



NMA Operations Limited
Annual Report and Financial Statements

Year ended 31 January 2023

Registered Number: 2972338



NMA Operations Limited
Registered No: 2972338

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NMA Operations Limited
Registered No: 2972338

Legal and professional advisors

Directors

K Lewins – Chair
C Davies
M Orchard
D Bradford (resigned 23 March 2023)
G Lawrence
J Lavery
O McLaughlin

Auditors

PKF Francis Clark
Unit 18
23 Royal William Yard
Plymouth
Devon
PL1 3GW

Bankers

Lloyds Bank Plc
PO Box 128
8 Royal Parade
Plymouth
PL1 1LX

NMA Operations Limited
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Report of the Board of Directors

The directors present their report and the audited financial statements for the year ended 31 January 2023.

Principal activities and review of business

On 1st February 2022 the Ocean Conservation Trust Group was restructured to enable efficiencies and to better align our core programmes:

Ocean Experiences
Ocean Habitats
Ocean Advocacy

Allowing NMA Operations Limited to focus on the ancillary and trading activities of the group.

Total income in the year was £1,143k (2022: £4,028). The reduction is due to the restructure which leaves the operational income from Retail, Catering and Functions activity in NMA Operation Limited. All other visitor related income is recognised by the parent charity.

Going Concern across the Ocean Conservation Trust Group

The Group benefitted from a strong performance across all three core programmes of Ocean Habitats, Ocean Advocacy and Ocean Experiences, despite the ongoing impact of covid related issues and the increased cost of energy during the year.

Under the Ocean Experiences programme, visitor numbers at the NMA were the highest for 19 years with total footfall of 327k, compared with pre-covid levels of c280k. This contributed to total cash at bank for the Group of £3.2m, equivalent to 8.6 months of operating cover at 2023 levels, compared with £2.2m as at 31 January 2022 and £1m as at 31 January 2021. Although the financial outlook is still challenging, this is the best position that the Charity has been in for many years.

Our projections show that the Group will remain a going concern without the need for additional grant income, based on reasonable assumptions.

In building our forecasts, we have assumed a conservative footfall of 262.5k for the year to 31 January 2024, increasing to 280k for the year to 31 January 2025, compared with a current rolling forecast of 311k to January 24. In addition, we have included significant investment to build on the progress made with our Habitat and Advocacy programmes, as well as the retheming of the NMA and the start of the transition to net zero across the Charity.

Overall, our assumptions reflect a realistic scenario, which would provide the Charity with sufficient funding to continue operating.

We continue to adopt a positive but cautious approach and have the ability to be reactive and reduce investment as required to ensure the future operation of the Charity. We will continue to monitor this situation regularly, so that appropriate action can be taken to maintain solvency and to continue delivering our charitable purpose, as resources allow.

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Report of the Board of Directors

Dividends

The directors do not recommend the payment of a dividend.

Directors

The directors of the company during the year ended 31 January 2023 were: -

K Lewins – Chair

C Davies

M Orchard

D Bradford

G Lawrence

J Lavery

O McLaughlin

Small companies' provision statement

This report has been prepared in accordance with the small companies' regime under the Companies Act 2006.

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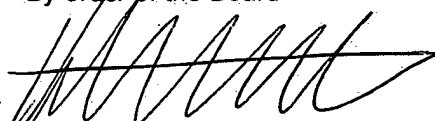
Report of the Board of Directors

Completeness of information to auditors

So far as each director listed above is aware: -

- There is no relevant audit information of which the company's auditors are unaware; and
- He or she has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board

A handwritten signature in black ink, appearing to be 'K Lewins', written over a horizontal line.

Mr K Lewins
Chair

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Statement of Directors responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Independent auditors' report to the members of NMA Operations Limited

Opinion

We have audited the financial statements of NMA Operations Limited (the 'company') for the year ended 31 January 2023, which comprise the Statement of Income and Retained Earnings, Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) incorporating the requirements of Section 1A.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2023 and of its loss 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 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors 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

Independent auditors' report to the members of NMA Operations Limited

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.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors 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 directors 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either

Independent auditors' report to the members of NMA Operations Limited

intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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:

As part of our audit planning, through discussions with management, we obtained an understanding of the legal and regulatory framework that is applicable to the company and the sector in which it operates to identify the key laws and regulations affecting the company.

The key laws and regulations we identified were the Zoo Licensing Act, General Data Protection Regulations (GDPR), health and safety and employment laws. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, primarily the Companies Act 2006, and relevant tax compliance regulations in the UK.

We discussed with management how the compliance with these laws and regulations is monitored and we discussed the policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the entity complies with laws and regulations and deals with reporting any issues if they arise. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the company's ability to continue trading and the risk of material misstatement in the accounts.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management and those charged with governance regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements;
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance; and
- Reviewed board minutes.

As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which there were none.

We also evaluated the risk of fraud through management override including that arising from management's incentives. The key risks we identified were misappropriation of cash.

Independent auditors' report to the members of NMA Operations Limited

In response to the identified risk, as part of our audit work we:

- Used data analytics to test journal entries throughout the year, for appropriateness;
- Reviewed income supporting documentation for any restrictions in relation to project/grant income and compared it to how it had been treated in the financial statements;
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making those estimates;
- Tested a sample of visitor spend to the Merac system

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 become 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the directors' use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to the events or conditions that may cast a significant doubt on the company's ability to continue as a going concern. If we then conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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Independent auditors' report to the members of NMA Operations Limited

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



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

North Quay House
Sutton Harbour
Plymouth
Devon
PL4 0RA

Date 20/07/2023

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Statement of Income and Retained Earnings

For the year ending 31 January 2023

| | 2023 £000 | 2022 £000 |
|--------------------------------------|----------------|--------------|
| TURNOVER | 1,143 | 4,028 |
| Cost of Sales | (531) | (354) |
| GROSS PROFIT | <u>612</u> | <u>3,674</u> |
| Administrative expenses | (565) | (2,667) |
| PROFIT BEFORE TAXATION | <u>47</u> | <u>1,007</u> |
| Tax on profit | - | - |
| PROFIT FOR THE FINANCIAL YEAR | <u>47</u> | <u>1,007</u> |
| RETAINED PROFIT FOR THE YEAR | 47 | 1,007 |
| Retained earnings brought forward | 1,015 | 8 |
| Gift aid payment distribution | <u>(1,005)</u> | <u>-</u> |
| Retained earnings carried forward | <u>57</u> | <u>1,015</u> |

All activities relate to continuing operations of the company.

The company has no other recognised gains and losses so additional statement of other comprehensive income has been presented.

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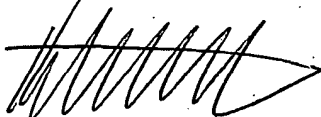
Balance Sheet

As at 31 January 2023

| | Note | 2023 £000 | 2022 £000 |
|---|------|--------------|--------------|
| Current Assets | | | |
| Stocks | 5 | 35 | 30 |
| Debtors | 6 | 46 | 122 |
| Cash at bank and in hand | | 308 | 1,357 |
| | | <u>389</u> | <u>1,509</u> |
| Creditors: amounts falling due within one year | 7 | <u>(332)</u> | <u>(494)</u> |
| Net current assets | | <u>57</u> | <u>1,015</u> |
| Total assets less current liabilities | | <u>57</u> | <u>1,015</u> |
| Net assets | | <u>57</u> | <u>1,015</u> |
| Capital and reserves | | | |
| Called up share capital £2 | | - | - |
| Profit and loss account | | <u>57</u> | <u>1,015</u> |
| Shareholders' funds | | <u>57</u> | <u>1,015</u> |

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements were approved and authorised for issue by the Board on 15-6-23 and were signed on its behalf by:



Mr K Lewins

Chair

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Notes to the financial statements

For the year ending 31 January 2023

1. STATUTORY INFORMATION

NMA Operations Limited is a private company, limited by share capital, incorporated in England and Wales, registration number 2972338.

The registered office is:

National Marine Aquarium

Rope Walk

Coxside

Plymouth

PL4 0LF

2. COMPLIANCE WITH ACCOUNTING STANDARDS

These financial statements have been prepared in accordance with Financial Reporting Standard 102, Section 1A – "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and the Companies Act 2006. There are no material departures from FRS102.

3. ACCOUNTING POLICIES

Fundamental accounting concept – going concern

The Financial Statements have been prepared on a going concern basis as parent undertaking has agreed not to recall amounts advanced to the company in preference to third party creditors.

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

The presentation currency is £000 sterling.

Revenue Recognition

Revenue is recognised on receipt. Turnover is the total amount, excluding value added tax, receivable by the company in respect of ticket sales and goods and services provided in the period.

Stock

Stocks have been valued at the lower of cost and estimated selling price less costs to sell, and on a first-in, first-out basis.

Pension costs

The company operates a defined contribution pension scheme for the benefit of its employees. Contributions payable are recognised in the income statement when due.

Notes to the financial statements

For the year ending 31 January 2023

3. ACCOUNTING POLICIES (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are included at cost less depreciation and impairment.

Depreciation has been calculated to write off the cost of the tangible fixed assets, using the straight-line method, over their expected useful lives as follows:

| <i>Classification</i> | <i>Period</i> |
|-------------------------------|---------------|
| Exhibit enhancement | 1 - 10 years |
| Plant & computer equipment | 3 - 5 years |
| Office furniture and fittings | 3 - 20 years |
| Short life assets | 3 - 10 years |
| Laboratory equipment | 3 - 20 years |

Finance and operating leases

Property, plant and equipment acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

Rentals payable under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Tax

No provision is included for any potential tax liability arising on the company's profits for the year because the directors propose that any Gift Aid donation to the parent charity will be paid within 9 months of the balance sheet date at an amount sufficient to reduce any such potential tax liability to £nil.

Deferred taxation

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes.

Tax deferred or accelerated is accounted for in respect of all material timing differences.

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: 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 are recognised in the profit and loss account before operating profit.

Notes to the financial statements

For the year ending 31 January 2023

4. TANGIBLE FIXED ASSETS

| | Exhibit enhancement £000 | Computer Equipment £000 | Furniture & fittings £000 | Short life assets £000 | Laboratory equipment £000 | Total £000 |
|--------------------------|--------------------------------|-------------------------------|---------------------------------|------------------------------|---------------------------------|---------------|
| Cost or Valuation | | | | | | |
| At 1 February 2022 | | | | | | |
| and 31 January 2023 | 51 | 6 | 3 | 165 | 150 | 375 |
| Depreciation | | | | | | |
| At 1 February 2022 | | | | | | |
| and 31 January 2023 | 51 | 6 | 3 | 165 | 150 | 375 |
| Net Book Amount | | | | | | |
| At 31 January 2023 | - | - | - | - | - | - |
| At 1 February 2022 | - | - | - | - | - | - |

5. STOCK

| | 2023 £000 | 2022 £000 |
|------------------|--------------|--------------|
| Goods for resale | 35 | 30 |

6. DEBTORS

| | 2023 £000 | 2022 £000 |
|-------------------------------------|--------------|--------------|
| Trade debtors | 16 | 13 |
| Amounts due from group undertakings | - | 92 |
| Other debtors | 30 | 17 |
| | 46 | 122 |

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 £000 | 2022 £000 |
|--|--------------|--------------|
| Trade creditors | 56 | 42 |
| Amounts owed to group undertakings | 87 | 255 |
| Other creditors | 131 | 132 |
| Other taxation and social security costs | 58 | 65 |
| | 332 | 494 |

Notes to the financial statements

For the year ending 31 January 2023

8. NUMBER OF EMPLOYEES

During the year the number of employees of the group was 106 (2022: 125).

9. OPERATING LEASE COMMITMENTS

| | 2023 | 2022 |
|-------------------------------|----------|----------|
| | £ | £ |
| <i>Other operating leases</i> | | |
| Within one year | - | - |
| Between two and five years | - | - |
| More than five years | - | - |
| | <u>-</u> | <u>-</u> |
| | <u>-</u> | <u>-</u> |

10. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

The company had total guarantees and commitments at the balance sheet date of £nil (2022: £nil)

11. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 102 "Related Party Disclosures" from disclosing transactions with other wholly owned members of the group.

12. ULTIMATE PARENT COMPANY

The directors consider Ocean Conservation Trust Limited (formerly National Marine Aquarium Limited), a company incorporated in England and Wales to be the immediate and ultimate parent company of NMA Operations Limited. Copies of the parent company's consolidated financial statements may be obtained from the National Marine Aquarium, Rope Walk, Coxside, Plymouth, PL4 0LF.