



**International Mobile Satellite Organization**

**ASSEMBLY**

Twentieth Session

Malta, 29 September to 3 October 2008

**Agenda item 10.1**

ASSEMBLY/20/10.1

Origin: Director

Date: 25 June 2008

**DIRECTORATE MATTERS**

**IMSO BUDGET AND AUDITED ACCOUNTS**

<b>Executive Summary:</b>	this document discusses the audited financial statements of IMSO for 2006 and 2007 and the IMSO budget for 2007 and 2008,
<b>Action to be taken:</b>	to note: <ol style="list-style-type: none"><li>1. the audited financial statements for 2006 and 2007 which were sent to all Parties;</li><li>2. the IMSO Budgets for 2007 and 2008;</li><li>3. that the External Auditor has again expressed satisfaction with the financial state of affairs of the Organization.</li><li>4. that that the Director will continue to use the services of Dixon Wilson Chartered Accountants as the Organization's Auditor.</li></ol>
<b>Related documents:</b>	None

**1 FINANCIAL PROCEDURES**

The day to day financial and book-keeping functions continue to be carried out by the Head of Administration, Finance and Conferences, while the supervisory accounting functions have been outsourced to Mazars LLP, whose representative attends the office for one day a month and also attends meetings of the Advisory Committee, when necessary.

As noted at the Eighteenth Session of the Assembly, the Director continues to use the services of Dixon Wilson Chartered Accountants as External Auditor.

## 2 **AUDITED ACCOUNTS FOR 2006 AND 2007**

The financial accounts for 2006 and 2007 of the Organization are audited early in the following year by Dixon Wilson. The Audited Financial Statements for 2006 and 2007 were sent to all Parties on 11 April 2007 and 10 June 2008, respectively, and are attached at **Annexes I and II**, respectively, to this document.

## 3 **BUDGETS FOR FINANCIAL YEARS 2007 AND 2008**

The budgets for 2007 and 2008 were developed under the procedure approved at the Sixteenth Session of the Assembly. The budget for each year was discussed and agreed by the Advisory Committee under item 2.2 of its Terms of Reference. The Budgets were then submitted to Inmarsat and, no objections being raised, the relevant funds deposited by the Company directly into IMSO's bank account, as provided for in Article 15.3(c) of the Public Services Agreement (PSA), in quarterly tranches. In accordance with the PSA, any monies unexpended or uncommitted at the end of any financial year are credited against the payment to be made by the Company for the following year.

The agreed budgets for 2007 and 2008 are set out in **Annex III** to this document. The LRIT budgets for those years as agreed by the Advisory Committee are **not** included as LRIT financial issues will be discussed under Agenda item 7.

## 4 **DRAFT BUDGET FOR 2009**

As many of the elements of the 2009 budget will depend on the outcome of this Session of the Assembly, it will not be possible to develop a meaningful draft Budget for consideration by the Assembly. A draft Budget for 2009 will

be developed following the Assembly, for consideration by the Advisory Committee.

## 5 **LRIT BUDGET**

As discussed in document ASSEMBLY/20/7.1, with the development of the LRIT project, the Director and the Advisory Committee continue to work on the LRIT budgets and financial arrangements.

## 6 **ACTION REQUIRED**

The Assembly notes:

- (a) the Audited Financial Statements for 2006 and 2007 (**Annexes I and II**, respectively) which were sent to all Parties on 11 April 2007 and 10 June 2008, respectively;
  - (b) the IMSO budgets for 2007 and 2008 (**Annex III**);
  - (c) that the Auditor, Dixon Wilson Chartered Accountants, had expressed its satisfaction with the financial state of affairs of the Organization; and
  - (d) that the Director will continue to use the services of Dixon Wilson Chartered Accountants as the Organization's Auditor.
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S2010.1

ASSEMBLY/20/10.1

**ANNEX I**

**AUDITED FINANCIAL STATEMENTS FOR 2006**

S2010.1

ASSEMBLY/20/10.1  
**ANNEX II**

**AUDITED FINANCIAL STATEMENTS FOR 2007**

S2010.1

ASSEMBLY/20/10.1  
**ANNEX III**

**IMSO BUDGETS FOR 2007 AND 2008**

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**REPORT AND ACCOUNTS**

**YEAR ENDED 31 DECEMBER 2006**

**DIXON WILSON**  
CHARTERED ACCOUNTANTS

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## I N D E X

Year ended 31 December 2006

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# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## GENERAL INFORMATION

Year ended 31 December 2006

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### Organization

The International Mobile Satellite Organization ("IMSO") is an intergovernmental organization which has been headquartered in London since it was established in 1979. Following privatisation on 15 April 1999, the Organization was divided into a private company (Inmarsat) and a smaller intergovernmental organization which retained the name "The International Mobile Satellite Organization".

IMSO is a vehicle for Member States (known as Parties) to ensure the fulfilment of the public service obligations of Inmarsat (the specially-created company incorporated under English law to which all the mobile satellite communications business was transferred) especially the provision of space segment to support the Global Maritime Distress and Safety System.

Mr Jerzy Vonau of Poland was appointed by the Assembly of Parties as the Director of the Secretariat of IMSO, in relation to which he also acts as legal representative and Chief Executive Officer of the Secretariat, with responsibility to and under the direction of the Assembly.

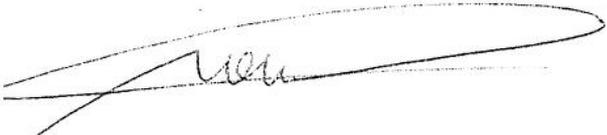
Under the Public Services Agreement between IMSO and Inmarsat, the costs of the establishment and operation of the Secretariat are paid by Inmarsat.

### Statement of the director's responsibilities

The Director of the Secretariat of IMSO is responsible for preparing financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice which give a true and fair view of IMSO's state of affairs and of its surplus or deficit for that year. In order that a true and fair view may be given, the Director is required to:

- select suitable accounting policies as agreed by the Assembly and apply them consistently;
- make judgements and estimates that are reasonable and prudent.

As agreed by the Assembly in the Fourteenth (Extraordinary) Session, the Director of the Secretariat of IMSO has a general responsibility for ensuring that adequate accounting records are kept and taking reasonable steps to safeguard the assets of IMSO.



J VONAU  
Director

2 APRIL 2007

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## AUDITORS' REPORT

Year ended 31 December 2006

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

We have audited the financial statements of International Mobile Satellite Organization for the year ended 31 December 2006 which comprise the Statement of Income and Expenditure, the Balance Sheet, the Accounting Policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Organization's Parties as a body. Our work has been undertaken so that we might state to the Organization's Parties those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Organization and Organization's Parties as a body for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditors

As described in the Statement of Director's Responsibilities the Organization's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view. We also report to you if, in our opinion, the Organisation has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

#### Basis of audit opinion

We conducted our audit in accordance with International Standards of Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Organization's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### Opinion

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 31 December 2006 and of its deficit for the year then ended.

DIXON WILSON  
Chartered Accountants and Registered Auditors  
Rotherwick House  
3 Thomas More Street  
London E1W 1YX

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INTERNATIONAL MOBILE SATELLITE ORGANIZATION

STATEMENT OF INCOME AND EXPENDITURE

Year ended 31 December 2006

	Note	2006 £	2005 £
<b>General fund</b>			
<b>Income</b>			
<b>Contributions</b>			
Inmarsat Limited - ordinary		489,643	423,722
<b>Other income</b>			
Interest received		3,785	7,870
Interest received on contingency reserve		4,635	4,523
		<u>498,063</u>	<u>436,115</u>
<b>Expenditure</b>			
Secretariat staff costs	1	336,313	321,468
IGO office maintenance costs	2	72,139	62,394
Rent		25,561	25,420
Travel costs	3	25,080	23,055
Meeting costs	4	84,184	15,941
		<u>543,277</u>	<u>448,278</u>
		(45,214)	(12,163)
<b>Operating deficit</b>			
Balance brought forward		58,417	75,103
Transfer to Contingency Reserve		(4,635)	(4,523)
Balance carried forward (page 5)		<u>8,568</u>	<u>58,417</u>
<b>Contingency reserve</b>			
Balance brought forward		127,000	122,477
Transfer from General Fund		4,635	4,523
Balance carried forward (page 5)		<u>131,635</u>	<u>127,000</u>

All income and expenditure represents continued operations.

The Organization has no recognised gains or losses other than the deficit for the year and the previous year.

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

BALANCE SHEET

At 31 December 2006

	2006 £	2005 £
<b>Current assets</b>		
Other debtors	290	4,344
Tax	12,413	4,600
Prepayments	21,992	8,221
Cash at bank	141,783	206,672
	<u>176,478</u>	<u>223,837</u>
<b>Creditors: amounts falling due within one year</b>		
Accounts payable	(17,444)	(4,665)
Other creditors	-	(18,322)
Accruals	(18,831)	(15,433)
	<u>(36,275)</u>	<u>(38,420)</u>
<b>Net assets</b>	<u>140,203</u>	<u>185,417</u>
Representing:		
<b>Accumulated funds</b>		
General fund (page 4)	8,568	58,417
Contingency reserve (page 4)	131,635	127,000
	<u>140,203</u>	<u>185,417</u>

The financial statements on pages 4 to 8 were approved by the director on

2 APRIL 2007.

  
J VONAU  
Director

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## ACCOUNTING POLICIES

Year ended 31 December 2006

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The particular accounting policies adopted in preparing the financial statements are described below.

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention.

### **Contribution income**

Contribution income consists of agreed contributions payable in respect of the year under review, less deductions for sums unexpended in prior periods.

### **Pension costs**

IMSO contributes to a defined contribution scheme on behalf of its employees. The amounts contributed are based on salary levels and are charged to the income and expenditure account in the year in which they are payable.

### **Taxation**

Under the agreement between IMSO and the Government of the United Kingdom dated 15 April 1999, the Organization and its property and income within the scope of its official activities is exempt from all direct taxes including income tax, capital gains tax and corporation tax.

The Organization is due a refund of value added tax paid on the supply of goods and services which are necessary for the official activities of the Organization, and is also accorded a refund of Insurance Premium Tax and Air Passenger Duty.

### **Leases**

Rental costs under operating leases are charged to the income and expenditure account over the three year period of the lease.

### **General fund**

Under the Public Services Agreement between IMSO and Inmarsat Limited, any funds unexpended at the year end shall be deducted from the agreed contribution in the following year.

### **Contingency reserve**

The contingency reserve is provided to cover costs associated with winding up procedures. Transfers to the reserve are by way of the interest accumulated on its bank account.

## INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2006

	2006	2005
	£	£
<b>1. Secretariat staff costs</b>		
Salaries	214,162	201,570
Allowances	22,376	23,493
Employer costs	45,594	37,947
Pension costs	54,181	48,103
Accounting and administrative support	-	10,355
	<u>336,313</u>	<u>321,468</u>
<b>2. IGO office maintenance costs</b>		
Audit fee	4,009	2,041
Accounting and administrative support	15,430	11,111
Printing and copying	9,596	8,178
Telephone and fax	1,842	1,982
Telephone and fax	6,129	6,948
Postage	4,937	3,833
Office supplies	-	20
Miscellaneous	9,791	8,400
Computers	19,706	19,599
Inmarsat service charge	699	282
Finance costs	<u>72,139</u>	<u>62,394</u>
<b>3. Travel costs</b>		
Business travel	20,183	19,211
Hospitality	1,680	1,385
Car parking costs	1,146	1,151
Congestion charge	2,071	1,308
	<u>25,080</u>	<u>23,055</u>
<b>4. Meeting costs</b>		
Assembly	59,190	-
Advisory committee	9,447	11,621
Translations	15,547	4,320
	<u>84,184</u>	<u>15,941</u>

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2006

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	2006	2005
	£	£
5. Taxation		
VAT refund	<u>12,413</u>	<u>4,600</u>

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6. Rental costs		
Office lease	<u>25,561</u>	<u>25,420</u>

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**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**REPORT AND ACCOUNTS**

**YEAR ENDED 31 DECEMBER 2007**

**DIXON WILSON**  
CHARTERED ACCOUNTANTS

INTERNATIONAL MOBILE SATELLITE ORGANIZATION

I N D E X

Year ended 31 December 2007

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# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## GENERAL INFORMATION

Year ended 31 December 2007

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### Organization

The International Mobile Satellite Organization ("IMSO") is an intergovernmental organization which has been headquartered in London since it was established in 1979. Following privatisation on 15 April 1999, the Organization was divided into a private company (Inmarsat) and a smaller intergovernmental organization which retained the name "The International Mobile Satellite Organization".

IMSO is a vehicle for Member States (known as Parties) to ensure the fulfilment of the public service obligations of Inmarsat (the specially-created company incorporated under English law to which all the mobile satellite communications business was transferred) especially the provision of space segment to support the Global Maritime Distress and Safety System (GMDSS).

Captain Esteban Pacha of Spain, replacing Mr. Jerzy Vonau of Poland on 15 April 2007, was appointed by the Assembly of Parties as the Director of IMSO, in relation to which he is the legal representative and Chief Executive Officer of the Directorate, responsible to and under the direction of the Assembly.

Under the Public Services Agreement between IMSO and Inmarsat, the costs of the establishment and operation of the GMDSS activities of the Directorate are paid by Inmarsat.

In 2006, amendments to the convention were adopted by the IMSO Assembly which extend IMSO oversight to any provider of GMDSS and to the Long Range Identification and Tracking of Ships (LRIT). The amendments are provisionally applied from 7 March 2007 pending their formal entry into force.

The functions of the Directorate relating to LRIT are at no cost to parties, nor to Inmarsat, and are separately accounted for.

### Statement of the Director's responsibilities

The Director of IMSO is responsible for preparing financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice which give a true and fair view of IMSO's state of affairs and of its surplus or deficit for that year. In order that a true and fair view may be given, the Director is required to:

- select suitable accounting policies as agreed by the Assembly and apply them consistently;
- make judgements and estimates that are reasonable and prudent.

As agreed by the Assembly in the Fourteenth (Extraordinary) Session, the Director of IMSO has a general responsibility for ensuring that adequate accounting records are kept and taking reasonable steps to safeguard the assets of IMSO, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



ESTEBAN PACHA-VICENTE  
Director

6 June 2008

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## AUDITORS' REPORT

Year ended 31 December 2007

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

We have audited the financial statements of International Mobile Satellite Organization for the year ended 31 December 2007 which comprise the Statement of Income and Expenditure, the Balance Sheet, the Accounting Policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Organization's Parties as a body. Our work has been undertaken so that we might state to the Organization's Parties those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Organization and Organization's Parties as a body for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditors

As described in the Statement of Director's Responsibilities the Organization's Director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view. We also report to you if, in our opinion, the Organization has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

#### Basis of audit opinion

We conducted our audit in accordance with International Standards of Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Organization's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### Opinion

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Organization as at 31 December 2007 and of its surplus for the year then ended.



DIXON WILSON  
Chartered Accountants and Registered Auditors  
Rotherwick House  
3 Thomas More Street  
London E1W 1YX

9 June 2008

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**STATEMENT OF INCOME AND EXPENDITURE**

**Year ended 31 December 2007**

	Note			2007	2006
		GMDSS	LRIT	Total	
		£	£	£	£
<b>General fund</b>					
<b>Income</b>					
<b>Contributions</b>					
Inmarsat Limited – ordinary		718,460	-	718,460	489,643
Other parties – ordinary		-	19,965	19,965	-
<b>Other income</b>					
Interest received		5,364	-	5,364	3,785
Interest received on Legal fund		5,994	-	5,994	4,635
		<u>729,818</u>	<u>19,965</u>	<u>749,783</u>	<u>498,063</u>
<b>Expenditure</b>					
Directorate staff costs	1/7	444,010	29,933	473,943	336,313
Office maintenance costs	2/8	81,673	2,000	83,673	72,139
Rent	3	25,422	-	25,422	25,561
Travel costs	4	27,930	4,751	32,681	25,080
Meeting costs	5	53,445	-	53,445	84,184
		<u>632,480</u>	<u>36,684</u>	<u>669,164</u>	<u>543,277</u>
<b>Operating surplus/(deficit)</b>		97,338	(16,719)	80,619	(45,214)
Balance brought forward		8,568	-	8,568	58,417
Transfer to Legal fund		(5,994)	-	(5,994)	(4,635)
Balance carried forward (page 5)		<u>99,912</u>	<u>(16,719)</u>	<u>83,193</u>	<u>8,568</u>
<b>Legal fund</b>					
Balance brought forward		131,635	-	131,635	127,000
Transfer from General Fund		5,994	-	5,994	4,635
Balance carried forward (page 5)		<u>137,629</u>	<u>-</u>	<u>137,629</u>	<u>131,635</u>

All income and expenditure represents continuing operations.

The Organization has no recognised gains or losses other than the surplus/(deficit) for the year and the previous year.

## INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## BALANCE SHEET

At 31 December 2007

	Note			2007	2006
		GMDSS	LRIT	Total	
		£	£	£	£
<b>Current assets</b>					
Trade debtors	8	-	6,000	6,000	290
Other debtors		586	-	586	-
Tax	6	13,559	-	13,559	12,413
Prepayments		7,992	-	7,992	21,992
Cash at bank		252,083	7,214	259,297	141,783
		<u>274,220</u>	<u>13,214</u>	<u>287,434</u>	<u>176,478</u>
<b>Creditors: amounts falling due within one year</b>					
Accounts payable		(14,497)	-	(14,497)	(17,444)
Other creditors	7	(12,570)	(29,933)	(42,503)	-
Accruals		(9,612)	-	(9,612)	(18,831)
		<u>(36,679)</u>	<u>(29,933)</u>	<u>(66,612)</u>	<u>(36,275)</u>
<b>Net assets/(liabilities)</b>		<u>237,541</u>	<u>(16,719)</u>	<u>220,822</u>	<u>140,203</u>
Representing:					
<b>Accumulated funds</b>					
General fund (page 4)		99,912	(16,719)	83,193	8,568
Legal fund (page 4)		137,629	-	137,629	131,635
		<u>237,541</u>	<u>(16,719)</u>	<u>220,822</u>	<u>140,203</u>

The financial statements on pages 4 to 8 were approved by the Director on



ESTEBAN PACHÁ VICENTE  
Director

6 June 2008.

# INTERNATIONAL MOBILE SATELLITE ORGANIZATION

## ACCOUNTING POLICIES

Year ended 31 December 2007

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The particular accounting policies adopted in preparing the financial statements are described below.

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention.

### **Contribution income**

Contribution income consists of agreed contributions payable in respect of the year under review, less deductions for sums unexpended in prior periods.

### **Pension costs**

IMSO contributes to a defined contribution scheme on behalf of its employees. The amounts contributed are based on salary levels and are charged to the income and expenditure account in the year in which they are payable.

### **Taxation**

Under the agreement between IMSO and the Government of the United Kingdom dated 15 April 1999, the Organization and its property and income within the scope of its official activities is exempt from all direct taxes including income tax, capital gains tax and corporation tax.

The Organization is due a refund of value added tax paid on the supply of goods and services which are necessary for the official activities of the Organization, and is also accorded a refund of Insurance Premium Tax and Air Passenger Duty.

### **Leases**

Rental costs under operating leases are charged to the income and expenditure account over the period of the lease.

### **General fund**

Under the Public Services Agreement between IMSO and Inmarsat Limited, any GMDSS funds unexpended at the year end shall be deducted from the agreed contribution in the following year.

### **Legal fund**

The legal fund is provided to cover costs associated with winding up procedures. Transfers to the reserve consist of the interest accumulated on its bank account.

### **Common abbreviations used**

GMDSS – Global Maritime Distress and Safety System  
LRIT – Long Range Identification and Tracking of Ships

Costs and income have been allocated to LRIT based on the incremental income received and costs incurred in getting this income stream started, including the difference between current and revised contract of Directorate staff other than the Director.

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2007**

1. Directorate staff costs	2007		2006
	GMDSS	LRIT	
	£	£	£
Salaries	293,170	26,456	214,162
Allowances	35,924	-	22,376
Employer costs	50,225	965	45,594
Pension costs	55,597	2,512	48,306
Pension provider fees	9,094	-	5,875
	<u>444,010</u>	<u>29,933</u>	<u>336,313</u>
<b>2. Office maintenance costs</b>			
Audit fee	4,036	-	4,009
Accounting and administrative support	15,928	-	15,430
Printing and copying	4,884	-	9,596
Telephone and fax	3,724	-	1,842
Postage	7,269	-	6,129
Office supplies	8,576	-	4,937
Computers	6,755	-	9,791
Inmarsat service charge	29,620	-	19,706
Finance costs	881	-	699
Bad debtors	-	2,000	-
	<u>81,673</u>	<u>2,000</u>	<u>72,139</u>
<b>3. Rental costs</b>			
Office lease	<u>25,422</u>	<u>-</u>	<u>25,561</u>
<b>4. Travel costs</b>			
Business travel	24,796	4,542	20,183
Hospitality	3,881	209	1,680
Car parking costs	(1,699)	-	1,146
Congestion charge	952	-	2,071
	<u>27,930</u>	<u>4,751</u>	<u>25,080</u>
<b>5. Meeting costs</b>			
Assembly	23,975	-	59,190
Advisory committee	19,053	-	9,447
Translations	10,417	-	15,547
	<u>53,445</u>	<u>-</u>	<u>84,184</u>

**INTERNATIONAL MOBILE SATELLITE ORGANIZATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2007**

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<b>6. Taxation</b>	<u>2007</u>		<u>2006</u>
	<b>GMDSS</b>	<b>LRIT</b>	
	£	£	£
VAT refund	13,559	-	12,413

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**7. Other creditors**

Included within other creditors are amounts totalling £29,933 which relate to salaries owed to members of staff other than the Director. These have been noted by the IMSO Assembly and Advisory Committee as contractual obligations which will be discharged once LRIT funding is obtained.

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**8. Bad debtors**

An amount of £2,000 remains outstanding relating to an LRIT invoice, and has been provided for in full.

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**IMSO BUDGETS FOR 2007 AND 2008**  
(as agreed by the Advisory Committee)

<b>IMSO</b>	<b>2007</b>	<b>2008</b>
	<b>Budget</b>	<b>Budget</b>
Gross salary	217,776	226,748
Post adjustments	35,310	51,345
<b>Total salary &amp; emoluments</b>	<b>253,086</b>	<b>278,094</b>
Parity adjustment	0	0
Non residents allowance	3,385	0
Rental allowance	20,071	24,660
Dependant allowance	2,115	2,678
Education allowance	29,142	25,000
<b>Total allowances</b>	<b>54,713</b>	<b>52,338</b>
Pension	56,071	61,172
Medical	20,805	21,280
Life assurance	6,955	5,000
Disability	5,359	6,057
Accident	597	624
National insurance	18,787	3,356
Language training	2,833	4,180
<b>Total employer costs</b>	<b>111,408</b>	<b>101,669</b>
<b>TOTAL SALARY COSTS</b>	<b>419,207</b>	<b>432,100</b>
Travel	42,600	44,517
Hospitality	3,000	3,500
Parking	2,000	2,000
Congestion charge	2,400	3,000
<b>Total travel and hospitality costs</b>	<b>50,000</b>	<b>53,017</b>
Office rent	25,561	25,561
Office service charge	19,600	19,600
Office insurance	1,479	1,702
<b>Total office premises costs</b>	<b>46,640</b>	<b>46,863</b>
Accounting support	15,000	13,627
Payroll support	0	1,791
Audit fees	4,000	4,180
Pension provider fees	6,000	8,000
Printing and copying	5,000	5,225
Stationary	5,000	5,225
Postage	6,500	6,793
Telephone & fax	2,250	1,000
Mobile phone	0	2,500
IT service charge	10,000	10,000
Web site & logo	6,000	3,950
Bank Charges	700	732
<b>Total administrative costs</b>	<b>60,450</b>	<b>63,022</b>
Assembly	38,600	58,000
Advisory committee	20,000	20,000
LRIT Coordination meetings	0	0
Translations	5,000	5,000
Interpretation	6,400	16,000
<b>Total meeting costs</b>	<b>70,000</b>	<b>99,000</b>
<b>TOTAL OPERATIONAL EXPENDITURE</b>	<b>646,297</b>	<b>694,002</b>
Removal	15,000	
Assignment grant	35,000	
Relocation	2,000	
Home leave	0	5,000
Repatriation	13,700	
Recruitment costs	0	
Adjustment 2007 salaries	0	
<b>Total one off costs</b>	<b>65,700</b>	<b>5,000</b>
<b>TOTAL COSTS</b>	<b>711,997</b>	<b>699,002</b>
Contingency 1% of Total Op. Exp	6,463	6,940
<b>TOTAL BUDGET</b>	<b>718,460</b>	<b>700,942</b>