.

As a charity which bids for every element of its income, I am delighted at the success that PML has achieved in the last year. The success rate (74%) of our research proposals across all funders was at an unprecedented level. We were also able to attract new funders including the Wellcome Trust and the Garfield Weston Foundation. Underpinning these successes is the quality of our research and the reputation of our scientists.

Likewise, PML has been successful in attracting funding for its infrastructure and research. I would like to thank the Natural Environment Research Council (NERC) for funding towards a solar carport which will help achieve our net zero ambitions, while reducing energy costs.

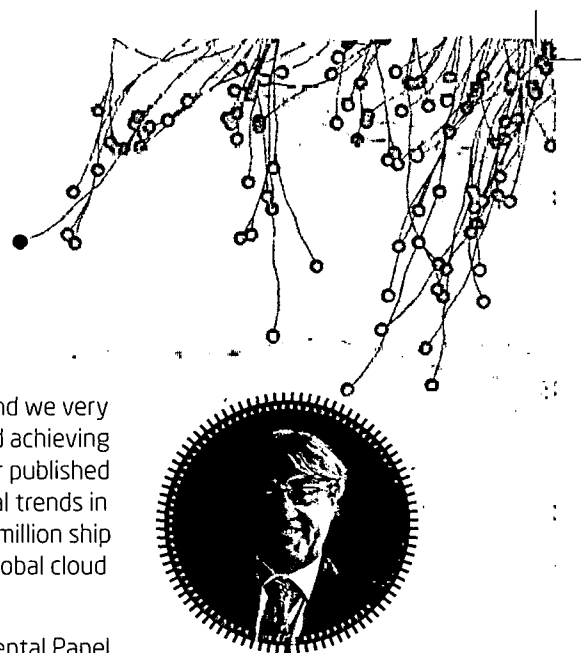
NERC funding of £651k for scientific equipment contributing to the implementation of PML's digital strategy was also greatly appreciated. Our digital strategy required the recruitment of a lead in digital innovation and marine autonomy, in addition to other digital-centred posts. I am very pleased that PML has been able to recruit this expertise over the course of the past year and I look forward to the developments in this exciting field.

In the latter part of the year, we launched the PML Advanced Research Fund, which uses funds from reserves to support high reward, international quality, cutting-edge research projects from our scientists. A decision on proposals to be funded will be made in summer 2023.

PML has also invested from its reserves in IT and other infrastructure in order to improve its business resilience. Equally, our trading subsidiary has invested in new areas for growth to provide an important future income stream to PML. These crucial investments, together with a downturn in the financial markets, affecting our investment portfolio, have led to a small deficit in our consolidated accounts in this financial year. I am confident that the successes of this year will lead to positive financial results downstream.

The contributions of our staff and their achievements over the last year have put us in a strong position to deliver our charitable aims of a healthy and sustainable ocean.

Prof. Icarus Allen
Chief Executive



OUR YEAR IN NUMBERS

129
ISI (peer-reviewed)
scientific papers

34
first-authored

109
of which were gold
open access

Unique users

63,464

Sessions

100,948

Page views

198,854

Website statistics from 31st
March 2022 - 31st March 2023

107.32

CO₂/£m Revenue

The weighted average carbon
intensity of PM's investment
portfolio at 31 March 2023.
Compared with the Vanguard
FTSE All World value of

207.43 CO₂/£m

17,768

Twitter followers

10,365

LinkedIn followers
(Social media following as
of March 2023)

Source: LinkedIn, Twitter, PM's website

74%

New research proposals/
contracts success rate

£28.3m

Global Advertising Value
Equivalent of our PR

£9.6m

UK Advertising Value Equivalent
of our PR

4%

of PML papers were in top 1%
of most highly cited ecology/
environmental papers in the world

ISO9001:2015,
ISO14001:2015 &
ISO45001:2018
certified

8

New PhD students

5

Awards

External
governance
review

PML scored higher
than the all charities
benchmark in all

15
categories

197

Number of policy mentions of
PML research during the year
(The Publications Office of the
EU, World Health Organisation)
World Bank, OECD, UN FAO

6,173

Mentions of PML
research outputs in
news outlets

REFERENCE AND ADMINISTRATIVE DETAILS

CHARITY NAME

**Plymouth Marine
Laboratory**

Charity Registration Number
1091222 (England & Wales)

Company Registration
Number 4178503

Registered Office
Prospect Place, The Hoe,
Plymouth, PL1 3DH

TRUSTEES

The Trustees listed below were
Trustees for the whole of the year
ended 31 March 2023 and at the
date this report was approved
unless stated otherwise:

J E Timberlake
Chair

N B Buckland OBE

M J Butcher

Prof L J Carpenter
MBE FRS FRCS

D Crockett
(Appointed 1 February 2023)

Dr V C E Garçon

N J Godefroy

P R James

Prof T D Jickells OBE

Dr B MacKenzie

Prof R F Rayner
(Retired 31 January 2023)

Dr J I Virmani
(Appointed 1 January 2023)

PATRON

James Cameron
Explorer, environmentalist
and renowned filmmaker

SENIOR MANAGEMENT TEAM

Prof J I Allen
Chief Executive

Prof S Widdicombe
Deputy Chief Executive
& Director of Science

B K Tremain
Director of Operations
& Company Secretary

S Coughlin
Head of Financial Services

J Davy
Head of Human Resources
(Retired 31 March 2023)

Dr T J Smyth
Head of Science

SOLICITORS

Foot Anstey LLP
Salt Quay House, 4 North East
Quay, Sutton Harbour,
Plymouth PL4 0BN

Tozers LLP
Broadwalk House, Southernhay W,
Exeter EX1 1UA

BANKERS

Co-Operative Bank
8 Old Town Street, Plymouth
PL1 1DE

AUDITORS

PKF Francis Clark
Melville Building East
Unit 18, 23 Royal William Yard
Plymouth PL1 3GW

INVESTMENT MANAGERS

Brewin Dolphin Ltd
Vantage Point, Woodwater Park,
Pynes Hill, Exeter EX2 5FD

TRUSTEES' REPORT

TRUSTEES' REPORT

The Trustees (as listed on page 8), who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2022.

The Trustees, who are also Directors of Plymouth Marine Laboratory (PML) for the purposes of the Companies Act, submit their annual report (incorporating the strategic report), together with the audited consolidated financial statements of the charity and its trading subsidiary for the period ended 31 March 2022. The financial statements comply with the Charities Act 2011, the Companies Act 2006 and 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) (effective 1 January 2019).

Who We Are & What We Do

Plymouth Marine Laboratory (PML) is an independent, not-for-profit research Institute. Its mission is to pursue research excellence, enhancing its position as a world leader in the field of marine science. This in turn supports PML's vision of a healthy and sustainable ocean, through the delivery of impactful, cutting-edge environmental and social science.

Our 160+ staff work to understand the ocean, how it sustains life and the human impact upon it, allowing society to benefit from clean, productive and biologically diverse seas, now and for future generations.

PML's vision is set in the context of the United Nations' Sustainable Development Goals (SDGs), and the "double decade" of action: The Decade of Ocean Science for Sustainable Development, and The Decade of Ecosystem Restoration".

Our Values

We have a set of seven core values which reflect our organisational culture and underpin the ethos of the PML Group:



COLLABORATION



EXCELLENCE



INNOVATION



INTEGRITY



MEANINGFULNESS



RESPECT



RESPONSIBILITY

Public Benefit Statement

The Trustees can confirm that they have referred to the guidance provided by the Charity Commission, including the guidance 'public benefit: running a charity (PB2)' when reviewing the aims and objectives of the Charity and in planning future activities. The Trustees also give due consideration to how these activities contribute to the aims and objectives set.

PML's charitable objects are:

- to carry out research in environmental science and technology including marine and estuarine environmental science and technology, and disseminate results of such research and data and ideas generated in the course of or in connection with such research for the benefit of the public; and
- to advance public education in the principles and practice of such science and technology.

OUR STRATEGY

OUR STRATEGY

PML'S STRATEGY (2020-2025), WHICH WAS REVIEWED AND AMENDED DURING THE YEAR, SETS OUT ITS STRATEGIC AIMS COLLATED UNDER FOUR STRATEGIC PRIORITIES AS FOLLOWS:

1. SCIENCE EXCELLENCE & IMPACT

PML's science goals comprise three overarching 'communities of practice'

- Identify how marine ecosystems are fundamentally structured and how they function – fundamental biotic and abiotic processes, interactions, traits and drivers that underpin the structuring and functioning of marine ecosystems.
- Quantify the impacts of multiple human-induced stressors on marine ecosystems – explore how marine ecosystems are likely to respond to the multitude of stressors affecting marine environments.
- Develop solutions and approaches to support the sustainability of marine ecosystems – generate tools, strategies and policies needed to ensure that the health and productivity of marine ecosystems is maintained or improved, and they continue to provide the goods and services humans depend on.

PML will continue to deliver its internationally-recognised and world-leading expertise focused on five Science to Impact Challenges:

- Understand and mitigate climate change (Climate Change)
- Improve sustainability of fisheries and aquaculture (Sustainable Fisheries & Aquaculture)
- Encourage cleaner seas for nature and society (Cleaner Seas)
- Combat biodiversity loss (Biodiversity)
- Develop marine autonomy, technology and digitization (Autonomy, Technology & Digitization)

2. BUSINESS EXCELLENCE

Ensuring PML is an effective, efficient and sustainable business.

3. SOCIAL RESPONSIBILITY

Engaging and supporting our internal and external communities.

4. ENVIRONMENTAL RESPONSIBILITY

PML has a duty to take a leadership role in environmental responsibility and to reduce the impact of its activities on the environment.

PML wholly owns a trading subsidiary, PML Applications Ltd, a "for good" commercial business providing consultancy and services to a global client base in the areas of marine biofouling and corrosion, coastal technologies, environmental solutions and geospatial applications (including software).



DELIVERING OUR STRATEGIC PRIORITIES - OUR ACHIEVEMENTS & PERFORMANCE

1 Strategic Priority 1 SCIENCE EXCELLENCE & IMPACT

Science Excellence

The excellence and relevance of PML's science has been amply demonstrated by its unprecedented 74% success rate in winning new research projects valued at £10M in total. Moreover, PML has been able to attract new funders for its research, including charitable foundations – the Wellcome Trust and Garfield Weston Foundation – aligning with its strategy for diversification of funding, and emphasising the impact being delivered by PML's research.

External recognition of PML's scientific excellence also came in the form of five awards:



- Dr Shubha Sathyendranath received the prestigious Knight of the Order of Cultural Merit from the Principality of Monaco for her distinctive contribution to science.
- Dr Ana Queiros won the AXA Investment Managers Research Award, for blue carbon as a nature-based solution. The award recognises transformative research focused on enabling a just and green transition.

- Prof. Pennie Lindeque won the Volvo Environment Prize in conjunction with partners at the Universities of Exeter and Plymouth for their groundbreaking research in understanding the impact of microplastics on marine animals and the environment.
- The Smart Sound Connect project, the world's first ocean-focused 5G testbed, led and run by PML, won the Mobile Industry 5G Innovation of the Year award.
- In recognition of the innovation throughout the PML Group, PML won the Western Morning News' regional Innovation Award in December 2022.

Citation analysis, covering the period 2018-2022, shows that 4.0% of PML papers were in the top 1% of the most cited ecology / environmental science papers in the world. Two of PML's scientists, Prof. Pennie Lindeque and Dr Matt Cole, were named for the fourth and third year running, respectively, on the annual Clarivate Highly Cited Researchers List 2022.

Science Strategy

A principal focus during this year has been the implementation of a digital science strategy to underpin PML's research strategy. This focuses on the application of new tools such as Artificial Intelligence (AI) and autonomy, to support its research goals. PML was delighted to appoint Dr Matthew Palmer as Lead for Environmental Digital Science and has successfully recruited to a number of other posts in the digital realm.



Advanced Research Fund

PML has created this fund using reserves to generate new science ideas. The fund was launched in December 2022 and the first tranche of proposals has been received and will be evaluated for funding by external experts, and science Trustees in the next financial year.

People

PML was delighted to welcome 13 new science staff, including to roles such as Environmental Economist, Earth Observation Scientist and Modeller, as well as the digital roles mentioned above. PML also welcomed Prof. Osvaldo Ulloa as a Royal Society Wolfson Visiting Fellow in March 2023. He will be using remote sensing, optical, and molecular tools to investigate ecosystem structure, dynamics, and productivity in a changing ocean.

PML also launched the Trevor Platt Science Fellowship. Funded by its Education Support Fund, PML has sought an outstanding early career researcher to undertake a fellowship at PML, starting in summer 2023, in any aspect of biological oceanography. PML's Education Support Fund also enabled PML to match fund five PhD students with various universities, who took up their research projects at PML in October 2022, together with three other PhD students supported via other funding streams.

New Infrastructure/Equipment

Linked to the digital strategy implementation, PML was successful in obtaining funding of £651k from the Natural Environment Research Council (NERC) for an Automated, *in situ* Plankton Imaging and Classification System (APICS) which will radically improve the understanding of how environmental changes are affecting plankton, the microscopic organisms at the foundation of the marine food chain.

Resumption of Scientific Cruises

The first post-covid pandemic Atlantic Meridional Transect (AMT) scientific cruise took place between February and March 2023, involving 26 scientists from PML, national and international universities. AMT continues to provide measurements in remote ocean gyres. These data have been collected since 1995 and are used to understand how biodiversity and biogeochemical cycles function naturally and how they might be influenced by climate change.

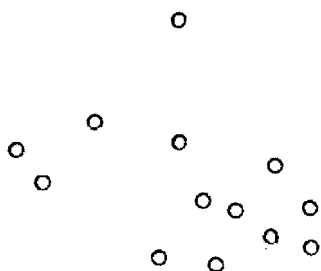
Science & Impact Highlights

PML researchers produced 129 peer-reviewed papers (160 in FY2021-22) during this financial year, 34 of which were first-authored, with the focus on high quality rather than a high volume of papers. Some highlights from PML's research undertaken during the year against each of the Science to Impact Challenges are provided below:

Autonomy, Technology & Digitisation

PML was delighted to host the visit of HRH The Princess Royal for the launch of the National Centre for Coastal Autonomy, which PML and partners in Marine Research Plymouth – the Marine Biological Association and the University of Plymouth – has founded.

The launch event was attended by over 170 guests, including charitable foundations, industry, Maritime UK, government departments, the Royal Navy, NERC, the Met Office and the Hydrographic Office. The Centre aims to advance understanding of our constantly evolving ocean and coastlines and will further cement Plymouth's position as the UK centre of excellence for the application of coastal marine autonomy.



CASE STUDY

AUTOMATED, IN SITU PLANKTON IMAGING AND CLASSIFICATION SYSTEM (APICS)



PML scientists are on the cusp of achieving a radically improved understanding of how environmental changes are affecting plankton, the microscopic organisms at the foundation of the marine food chain which also play a vital role in generating oxygen for the planet.

As part of a £6.6 million Natural Environment Research Council (NERC) funding package for UK environmental science equipment, PML was awarded £651k in 2022/23 for its bespoke 'Automated, *in situ* Plankton Imaging and Classification System' (APICS).

Designed for remote deployment in the Western Channel Observatory (the marine biodiversity reference site in the Western English Channel), the new system uses two state-of-the-art submersible devices (an 'Imaging FlowCytobot' and a 'Plankton Imager') to gather images of plankton at varying sizes which can then be automatically classified using machine learning software.

This innovative, automated technique will radically improve the frequency, duration and range of plankton monitoring, which is currently carried out manually by scientists *in situ*.

Through the use of renewable energy to power the equipment, and the reduced reliance on research vessels, the project also supports PML's ambition of moving towards net zero oceanography.

CASE STUDY

ATLANTIC MERIDIONAL TRANSECT (AMT)



Atlantic Meridional Transect (AMT) is a research programme that samples the open ocean between the UK and the South Atlantic.

Led by Plymouth Marine Laboratory (PML) and funded by Natural Environment Research Council's (NERC) National Capability, AMT is a highly important expedition for the marine science community as it collects samples along the length of the Atlantic, producing a unique dataset and the opportunity to monitor changes in this expansive and dynamic ocean.

In February 2023, AMT30 left the Falkland Islands for its 38-day voyage back to the UK; the first AMT expedition to run since 2019 (due to the Covid-19 pandemic).

A truly multidisciplinary programme it undertakes biological, chemical and physical oceanographic research, AMT also provides an invaluable training experience for budding marine scientists to work at-sea alongside leading researchers from around the world.

The main deliverable of AMT is the unique data time series (1995 - 2019 and now 2023) of spatially extensive and consistent observations on the structure and biogeochemical properties of planktonic ecosystems in the Atlantic Ocean. This data is vital to validate models addressing questions related to the global carbon cycle as well as monitoring environmental change.

Biodiversity

A comprehensive new review of impacts on zooplankton caused by ocean warming was published by 22 leading scientists from around the world, including a co-author from PML. Zooplankton are a critical link between the smallest and largest marine organisms and play an important role in the transfer of carbon.



A study was published between PML and the University of Portsmouth, to help improve understanding of the link between marine habitat 'health' and ecosystem service provision, which will lead to a more precise approach for active marine habitat management and restoration.

Scientists from PML and the Universities of Plymouth and Strathclyde have been working on an optical model to show the extent and ecological impact of urban light on marine ecosystems. Their resulting publication shows that coastal megacities could be illuminating the marine environment up to six times more than the moon.

Following nomination by the Intergovernmental Oceanographic Commission (IOC)-UNESCO, PML's Director of Science has been selected by the Bureau of the Subsidiary Body on Scientific, Technical and Technological Advice (SBSTA) to serve as an expert for the Ad Hoc Technical Expert Group on Indicators for The Kunming-Montreal Global Biodiversity Framework.

Cleaner Seas

PML researchers are collaborating on a project, with more than 30 research organisations across South Asia and the UK, that aims to improve nitrogen management and measure how nitrogen is impacting our environment. Preliminary research from PML showed how pollution emitted inside a lagoon could remain for a few days before being washed out to the ocean, thus requiring management to minimise further impacts to the fragile ecosystem of the lagoon.

Climate Change

A paper on climate change and the ability of the ocean to sustain future seafood demand, co-authored by a PML scientist, highlighted the need for swift actions to be taken.

PML scientists were co-authors on a policy brief Addressing Climate Change Impacts from Health focusing in particular on Egypt in the run-up to the UN COP27 Climate Change meeting.

PML scientists contributed to the Ocean Acidification chapter of the OSPAR Quality Status Report.

A modelling study led by PML scientists has shown that the seas of Southeast Asia may warm by 1.1 to 2.9°C through the 21st century, with reduced oxygen levels and many other environmental changes that could cause stress for marine life.

A new research project, which is investigating seaweed detritus as a blue carbon "blind spot" started during the year. The study will help improve understanding of natural climate change mitigation solutions provided by seaweed habitats and the patches of seafloor with which they are connected.

Sustainable Fisheries & Aquaculture

A final version of a Harmful Algal Bloom (HAB) web alert system, produced under the S-3 EUROHAB project, led by PML, was officially launched in September 2022. This system will enable HABs to be tracked at high resolution, thus benefiting shellfish farms and marine management stakeholders.

For further science and impact highlights, please see the news section on our website.

CASE STUDY

LAUNCH OF THE NATIONAL CENTRE FOR COASTAL AUTONOMY (NCCA)



Officially launched by HRH The Princess Royal in October 2022, the NCCA is the UK's first autonomous fully integrated coastal observing and monitoring network.

Founded by the partners in 'Marine Research Plymouth' (Plymouth Marine Laboratory (PML), Marine Biological Association (MBA), University of Plymouth) it employs the latest autonomous technologies to drive towards a net zero oceanographic capability, delivering world-leading and cutting-edge science.

A fleet of state-of-the-art surface autonomous vessels, sub-surface coastal platforms and sophisticated scientific buoys are integrated on a unique high-speed award-winning marine communications network.

The high resolution data it produces is designed to support policy-makers and other organisations to enable good stewardship and an enhanced understanding of the coastal environment.

The NCCA is also delivering a platform to train and develop the next generation of scientists and technologists in partnership with industry and the public sector.

From Local to Global

PML plays an important role at the local/regional, national and global level, demonstrated by many of the science and impact highlights shown above. Also of note are the following activities, evidencing PML's contribution and collaboration at many levels:

Local/Regional

PML collaborates with universities and research organisations across the UK and overseas. Some of the closest collaborations are locally with the Marine Biological Association and the University of Plymouth, who together with PML form Marine Research Plymouth. This partnership has been reinforced during the year through the creation of the National Centre for Coastal Autonomy (see above), and other initiatives, such as Science Dialogues, to enhance co-operation and cohesion of the world-leading science undertaken by the three partners.

PML also works closely in the region with the University of Exeter and the Met Office, for example on research in environmental intelligence.

National

PML plays a prominent role in NERC National Capability – long-term programmes which enable the UK to deliver world-leading environmental science. PML works in collaboration with other research centres in the UK on programmes, such as TerraFIRMA – Future Impacts, Risks and Mitigation Actions in a changing Earth system,

PML was selected as one of ten environmental and sustainability charities and Non-Governmental Organisations chosen to take part in The Alan Turing Institute's first combined Turing Internship Network (TIN) and Data Study Group (DSG) programme. The programme was focused on tackling climate change and learning about its impact through data science and artificial intelligence (AI) research.

Global

A previous aim of PML had been to maximise PML's international visibility and engagement through the establishment of an International Office. Objectives for this International Office were set and have been delivered through the year, including:

- Six PML scientists and two of its Honorary Fellows contributed to the United Nations Intergovernmental Panel on Climate Change (IPCC) assessment process as lead or contributing authors. This assessment process culminated in the Assessment Report 6 Synthesis Report on Climate Change, published in March 2023.
- A delegation of PML scientists, ranging from senior staff to Early Career Researchers, participated in the UN Framework Convention on Climate Change (UNFCCC) COP27 meeting in Egypt in November 2022. The scientists had roles in more than 25 events, covering a range of issues from the threats the ocean is facing, the challenges for the cryosphere, to the impacts on society and effective adaptation and mitigation, including discussions on Blue Carbon and Nature-Based Solutions. PML was also a founding partner in the first ever, in person Ocean Pavilion, a central hub for over 15,000 conference delegates, where ideas were exchanged about how to address climate change by leveraging the ocean.
- PML's Director of Science co-authored Chapter 2 in UNESCO's pilot edition of the 'State of the Ocean Report 2022'. The report is a much-needed publication to inform the world about the current state of the ocean, and to do so in a much more dynamic way than has been previously possible.
- In May 2022 PML hosted the 8th International Symposium on Gas Transfer at Water Surfaces, which saw around 150 scientists from countries all over the world gather for this major summit, held every five years.

Following the retirement of Dr Carol Turley, PML has successfully recruited Dr Matt Frost as its new Head of International Office.



2 Strategic Priority 2 BUSINESS EXCELLENCE

There have been several notable achievements under this strategic priority as follows:

Increase Funding from Charitable Sources

In March 2022 the Board agreed to invest a sum of reserves into a fundraising strategy to support additional staff (in post from August 2022) and marketing and communications activities. In addition to the new charitable foundation funders mentioned above (Wellcome Trust and Garfield Weston Foundation), funding of US\$1M was secured from the Simons Foundation for phase 2 of a research project on computational biogeochemical modelling of marine ecosystems, and £359k was secured from the Amazon Right Now Climate Fund for seaweed farming. PML's role in this project is to research seaweed's potential to sequester carbon. In total during the year PML secured funding of £1.9M from charitable sources.

Infrastructure & Resilience

A new high performance computer to support PML's modelling research has been specified and ordered, and will be commissioned in September 2023. This project has been funded by NERC capital investment funds. PML has also been implementing other essential computing infrastructure measures. A back-up generator, which operates using biofuel, has been installed and commissioned, for business continuity purposes in the event of a power cut, providing power to our data centres, experimental and essential infrastructure.

Modernisation of Business Platforms and Digital Information

Following the implementation of a new website last year, our Marketing & Communications team have been highly active in producing and promoting digital content on PML's research.

Such efforts have led to a greater level of coverage of PML's research and science activities evidenced by the Advertising Value Equivalency (AVE) and reach of this coverage for the year as follows:

AVE: global £28.3M; UK £9.6M

Alongside our external profile, a major project has been the development of a new Sharepoint intranet to improve internal communication and business efficiency.

Our new HR system has been rolled out, including modules for staff appraisal and onboarding of new staff and students with the latter receiving positive feedback from new starters.

Industrial & Academic Partnerships

The launch of the National Centre for Coastal Autonomy, as described above under Science Excellence, involved many industrial partners with whom relationships have been developed. On the academic side, PML's Chief Executive was invited to undertake an external review of the Australian Institute of Marine Science (AIMS), with whom PML has a Memorandum of Understanding. A visit to PML of the Chief Operating Officer of AIMS is planned for this autumn.

Quality Assurance

A decision was taken to streamline PML's ISO accreditation process, to integrate ISO9001 (Quality Management), ISO45001 (Health & Safety Management) and ISO14001 (Environmental Management Systems), which has worked well. PML has maintained certification to the ISO9001 Quality Management Standard – see below under Social Responsibility and Environmental Responsibility for further information.

3 Strategic Priority 3 SOCIAL RESPONSIBILITY

Equity, Diversity & Inclusion (EDI)

An EDI strategy was developed, approved by the Board of Trustees and published, together with EDI operating objectives, PML's Annual Report to the Board on EDI and Gender Equality Plan. All information is available on our website. PML is pursuing accreditation to Investors in Diversity and undertook a culture survey of its staff, students, Board of Trustees and other stakeholders to inform future action. Mandatory EDI training has also been implemented.

A new Head of People & Culture has been recruited and will progress the implementation of the EDI strategy in 2023-24.

Health, Safety & Wellbeing

PML has maintained certification to the ISO45001 Health and Safety Management Standard. Continuous improvements have been made, including the development of additional codes of practice and implementation of additional health and safety measures.

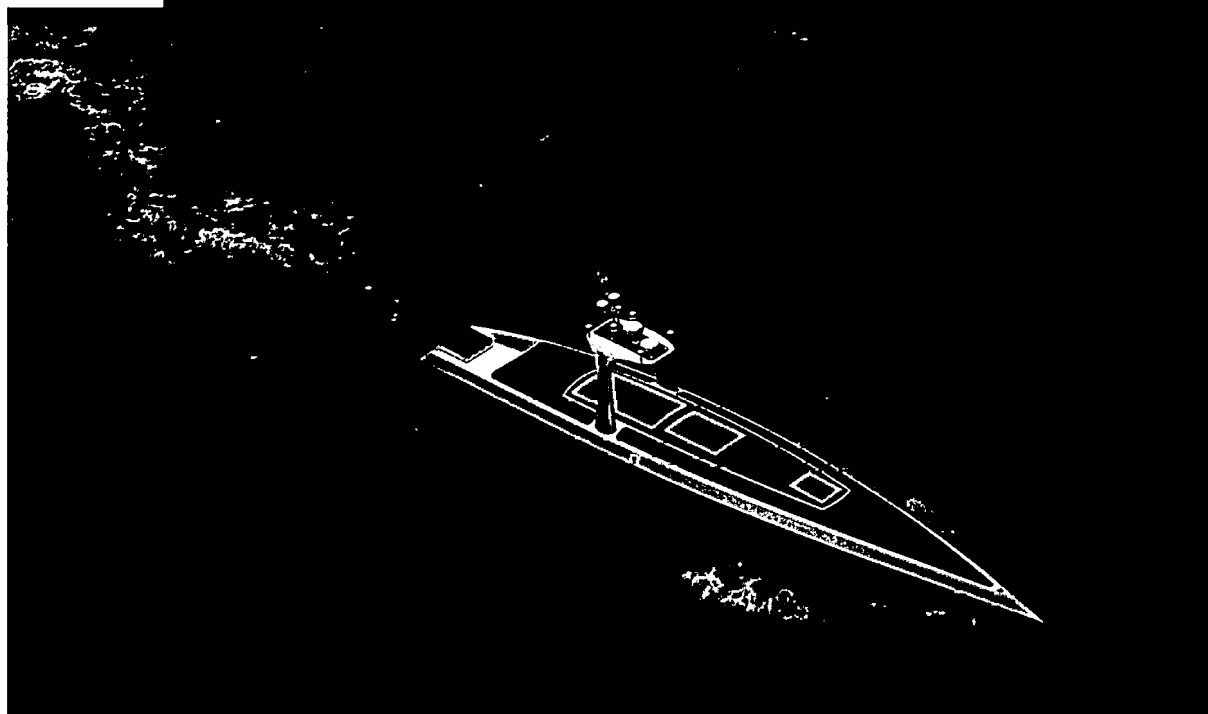
Monthly pulse surveys across all employees are undertaken to understand any issues or changes so that timely action can be taken.

PML's standing as an excellent place to work was underlined not only by our ability to recruit new staff but also by having been judged a Finalist in the Western Morning News Best Place to Work regional awards.

CASE STUDY

OCEANUS

PLANS FOR THE WORLD'S FIRST LONG-RANGE AUTONOMOUS RESEARCH VESSEL REVEALED



In May 2022, PML revealed plans for *Oceanus*, which is set to usher in a new era for net zero oceanography and advanced international marine research.

Supported by seed funding from the Natural Environment Research Council (NERC), the sleek, futuristic-looking and fully uncrewed '*Oceanus*' has been designed as a self-righting, light-weight, mono-hulled autonomous vessel capable of carrying an array of monitoring sensors to collect data for research into critical areas such as climate change, biodiversity, fisheries and biogeochemistry.

Designed primarily to make the transatlantic sampling voyage from the UK to the Falklands, the *Oceanus* will carry an advanced scientific payload and use the latest AI technology to help navigate the best course to its target location, with real-time input from weather forecasts and other marine data feeds.

4 Strategic Priority 4 ENVIRONMENTAL RESPONSIBILITY

Improvements to Buildings & Estate

During the year PML initiated the installation of a new cycle compound to enable more employees and students to cycle to work. This installation was completed in April and was partially funded by Plymouth City Council's Transforming Cities Fund. Planning permission was also granted for a solar carport which supports PML's aim to reduce its carbon footprint and also will reduce energy costs. This project, funded primarily by the Natural Environment Research Council, is underway and will be completed by late summer 2023.

Aiming Towards Net Zero Carbon

In November 2022 PML achieved accreditation to the ISO14001 (Environmental Management Systems) standard. Earlier in the year a design was completed for the world's first long-range autonomous vessel – *Oceanus*. Funding to realise this design is being sought. Significant work has also been undertaken to reduce our data storages and associated carbon footprint and energy costs by removing data that is no longer needed and data coding efficiency practices.

PML has enrolled into the Laboratory Efficiency Assessment Framework (LEAF) with all our laboratories at a 'Bronze' standard and making good progress towards 'Silver'. This has resulted not only in energy and associated carbon reduction, but also less unnecessary wastage of chemicals and materials by improved sharing practices.

Banking & Investments

In early 2023 PML changed its banking provision from HSBC to the Co-operative Bank, as the latter's environmental values align with those of PML. As a marine research organisation PML's investment policy embraces environmental objectives. The weighted average carbon intensity of PML's investment portfolio at 31 March 2023 was 107.32 CO₂/\$M Revenue compared with the Vanguard FTSE All World value of 207.43.

The Trustees recognise the significant achievements of the staff over the course of the last year and would like to thank them for their outstanding contributions.

FINANCIAL REVIEW

Results for the year

Net loss for the year amounted to (£36k) (2022 net income: £464k). After adjusting for realised and unrealised investment gains, the net movement in funds for the year amounted to a loss of £211k (2022 income: £630k). The total funds carried forward remain in a net asset position of £8,444k (2022 funds carried forward: £8,654k).

PRINCIPAL RISKS & UNCERTAINTIES

Risk Management

PML's risk management policy is reviewed annually by the Board. In addition, a comprehensive analysis of risks to which PML is exposed is undertaken and systems identified and put in place to mitigate risk. Under the terms of the risk management policy, the Senior Management Team carries out a periodic evaluation of the risks, by way of a risk register. The Audit & Finance Committee also review the risk register in detail and present to the Board those risks of greatest significance to PML. Principal risks and their mitigation are discussed by the Trustees on a regular basis.

The principal risks and uncertainties faced by PML relate primarily to (i) energy costs and (ii) inflation, especially as there is a long lead time between the generation of research proposals, and their associated costings generation, and receipt of income for contracts. The current risk being faced is that some existing contracts were costed prior to inflationary and energy cost pressures. In mitigation our overhead costs were increased so that all new research proposals are costed at the new rate. Energy costs are being mitigated in part by measures to reduce in consumption and renewables installation as mentioned above.

Another risk to future funding is the continued non-association of the UK with the Horizon Europe research programme. Whilst the UK government has stated that other international funding will be provided, it is uncertain as to the priorities for this funding. In mitigation PML is diversifying its sources of funding.

Reserves Policy

A reserves policy was developed and adopted by PML in its first year of operation and has been subsequently revised over the years. The reserves policy is reviewed annually by the Trustees to ensure it is fit for purpose. The policy provides for the maintenance of general reserves (under unrestricted funds) at a level equivalent to at least six months' expenditure, in order to provide adequate working capital levels for the ongoing operation of PML and completion of existing projects.

The reserves are set at a level to withstand any short-term setback, whether operational, in the investment markets, or in key sources of research income. If the free reserves should fall outside the level of six months' expenditure, the Trustees would review PML's strategic plan accordingly.

The policy also provides designated reserves (under unrestricted funds), which are funds set aside to assure that capital and other significant expenditure approved by the Trustees can be funded as required over at least the next 12-month period.

Bank balances decreased over the year from £6.2M to £4.9M. There was £239k held for partners.

Principal Funding Sources

Income was derived principally from competitive research of £6.4M (2022: £6.4M) from a variety of customers, (including UK Research & Innovation (UKRI), the European Commission, the European Space Agency and foundations), including over £0.6M received from sub-contractors (2022: £1.6M), and the UKRI-NERC National Capability funding, amounting to £3.8M (2022: £4.0M). This income has enabled PML to undertake strategic and applied research, generating knowledge and publications, leading to impact, as well as carrying out the activities listed under Achievements and Performance.

PML scientists have been exceptionally successful in terms of winning competitive research funding. New contracts won during the financial year were valued at £10.1M (2022: £3.0M), with a further £484k under negotiation/successful. In addition, NERC has provided capital funding of £400k for the solar carport.

Investment Policy

PML's investment policy was reviewed in March 2023 and no further changes were made. PML aims to make investments that have a positive impact on environmental issues, whilst achieving the best financial return. PML will only invest in sectors or companies that have a positive tilt to environmental solutions. PML will not invest in sectors with a negative impact on the environment such as oil and gas, and mining, and will only invest in companies that have a clear strategy to get to net zero as a business.

The portfolio of investments is managed by a professional asset management organisation approved by the Trustees. The assets within the managers' portfolio are held by professional custodians. The activities and performance of the investment managers and portfolio, including ESG aspects are monitored through regular reporting to PML's Audit & Finance Committee, which reports to the Trustees.

Trading Subsidiary

PML's trading subsidiary, PML Applications Ltd, reported an operating profit of £82k (2022: £537k), and generated £1.8M (2022: £1.7M) of income for PML. The operating profit was lower than in previous years due to the cessation of Copernicus funding (resulting from the non-association of the UK with Horizon Europe) and investment within the trading subsidiary for future growth. A gift aid payment of £528k was made by PML Applications to PML in the financial year. Following careful consideration, the PML Board of Trustees agreed to accept a deferment of the repayment of the remaining balance of £100k of its loan to PML Applications Ltd for a further year to provide the trading subsidiary with sufficient working capital for future growth. This growth is necessary for generating gift aid to PML, which in turn is used to support investment in areas of the charity deemed necessary by PML.

Fundraising Policy

PML's approach to fundraising is to target charitable foundations and trusts, and corporations through their foundations. PML will not embark on fundraising from the general public, whether in person, through events or on-line. Any crowdfunding initiative will only be undertaken as part of a specific fundraising campaign or proposal for research project or capital funds. PML adheres to the Fundraising Code of Practice. In the last year PML has adhered to the requirements of the Code; there have been no complaints received regarding PML's fundraising practices. PML's complaint procedure is available at www.pml.ac.uk/legal.

Plans for Future Periods

In addition to the considerable number of research projects, PML's plans for the future (2023-24 financial year) are as follows:

- Identify and provide organisational infrastructure and resources to support the implementation of the PML digital science strategy.
- Implement mechanisms to maximise local partnership opportunities.
- Further enhance the reputation and reach of PML with key target audiences.
- Complete and implement new business continuity plan.
- Attain Investors in Diversity accreditation.
- Set out PML's strategy for moving towards net zero.
- Plan for and implement a solar carport.

STRUCTURE, GOVERNANCE & MANAGEMENT

Governing Document

PML is a company limited by guarantee and registered as a charity with the Charity Commission. PML is governed by its Articles of Association adopted in July 2010 (following changes in both charity and company law) and amended by special resolutions, most recently in November 2022 to align the maximum term of office of a Trustee with the term recommended in the Charity Governance Code. Responsibility for the overall governance of PML rests with the Board, who are Trustees for the purposes of the Charities Act and Directors for the purposes of the Companies Act. Members of the charity comprise serving Trustees and the serving Chief Executive, each of whom undertakes to contribute such amount as may be required (not exceeding £10) to PML's assets in the event of PML being wound up.

Appointment of Trustees

Trustees must retire after serving a period of five consecutive years, except where such Trustee has been invited, and has agreed to serve, with the approval by resolution of the Trustees and of the members of the Charity, an additional period of office of not more than four years; or if the Trustee is elected as Chair, whereupon their term will be deemed to have recommenced. In exceptional circumstances, Trustees may continue beyond a nine-year period, subject to a rigorous review in accordance with the Charity Governance Code, and to approval by resolution of the Trustees and of a special resolution by the members of the Charity. The Trusteeship of Prof. Jickells OBE was extended for a further one year beyond a nine year term until January 2024 following a rigorous review which concluded that his understanding of the scientific research of PML was essential in the transition and handover to Trustees appointed in April 2022.

PML has in place a policy and procedure on the appointment of Trustees. Recruitment of new Trustees is led by a Nominations Committee, the composition of which reflects the skills being sought. This Committee reports to the Board. When recruiting a new Trustee, the Board is mindful of the need to ensure a balance of skills, background and diversity.

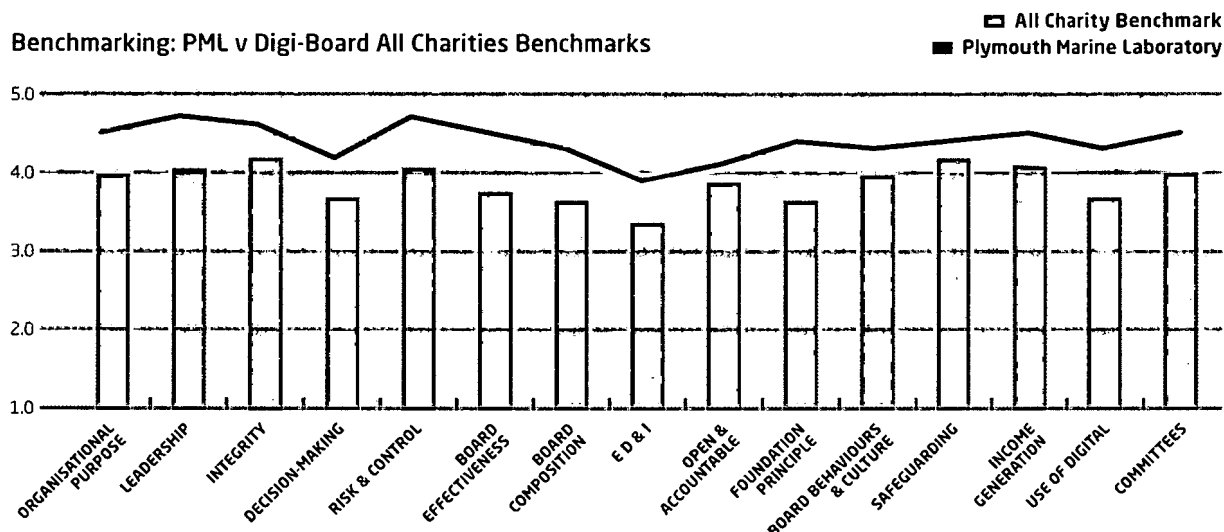
For details on individual Board members, please see the relevant section on our website at www.pml.ac.uk/governance.

Induction & Training of Trustees

PML has in place policies on the induction and training of Trustees. New Trustees undergo a comprehensive induction, meeting other members of the Board of Trustees, as well as the Senior Management Team and staff to learn about its governance, research, impact, financial performance and infrastructure and also the work of its wholly owned trading subsidiary, PML Applications Ltd. Each Trustee receives an induction programme, which is tailored to suit the expertise of the Trustee and their role on the Board.

As part of the formal induction programme, new Trustees receive a detailed induction pack containing various documents relating to PML and the duties of a Trustee, including key Charity Commission publications – CC3 “The Essential Trustee” and the Charity Governance Code – the Articles of Association, PML's Strategy, Science Plan and Operating Plan, the most recent set of accounts, as well as various other policy documents. The Company Secretary has overall responsibility for the induction of Trustees. Where specific training is identified as necessary, then this is delivered internally or through external providers, including attendance at seminars or conferences.

Trustees also receive updates on charity law, e.g. the changes being brought about by the Charities Act 2022. A rolling programme of refresher training for Trustees is being explored.



Evaluation of Board Performance

An external evaluation of governance was undertaken in association with Digi-Board in late summer 2022. PML scored higher in all 15 categories against the Digi-Board All Charities Benchmark. Whilst the outcome was very positive, the Board recognised the need for continuous improvement, particularly in areas such as Equity, Diversity and Inclusion, and stakeholder engagement. The Board reviewed the detailed findings of the evaluation, from which an action plan has been derived and is being implemented.

Organisational Structure

Board of Trustees

The Board of Trustees, which can have up to 11 members, is responsible for the governance of PML. The Board generally meets at least four times per year (or more frequently as required), receiving regular reports on the financial and management aspects of the organisation, and to discuss strategic issues. Average attendance by Trustees over the last year at Board meetings was 80% (2022: 81%).

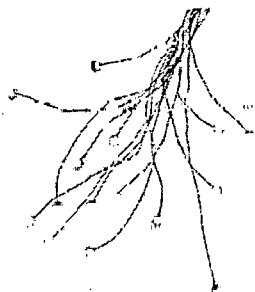
Committees

In addition to the main Board, there are three principal committees as follows:

- **Audit & Finance Committee:** Meets two to three times per year and has delegated responsibility for ensuring that PML has in place effective systems and methods of financial control and risk management and that it complies with all aspects of the law, relevant regulations and good practice. It also reviews PML's investments and the performance of the Investment Manager. Trustee members during the reporting period were Nigel Godefroy (Chair), Nick Buckland and Paul James.

The Terms of Reference of the Audit & Finance Committee were amended during the year to encompass responsibilities relating to the Trevor Platt Science Fund. Thanks to a generous donation to PML this fund has been established in memory of Prof. Trevor Platt FRS, former employee of PML, to provide financial support for capacity building activities relating to aquatic environmental research, education and stewardship.

- **Remuneration Committee:** Meets at least once per year to *inter alia* review staff annual pay and benefits and propose recommendations to the Board. Trustee members during the reporting period were Dr MacKenzie and Paul James.



- **Science Advisory Council:** Meets once per year to review aspects of the science portfolio. Trustee members in the year were Prof. Jickells, Prof. Carpenter, Dr Garçon and Dr MacKenzie as well as external members from the national and international science community.
- **Innovation Committee:** This Committee convened three workshops during the year to provide strategic advice to the PML Executive on connecting PML's science and technology insights with customer needs, identifying innovation opportunities that might be commercially exploited through PML Applications Ltd. Trustee members during the period were Prof. Rayner (Chair) and Mark Butcher. Prof. Rayner will continue chairing the Committee in his capacity as a Director of PML Applications Ltd.

At the March 2023 Board meeting it was agreed to establish a Fundraising Committee to support PML's fundraising strategy. This Committee has now been set up and comprises two Trustees – Dan Crockett and Dr Virmani – and various members of staff.

Senior Management Team

The Chief Executive is given delegated authority for the day-to-day operation, delivered through the Senior Management Team, including scientific, financial, health and safety, and employment related matters. The specific levels of authority are detailed in a statement of Delegated Authority. The Chief Executive reports regularly to the Board on key aspects of PML's performance as detailed above.

Related Parties

UKRI-NERC

PML is eligible to bid on a competitive basis for funding from UKRI, including from NERC. PML is designated a Delivery Partner for 'National Capability', a funding stream directly procured by NERC which enables the UK to deliver world-leading environmental science.

As part of the transfer of ownership process from NERC to PML in 2002 a staff loan agreement covering NERC employees was in place, which was novated to UKRI in 2018. On 1 April 2022 the remaining 23 UKRI-NERC employees were transferred to PML under TUPE (Transfer of Undertakings [Protection of Employment]).

As a major funder of PML, NERC and PML agreed to an observer attending PML Board meetings and this arrangement has been in place since March 2021.

PML Applications Ltd

PML's wholly owned subsidiary, PML Applications Ltd, was established to undertake more applied and commercial work and facilitate knowledge exchange. It may gift aid its profits to PML.

Blue Marine Foundation

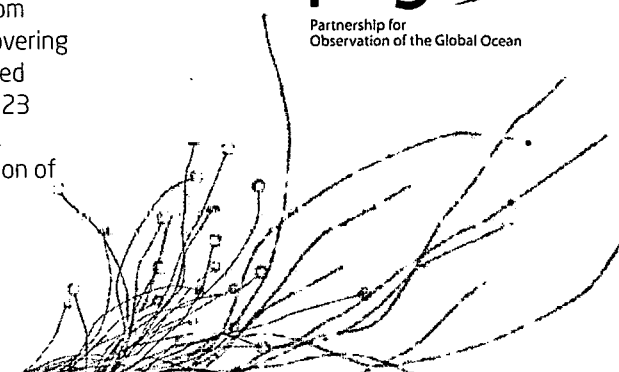
Dan Crockett, PML Trustee, is Oceans and Climate Director at the Blue Marine Foundation. PML received income of £42k from the Blue Marine Foundation during the 2022-23 financial year for one research project, and invoiced during the past year for £35k for another research project.

Partnership for Observation of the Global Oceans (POGO)

PML has hosted the secretariat of POGO for nine years, providing accommodation and staffing for the secretariat under a formal agreement. In February 2017 POGO became a Charitable Incorporated Organisation in the UK.



PML | Applications



Pay Policy for Senior Staff

All of the Trustees (Directors) give of their time freely and no Trustee received remuneration during the year. Details of Trustees' expenses incurred in the course of their duties are disclosed under note 8. The Chief Executive's remuneration package is reviewed annually by the Board of Trustees who review benchmarking data from the research and charity sector, and assess performance against objectives set for the year.

The remuneration of the senior staff (members of the Senior Management Team) is reviewed by the Remuneration Committee (see above) as part of the entire PML workforce's remuneration, with recommendations made to the Board of Trustees for its approval.

Going Concern

PML's cash position (as at 30 April 2023) is strong at £4.4M.

Income and expenditure forecasting has been undertaken for the financial year ending 2023-24 which has shown that the result for PML will be a trading deficit of the order of £200k, primarily due to energy costs and inflation and its consequences as noted above under Principal Risks. Outline forecasts for 2024-25 and 2025-26 have also been produced which show that the company will return to a small surplus position over this time period.

Current signed contracts stand at £23.9M, of which £10.9M has already been recognised up to 31 March 2023. The remaining £13.0M relates to projects which run over the next three financial years.

At year end the Trustees acknowledge that the net current asset position was a relatively modest £2.6M. They take assurance from the fact that within current creditors is £2.9M of cash advances received on competitive research contracts.

Due to the nature of this balance the Trustees have strong certainty that the majority can be earned and released to income over the next financial year to fund staff costs and overheads. As at year end the charity also held an investment portfolio of £3.7M which as a last resort could be realised to fund any deficits that arise as a result of the risks identified above.

The Trustees believe that PML is a going concern on the following basis:

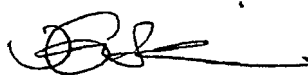
- Strong cash position as identified above.
- Principal funding sources are government backed, e.g. UKRI, European Space Agency, EU (UK government backed).
- Very strong signed contracts position.
- The company can meet its short-term debts.
- The company has no loans.
- Strong reserves position.

In conclusion, there are no material uncertainties to cast doubt on PML's ability to continue as a going concern.

Disclosure of Information to Auditor

Each Trustee has taken steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The Trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the Trustees of the charity on 14 July 2023 and signed on its behalf by:



J E Timberlake
Chair and Trustee



STATEMENT OF TRUSTEES' RESPONSIBILITIES

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of Plymouth Marine Laboratory for the purposes of company law) are responsible for preparing the Trustees' report and the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

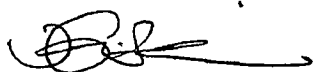
Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the parent charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group 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 parent charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees of the charity on 14 July 2023 and signed on its behalf by:



J E Timberlake
Chair and Trustee

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLYMOUTH MARINE LABORATORY

Opinion

We have audited the financial statements of Plymouth Marine Laboratory (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated 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 United Kingdom Accounting Standards, comprising Charities SORP – FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2023 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

Use of our Report

This report is made solely to the charitable parent 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 group'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 parent company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Other Information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, 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.

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 group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

Opinion 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.

Matters on which we are Required to Report by Exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the and the Trustees' Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent charitable company 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 Statement of Trustees' Responsibilities (set out on page 31), the Trustees 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 charity'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 charity 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.



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:

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to acts by the company which were contrary to applicable laws and regulations, including fraud.

We considered those laws and regulations that have a direct impact on the preparation of the financial statements, including, but not limited to the reporting framework (FRS 102 and Companies Act 2006) and the relevant tax compliance regulations in the UK. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent financial reporting.

We also considered those laws and regulations that have a direct impact on the operations of the group, including, but not limited to various environmental and employment laws and regulations (e.g. Environmental Protection Act and The Health and Safety at Work Act 1974) that are applicable in the UK.

Audit procedures performed by the engagement team include, but were not limited to, discussion and inquiries with management of compliance with laws and regulations and review of correspondence and contracts with third parties. We also addressed the risk of management override of internal controls, including testing of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to be come aware of instances of non-compliance. 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, collusion, omission or misrepresentation.

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

PKF Francis Clark

Duncan Leslie
(Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Melville Building East
Unit 18, 23 Royal William Yard Plymouth
PL1 3GW

28 July 2023

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2023

(Including Consolidated Income and Expenditure Account
and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds - General £'000	Unrestricted Funds - Designated £'000	Restricted Funds £'000	Total 2023 £'000
Income and Endowments from:					
Charitable Activities	3	719	-	11,486	12,205
Other Trading Activities	4	1,719	-	-	1,719
Investment Income		76	-	-	76
Total Income		2,513	-	11,486	13,999
Expenditure on:					
Raising Funds		(1,278)	-	-	(1,278)
Charitable Activities	5	(788)	(459)	(11,486)	(12,734)
Other Expenditure		(23)	-	-	(23)
Total Expenditure		(2,090)	(459)	(11,486)	(14,035)
Net Income/(Expenditure)		424	(459)	-	(36)
Transfers Between Funds		(1,225)	1,225	-	-
Gains/(Losses) on Investments Assets		(175)	-	-	(175)
Net Movement in Funds		(976)	766	-	(211)
Reconciliation of Funds					
Total Funds Brought Forward		4,025	4,629	-	8,654
Total Funds Carried Forward	21	3,049	5,395	-	8,444

The notes on pages 42 to 70 form an integral part of these financial statements.

YEAR ENDED 31 MARCH 2023

(Including Consolidated Income and Expenditure Account
and Statement of Total Recognised Gains and Losses)

For comparative purposes – financial performance for prior financial year ended 31 March 2022:

	Note	Unrestricted Funds - General £ 000	Unrestricted Funds - Designated £ 000	Restricted Funds £ 000	Total 2022 £ 000
Income and Endowments from:					
Charitable Activities	3	725	1,652	10,864	13,241
Other Trading Activities	4	1,722	-	-	1,722
Investment Income		58	-	-	58
Total Income		2,505	1,652	10,864	15,021
Expenditure on:					
Raising Funds		(828)	-	-	(828)
Charitable Activities	5	(2,471)	(371)	(10,864)	(13,705)
Other Expenditure		(24)	-	-	(24)
Total Expenditure		(3,323)	(371)	(10,864)	(14,557)
Net Income/(Expenditure)		(817)	1,282	-	464
Transfers Between Funds		582	(582)	-	-
Gains/(Losses) on Investment Assets		165	-	-	165
Net Movement in Funds		(70)	700	-	630
Reconciliation of Funds					
Total Funds Brought Forward		4,095	3,930	-	8,024
Total Funds Carried Forward	21	4,025	4,629	-	8,654

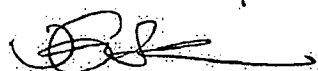
All of the group's activities derive from continuing operations during the above two periods.
The funds' breakdowns for 2023 and 2022 are shown in note 21.

The notes on pages 42 to 70 form an integral part of these financial statements.

Consolidated Balance Sheet 31 March 2023

	Note	2023 £ 000	2022 £ 000
Fixed Assets			
Intangible Assets	12	432	426
Tangible Assets	13	8,527	9,212
Investments	14	3,711	3,833
		12,670	13,471
Current Assets			
Debtors	15	3,862	2,856
Cash at Bank and in Hand	16	4,917	6,237
		8,779	9,094
Creditors: Amounts Falling Due Within One Year	17	(6,157)	(7,399)
Net Current Assets		2,622	1,694
Total Assets Less Current Liabilities		15,292	15,165
Creditors: Amounts Falling Due After More Than One Year	18	(6,849)	(6,511)
Net Assets		8,444	8,654
Funds of the Group:			
Restricted		-	-
Unrestricted - Designated		5,395	4,629
Unrestricted - General		3,049	4,025
Total Funds	21	8,444	8,654

The financial statements on pages 36 to 70 were approved by the Trustees, and authorised for issue on 14 July 2023 and signed on their behalf by:



J E Timberlake
Chair



N J Godefroy
Chair of Audit and Finance Committee and Trustee


Company Registration Number: 4178503

The notes on pages 42 to 70 form an integral part of these financial statements.

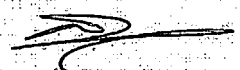
Balance Sheet 31 March 2023

	Note	2023 £ 000	2022 £ 000
Fixed Assets			
Intangible Assets	12	432	426
Tangible Assets	13	8,527	9,212
Investments	14	3,811	3,933
		12,770	13,571
Current Assets			
Debtors	15	3,699	2,783
Cash at Bank and in Hand	16	4,542	4,832
		8,240	7,616
Creditors: Amounts Falling Due Within One Year	17	(5,844)	(6,593)
Net Current Assets		2,396	1,022
Total Assets Less Current Liabilities		15,166	14,593
Creditors: Amounts Falling Due After More Than One Year	18	(6,849)	(6,511)
Net Assets		8,317	8,082
Funds of the Charity:			
Restricted		-	-
Unrestricted - Designated		5,393	4,627
Unrestricted - General		2,925	3,455
Total Funds	21	8,317	8,082

The financial statements on pages 36 to 70 were approved by the Trustees, and authorised for issue on 14 July 2023 and signed on their behalf by:



J E Timberlake
Chair



N J Godefroy
Chair of Audit and Finance Committee and Trustee

Company Registration Number: 4178503

The notes on pages 42 to 70 form an integral part of these financial statements.

Consolidated Statement of Cash Flows Year Ended 31 March 2023

	Note	2023 £'000	2022 £'000
Cash Flows from Operating Activities			
Net Income/(Expenditure) for the Reporting Period (as per the Statement of Financial Activities)		(211)	630
Adjustments to Cash Flows from Non-Cash Items			
Depreciation		1,290	1,290
Amortisation		94	60
Investment Income		(76)	(58)
Interest Payable		3	3
(Profit)/Loss on Disposal of Tangible Fixed Assets		(1)	3
Fair Value Movement on Investment Assets		175	(165)
		1,274	1,762
Working Capital Adjustments			
(Increase)/Decrease in Debtors	15	(1,006)	777
Decrease in Creditors	17	(1,242)	(1,439)
Decrease in Deferred Income	18	(1,074)	(91)
Net Cash Flows from Operating Activities		(2,048)	1,010
Cash Flows from Investing Activities			
Interest Receivable and Similar Income		76	58
Purchase of Tangible Fixed Assets	13	(705)	(380)
Sale of Tangible Fixed Assets		1	1
Capital Grants		1,411	704
Purchase of Investments		(53)	(38)
Net Cash Flows from Investing Activities		730	344
Cash Flows from Financing Activities			
Repayment of Loans and Borrowings	17	-	(49)
Interest Payable and Similar Charges		(3)	(3)
Net Cash Flows from Financing Activities		(3)	(51)
Net (Decrease)/Increase in Cash and Cash Equivalents		(1,320)	1,303
Cash and Cash Equivalents at 1 April		6,237	4,934
Cash and Cash Equivalents at 31 March		4,917	6,237

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 42 to 70 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Charity Status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the Trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is:
Prospect Place
The Hoe
Plymouth
PL1 3DH

2. Accounting Policies

Summary of Significant Accounting Policies and Key Accounting Estimates

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.

Statement of Compliance

The financial statements have been prepared in accordance with 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) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006, with the exception that grants in respect of capital expenditure received are deferred and released to the Statement of Financial Activities over the expected useful lives of the relevant assets to which they relate. This treatment provides consistency with the treatment adopted by other similarly funded institutions including Universities.

Basis of Preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The functional currency of Plymouth Marine Laboratory is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Plymouth Marine Laboratory meets the definition of a public benefit entity under FRS 102.

Basis of Consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 March 2023.

No Statement of Financial Activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity had a positive net movement in funds for the financial year of £235,000 (2022 – £327,000).

The charity has taken advantage of the exemption not to prepare a cash flow statement, as the charity figures are included in the consolidated cash flow statement and the members have not objected to the exemption being taken.

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Going Concern

PML's cash position (as at 30 April 2023) is strong at £4.4M.

Income and expenditure forecasting has been undertaken for financial year ending 2023-24 which has shown that the result for PML will be a trading deficit of the order of £200k, primarily due to energy costs and inflation and its consequences as noted above under Principal Risks. Outline forecasts for 2024-25 and 2025-26 have also been produced which show that the company will return to a small surplus position over this time period.

Current signed contracts stand at £23.9M, of which £10.9M has already been recognised up to 31 March 2023. The remaining £13.0M relates to projects which run over the next three financial years.

At year end the Trustees acknowledge that the net current asset position was a relatively modest £2.6M. They take assurance from the fact that within current creditors is £2.9M of cash advances received on competitive research contracts. Due to the nature of this balance the Trustees have strong certainty that the majority can be earned and released to income over the next financial year to fund staff costs and overheads. As at year end the charity also held an investment portfolio of £3.7M which as a last resort could be realised to fund any deficits that arise as a result of the risks identified above.

The Trustees believe that PML is a going concern on the following basis:

- Strong cash position as identified above.
- Principal funding sources are government backed, e.g. UKRI, European Space Agency, EU (UK government backed).
- Strong signed contracts position.
- The company can meet its short-term debts.
- Strong reserves position.

In conclusion, there are no material uncertainties to cast doubt on PML's ability to continue as a going concern.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The following are the critical judgements and estimates that the directors have made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- carrying value of research balances.

Provision is made against research debtor balances where costs (including those to complete) exceed contracted income.

Income

All incoming resources are included in the Statement of Financial Activities where the charity is entitled to the income and the amount can be qualified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Investment income is included when receivable.
- Grants in respect of capital expenditure are credited to a deferred capital grants account within creditors, and are released to the Statement of Financial Activities over the expected useful lives of the relevant assets to which they relate.

- **Competitive Research** – The majority of contracts are for three years duration. During the period of the contract, income is only credited to the Income and Expenditure account if it is matched by activity within the contract. Where income received to date is in excess of this calculated amount, it is deferred, where the income received is less, it is accrued. Should funds be provided within the contract to purchase capital equipment but ownership of that equipment resides with the customer, then the equipment is not capitalised on the Balance Sheet. Should ownership of the equipment reside with the group, the equipment is capitalised and the specific income provided for its purchase is spread over the life of the asset.

Deferred Income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement; or
- The costs that are funded by the grant have yet to be spent.

Expenditure

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

- Costs of generating commercial trading income through the subsidiary, PML Applications Ltd.
- Charitable activities include expenditure associated with the operation of the Charity, and include both the direct costs and support costs relating to those activities.
- Governance costs include those incurred in the governance of the Charity and its assets and are primarily associated with strategic, constitutional and statutory requirements.

- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Research and Development and Patents

As an organisation wholly engaged in research, the group does not classify research and development expenditure separately in the accounts. Expenditure in respect of the development of patents has been written off.

Intellectual Property

Intellectual property rights arising from the group's research and development have not been included in these accounts as their market value cannot be readily estimated. The anticipated annual income generated from such rights is not material in value and is credited to the income and expenditure account on receipt.

Pensions

On 1 April 2022 the remaining 23 UKRI-NERC employees were transferred to PML under TUPE with their existing pension rights. For these employees, payments are made to the Research Council's Pension Scheme – a defined benefits scheme. Employees who joined PML after 31 March 2002 have the option to join the Plymouth Marine Laboratory Group Scheme. This is a defined contribution scheme administered by Royal London Mutual Insurance Society Ltd. (formerly Scottish Life). Contributions for both schemes are charged to the accounts as they become payable in accordance with the rules of the schemes.

Value Added Tax

As the group is registered partially exempt for VAT purposes, all expenditure and fixed asset purchases are shown inclusive of VAT where applicable.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Intangible Assets

Intangible assets are stated in the Balance Sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Computer software	2-10 years straight line

Tangible Fixed Assets

Individual fixed assets costing £3k or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and Amortisation

Provision is made for depreciation on all tangible fixed assets at rates calculated to write off the costs of each asset evenly over its expected useful working life.

Fixed assets are depreciated in the month of acquisition, but are not depreciated in the month of disposal. Components of assets with substantially different economic lives are accounted for separately for depreciation purposes and depreciated over their individual useful economic lives.

Asset class	Depreciation method and rate
Scientific Equipment	2-10 years straight line
Computer Equipment	2-5 years straight line
Plant	10 years straight line
Vehicles	4 years straight line
Ships	20 years straight line
Leasehold Buildings	25 years straight line

Fixed Asset Investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Foreign Exchange

Assets and liabilities denominated in foreign currencies are expressed in pounds sterling at rate(s) of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the time of the transaction. All exchange differences are taken to the Statement of Financial Activities.

Fund Structure

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds are unrestricted funds which have been assigned by the Trustees for future projects.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes.

Hire Purchase and Finance Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Pensions and Other Post Retirement Obligations

The group operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial Instruments

Financial assets and liabilities are recognised/ (derecognised) when the company becomes/ (ceases to be) party to the contractual provisions of the instrument. The company holds the following financial assets and liabilities:

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment ("doubtful debts") are recognised in Statement of financial activities before net income.

Loans qualifying as basic financial instruments under FRS102

Loans are initially recorded at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial instruments not qualifying as basic under FRS102

Forward exchange contracts are measured at fair value at the balance sheet date. Movements in fair value are charged or credited to the statement of financial activities before net income.

Investments

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

3. Income from Charitable Activities

	Unrestricted - General £ 000	Restricted £ 000	Total 2023 £ 000	Total 2022 £ 000
NERC Funding (National Capability)	-	3,831	3,831	3,984
Research Income	-	6,366	6,366	4,804
Designated Income	-	-	-	1,652
Deferred Income on Capital Expenditure	-	1,074	1,074	1,027
Reimbursements	-	-	-	-
VAT Recoverable (Due to Partial Exemption)	5	-	5	36
Charges for Secretariat Services - Partnership for Observation of the Global Oceans	127	-	127	110
Doctoral Training Grants	55	-	55	117
Other Income	531	216	747	1,511
	719	11,486	12,205	13,241

4. Income from Other Trading Activities

Summary Profit and Loss Account	2023 £ 000	2022 £ 000
Turnover	1,844	1,810
Cost of Sales and Administrative Expenses	(1,759)	(1,270)
Operating Profit	85	540
Interest Payable on Loan	(3)	(3)
Net Profit	82	537
The Assets and Liabilities of the Subsidiary were:		
Current Assets	818	1,604
Current Liabilities	(592)	(932)
Total Net Assets/(Liabilities)	226	672
Aggregate Share Capital and Reserves	226	672
Reconciliation with Statement of Financial Activities (SOFA)		
Turnover (as above)	1,844	1,810
Less: Income from Parent Charity	(125)	(87)
Per SOFA - Income from Other Trading Activities	1,719	1,723
Cost of Sales and Administrative Expenses (as above)	1,759	1,270
Less: Recharged by Parent Charity	(481)	(442)
Per SOFA - Expenditure on Raising Funds	1,278	828

5. Expenditure on Charitable Activities

	Activity Undertaken Directly £ 000	Activity Support Costs £ 000	Total Expenditure £ 000
Research Staff Costs	5,870	-	5,870
Recurrent Costs - Science	1,555	-	1,555
Recurrent Costs - Science Support	1,448	-	1,448
Depreciation and Amortisation of Assets	1,384	-	1,384
Senior Management and Administrative Staff Costs	-	1,774	1,774
Administration Costs	-	627	627
Governance Costs	-	76	76
Total for 2023	10,257	2,477	12,734
Total for 2022	11,315	2,390	13,705

Included within the expenditure analysed above, there are governance costs of £75,752 (2022 - £65,368) which relate directly to charitable activities. See note 6 for further details.

6. Analysis of Governance and Support Costs

Governance Costs	Restricted £ 000	Total 2023 £ 000	Total 2022 £ 000
Audit fees			
Audit of the Financial Statements	26	26	22
Other Fees Paid to Auditors	19	19	18
Trustees Remuneration and Expenses	9	9	9
Other Governance Costs	22	22	17
	76	76	65

7. Net Incoming/Outgoing Resources

This is stated after charging/(crediting):

	2023 £ 000	2022 £ 000
Audit Fees	26	22
Other Non-Audit Services	35	35
Depreciation and Amortisation of Assets	1,384	1,348
Operating Leases - Other Assets	144	150
(Profit)/Loss on Disposal of Tangible Fixed Assets	(1)	3
Deferred Grants Released	(1,074)	(1,049)
Foreign Currency (Gains)/Losses	(93)	2
Finance Charges Payable	-	4

8. Trustees Remuneration and Expenses

No Trustees, nor any persons connected with them, have received any remuneration from the group during the year.

During the year, expenses totalling £9k (2022: £9k) for travel, subsistence and accommodation were reimbursed or paid on behalf of eight Trustees (2022 – six Trustees).

9. Staff Costs

The aggregate payroll costs were as follows:

	2023 £ 000	2022 £ 000
Staff Costs During the Year were:		
Wages and Salaries	6,811	6,510
Social Security Costs	739	694
Pension Costs	672	662
Restructuring Costs	-	404
	8,223	8,270

The monthly average number of persons (including Senior Management Team /leadership team) employed by the group during the year expressed as full time equivalents was as follows:

	2023 Number	2022 Number
Permanent Staff - Science and Support	106	113
Permanent Staff - Management and Admin	59	49
Temporary Staff	11	16
	176	178

9. Staff Costs continued

The number of employees whose emoluments fell within the following bands was:

	2023 Number	2022 Number
£60,001 - £70,000	6	2
£70,001 - £80,000	2	3
£80,001 - £90,000	2	1
£120,001 - £130,000	1	1

The total employee benefits of the key management personnel of the group were £601,307 (2022 - £587,001).

10. Auditors' Remuneration

	2023 £'000	2022 £'000
Audit of the Financial Statements	26	22
Other Fees to Auditors		
All Other Assurance Services	9	5
All Other Non-Audit Services	10	14
	19	18

11. Taxation

The group is a registered charity and is therefore exempt from taxation.

12. Intangible Fixed Assets

Group

	Software £'000	Total £'000
Cost		
At 1 April 2022	602	602
Transfers	100	100
At 31 March 2023	702	702
Amortisation		
At 1 April 2022	176	176
Charge for the Year	94	94
At 31 March 2023	270	270
Net Book Value		
At 31 March 2023	432	432
At 31 March 2022	426	426

Charity

	Software £'000	Total £'000
Cost		
At 1 April 2022	602	602
Transfers	100	100
At 31 March 2023	702	702
Amortisation		
At 1 April 2022	176	176
Charge for the Year	94	94
At 31 March 2023	270	270
Net Book Value		
At 31 March 2023	432	432
At 31 March 2022	426	426

13. Tangible Fixed Assets

Group

	Land and Buildings £ 000	Furniture and Equipment £ 000	Ships and Vehicles £ 000	Assets under Construction £ 000	Total £ 000
Cost					
At 1 April 2022	7,621	11,875	951	190	20,638
Additions	-	-	-	705	705
Disposals	-	(2)	-	-	(2)
Transfers	-	92	20	(212)	(100)
At 31 March 2023	7,621	11,965	971	683	21,241
Depreciation					
At 1 April 2022	2,144	8,580	702	-	11,426
Charge for the Year	468	765	57	-	1,290
Eliminated on Disposals	-	(2)	-	-	(2)
At 31 March 2023	2,612	9,343	759	-	12,714
Net Book Value					
At 31 March 2023	5,009	2,623	212	683	8,527
At 31 March 2022	5,477	3,295	249	190	9,212

Included within the net book value of land and buildings above is £Nil (2022 – £Nil) in respect of freehold land and buildings and £5,009,000 (2022 – £5,477,000) in respect of leaseholds.

13. Tangible Fixed Assets continued

Charity

	Land and Buildings £ 000	Furniture and Equipment £ 000	Ships and Vehicles £ 000	Assets under Construction £ 000	Total £ 000
Cost					
At 1 April 2022	7,621	11,836	951	190	20,599
Additions	-	-	-	705	705
Disposals	-	(2)	-	-	(2)
Transfers	-	92	20	(212)	(100)
At 31 March 2023	7,621	11,926	971	683	21,202
Depreciation					
At 1 April 2022	2,144	8,541	702	-	11,387
Charge for the Year	468	765	57	-	1,290
Eliminated on Disposals	-	(2)	-	-	(2)
At 31 March 2023	2,612	9,304	759	-	12,675
Net Book Value					
At 31 March 2023	5,009	2,623	212	683	8,527
At 31 March 2022	5,477	3,295	249	190	9,212

Included within the net book value of land and buildings above is £Nil (2022 - £Nil) in respect of freehold land and buildings and £5,009,000 (2022 - £5,477,000) in respect of leaseholds.

14. Fixed Asset Investments

Group

	2023 £'000	2022 £'000
Other Investments	3,711	3,833

Other Investments

	Listed investments £'000
Cost or Valuation	
At 1 April 2022	3,833
Revaluation	(175)
Additions	76
Investment Manager Fee	(23)
At 31 March 2023	3,711
Net Book Value	
At 31 March 2023	3,711
At 31 March 2022	3,833

Charity

	2023 £'000	2022 £'000
Shares in Group Undertakings and Participating Interests	100	100
Other Investments	3,711	3,833
	3,811	3,933

14. Fixed Asset Investments continued

Shares in Group Undertakings and Participating Interests

	Subsidiary Undertakings € 000	Total € 000
Cost		
At 1 April 2022	100	100
At 31 March 2023	100	100
Net Book Value		
At 31 March 2023	100	100
At 31 March 2022	100	100

Other Investments

	Listed Investments € 000
Cost or Valuation	
At 1 April 2022	3,833
Revaluation	(175)
Additions	76
Investment Fees	(23)
At 31 March 2023	3,711
Net Book Value	
At 31 March 2023	3,711
At 31 March 2022	3,833

14. Fixed Asset Investments continued

Details of Undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of Incorporation	Holding	Proportion of Voting Rights and Shares Held		Principal Activity
			2023	2022	
Subsidiary undertakings					
PML Applications Ltd Prospect Place, West Hoe, Plymouth, PL1 3DH	England and Wales	Ordinary shares	100%	100%	Marine research
Smart Sound Plymouth Ltd Prospect Place, West Hoe, Plymouth, PL1 3DH	England and Wales	Ordinary shares	100%	100%	Innovative marine technology development - currently dormant
GenePro Ltd (held by a subsidiary) Prospect Place, West Hoe, Plymouth, PL1 3DH	England and Wales	Ordinary shares	100%	100%	Exploitation of intellectual property - currently dormant

Subsidiaries

The profit for the financial period of PML Applications Ltd was £82,376 (2022 - £536,725) and the aggregate amount of capital and reserves at the end of the period was £226,070 (2022 - £671,924).

The profit for the financial period of Smart Sound Plymouth Ltd was £Nil (2022 - £Nil) and the aggregate amount of capital and reserves at the end of the period was £Nil (2022 - £Nil).

The profit for the financial period of GenePro Ltd (held by a subsidiary) was £Nil (2022 - £Nil) and the aggregate amount of capital and reserves at the end of the period was £Nil (2022 - £Nil).

15. Debtors

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade Debtors	2,333	1,518	2,206	1,437
Due from Group Undertakings	-	-	268	124
Prepayments	148	176	148	176
Accrued Income	1,222	1,151	949	1,033
Other Debtors	159	12	128	12
	3,862	2,856	3,699	2,783

16. Cash and Cash Equivalents

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Cash at Bank	4,917	6,237	4,542	4,832

Balances Held by the Group that Are Not Available for Use by the Group

At year end £239k (2022: £Nil) was held on behalf of other project partners.

17. Creditors: Amounts Falling Due Within One Year

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade Creditors	178	441	160	383
Due to Group Undertakings	-	-	12	1
Other Taxation and Social Security	216	289	184	181
Other Creditors	64	61	64	57
Accruals	1,521	1,475	1,467	1,428
Deferred Income	4,177	5,133	3,957	4,543
	6,157	7,399	5,844	6,593

18. Creditors: Amounts Falling Due After One Year

	Group		Charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Deferred Income	6,849	6,511	6,849	6,511

Deferred Capital Grants

Group and Charity	2023 £'000	2022 £'000
Amounts to be Released:		
Within One Year	1,022	1,023
In Two to Five Years	2,464	3,011
In Over Five Years	4,385	3,500
	7,871	7,534

Analysis of Deferred Capital Grants

Group and Charity	2023 £'000	2022 £'000
Deferred Capital Grant Brought Forward	(7,534)	(7,878)
Resources Deferred in the Period	(1,411)	(704)
Amounts Released from Previous Periods	1,074	1,049
Deferred Capital Grant at Year End	(7,871)	(7,534)

19. Obligations Under Leases and Hire Purchase Contracts

The total value of future minimum lease payments was as follows:

Operating Lease Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Charity	
	2023 £ 000	2022 £ 000	2023 £ 000	2022 £ 000
Land and Buildings				
Within One Year	22	22	22	22
Between One and Five Years	86	86	86	86
After Five Years	130	140	130	140
	238	248	238	248
Other				
Within One Year	108	122	108	122
Between One and Five Years	122	224	122	224
After Five Years	32	-	32	-
	262	346	262	346

In addition to the financial commitments listed above a long term lease to 2094 has an annual commitment of £57k per annum.

The amount of non-cancellable operating lease payments recognised as an expense during the year was £144k (2022: £150k).

20. Commitments

Group and Charity

Capital Commitments

Commitments for purchase of capital equipment: the total amount contracted for but not provided in the financial statements was £169k (2022 – £21k).

Pension Commitments

In March 2022 the remaining 23 UKRI-NERC employees were transferred to PML under TUPE with their existing pension rights, i.e. that they remain members of the Research Council's Pension Scheme (RCPS) which is a defined benefit scheme funded from annual grant-in-aid on a pay-as-you-go basis. PML was required to enter into an Admission Agreement with RCPS for pension administrative purposes.

The pension scheme is contributory and the benefits are by analogy to the Principal Civil Service Pension Scheme, except that while the scheme provides retirement and related benefits based on final emoluments, redundancy and injury benefits are as agreed under the staff transfer agreement between UKRI and PML dated 29 March 2022. The pension scheme is administered by the Research Council's Joint Superannuation Service, and the finance administered by the Biotechnology Sciences Research Council. The scheme is a multi-employer scheme, for which a separate RCPS account is published. NERC are unable to identify their share of the underlying assets and liabilities.

Employees, who joined after 31 March 2002 are entitled to be members of the Plymouth Marine Laboratory Group Pension Scheme. This is a defined contribution scheme administered by Royal London Mutual Insurance Society Ltd. (formerly Scottish Life). Contributions for the year were a minimum of employer's 6.5% and employees 3.5%.

The pension cost charge for the year represents contributions payable by the company to the schemes and amounted to £662,000 (2022: £637,000). Commitments provided for in the accounts amounted to £60,000 (2022 – £52,000). Commitments not provided for in the accounts amounted to £Nil (2022 – £Nil). £Nil relates to pension commitments related to pensions payable to past directors (2022 – £Nil).

21. Funds

Group 2022/23

	Balance at 1 April 2022 £ 000	Incoming Resources £ 000	Resources Expended £ 000	Transfers £ 000	Other Recognised Gains/ (Losses) £ 000	Balance at 31 March 2023 £ 000
Unrestricted						
General						
Unrestricted Funds - General	4,025	2,513	(2,090)	(1,225)	(175)	3,049
Designated						
Research Fellows	118	-	(14)	-	-	103
Lecture Theatre	277	-	(20)	-	-	257
Head Lease	337	-	(24)	-	-	313
Leasehold Buildings	1,407	-	(100)	-	-	1,307
Oceansgate Facility	129	-	(10)	-	-	119
Development Officer	40	-	(40)	-	-	-
New Business System	355	-	(60)	-	-	295
Educational Support Fund	416	-	(76)	175	-	515
Research Leader AI/ML	200	-	-	-	-	200
Marine Research Plymouth	100	-	-	-	-	100
Scientific Equipment	600	-	-	-	-	600
Fundraising	147	-	(32)	-	-	115
Generator	80	-	-	-	-	80
Computing Infrastructure	410	-	(80)	-	-	330
External Board Evaluation	15	-	(4)	-	-	11
Science Pay Review	-	-	-	400	-	400
Advanced Research Fund	-	-	-	650	-	650
	4,629	-	(459)	1,225	-	5,395
Total Unrestricted	8,654	2,513	(2,549)	-	(175)	8,444
Restricted						
Restricted Funds	-	11,486	(11,486)	-	-	-
Total Funds	8,654	13,999	(14,035)	-	(175)	8,444

21. Funds continued

Group 2021/22 for comparison purposes:

	Balance at 1 April 2021 £ 000	Incoming Resources £ 000	Resources Expended £ 000	Transfers £ 000	Other Recognised Gains/ (Losses) £ 000	Balance at 31 March 2022 £ 000
Unrestricted						
General						
Unrestricted Funds - General	4,095	2,505	(3,323)	582	165	4,025
Designated						
Research Fellows	207	-	(89)	-	-	118
Lecture Theatre	297	-	(20)	-	-	277
Head Lease	361	-	(24)	-	-	337
Leasehold Buildings	1,909	-	(100)	(402)	-	1,407
Oceansgate Facility	139	-	(10)	-	-	129
Development Officer	85	-	(45)	-	-	40
New Business System	415	-	(60)	-	-	355
Education Support Fund	338	100	(22)	-	-	416
MMC AV Equipment	100	-	-	(100)	-	-
New Vessel Design/Virtualisation	80	-	-	(80)	-	-
Research Leader AI/ML	-	200	-	-	-	200
Marine Research Plymouth	-	100	-	-	-	100
Scientific Equipment	-	600	-	-	-	600
Fundraising	-	147	-	-	-	147
Generator	-	80	-	-	-	80
Computing Infrastructure	-	410	-	-	-	410
External Board Evaluation	-	15	-	-	-	15
	3,930	1,652	(371)	(582)	-	4,629
Total Unrestricted	8,024	4,157	(3,693)	-	165	8,654
Restricted						
Restricted Funds	-	10,864	(10,864)	-	-	-
Total Funds	8,024	15,021	(14,557)	-	165	8,654

21. Funds continued

Charity 2022/23

	Balance at 1 April 2022 £ 000	Incoming Resources £ 000	Resources Expended £ 000	Transfers £ 000	Other Recognised Gains/ (Losses) £ 000	Balance at 31 March 2023 £ 000
Unrestricted						
<i>General</i>						
Unrestricted Funds	3,455	1,806	(937)	(1,225)	(175)	2,925
Designated						
Research Fellows	118	-	(14)	-	-	103
Lecture Theatre	276	-	(20)	-	-	256
Head Lease	336	-	(24)	-	-	312
Leasehold Buildings	1,407	-	(100)	-	-	1,307
Oceansgate Facility	128	-	(10)	-	-	118
Development Officer	40	-	(40)	-	-	-
New Business System	355	-	(60)	-	-	295
Education Support Fund	416	-	(76)	175	-	515
Research Leader AI/ML	200	-	-	-	-	200
Marine Research Plymouth	100	-	-	-	-	100
Scientific Equipment	600	-	-	-	-	600
Fundraising	147	-	(32)	-	-	115
Generator	80	-	-	-	-	80
Computing Infrastructure	410	-	(80)	-	-	330
External Board Evaluation	15	-	(4)	-	-	11
Science Pay Review	-	-	-	400	-	400
Advanced Research Fund	-	-	-	650	-	650
	4,627	-	(459)	1,225	-	5,393
Total Unrestricted	8,082	1,806	(1,396)	-	(175)	8,317
Restricted						
Restricted Funds	-	11,486	(11,486)	-	-	-
Total Funds	8,082	13,293	(12,882)	-	(175)	8,317

21. Funds continued

Charity 2021/22 for comparison purposes:

	Balance at 1 April 2021 £ 000	Incoming Resources £ 000	Resources Expended £ 000	Transfers £ 000	Other Recognised Gains/ (Losses) £ 000	Balance at 31 March 2022 £ 000
Unrestricted						
General						
Unrestricted Funds	3,827	1,461	(2,580)	582	165	3,455
Designated						
Research Fellows	207	-	(89)	-	-	118
Lecture Theatre	296	-	(20)	-	-	276
Head Lease	360	-	(24)	-	-	336
Leasehold Buildings	1,909	-	(100)	(402)	-	1,407
Oceansgate Facility	138	-	(10)	-	-	128
Development Officer	85	-	(45)	-	-	40
New Business System	415	-	(60)	-	-	355
Education Support Fund	338	100	(22)	-	-	416
MMC AV Equipment	100	-	-	(100)	-	-
New Vessel Design/Virtualisation	80	-	-	(80)	-	-
Research Leader AI/ML	-	200	-	-	-	200
Marine Research Plymouth	-	100	-	-	-	100
Scientific Equipment	-	600	-	-	-	600
Fundraising	-	147	-	-	-	147
Generator	-	80	-	-	-	80
Computing infrastructure	-	410	-	-	-	410
External Board Evaluation	-	15	-	-	-	15
	3,928	1,652	(370)	(582)	-	4,627
Total Unrestricted	7,754	3,113	(2,950)	-	165	8,082
Restricted						
Restricted Funds	-	10,864	(10,864)	-	-	-
Total Funds	7,754	13,977	(13,814)	-	165	8,082

21. Funds continued

The specific purposes for which the designated funds are to be applied are as follows:

- Research Fellows – fund to invest in a three year post for a Post Doc if a suitable candidate comes along;
- Lecture theatre – depreciation on an asset;
- Head lease – depreciation on an asset;
- Leasehold land & buildings – depreciation on an asset;
- Oceansgate facility – depreciation on an asset;
- Fundraising development officer – designation all spent now – initial investment in fundraising activities, paying for a dedicated post;
- New business system – depreciation on an asset;
- Education support fund – investment in studentships, apprenticeships and internships of varying durations and in partnership with local universities or national funding schemes aligning with PML's strategy;
- Research Leader AI/ML – pay costs of new digital leader post;
- Marine Research Plymouth – partnership and shared vision between Marine Biological Association and University of Plymouth to harness the expertise of the UK's largest cluster of marine science researchers and cutting-edge facilities to exploit funding opportunities;
- Scientific Equipment – fund to enable new equipment to be purchased and moved on quickly should opportunities present themselves;
- Fund Raising – follow on investment in fund raising with additional post and consultancy services;
- Generator – depreciation on an asset;
- IT Infrastructure – investment in improved resilience and security and disaster recovery plan;
- External Board Evaluation – Board evaluation exercise using third party consultancy;
- Science Pay review – investment in senior science staff pay to ensure retention and alignment of pay/ rewards;
- Advanced Research Fund – to promote and further PML research in new fields of high impact and excellent science.

22. Analysis of Net Assets Between Funds

Group 2022/23

	Unrestricted Funds - General £ 000	Unrestricted Funds - Designated £ 000	Total Funds at 31 March 2023 £ 000
Intangible Fixed Assets	432	-	432
Tangible Fixed Assets	5,560	2,968	8,527
Fixed Asset Investments	1,284	2,427	3,711
Current Assets	8,779	-	8,779
Current Liabilities	(6,157)	-	(6,157)
Creditors Over 1 Year	(6,849)	-	(6,849)
Total Net Assets	3,049	5,395	8,444

Group 2021/22 for comparison purposes:

	Unrestricted Funds - General £ 000	Unrestricted Funds - Designated £ 000	Total Funds at 31 March 2022 £ 000
Intangible Fixed Assets	426	-	426
Tangible Fixed Assets	6,030	3,182	9,212
Fixed Asset Investments	2,386	1,447	3,833
Current Assets	9,094	-	9,094
Current Liabilities	(7,399)	-	(7,399)
Creditors Over 1 Year	(6,511)	-	(6,511)
Total Net Assets	4,025	4,629	8,654

22. Analysis of Net Assets Between Funds continued

Charity 2022/23

	Unrestricted Funds - General £ 000	Unrestricted Funds - Designated £ 000	Total Funds at 31 March 2023 £ 000
Intangible Fixed Assets	432	-	432
Tangible Fixed Assets	5,559	2,968	8,527
Fixed Asset Investments	1,386	2,425	3,811
Current Assets	8,240	-	8,240
Current Liabilities	(5,844)	-	(5,844)
Creditors Over 1 Year	(6,849)	-	(6,849)
Total Net Assets	2,925	5,393	8,317

Charity 2021/22

	Unrestricted Funds - General £ 000	Unrestricted Funds - Designated £ 000	Total Funds at 31 March 2022 £ 000
Intangible Fixed Assets	426	-	426
Tangible Fixed Assets	6,030	3,182	9,212
Fixed Asset Investments	2,488	1,445	3,933
Current Assets	7,616	-	7,616
Current Liabilities	(6,593)	-	(6,593)
Creditors Over 1 Year	(6,511)	-	(6,511)
Total Net Assets	3,455	4,627	8,082

23. Analysis of Net Debt

Group 2022/23

	At 1 April 2022 £ 000	Financing cash flows £ 000	At 31 March 2023 £ 000
Cash at bank and in hand	6,237	(1,320)	4,917
Net Debt	6,237	(1,320)	4,917

Group 2021/22 for comparison purposes:

	At 1 April 2021 £ 000	Financing cash flows £ 000	At 31 March 2022 £ 000
Cash at bank and in hand	4,934	1,303	6,237
Debt due within one year	(49)	49	-
Net Debt	4,885	1,352	6,237

24. Related Party Transactions

Group

During the year the Group made the following related party transactions:

Blue Marine Foundation

(A Trustee of Plymouth Marine Laboratory is a Director of Blue Marine Foundation.)

The charity provided services totalling £76,856 (2022 – £nil) to Blue Marine Foundation during the year.

At the balance sheet date the amount due to/from Blue Marine Foundation was £Nil (2022 – £Nil).

PML Applications Ltd

(PML Applications Ltd is the wholly owned subsidiary of Plymouth Marine Laboratory.)

In the year, Plymouth Marine Laboratory sold services and recharges of £457,681 to PML Applications Ltd, and received services and recharges of £125,096.

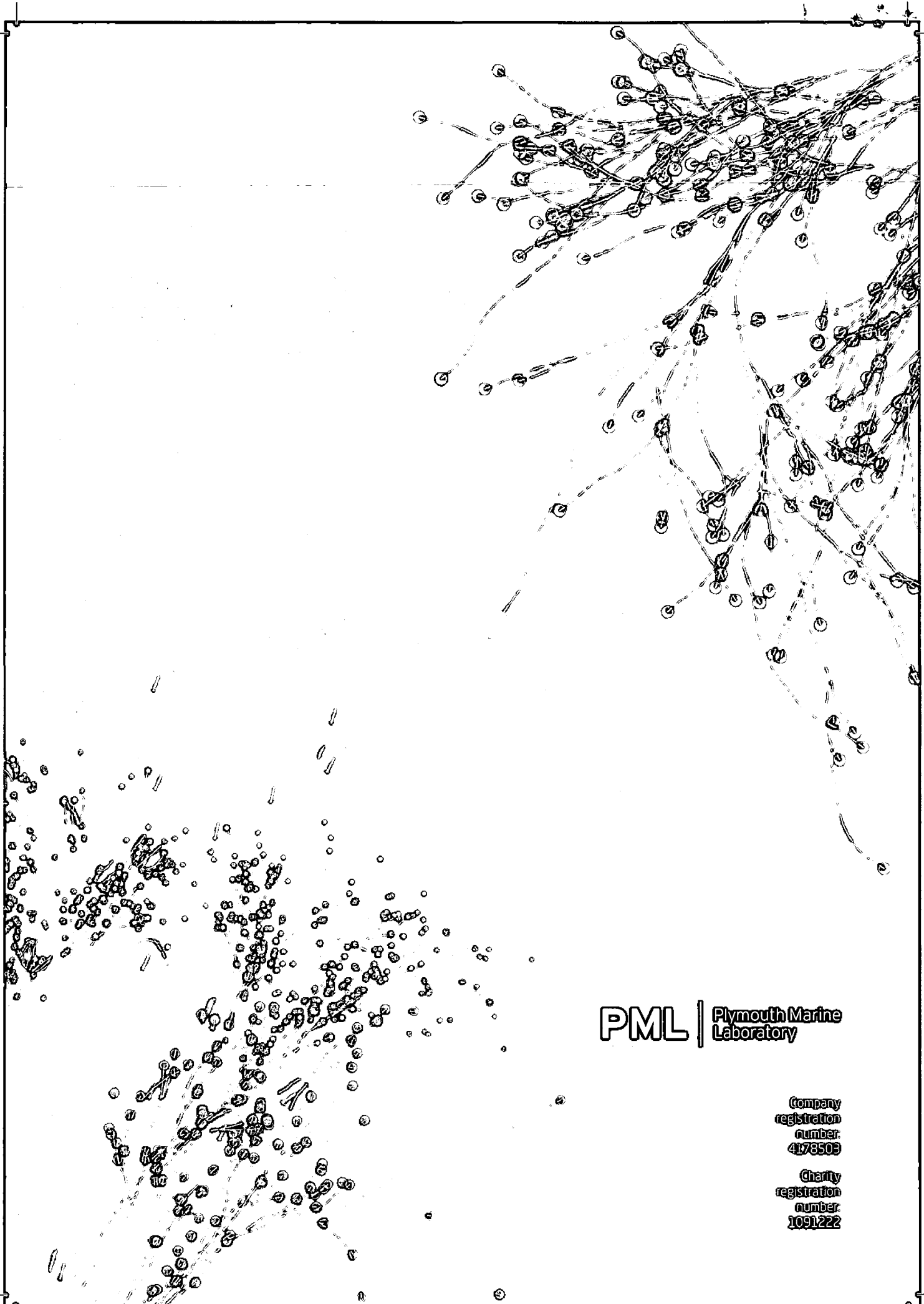
Additionally, Plymouth Marine Laboratory have a loan of £100,000 outstanding from PML Applications Ltd. At the balance sheet date the amount due from PML Applications Ltd was £256,503 (2022 – £122,871).



Charity registration number
1091222 (England & Wales)

Company registration number
4178503

Registered office
Prospect Place, The Hoe, Plymouth, PL1 3DH



PML | Plymouth Marine
Laboratory

Company
registration
number:
4178503

Charity
registration
number:
1091222