

**Society for Underwater Technology  
Report and Consolidated Financial Statements  
for the year ended 30 June 2018**

**Company Number 00932590  
Registered Charity 256659  
Scottish Charity Number: SCO43942**

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**Society for Underwater Technology**  
**Consolidated Financial Statements for the year ended**  
**30 June 2018**

**Legal and Administrative Information**

The Council Members, who are the Trustees for the purpose of Charity Law, and also the Directors and Members for the purpose of Company Law, present their Report together with the Financial Statements for the year ended 30 June 2018.

President:	Professor R F Rayner
Chairman and Vice President:	P Metcalf
Hon Treasurer:	M R Cook
Hon Secretary:	D A Brookes
Chief Executive (CEO):	S Hall
Registered Office:	LG07 Quality Court London WC2A 1HR
Registered Charity:	256659
Company Number:	00932590
Auditors:	Nunn Hayward LLP Sterling House 20 Station Road Gerrards Cross Buckinghamshire SL9 8EL
Principal Bankers:	Barclays Bank plc and Bank of Scotland plc
Solicitors:	Hart Brown 2 Jenner Road Guildford Surrey GU1 3PW

**Society for Underwater Technology**  
**Council Members' Annual Report including Strategic Report**  
**30 June 2018**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Society's governing document is the Memorandum and Articles of Association and its full name is the Society for Underwater Technology Limited. The Society is a registered company limited by guarantee and a registered charity.

**Council Members and their Interests**

The Members serving on the Council throughout the year were as follows:

Dr D W Kirkley	Prof Gwyn Griffiths	Dr M D Sayer (resigned 11.12.2017)
P Metcalf	D W Baker	I Knight (appointed 11.12.2017)
R A Macdonald	R A Binks	Richard Luff (appointed 11.12.2017)
Prof R F Rayner	C Milner	
D A Brookes	A Barwise	
C J Curran	R Farrier	
D M Saul	M R Cook	
J Mann		

None of the Members of the Council has any financial interest in the Society that requires disclosure under the Companies Act 2006. For Related Party transactions please see notes 12 and 24.

Council Members are appointed for three years by a ballot among members of the Society (members comprising the classes of Fellow, Individual Member and Corporate Member), and are drawn from among these Members. Candidates must be proposed and seconded by any two other Members. Ballot forms must be sent to Members twenty-eight days before the election, which is by simple majority, and this shall take place seven days before the Annual General Meeting. Those elected shall hold office from the conclusion of this Annual General Meeting. At the end of three years, a Council Member may stand for re-election, but no Member of Council may serve for more than six consecutive years.

New Council Members are not provided with a formal induction pack following their election, but are briefed verbally at the first meeting.

**Organisational Structure**

A Board of Trustees (The Council) of up to or similar to 18 members, who meet quarterly, administer the Society. A Chief Executive (CEO), who's not a trustee, is appointed by The Council to manage the day to day operations of the Society.

Branches of the Society are established under the authority of the Council in accordance with the Memorandum and Articles of the Society. They will have their own organising committee with elected officers.

The results of branches of the Society whereby the UK charity either has control, or the branch is not deemed to be administratively autonomous are consolidated in the Financial Statements.

Details of remuneration of key management personnel are disclosed in note 12. Remuneration levels for key management personnel and other employees are set by the Executive Committee, whose members are set out on the previous page, under Legal and Administrative Information. The overall gross salary allowance as presented in the budget is then ratified by the full Council.

**OBJECTIVES AND ACTIVITIES**

The Society is principally engaged in the promotion of awareness in all aspects related to underwater technology. Its Mission and Strategic Vision are described as follows:

**Mission**

The Society for Underwater Technology (SUT) is an international body actively promoting the development, dissemination and exchange of ideas, information and technology arising from or related to the underwater environment.

**Strategic Vision**

To maintain and develop SUT as the foremost society worldwide focusing on underwater technology, building on a reputation for high standards in publications, conferences and training courses; having a growing membership in the UK and abroad; and having significant influence with government and industry in relevant policy areas, and encouraging people to attain suitable qualifications and enter the field of underwater technology.

**Society for Underwater Technology**  
**Council Members' Annual Report including Strategic Report Cont/d**  
**30 June 2018**

**Public Benefit**

In keeping with the Charity Commission's key principles that there must be an identifiable benefit to the public or a section of the public, the Society has undertaken the following activities during this financial year:

- Through its Educational Support Fund (ESF), it has supported 5 undergraduate students on relevant courses at a total cost of £10,000 (2017: £16,000).
- Provided free of charge the most highly acclaimed on-line magazine in the field of underwater technology and sub-sea engineering, entitled UT<sup>3</sup>.
- Has organised free of charge Christmas Lecture Programmes in underwater technology for Schools in London, Portsmouth, Cardiff and Aberdeen.
- Provided numerous high quality subsidised training courses for industry.

**Grant Making Policy**

Grants are awarded to high-quality students at either undergraduate or postgraduate (one-year taught MSc) level undertaking courses relevant to the area of interest of the Society with the aim of encouraging more entrants to the marine disciplines.

**STRATEGIC REPORT**

**Achievements and Performance**

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

The Unrestricted Funds of the Group made a surplus of £15,112 after allowing for £10,762 in gains on investments, £800 for grants and awards and a transfer to the Educational Support Fund of £nil. The Restricted Funds (The Educational Support Fund) shows a deficit for the year of £8,019 including £1,229 in gains on investments and making grants and donations of £10,000. Overall the Group made a net surplus of £7,093 for the year. Please also refer to the Chairman's Report.

**Financial Review**

*Reserves Policy*

Free reserves are established and reviewed to ensure that the Society retains a level of funds to meet its forward obligations and to ensure it can reasonably maintain a level of service in line with its objectives. The Council Members consider this to be approximately 50% of average annual expected expenditure.

*Educational Support Fund*

The Educational Support Fund is a restricted fund in accordance with the Statement of Recommended Practice. The Members of the Council feel this name to be more appropriate given the purpose of the fund.

*Investments*

There are no formal restrictions on the investments made by the Society.

Currently, the primary objective of holding fixed assets investments is the security they offer rather than the income that is generated. Investment income is shown in note 7 of the accounts and totalled £8,697 for the year (2017: £9,959) and a gain of £11,991 (2017: £20,646) was recognised on revaluation. Given this primary objective, the Members are satisfied with the returns the investments have provided in the period.

**Plans for Future Periods**

Please refer to the Chairman's Report for future plans and developments.

**Principal Risks and Uncertainties**

The Council Members actively review the major risks which the charity faces and confirm that they have established systems to mitigate the significant risks.

*Operational Risk*

These systems are being put into a more formalised structure and are designed to reduce the likelihood of the risk and to lessen the impact on the Society should those risks materialise. Key risks at present are assessed as being associated with the Society's necessary global expansion and the concomitant development of IT structures to support this. However, no reason is seen to amend further the Reserves Policy as detailed above.

**Society for Underwater Technology  
Council Members' Annual Report including Strategic Report Cont/d  
30 June 2018**

**Principal Risks and Uncertainties continued**

*Financial Risk*

The Members remain cautious in terms of the Society's investment strategy and are satisfied they have taken appropriate steps to ensure that reserves are not placed at any undue risk. During the period and at the Balance Sheet date, the majority of balances held at bank were held in either current or deposit accounts with High Street banks. The make-up of fixed asset investments is given in note 16 of the Financial Statements. The majority of these investments are placed in two Charities Official Investment Funds.

*Going concern*

The Members have given due consideration to the ability of the Society to continue as a going concern. Following the implementation of significant cost control measures, the increase in uptake for subsea events as compared to the 2015/16 year, the continued support of its membership and the relative improvement in the oil industry, the Members are satisfied that the going concern basis remains appropriate. Further, the Society believes that although reduced from prior years, the level of unrestricted funds held remains sufficient to support the activities going forward.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

No funds are held as custodian trustee on behalf of the others.

**STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES**

The Council Members are responsible for preparing the Report and the Financial Statements in accordance with applicable law and regulations.

Company Law requires the Council Members to prepare financial statements for each financial year. Under that law the Council Members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Council Members 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 Society and of the surplus and deficit of the Society for that period. In preparing these financial statements, the Council Members are required to:

- observe the methods and principles in the Charities SORP;
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue its activities.

The Council Members are responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society 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 Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the Council Members are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Society's auditors are unaware, and each Council Member has taken all the steps that he or she ought to have taken as a Council Member in order to make himself or herself aware of any relevant audit information and to establish that the Society's auditors are aware of that information.

**AUDITORS**

A resolution proposing that Nunn Hayward LLP be reappointed as auditors of the Society will be put to the Council Members.

This report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

**On behalf of the Council**



**P Metcalf  
Chairman of the Council**



**D A Brooks  
Honorary Secretary**

**Dated: 18 October 2018**

**Independent Auditors' Report to the Trustees of  
Society for Underwater Technology  
30 June 2018**

**Opinion**

We have audited the consolidated financial statements of The Society for Underwater Technology and its subsidiary (the group) for the year ended 30 June 2018 which comprise the consolidated statement of financial activities, the group and parent company balance sheet, the consolidated cash flow and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the consolidated financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 30 June 2018 and of the group's 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, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Basis for opinion**

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

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the council members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the council members' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The council members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Annual Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report, including the Strategic Report, has been prepared in accordance with applicable legal requirements.

**Independent Auditors' Report to the Trustees of  
Society for Underwater Technology Cont/d  
30 June 2018**

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report including the Strategic 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 or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or

**Responsibilities of council members**

As explained more fully in the Statement of Council Members' Responsibilities Statement, the council members (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the council members 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 council members are responsible for assessing the group'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 council members either intend to liquidate the group 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.

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

This report is made solely to the parent company's members (who are also the trustees for the purposes of charity law and the company's members and directors for the purposes of company law and are known as council members), as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the council members those matters we are required to state to them in an auditors' 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 parent charitable company and the parent charitable company's council members as a body, for our audit work, for this report, or for the opinions we have formed.



**Tom Lacey (Senior Statutory Auditor)  
for and on behalf of Nunn Hayward LLP, Statutory Auditor  
Nunn Hayward LLP is eligible to act as an auditor in  
terms of Section 1212 of the Companies Act 2006**

**Date : 18 October 2018**

**Sterling House  
20 Station Road  
Gerrards Cross  
Buckinghamshire  
SL9 8EL**

**Society for Underwater Technology**  
**Consolidated Statement of Financial Activities**  
**(Incorporating the Income and Expenditure Account)**  
**For the year ended 30 June 2018**

	Note	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
<b>Income</b>					
Donations and legacies	3	3,003	-	3,003	7,486
<i>Income from charitable activities:</i>					
Memberships, conferences and events	4	635,449	4,550	639,999	321,933
<i>Income from other activities:</i>					
Other incoming resources		235	-	235	540
Investment income	7	7,945	752	8,697	9,959
<b>Total income</b>		<u>646,632</u>	<u>5,302</u>	<u>651,934</u>	<u>£ 339,918</u>
<b>Expenditure</b>					
<i>Expenditure on charitable activities:</i>					
Charitable activities	8	642,282	14,550	656,832	485,689
<b>Total expenditure</b>		<u>642,282</u>	<u>14,550</u>	<u>656,832</u>	<u>£ 485,689</u>
<b>Net income / (expenditure) before gains / (losses) on investments</b>		4,350	(9,248)	(4,898)	(145,771)
Net gains / (losses) on investments	16.3	10,762	1,229	11,991	20,646
<b>Net income / (expenditure)</b>		15,112	(8,019)	7,093	(125,125)
Transfers between funds		-	-	-	-
<b>Net Movement in Funds</b>		15,112	(8,019)	7,093	(125,125)
<b>Reconciliation of funds</b>					
<b>Total funds brought forward</b>		194,964	197,444	392,408	516,411
Gains/(losses) on foreign fund balances		(147)	-	(147)	1,122
<b>Total funds carried forward</b>		<u>£ 209,929</u>	<u>£ 189,425</u>	<u>£ 399,354</u>	<u>£ 392,408</u>

Net income is derived from continuing operations for the above two financial years.

All gains and losses recognised in the year are included above.

The notes on pages 10 to 21 form part of these financial statements



**Society for Underwater Technology  
Consolidated Balance Sheet  
As at 30 June 2018**

	Note	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	15		17,349		14,021
Investments	16		241,121		248,323
			<u>258,470</u>		<u>262,344</u>
<b>Current assets</b>					
Publications stock	17	17,007		17,672	
Debtors	18	65,164		147,416	
Cash at bank and in hand		102,127		141,554	
		<u>184,298</u>		<u>306,642</u>	
<b>Creditors: Amounts falling due within one year</b>	19	<u>43,414</u>		<u>176,578</u>	
<b>Net current assets</b>			<u>140,884</u>		<u>130,064</u>
<b>Net assets</b>			<u>£ 399,354</u>		<u>£ 392,408</u>
<b>Funds of the charity:</b>					
Restricted income funds	22		189,425		197,444
Unrestricted income funds			<u>209,929</u>		<u>194,964</u>
			<u>£ 399,354</u>		<u>£ 392,408</u>

Total funds as stated above include a Revaluation Reserve of £164,985 (2017: £152,455) (see note 22) and a Foreign Currency Translation Reserve of £9,300 (2017: £(9,153)).

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Council on 18 October 2018 and signed on its behalf by:



**P Metcalf**  
Chairman of the Council



**D A Brookes**  
Honorary Secretary

**Company Number: 00932590**  
**Registered Charity Number: 256659**

The notes on pages 10 to 21 form part of these financial statements.

**Society for Underwater Technology  
Balance Sheet  
As at 30 June 2018**

	Note	£	2018 £	£	2017 £	£
<b>Fixed assets</b>						
Tangible assets	15		17,349		14,021	
Investments	16		241,121		248,323	
			<u>258,470</u>		<u>262,344</u>	
<b>Current assets</b>						
Publications stock	17	17,007		17,672		
Debtors	18	67,715		148,550		
Cash at bank and in hand		78,155		115,883		
			<u>162,877</u>		<u>282,105</u>	
<b>Creditors: Amounts falling due within one year</b>	19		<u>41,962</u>		<u>174,770</u>	
<b>Net current assets</b>			<u>120,915</u>		<u>107,335</u>	
<b>Net assets</b>			<u><u>379,385</u></u>		<u><u>£ 369,679</u></u>	
<b>Funds of the charity:</b>						
Restricted income funds	22		189,425		197,444	
Unrestricted income funds			<u>189,960</u>		<u>172,235</u>	
			<u><u>379,385</u></u>		<u><u>£ 369,679</u></u>	

Total funds as stated above include a Revaluation Reserve of £164,985 (2017: £152,455 ) (see note 22).

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Council on 18 October 2018 and signed on its behalf by:



**P Metcalf**  
Chairman of the Council



**D A Brookes**  
Honorary Secretary

**Company Number: 00932590**  
**Registered Charity Number: 256659**

The notes on pages 10 to 21 form part of these financial statements.

**Society for Underwater Technology  
Consolidated Cash Flow Statement  
For the year 30 June 2018**

	2018 £	2017 £
Cashflows (used in)/provided by operating activities	<u>(56,543)</u>	<u>(49,065)</u>
Cashflows from investing activities		
Investment income received into bank	8,571	9,698
Redemption of Government Stock	19,319	-
Purchase of plant and equipment	(10,774)	(14,783)
NSI cash investment realised	-	20,000
	<u>17,116</u>	<u>14,915</u>
Increase/(Decrease) in cash and equivalents	<u>(39,427)</u>	<u>(34,150)</u>
Cash and cash equivalents at the beginning of the reporting period	141,554	175,704
Cash and cash equivalents at the end of the reporting period	<u>102,127</u>	<u>141,554</u>

	2018 £	2017 £
Cash and cash equivalents consists of		
Cash at bank and in hand	<u>102,127</u>	<u>141,554</u>

	2018 £	2017 £
Reconciliation of net income/expenditure to net cash flows from operating activities		
Net income/(expenditure) on Statement of Financial Activities	7,093	(125,125)
Adjusted for		
Depreciation	7,446	10,965
Decrease in stock	665	10,206
(Gains)/Losses on investments	(11,991)	(20,646)
Investment income	(8,697)	(9,959)
Foreign exchange reserve movement	(147)	1,122
Increase/(decrease) in creditors	(133,164)	100,180
(Increase)/decrease in debtors	82,252	(15,808)
Net cash provided/(used in) operating activities	<u>(56,543)</u>	<u>(49,065)</u>

**Society for Underwater Technology**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 30 June 2018**

**1. Accounting policies**

The principle accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**a) Basis of preparation**

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 2015) - (Charities SORP 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Charities Act 2011, Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Society for Underwater Technology meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The legal and actual status of affiliated operations is periodically assessed by the charity. As a result, the charity concludes that the operations in Perth (Australia), Houston (USA), Melbourne (Australia), West Africa, Rio de Janeiro (Brazil), Kuala Lumpur (Malaysia), Singapore and Beijing (China) do not qualify as subsidiaries under the Companies Acts 2006 or as branches under the guidance laid out by the Charities SORP (FRS 102). The detailed review of the constitutions and operations concluded that they are administratively autonomous and should therefore not be consolidated. The Society for Underwater Technology Norway NUF was established as a Norwegian branch of a foreign enterprise (NUF). The constitution of this operation varies from those mentioned above and it qualifies as a branch under the Charities SORP (FRS 102) as a result Consolidated Accounts have been prepared.

The presentation currency is £ Sterling rounded to nearest £1.

**b) Preparation of the accounts on a going concern basis**

The Members have given due consideration to the ability of the Society to continue as a going concern. Following the implementation of significant cost control measures, the increase in uptake for subsea events as compared to the 2015/16 year, the continued support of its membership and the relative improvement in the oil industry, the Members are satisfied that the going concern basis remains appropriate. Further, the Society believes that the level of unrestricted funds held remains sufficient to support the activities going forward.

**c) Group financial statements**

The financial statements consolidate the results of the Society and its Norwegian branch, the Society for Underwater Technology Norway NUF, on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Society has not been presented because the Society has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

**d) Fund accounting**

The principles of fund accounting, as described in the Statement of Recommended Practice, Accounting and Reporting by Charities: The Charities SORP (FRS 102), have been applied in the preparation of these financial statements.

Funds held by the charity are either:

*Unrestricted general funds*

These are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

*Restricted funds (The Educational Support Fund)*

These funds can only be used for this purpose within the objects of the charity. The income from investments held under restricted funds is itself restricted.

**Society for Underwater Technology**  
**Notes to the Consolidated Financial Statements Cont/d**  
**For the year ended 30 June 2018**

**1. Accounting policies – cont'd**

**e) Tangible fixed assets**

Assets are capitalised at cost when the economic benefit of ownership will spread over a number of years.

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life as follows:

Office furniture and equipment	20% reducing balance
Computer	33% straight line

**f) Publications stock**

Stock is valued at the lower of net realisable value and cost.

**g) Investments**

Investments are valued at the prevailing market price as at the Balance Sheet date. Realised and unrealised gains (or losses) are reflected in the Statement of Financial Activities in the year in which they occur. No distinction is made between realised and unrealised gains in the Statement of Financial Activities as the Trustees consider that the disclosure of total gains/losses show a truer and fairer view.

**h) Debtors**

Debtors are recognised at the settlement amount due less any provisions for doubtful debts. Prepayments are valued at the amount prepaid, calculated on a month by month basis.

**i) Creditors**

Creditors are recognised where the group has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount.

**j) Voluntary income**

Voluntary income is recognised on receipt.

**k) Events Income**

Events income is included when receivable.

**l) Subscriptions**

Membership subscriptions are accounted for on a receivable basis.

**m) Grants Payable**

Grants payable are charged against income upon approval of the grant, in so far as the grant is payable from current resources.

**n) Expenditure**

Charitable activities represent all costs incurred by the Society in meeting its charitable objectives.

Governance costs are incurred in connection with the management and administration of the charity. These include central management and administration costs, organisational costs and costs incurred to ensure compliance with constitutional and statutory requirements.

Each natural category of costs is considered individually and allocated on a percentage basis by function.

**o) Operating Leases**

Operating lease rentals are charged to the profit and loss account as incurred.

**p) Foreign Currencies**

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the Balance Sheet date. Transactions are translated at the rate of exchange ruling at the date of the transaction. All exchange differences are reflected in the Statement of Financial Activities.

**Society for Underwater Technology**  
**Notes to the Consolidated Financial Statements Cont/d**  
**For the year ended 30 June 2018**

**1. Accounting policies – cont'd**

**q) Legal Status of the Charity**

The charity is a private company, registered in England and Wales, limited by guarantee and has no share capital. The registered office and company number are shown on the Legal and Administrative Information page.

**2. Results of the Society for Underwater Technology NUF**

The Society operates a Norwegian branch, the Society for Underwater Technology Norway NUF. The branch is a separate legal entity with no share capital operating under the control of the Society for Underwater Technology in the UK. A summary of the results of the Norwegian branch are shown below:

	2018 £	2017 £
Income	25	-
	<u>25</u>	<u>-</u>
Expenditure on charitable activities	-	1,221
Governance costs	5,102	5,502
	<u>5,102</u>	<u>6,723</u>
Net incoming resources before gains/(losses) on investment assets	(5,077)	(6,723)
Net gains/(losses) on investment assets	-	-
	<u>£ (5,077)</u>	<u>£ (6,723)</u>

**3. Income from donations and legacies**

	2018 £	2017 £
Donations	3,003	280
ESF Donations	-	7,206
	<u>£ 3,003</u>	<u>£ 7,486</u>

**4. Income from charitable activities**

	Note	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Membership subscriptions	4.1	174,397	-	174,397	186,493
Conferences and seminars	5	419,605	4,550	424,155	118,318
Fees for services	6	30,500	-	30,500	2,500
Publications, journals, newsletters and educational products		10,947	-	10,947	14,622
		<u>£ 635,449</u>	<u>£4,550</u>	<u>£ 639,999</u>	<u>£ 321,933</u>

**4.1 Membership subscriptions**

	2018 £	2017 £
Corporate members	128,713	133,892
Individual members	45,684	52,601
	<u>£ 174,397</u>	<u>£ 186,493</u>

**Society for Underwater Technology**  
**Notes to the Consolidated Financial Statements Cont/d**  
**For the year ended 30 June 2018**

**5. Conferences and seminars**

	2018			2017		
	Fees £	Direct Costs £	Surplus/ (Deficit) £	Fees £	Direct Costs £	Surplus/ (Deficit) £
<b>Courses</b>						
Subsea Awareness – Kuala Lumpur	(1,051)	-	(1,051)	-	-	-
Subsea Technical	2,000	-	2,000	-	-	-
Offshore Site Investigation & Geotechnics – Courses	-	-	-	-	475	(475)
Qualification of New Technology	-	-	-	5,596	4,501	1,095
<b>Conferences and workshops</b>						
OSIG 2017	277,315	197,713	79,602	-	3,115	(3,115)
Oceanology International 2018	(*)12,925	13,998	(1,073)	-	-	-
All Energy 2018	(*)8,913	9,822	(909)	-	-	-
SUT/Masts Workshop 2017	2,550	4,022	(1,472)	-	-	-
Kuala Lumpur Subsea Processing	586	-	586	-	-	-
<b>Research</b>						
BRIDGES	13,159	488	12,671	21,992	903	21,089
<b>Branch activities</b>						
<b>London &amp; South England</b>						
Evening Meetings	5,959	3,889	2,070	7,371	4,906	2,465
Other events	11,718	10,689	1,029	7,389	3,211	4,178
OSOA	8,135	5,825	2,310	1,600	2,218	(618)
Global Offshore Projects	1,133	603	530	-	-	-
<b>Aberdeen</b>						
Subsea Awareness Offshore Marine	27,260	6,121	21,139	21,000	5,656	15,344
Operations Awareness	-	-	-	-	975	(975)
Sponsorship of events	15,000	167	14,833	21,350	-	21,350
Introduction to Subsea Facilities	229	-	229	-	375	(375)
Golf Day	2,254	3,448	(1,194)	2,663	751	1,912
Evening Meetings	3,370	4,517	(1,147)	7,929	5,681	2,248
Annual General Meeting	10,217	10,357	(140)	9,204	9,011	193
Breakfast Meeting	2,808	1,985	823	2,575	1,633	942
SUT+	9,920	2,961	6,959	12	2	10
<b>Newcastle</b>						
Evening Meetings	721	623	98	1,792	1,014	778
Sponsorship	1,000	-	1,000	-	-	-
Engineering under the waves	1,600	896	704	-	-	-
Other events	4	-	4	1,921	1,176	745
<b>Other events</b>						
Annual General Meeting	4,550	5,755	(1,205)	4,300	5,667	(1,367)
Christmas Lecture	1,880	3,996	(2,116)	1,624	7,906	(6,282)
	<u>£424,155</u>	<u>£287,875</u>	<u>£136,280</u>	<u>£118,318</u>	<u>£ 59,176</u>	<u>£ 59,142</u>

(\*) Income shown above under Conferences and workshops for Oceanology International 2018 and All Energy 2018 excludes income for Fees and services, which is presented separately in note 6.





**Society for Underwater Technology**  
**Notes to the Consolidated Financial Statements Cont/d**  
**For the year ended 30 June 2018**

**10. Other direct charitable expenditure**

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Accountancy	8,584	-	8,584	7,014
Auditor's remuneration	6,500	-	6,500	6,500
Bad debts	5,989	-	5,989	12,880
Bank charges	5,819	-	5,819	6,607
Branch admin	-	-	-	-
Conferences and seminars (Note 5)	283,325	4,550	287,875	59,176
Publications, journals and newsletters	18,823	-	18,823	43,430
Committee expenses	4,375	-	4,375	4,616
Computer maintenance	11,113	-	11,113	10,937
Depreciation	7,445	-	7,445	10,965
Exchange rate differences	26	-	26	(447)
Insurance	1,759	-	1,759	1,826
Lease of equipment	237	-	237	748
Marketing and advertising	13,398	-	13,398	14,270
Norwegian taxes payable	-	-	-	-
Postage	1,426	-	1,426	1,528
Professional fees	11,133	-	11,133	12,875
Professional fees, consultancy and administration (Norway)	2,638	-	2,638	5,178
Rent, rates, light and heat	31,119	-	31,119	48,111
Staff recruitment and training	1,092	-	1,092	613
Salaries	205,708	-	205,708	203,891
Stationery and office expenses	13,237	-	13,237	9,813
Subscriptions	739	-	739	867
Telephone	6,997	-	6,997	7,875
	<u>£ 641,482</u>	<u>£ 4,550</u>	<u>£ 646,032</u>	<u>£ 469,273</u>

Included in accountancy above is £7,525 (2017: £5,750) payable to the auditors for non-audit services.

**11. Analysis of support and governance costs**

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. The table shown overleaf details the analysis of these support and governance functions. These values are included in the costs shown in note 10.

**Society for Underwater Technology**  
**Notes to the Consolidated Financial Statements Cont/d**  
**For the year ended 30 June 2018**

**11. Analysis of support and governance costs (cont.)**

	General Support £	Governance Function £	Total £	Basis of apportionment £
Auditor's remuneration	-	6,500	6,500	Governance
Accountancy	-	8,584	8,584	Governance
Bank charges	5,819	-	5,819	Wholly attributable
Committee expenses	438	-	438	
Computer maintenance	3,334	-	3,334	
Depreciation	2,234	-	2,234	
Insurance	528	-	528	
Lease of equipment	71	-	71	
Postage	143	-	143	Usage allocation
Professional fees	11,133	-	11,133	Wholly attributable
Rent, rates and heat and light	9,336	-	9,336	Wholly attributable
Staff recruitment and training	328	-	328	
Salaries	61,712	-	61,712	Allocated on time
Stationery and office expenses	2,648	-	2,648	Usage allocation
Subscriptions	370	-	370	Apportioned equally
Telephone	2,099	-	2,099	
Marketing	6,699	-	6,699	Wholly attributable
Exchange rate differences	26	-	26	Wholly attributable
Bad debts	5,989	-	5,989	Wholly attributable
	<u>£ 112,907</u>	<u>£ 15,084</u>	<u>£ 127,991</u>	

Where not otherwise stated, support costs as shown above have been calculated on a pro rata basis in line with the staff salaries allocation.

**12. Staff costs**

	2018 £	2017 £
Staff costs:		
Wages and salaries	183,905	178,607
Social security costs	16,711	14,855
Defined contribution pensions	2,289	628
Other staff costs	3,895	10,414
	<u>£ 206,800</u>	<u>£ 204,504</u>

The average number of employees, analysed by function was:

	2018	2017
Direct charitable activities	3	3
Management and administration of the charity	3	3
	<u>        </u>	<u>        </u>

The Trustees did not receive any remuneration or reimbursed expenses during the year (2017: £nil). Total employee benefits of key management personnel amounted to £66,298 (2017: £70,053).

Employees earning more than £60,000 during the year:

	2018	2017
£60,001 - £70,000	1	-
	<u>        </u>	<u>        </u>

**13. Taxation**

The Society is a registered charity and, therefore, no tax liability arises on the results for the year to the extent that income and gains are applied to the Society's charitable objects.

**Society for Underwater Technology**  
**Notes to the Consolidated Financial Statements Cont/d**  
**For the year ended 30 June 2018**

**14. Financial performance of the Society**

The Consolidated Statement of Financial Activities includes the results of the Society's wholly controlled Norwegian Branch, the Society for Underwater Technology Norway NUF. The summary financial performance of the Society alone is:

	2018 £	2017 £
Income	651,909	339,892
	<u>651,909</u>	<u>339,892</u>
Expenditure on charitable activities	654,194	478,940
Total expenditure	<u>654,194</u>	<u>478,940</u>
Net income before transfers	(2,285)	(139,048)
Net gains/(losses) on investment assets	11,991	20,646
	9,706	(118,402)
Total funds as at 1 July 2017	<u>369,679</u>	<u>488,081</u>
Total funds as at 30 June 2018	<u>£ 379,385</u>	<u>£ 369,679</u>
Represented by:		
Unrestricted income funds	189,960	172,235
Restricted income funds	189,425	197,444
	<u>£ 379,385</u>	<u>£ 369,679</u>

**15. Tangible fixed assets**

	Office furniture and equipment £	Computers £	Total £
<b>Cost</b>			
As at 1 July 2017	15,022	71,366	86,388
Additions	1,523	9,251	10,774
Disposals	-	-	-
As at 30 June 2018	<u>16,545</u>	<u>80,617</u>	<u>97,162</u>
<b>Depreciation</b>			
As at 1 July 2017	13,893	58,474	72,367
Charge for the year	530	6,916	7,446
On disposals	-	-	-
As at 30 June 2018	<u>14,423</u>	<u>65,390</u>	<u>79,813</u>
<b>Net book value at 30 June 2018</b>	<u>£ 2,122</u>	<u>£ 15,227</u>	<u>£ 17,349</u>
<b>Net book value at 30 June 2017</b>	<u>£ 1,129</u>	<u>£ 12,892</u>	<u>£ 14,021</u>

No fixed assets are owned by the Norwegian Branch.

**Society for Underwater Technology**  
**Notes to the Consolidated Financial Statements Cont/d**  
**For the year ended 30 June 2018**

**16. Fixed assets investments**

There are no fixed asset investments held by the Norwegian Branch, the notes below relate to the UK Society only.

**16.1 Summary**

	2018		2017	
	£ Cost	£ Valuation	£ Cost	£ Valuation
a) Government stock	-	-	19,859	19,564
b) Charities Official Investment Fund	50,141	216,793	50,141	204,528
c) NSB investment account	23,889	23,889	23,763	23,763
d) Listed investments	2,106	439	2,106	468
	<u>£ 76,136</u>	<u>£ 241,121</u>	<u>£ 95,869</u>	<u>£ 248,323</u>

**16.2 Concentration of investments**

The concentration of investments may be analysed as follows:	Unrestricted Fund %	Restricted Fund %	Total %
a) Government stock	-	-	-
b) Charities Official Investment Fund	81	9	90
c) NSB investment account	10	-	10
	<u>91</u>	<u>9</u>	<u>100</u>

**16.3 Movements on investments**

	2018 £	2017 £
Market value at 30 June 2017	248,323	247,416
Transfers/Disposals	(19,319)	(20,000)
Gains/(losses) on revaluations	11,991	20,646
Interest on NSB	126	261
Market value at 30 June 2018	<u>£ 241,121</u>	<u>£ 248,323</u>

**17. Publications stock**

	Group		Society	
	2018	2017	2018	2017
Books for resale	<u>£ 17,007</u>	<u>£ 17,672</u>	<u>£ 17,007</u>	<u>£ 17,672</u>

During the year the impairment provision was reduced by £2,166 (2017: increased by £10,000) and £404 (2017: £205) of stock was expensed to the profit and loss.

**Society for Underwater Technology**  
**Notes to the Financial Statements Cont/d**  
**For the year ended 30 June 2018**

**18. Debtors**

	Group		Society	
	2018 £	2017 £	2018 £	2017 £
Trade debtors	19,474	86,801	19,474	85,367
Prepayments and accrued income	34,937	43,857	34,937	43,857
Other debtors	10,753	16,758	13,304	19,326
	<u>£ 65,164</u>	<u>£ 147,416</u>	<u>£ 67,715</u>	<u>£ 148,550</u>

**19. Creditors: Amounts falling due within one year**

	Group		Society	
	2018 £	2017 £	2018 £	2017 £
Trade creditors	15,979	8,376	14,527	7,761
Deferred income	5,511	142,067	5,511	142,067
Social Security and Other Taxes	5,886	11,289	5,886	11,289
Accruals	12,550	12,328	12,550	12,328
Other creditors	3,488	2,518	3,488	1,325
	<u>£ 43,414</u>	<u>£ 176,578</u>	<u>£ 41,962</u>	<u>£ 174,770</u>

**Deferred income included in creditors due within one year**

	Group		Society	
	2018 £	2017 £	2018 £	2017 £
Opening balance as at 1 July 2017	142,067	6,008	142,067	6,008
Deferred in the year	5,511	142,067	5,511	142,067
Released in the year	(142,067)	(6,008)	(142,067)	(6,008)
	<u>£ 5,511</u>	<u>£ 142,067</u>	<u>£ 5,511</u>	<u>£ 142,067</u>

**20. Limited liability of members**

In accordance with the Memorandum and Articles of Association, Fellows, Individual Members and Corporate Members (but not Associate Members and Student Members) are deemed to be Members of the Society within the context and as such have a limited liability of £5 per member in the event of the Society being wound up.

**21. Restricted funds**

	Balance 30 June 2017	Movement in Fund			Balance 30 June 2018
		Incoming Resources	Expenditure and Gains/(losses)	Transfers	
Society for Underwater Technology					
Educational Support Fund	197,444	752	8,771	-	189,425
AGM Sponsorship	-	4,550	4,550	-	-
Totals	<u>£ 197,444</u>	<u>£ 5,302</u>	<u>£ 13,321</u>	<u>-</u>	<u>£ 189,425</u>

The Education Support fund was set to provide educational grants to students. The amounts received as stated in the Statement of Financial Activities represent amounts donated by corporate and other members of the Society.

The AGM sponsorship fund arose because of a restricted donation to fund costs of the Annual General Meeting. This was fully expended in the year.

**Society for Underwater Technology**  
**Notes to the Financial Statements Cont/d**  
**For the year ended 30 June 2018**

**22. Analysis of group net assets between funds**

	Unrestricted Funds £	Restricted Funds £	Total Funds £
<b>Fund balances at 30 June 2018 are represented by</b>			
Tangible fixed assets	17,349	-	17,349
Investments	220,128	20,993	241,121
Current assets	15,866	168,432	184,298
Current liabilities	(43,414)	-	(43,414)
	<u>£ 209,929</u>	<u>£ 189,425</u>	<u>£ 399,354</u>
<b>Unrealised gains included above on investment assets</b>	<u>£ 148,837</u>	<u>£ 16,148</u>	<u>£ 164,985</u>
<b>Reconciliation of movement in unrealised gains on investment assets</b>			
Unrealised gains at 30 June 2017	138,753	13,702	152,455
Transfer	(1,217)	1,217	-
Gain on disposal	539	-	539
Total gains/(losses) in year	<u>10,762</u>	<u>1,229</u>	<u>11,991</u>
<b>Unrealised gains at 30 June 2018</b>	<u>£ 148,837</u>	<u>£ 16,148</u>	<u>£ 164,985</u>

**23. Operating leases**

At 30 June 2018, the Society was committed to making the following minimum payments under non-cancellable operating leases expiring:

	Group		Society	
	2018	2017	2018	2017
Within one year	-	-	-	-
Between 2 and 5 years	<u>46,742</u>	<u>70,046</u>	<u>46,742</u>	<u>70,046</u>
	<u>£ 46,742</u>	<u>£ 70,046</u>	<u>£ 46,742</u>	<u>£ 70,046</u>

During the year £23,304 (2017: £40,022) of operating lease payments were recognised as an expense.

**24. Related party transactions**

There are no related party transactions in the current and prior year requiring disclosure in the financial statements.

**Society for Underwater Technology**  
**Notes to the Financial Statements Cont/d**  
**For the year ended 30 June 2018**

**25. Comparative statement of financial activity**

	Note	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
<b>Income</b>					
Donations and legacies	3	280	7,206	7,486	4,966
<i>Income from charitable activities:</i>					
Memberships, conferences and events	4	321,933	-	321,933	394,896
<i>Income from other activities:</i>					
Other incoming resources		540	-	540	-
Investment income	7	9,292	667	9,959	11,681
<b>Total income</b>		<u>£ 332,045</u>	<u>£ 7,873</u>	<u>£ 339,918</u>	<u>£ 411,543</u>
<b>Expenditure</b>					
<i>Expenditure on charitable activities:</i>					
Charitable activities	8	469,689	16,000	485,689	765,747
<b>Total expenditure</b>		<u>£ 469,689</u>	<u>£ 16,000</u>	<u>£ 485,689</u>	<u>£ 765,747</u>
<b>Net income / (expenditure) before gains / (losses) on investments</b>		(137,644)	(8,127)	(145,771)	(354,204)
Net gains / (losses) on investments	16.3	18,503	2,143	20,646	2,430
<b>Net income / (expenditure)</b>		(119,141)	(5,984)	(125,125)	(351,774)
Transfers between funds		-	-	-	-
<b>Net Movement in Funds</b>		(119,141)	(5,984)	(125,125)	(351,774)
<b>Reconciliation of funds</b>					
<b>Total funds brought forward</b>		312,983	203,428	516,411	865,562
Gains/(losses) on foreign fund balances		1,122	-	1,122	2,623
<b>Total funds carried forward</b>		<u>£ 194,964</u>	<u>£ 197,444</u>	<u>£ 392,408</u>	<u>£ 516,411</u>