

NEKTON FOUNDATION

England & Wales · Charity number 1162666

Details

Status	Registered
Legal form	Charitable company
Company number	09644797
Registered	2015-07-14
Register	View on the Charity Commission register

Contact

Address	Begbroke science Park Begbroke Hill Woodstock Road Yarnton Oxfordshire OX5 1PF
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Website	www.nektonmission.org

Activities

Objects: ?THE OBJECTS OF THE CHARITY ARE, FOR PUBLIC BENEFIT:2.1 TO PROMOTE THE CONSERVATION, PROTECTION AND IMPROVEMENT OF THE ENVIRONMENT; AND2.2 TO ADVANCE EDUCATION IN THE CONSERVATION, PROTECTION AND IMPROVEMENT OF THE ENVIRONMENT.?

Activities: Nekton Foundation is a new marine research organisation dedicated to exploring the deep ocean, the most unknown frontier on our planet. By understanding how the oceans are changing due to human impacts and promoting awareness of marine science through communications and education, we seek to increase ocean protection and stewardship.

Classification

- **How:** Makes Grants To Organisations, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- Maldives
- Seychelles
- South Africa
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£3,199,739	£5,442,844	£2,181,936	14
2024-03-31	£7,384,780	£4,137,636	£4,500,491	9
2022-12-31	£3,206,735	£3,313,305	£1,332,103	8
2021-12-31	£438,371	£797,443	-	-
2020-12-31	£1,968,126	£2,667,554	£1,745,888	7

Trustees

Name	Role	Appointed
Captain Paul Anthony Crowther		2017-11-08
Christopher Cunliffe		2025-10-23
Emily Victoria Penn		2018-03-23
JULIET CATHARINE BURNETT		2017-10-31
Professor Callum Michael Roberts		2019-01-30
RUPERT GREY		2015-06-17
Robert Dougall McCallum		2019-01-30
Vanessa Rice		2019-05-16
William Duff Goodlad		2020-02-13

Accounts

Company number: 09644797
Charity Number: 01162666

Nekton Foundation

Report and financial statements
For the year ended 31 March 2025

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Nekton Foundation

Reference and administrative information

For the year ended 31 March 2025

Company number 09644797

Charity number 01162666

Registered office and operational address Begbroke Science Park
Begbroke Hill
Woodstock Road
Begbroke
OX5 1PF

Country of registration England & Wales

Country of incorporation The United Kingdom

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Chair:	Rupert Grey
Trustees:	Juliet Burnett
	Paul Jardine (resigned 13 October 2025)
	Paul Crowther
	Emily Penn
	Professor Callum Roberts
	Robert McCallum (Vice Chair)
	Vanessa Rice
	Will Goodlad
	Christopher Cunliffe (appointed 23 October 2025)

Key management personnel

Chief Executive:	Oliver Steeds
Chief Operating Officer:	Katherin Pertsinidis (appointed 5 May 2025)
Head of Finance & Central Operations:	Alex Murphy
Principal Scientist:	Dr. Lucy Woodall
Head of Science (Ocean Census):	Dr. Michelle Taylor (appointed 1 May 2025)
Head of Expeditions:	Joe Sharman
Head of Communications:	Kira Coley (resigned 31 December 2025)

Bankers Royal Bank of Scotland
1st Floor, Houblon House
62-63 Threadneedle Street
London
EC2R 8HP

Solicitors

Skadden, Arps, Slate, Meagher & Flom (UK) LLP
40 Bank Street,
Canary Wharf,
London,
E14 5DS

Blake Morgan LLP
Seacourt Tower
West Way
Oxford, OX2 0FB

Auditor

Sayer Vincent LLP
Chartered Accountants and Statutory Auditors
110 Golden Lane
LONDON
EC1Y 0TG

The trustees present their report and the audited financial statements for the period from 1st April 2024 to 31 March 2025, representing the annual reporting across the Foundation's activities.

Reference and administrative information set out on page 1 and 2 form part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

1. Objectives and activities

1.1 Purpose & Strategy

Nekton Foundation is a not-for-profit charitable organisation dedicated to advancing the scientific exploration of the ocean (an ocean institute). Nekton is focused on five core activities:

- **Expeditions: Our journeys of discovery:** From surface to depth, we co-develop and undertake expeditions with the philanthropic, commercial and national marine research fleets using divers, submersibles, Remotely Operated and Autonomous Underwater Vehicles (ROVs & AUVs), landers and other systems.
- **Applied Research: We aim to create step changes in our scientific knowledge of the ocean:** We co-develop and run marine science initiatives and applied research – at sea and on land – to advance scientific knowledge that can inform and catalyse policies and actions to safeguard marine ecosystems. All data is open access and owned by host nations and for the common good.
- **Accelerating Marine Species Discovery: We are reimagining discovery** - fast, open, collaborative, equitable and at scale – to advance fundamental science, empower conservation and fuel innovation to sustain and advance life on Earth.
- **Outreach & Storytelling: We believe in the power of stories to inspire change:** Our communications campaigns inspire wonder in ocean life, give voice to ocean leaders and communities and spark the curiosity and activism of an ocean-conscious global audience.
- **Knowledge Exchange: We strengthen equity through opportunity:** Our Knowledge Exchange programmes combat 'parachute science' and create opportunities for ocean scientists, conservationists, decision-makers and storytellers, to collectively forge a resilient ocean future for all.

1.1.1 How we create impact

Scientific exploration advances knowledge and drives progress.

We undertake small and large scale ocean scientific, communications and knowledge exchange programmes combining expeditions to discover new knowledge, initiatives to accelerate the discovery of ocean life whilst driving applied research that helps inform and catalyse ocean conservation and management policies.

Our storytelling and communications campaigns of the journeys of discovery gives voice to the ocean, ocean leaders and communities and inspires and deepens societal and cultural connection with the ocean.

Our knowledge exchange programmes strengthen equity through opportunity to forge a resilient ocean future for all. In combination, we harness the power of scientific exploration to create a more valued ocean – recognised for its essential role in supporting all life on Earth – and valued for scientific knowledge, ecosystem services, environmental stability, societal well-being, sustainable commercial activities, and cultural significance.

The accelerating loss of ocean biodiversity drives our urgency to discover and preserve ocean life for the generations to come.

Nekton directly supports the implementation of United Nations' Sustainable Development Goals (SDGs), with a focus on SDG 14: Life Below Water, the Commonwealth Blue Charter, and the UN Decade of Ocean Science for Sustainable Development. Our research and outreach contribute to the advancement of marine policy, conservation, and sustainable resource management

1.1.2 The Nekton Network

Nekton advances our knowledge of the ocean through expeditions, applied research, storytelling, and knowledge exchange. Our programmes are co-created with the Nekton Network—an alliance of scientists, governments, businesses, philanthropy, and civil society partners. Together, we work to create a more valued ocean, recognised for its essential role in supporting all life on earth.

1.1.3 Programmes

At Nekton, our strength lies in collaboration. We run all of our programmes, with, and on behalf of the Nekton Network combining over 100 international partners and scientists from over 350 participating academic institutes. Our programmes include:

- i. **First Descent 2018+** To explore and protect the Indian Ocean, with Omega and Kensington
- ii. **The Ocean Census 2023+:** The largest programme in history to discover ocean life, with The Nippon Foundation
- iii. **Ocean Rising: 2023+** Connecting culture and the ocean, with Schmidt Ocean Institute
- iv. **Yachts For Science 2022+:** Connecting marine researchers with private vessels, allowing yacht owners and crew to support vital ocean research

1.1.4 Funding & Business Model

Funding is through an Alliance of partners, and philanthropic grants and donations. Operations are implemented with Nekton's partners who share a common purpose to explore and protect the ocean.

1.1.5 Operations

Nekton operates globally with headquarters in Oxford, UK. Nekton is a UK registered charity no. (1162666)

1.2 The Programmes

1.2.1 Ocean Census

The Ocean Census is a ground-breaking 10-year international scientific endeavour co-founded with The Nippon Foundation. Endorsed by the UN Ocean Decade, its mission is to accelerate the discovery of ocean life for the future of our planet. The Ocean Census builds on The Census of Marine Life and other programmes and aims to:

- i. **Discover:** Accelerating the discovery, identification and classification of marine species before they are lost.
- ii. **Empower:** Uniting and strengthening an international network of taxonomists and marine scientists and developing equitable capacity and opportunity globally.
- iii. **Inform:** Providing open, accessible marine biodiversity data to advance science, policy, innovation and ocean protection.
- iv. **Engage:** Inspiring greater public, policy and scientific engagement to galvanise action to sustain, advance, conserve and preserve ocean life.

The Census is jointly undertaken by the Ocean Census Alliance – uniting national and philanthropic marine institutes, museums and universities, backed by governments, philanthropy, business and civil society partners.

The Ocean Census Science Network unites taxonomists and marine scientists from 600+ institutes to power the Census, advancing species discovery through expeditions, unlocking legacy collections, Species Discovery Workshops and Awards and harnessing imaging, sequencing and AI technologies.

The Ocean Census Team coordinates Alliance activities and the delivery of our core programmes — including expeditions, the Science Network, Species Discovery Workshops & Awards, the Biodiversity Data Platform along with public and policy engagement.

The Ocean Census is reimagining discovery - fast, open, collaborative, equitable and at scale – to advance fundamental science, empower conservation and fuel innovation to sustain and advance life on Earth.

The Ocean Census Limited is established as a wholly owned subsidiary of Nekton Foundation, Registered in England and Wales, incorporated on 10 May 2023

1.2.2 First Descent Indian Ocean 2018-2026

The Indian Ocean is the least scientifically researched and least protected ocean on Earth. Already home to nearly 2.7 billion people with an average age under 30, by 2050, 'the Ocean of the Centre' will be home to half of the world's population.

First Descent: Indian Ocean aims to galvanise the scientific exploration and conservation of the region through a series of marine research expeditions, MPA initiatives, knowledge exchange, and public engagement activities, working with and on behalf of Indian Ocean nations. Each Programme in the Indian Ocean combines national commitments to ocean protection, marine spatial planning, applied research to inform ocean policy, investments in knowledge exchange and inspirational communications to strengthen the public mandate for political action.

Projected impact: First Descent aims to achieve environmental, scientific, political and civil society impact through:

- **Building resilience to climate change:** Large ocean nations committed to and implementing ambitious plans to protect 30% of their ocean by 2030 - providing the economic, political and scientific case for a healthy, prosperous ocean and planet. *Nations working with Nekton: Seychelles, Maldives, South Africa, Comoros.*
- **Empowering diversity & knowledge exchange:** A diverse cadre of Indian Ocean leaders with capacity, skills and knowledge across marine science, ocean conservation and management, to support the implementation of ocean protection and the sustainable development of the blue economy.
- **Pioneering scientific knowledge:** Hundreds of new species, dozens of institutes participating and 60+ scientific papers incl. on climate change resilience and adaptation, biodiversity, fisheries and pollution to inform sustainable ocean management.
- **Inspiring ocean conservation:** Increasing the public support for political action in support of the Global Ocean Alliance call for 30% global ocean protection by 2030.

First Descent includes: Comoros (Pathfinder), Seychelles (2019-2022), Maldives (2022-2025), Comoros (2025-2026).

1.2.3 Ocean Rising

Founded in 2022 by Nekton and Schmidt Ocean Institute, Ocean Rising is an initiative to connect the ocean and culture.

The Ocean Rising is run as an Alliance – uniting ocean science, conservation, expeditions and story-telling with arts, fashion, sport, music, gaming, film and all cultural sectors.

The ocean side brings science, conservation, imagery, storytellers and access to major expeditions at sea. The cultural side brings the creative spark and enterprise to bring the ocean to people's lives through art, fashion, sport, literature, food, gaming and more. By working together, we interweave the ocean more into the fabric of everyday life.

The Ocean Rising has connected the ocean with culture through fashion (Paris Fashion Show, Vogue, Uniqlo), Art (Messums), festivals (Wilderness, First Light), in theatres and many more.

Simply, to connect people to the Ocean, we need to connect culture to the Ocean.

1.2.4 Yachts for Science

The goal of *Yachts for Science* is to provide thousands of hours of donated vessel time to marine scientists globally - and help power ocean research and discovery.

The need: Thousands of marine science and conservation initiatives across the global ocean are struggling to get time at sea to undertake critical research. They are reliant on very limited, large-scale and hugely expensive national marine research vessels, equipment and infrastructure.

The opportunity: The world's private vessel fleet is found across every ocean. Most are permanently maintained and crewed for the owners' use and are often underutilised. When not in personal use or on charter, there are large periods of the year when the vessels are idle or transiting the ocean, potentially

available for vital research. The world's private vessel fleet is an immense, largely untapped global platform for field research — offering an opportunity to widen access for initiatives that urgently need time at sea

The solution: Yachts for Science matches ocean science projects with private vessels offering free sea time. All vessels are vetted and assessed for their availability in different geographies and suitability for a range of different scientific field projects.

2. Activities and Accomplishments 2024/2025

The 2024-25 reporting period was a year of significant growth of our core programmes and strategic realignment for the Nekton Foundation. Our core mission - to advance the scientific exploration and protection of the ocean - remained our guiding principle as we navigated new opportunities and challenges. This period saw a major push to scale our Ocean Census programme, the formal extension of our First Descent: Indian Ocean strategy, and the expansion of key initiatives like Ocean Rising and Yachts for Science.

The highlights include:

- **38%** increase in annual marine species discovery rates
- 909 Species discovered*
- 6 Expeditions across our oceans (South Sandwich Islands, Arctic Deep, Philippine Sea, Antarctica, Nazca Ridge, Maluku Islands)
- World first sighting and recording of a live Colossal Squid on the South Sandwich Island expedition.
- 500+ Institutes represented in the Science Network*
- 100+ partners
- 1700+ news features (Ocean Census only)
- 30,000+ in-person audience reached by Ocean Rising events.

**Accumulative since the start of the mission.*

Watch:

- [Ocean Census: Reimagining Discovery](#): 2 mins 5 sec
- [Over 800 new species discovered](#): 2 mins 34 sec

2.1 Programmes

2.1.1 The Ocean Census

Highlights:

- **38%** increase in annual marine species discovery rates
- **909** new species discovered since the launch of the programme.
- **1000+** scientists in Science Network from **77** countries.
- **55** partners.
- **6** expeditions completed, including a flagship mission to the South Sandwich Islands.
- **19** Species Discovery Awards and **5** workshops held to accelerate taxonomy.
- Generated over **1000** news features.

- **34%** increase in social media engagement.

The Ocean Census, our ground-breaking international scientific endeavour co-founded with The Nippon Foundation, completed its second year. The programme's success rests on global collaboration, with over **800 scientists** now registered in our Science Network from **over 400 institutes** across **77 countries**. This extensive network is central to our species discovery efforts, allowing us to operate at a scale far beyond what we could achieve alone.

Our focus for the year was to develop a robust and effective species discovery pipeline. While this process proved more complex and slower than anticipated, a strategic review led to a significant course correction. Our science team, under the interim leadership of Dr Lucy Woodall, shifted its focus from undertaking research to managing and coordinating the global species discovery process implemented at scale through the Ocean Census Science Network of participating scientists. This included the recruitment of new key personnel, such as Dr Michelle Taylor as the incoming Head of Science, and Dr Belén Arias as the Science Manager for Species Discovery and Sequencing.

Species Discovery and Data

Despite initial challenges, our efforts yielded substantial results. During the 15 months since discovery operations began in November 2023, 909 new species were discovered representing a 38% increase in the global annual marine species discovery rate. Discoveries range across 16 different phyla, from 24 different regions in the global ocean and with over 800 taxonomists involved. These discoveries are now published open access through a newly developed Biodiversity Data System (BETA) which enables new species data to be available to science, policy and civil society stakeholders.

Expeditions

Expeditions enable the collection of new species. Expeditions are undertaken not as single vessel on a single voyage, rather through a network of voyages with partners from the scientific and philanthropic research fleet. In 2024-25, we completed six expeditions and have 15 planned for Year 3, illustrating our commitment to global exploration. Highlights included:

- **Arctic Deep:** A flagship expedition in partnership with UiT (The Arctic University of Norway) and REV Ocean to explore deep-sea ecosystems. The taxonomic workshop held in Tromsø resulted in the discovery of approximately 20 new species.
- **JAMSTEC Philippine Sea:** We sponsored two taxonomists from our Science Network to join this partner expedition, further strengthening our collaboration with Japan.
- **Schmidt Ocean Institute (SOI) Expeditions:** We continued our partnership with SOI on expeditions to the Nazca Ridge and Antarctica, which collectively resulted in a significant number of new species discoveries.
- **UNSEEN Expeditions:** We supported a technical diving expedition to the Maluku islands in Indonesia, marking our first exploration in the highly biodiverse Coral Triangle.
- **South Sandwich Islands:** A flagship expedition with Schmidt Ocean Institute, focusing on species discovery using the ROV SuBastian, which also resulted in first-ever footage of a colossal squid.

Workshops and Awards

Our Species Discovery Workshops and Awards unite taxonomists from the Science Network to identify, catalogue and publish new species from expeditions and from 'Legacy Collections' (previously collected specimens from other expeditions but not yet identified). In Year 2, we held five workshops, including those in Tromsø (Arctic Deep), Chile, New Zealand, and South Africa, working through specimens from multiple expeditions. The 19 Species Discovery Awards granted in 2024-25 spurred the discovery of hundreds of new species including a new species of guitar shark, discovered off the coast of Tanzania and a new species of Gorgonian octocoral from the North Pacific Ocean, near Hawai'i.

Communications

Our communications efforts have demonstrated major public news and social media interest in species discovery. Our campaign around the South Sandwich Islands expedition and the colossal squid footage generated over 1000 news features with a potential audience reach of nearly 6 billion. Our social media engagement increased by 34%.

2.1.2 First Descent: Indian Ocean

Highlights:

- Extended our mission strategy to 2028.
- Developed and secured funding for a new mission, **First Descent: Comoros**.
- Published several key scientific papers from work in the Maldives and Seychelles.
- Hosted Maldivian scientists for a zooplankton research fellowship in our Oxford lab.

We swiftly developed and secured funding for a new mission, **First Descent: Comoros**, with an expedition scheduled for October-November 2025. This mission, a partnership with the Government of Comoros and a host of international and regional partners, will inform the expansion of marine protected areas in the region.

Our post-expedition work in the **Maldives** and **Seychelles** is also concluding. Several scientific papers were published, including the "**Vulnerability of tropical fish communities across depth in the central Indian Ocean**" and the "**Benthic Field ID Guide**." We continued our commitment to knowledge exchange, with Maldivian scientists completing a zooplankton research fellowship at our Oxford lab.

2.1.3 Ocean Rising

Highlights:

- **30,000+** in-person audience reached through events.
- Launched collaborations with **UNIQLO** and other fashion partners.
- Successfully piloted new initiatives in theatre, art, and sports.
- Grew a digital community with a goal of **3 million+** reach.

Co-founded with Schmidt Ocean Institute, Ocean Rising aims to connect culture and the ocean. We received a grant from Kensington to scale the programme, and activities are now underway across multiple cultural sectors:

- **Fashion:** Our collaboration with UNIQLO rolled out across Europe and Asia. A new swimwear collection, featuring images of deep-sea creatures, was launched with Smart Swimwear.
- **Theatre & Art:** We collaborated with WORDTheatre and Messums Gallery to host an "Oh for Oceans!" symposium and theatre events in London and Los Angeles. These events use art, film, and short stories to inspire a deeper connection with the ocean.
- **Sports:** We held a workshop for leaders in the sport industry to explore how the sector can better integrate ocean themes.

Our in-person events reached an audience of over **30,000 people**, and our digital community and reach continue to grow, with a goal of **3 million+ reach** in 2025, with a new Ocean Rising Ambassador Programme and new cultural events with festivals, sports, art and fashion.

2.1.4 Yachts for Science

Highlights:

- Initiated **3** new matches with **5** in process.
- Successfully facilitated projects on great white sharks, marine mammal protection, and seagrass restoration.
- Repositioned the programme to emphasize its science-led purpose.

Yachts for Science – in partnership with BOAT, EYOS and the Ocean Family Foundation continues in its pilot phase to develop and prove the model for matching marine scientists with privately owned vessels to provide free ship time. This year, the programme was repositioned with a greater emphasis on science, and we successfully facilitated several key projects, including:

- A **Great White Shark Chase** in the Mediterranean with SY Blue Titan.
- Research on marine mammal protection in the **Dominican Republic** with MY Papillion.
- A project to advance seagrass restoration in the **UK Solent**.

2.1.5 Ocean Awards

Highlights:

- Presented **4** awards celebrating champions of ocean conservation.
- Partnered with BOAT International and Kensington Yachts.
- Judged **37** submissions to select **12** shortlisted entries.

We were proud to become a partner in the Ocean Awards, presented by BOAT International and supported by Kensington Yachts. Nekton jointly managed the judging and content for the awards, which celebrated champions of ocean conservation. This year, the winners of the **four categories** included Project Hiu (Innovation Award) and Sandra Bessudo (Science Impact Award).

2.1.6 Extreme E

Highlights:

- Continued our partnership with the global electric SUV racing series.
- Our Principal Scientist, Dr. Lucy Woodall, led science and conservation efforts at race sites.

Our partnership with the Extreme E racing series continued, with Principal Scientist Dr. Lucy Woodall leading Nekton's science and conservation efforts at race sites.

2.2. The Nekton Alliance

Our work in 2024-25 has been made possible through the generosity and support, financially and in-kind, of our Alliance partners and philanthropic supporters along with the efforts and dedication of our staff and advisors. We would like to take this opportunity to thank everyone who has supported our work throughout the year.

The Nekton Alliance is a diverse and growing collective that enables us to operate at scale, leverage a vast network of expertise and resources, and deliver the greatest possible impact globally. The Alliance is central to our operational model, providing not just financial support but critical in-kind contributions from vessels and technology to scientific personnel and media distribution channels, which are essential for implementing our programmes.

Founding Partners of Nekton: Kensington (Navigatr), AXA, Garfield Weston Foundation

First Descent Mission Partners: Omega, Kensington

Ocean Census Co-Founder: The Nippon Foundation.

Ocean Rising Co-Founder: Schmidt Ocean Institute.

Yachts for Science Partners: EYOS, BOAT, Ocean Family Foundation

Strategic Partner activities have included:

- **Schmidt Ocean Institute (SOI):** Provided the *R/V Falkor (II)* for our flagship mission to the South Sandwich Islands.
- **JAMSTEC:** Collaborated with us on the Philippine Sea expedition, strengthening our ties with Japan.
- **UNSEEN Expeditions:** Provided technical diving expertise for our Maluku expedition in the Coral Triangle.
- **Government of Comoros WildTrust** and **CORDIO-East Africa:** Key new partners on our upcoming First Descent: Comoros mission.
- **EYOS Expeditions, BOAT International, and the Ocean Family Foundation:** Vital partners in the success of our Yachts for Science programme.
- **UNIQLO** and **Redress:** Collaborated on an ocean-inspired fashion line as part of our Ocean Rising programme.
- **WORDTheatre** and **Messums Gallery:** Partners in connecting culture and the ocean through theatre and art events in London and Los Angeles with Ocean Rising.

3. Beneficiaries of our services

The trustees confirm that they have given due regard to the Charity Commission guidance on public benefit when reviewing the charity's aims and objectives, planning future strategy and setting policy. The work of the charity plays a key part in understanding and combating the threats to our oceans and provides a radical alternative to traditional, government-led approaches.

Nekton is committed to achieving sustainable ocean governance, through scientific exploration, communications and education, capacity development and policy change.

Our activities benefit marine scientists, with whom we collaborate to exchange knowledge and develop multi-disciplinary practices; and whose work we fund, promote and expedite. Our work benefits educators and the general public, through the production and distribution of engaging educational materials and short films. Our work benefits government and non-governmental policy-makers, tasked with sustainably managing ocean health and resources. Our work benefits schools, educators, the media and general public,

providing content and resources to inspire greater awareness and deepen understanding of the importance of the ocean.

Ultimately, we all depend on a healthy and sustainably managed ocean. The ocean supports millions of livelihoods via fisheries and tourism, regulates climate and plays a major role in carbon capture and storage. This report sets out our activities and achievements to date and illustrates how these benefit our oceans and society.

4. Financial review

The combined results of Nekton Foundation and its wholly owned trading subsidiaries Nekton Enterprises Limited and Ocean Census Limited are consolidated.

In the year to 31 March 2025, Nekton secured incoming resources of £3,200k which, after expenditure of £5,443k, and other recognised losses relating to foreign exchange of £76k, resulted in a deficit in the year of £2,319k. Brought forward restricted reserves include restricted income received in the prior year dedicated to expenditure for operational activities within the current year 2024-25.

Of the total expenditure of £5,443k for the year, £3,241k related to the development and execution of the expeditions, £1,003k was incurred on Nekton's science programme, and £936k on Nekton's Communications and Education programme including ocean literacy. The remaining expenditure was incurred on fundraising and overall management of the organisation.

Efforts continue towards seeking new funding to undertake further innovation projects in support of sustainable ocean governance.

Charity's Reserves

The charity held total funds at 31 March 2025 of £2,182k. £1,804k is restricted and £378k unrestricted. Of the restricted funds £904k is restricted to First Descent Indian Ocean missions and initiatives, £855k is restricted to the Ocean Census programme, and the remaining £45k restricted funds comprises the remaining work on organisational growth, Ocean Awards and Global Voyage.

Nekton recognises the building of unrestricted reserves as an important measure for financial resilience, to allow for a variety of unexpected events such as: potential drops in expected income, to meet the demands of new projects and opportunities, to meet unforeseen operational requirements or to support short term cash flow requirements.

An amount of £131k held in unrestricted reserves to cover three months of reduced core operating costs would provide financial resilience for the charity to respond to unexpected events. The charity also regularly reviews its assessment of closure costs, which include unfunded redundancy costs and other closure and restructure commitments, and this is currently forecast at £112k. A total of £243k of unrestricted reserves therefore is the target requirement for unforeseen events and closure costs for the coming year. This would be covered by the unrestricted reserves of £378k held at 31 March 2025.

£200k of secured income for the year 2026-27, which is dedicated to management costs can be repurposed to fund closure costs. These costs were excluded from the considerations in the above unrestricted reserves allocations.

As at 31 March 2025 no specific reserves were designated.

5. Principal risks and uncertainties

The management team reviews risk regularly and maintains a detailed risk register with mitigating actions together with a comprehensive crisis management plan for field operations.

The long-term funding for Nekton's large-scale programme, the Ocean Census, which commenced in 2023, provides a strong foundation for financial resilience. Long-term funding from the co-founder of the Programme, The Nippon Foundation, is expected. The initial few years of the programme seen the successful development of the systems, processes and networks to scale species discovery whilst successfully accelerating marine species discovery rates. As one of the leading and most visible large scale programmes of the United Nations Ocean Decade, the Ocean Census is well placed to grow significantly in scale and impact, supported by a growing number of different funders, ensuring sustainability and demonstrating Nekton's growing leadership in ocean science.

Looking ahead, through the expansion of our activities and focus on fundraising, Nekton is expected to grow substantially. The risks and uncertainties of this growth will be continuously managed. The successful recruitment of a new Chief Operating Officer and Head of Science for Ocean Census, alongside expert guidance from our Development Consultant, has been crucial in mitigating key aspects of these risks by strengthening our operational and leadership capacity and focus on growth and resilience.

Our principal operational risk continues to be the management of complex marine operations, which involve people in the depths of the ocean. The expansion of a dedicated expeditions team, which draws on the existing success, has been important. Our partnerships with leading subsea technology businesses, industry-leading standards for safe and productive operations, and world-leading expertise on our Board of Trustees and dedicated Expeditions Committee provide a strong foundation for the team to continue to execute safe and productive expeditions.

We have sufficient funds to complete all current activities, invest in business development, undertake the next major strategic phase with the Ocean Census programme, and maintain reserves. The primary financial risk is a reliance on a limited number of funders. To mitigate this risk, we have developed a comprehensive brand and growth strategy, with guidance from our new Development Consultant, to diversify and scale our funding streams. This strategy is focusing on three tiers of funding: philanthropic capital and grants, in-kind contributions, and corporate partnerships.

Nekton holds all relevant legal agreements with service providers (suppliers) and partners, and insurance policies which cover all pertinent areas of risk including: rules of engagement with Nekton; intellectual property rights; ship and submersible charter; specific risk relating to expedition operations; theft, damage and loss of equipment, assets and cash; professional indemnity; personal injury and death; employers' liability; public liability; and Management and Trustees' liability.

The trustees believe the charity remains a going concern and strengthened by recent funding commitments received.

6. Plans for the future

6.1 Programmes

Building on the foundation established this year, our plans for 2025-26 are ambitious and focused on scaling our impact through our programmes and ensuring the long-term sustainability of the Foundation.

- **First Descent: Indian Ocean**
 - **First Descent: Comoros 2025-2026:** In partnership with the Government of Comoros, and Comorian science and civil society partners with the expedition and Voice of Comoros communications campaign scheduled for October-November 2025. This will be followed by a Species Discovery Workshop in early 2026 and the completion of science-to-policy work by the end of the year.
 - **First Descent: Maldives and Seychelles:** The post-expedition work for the Maldives and Seychelles missions will be formally concluded, with final data analysis and publication.
- **The Ocean Census**
 - **Species Discovery:** The primary target for Year 3 (April 2025 to March 2026) is to discover 1500+ new species.
 - **Expeditions:** 10+ expeditions are planned, including a flagship mission with JAMSTEC and their submersible Shinkai 6500. We will also launch the new Ocean Census Expedition Awards to provide further opportunities for scientists in our network.
 - **Science and Data:** We will publish a key peer-reviewed scientific paper on the Census's approach, processes, and quality assurance, led by the new Head of Science, Dr Michelle Taylor. The new Biodiversity Data Platform will be developed to enhance data management and accessibility.
 - **Taxonomy:** 6 major regional taxonomic workshops and expansion of the Taxonomy Awards.
 - **Communications:** A new Ocean Census website will be launched to align with our refreshed brand narrative.
- **Ocean Rising**
 - We will scale up activities across the year, with a dozen events planned in the US, Europe, and the UK, combining art, fashion, sports, music, and theatre.
 - The collaboration with UNIQLO will roll out across Asia, and a new podcast will be launched with Oceanographic.
 - A key priority is to launch an Ambassador Programme and secure a major brand sponsor.
- **Yachts for Science:**
 - Our focus will be on securing a significant grant for a three-year growth plan to scale the initiative. We will continue to facilitate new projects, including those in the Arctic Circle and Northern Patagonia. The programme's website will be updated to reflect its new science-led positioning.
- **Ocean Awards:**

- We will continue to co-host the winners at the annual Ocean Talks event in London in June 2025, providing a platform to recognise, celebrate and promote their achievements.

6.2 Organisational Development

- **Strategy 2030+:** The final draft of our long-term strategy will be developed and presented to the Board in 2026, with a public presentation scheduled for the Nekton 10th Anniversary event in June 2026.
 - **Team Development:** The team is expected to develop by the end of 2025, with ongoing recruitment for key roles to support the programme, notably including a new Head of Fundraising.
-

7. Structure, governance and management

The organisation is a charitable company, limited by guarantee, registered with the Charity Commission on 14 July 2015 and incorporated on 17 June 2015. The charity is constituted under its Memorandum and Articles of Association dated 17 June 2015 which established the objects and powers of the charitable company and is governed under its articles of association.

The directors, who are also the trustees of the charity, are recruited by direct interest in the charity. Trustee induction has taken place with reference to the guidance published by the Charity Commission.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Note 8 to the accounts.

Day-to-day management of the charity is delegated to the senior management team. Our approach to remuneration is to ensure Nekton can attract and retain a talented and motivated team to achieve our mission and deliver our strategic goals, whilst taking into account pay scales of similar and partner organisations and charity sector pay surveys.

7.1 Key management personnel for 2025+

Chief Executive:	Oliver Steeds
Chief Operating Officer:	Katherin Pertsinidis (appointed 5 May 2025)
Head of Finance & Central Operations	Alex Murphy
Principal Scientist:	Associate Professor Lucy Woodall
Head of Science (Ocean Census)	Dr Michelle Taylor (appointed 1 May 2025)
Head of Expeditions	Joe Sharman
Head of Communications	Kira Coley (resigned 31 December 2025)

7.2 Appointment of trustees

The charity is required to have at least three Trustees and a maximum of ten Trustees.

Additional trustees are co-opted by the board and management team to ensure the best mix of skills and experience attuned to the needs of the charity. Upon election new trustees meet the chair and chief executive and attend an induction meeting which includes a presentation on the organisation; the opportunity to meet key staff and a question-and-answer session. New trustees are also provided with the charity's business plan, financial statements, and any other documents requested. Trustees collectively identify any governance training needs and who best to undertake the training identified. Nekton Foundation does not engage in public fundraising. Nekton Foundation nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and Nekton Foundation received no complaints relating to its fundraising practice.

7.3 Related parties and relationships with other organisations

Nekton Foundation has two wholly-owned subsidiaries, Nekton Enterprises Limited (NEL) and Ocean Census Limited. NEL was incorporated on 25th April 2016 and has been established to undertake commercial activities such as sponsorship which generate income for the benefit of Nekton Foundation. OCL was incorporated on 10 May 2023 and has been established to undertake the Ocean Census programme.

EYOS is a funder for the Yachts for Science programme. The CEO of EYOS, Rob McCallum is a Nekton Foundation Trustee.

Nekton works closely with Encounter EDU to develop, produce and disseminate its Submarine STEM educational programme. Encounter EDU creates educational outreach programmes which bring expedition science and exploration into classrooms through collaborations between explorers, scientists, teachers and pupils. Nekton's Chief Executive Oliver Steeds co-founded Digital Explorer (renamed in 2019 as Encounter EDU). He is not involved in the day-to-day running of the organisation and has never received remuneration from it.

7.4 Statement of responsibilities of the trustees

The trustees (who are also directors of Nekton Foundation for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent

- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees on 31 March 2025 was 9 (2024:9). The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

8. Auditors

Sayer Vincent LLP were appointed as the charitable company's auditor during the year and have expressed their willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 30 January 2026 and signed on their behalf by

Vanessa Rice
Trustee

Independent auditors' report

To the members of

Nekton Foundation

Opinion

We have audited the financial statements of Nekton Foundation (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 March 2025 which comprise the consolidated statement of income and retained earnings, the group and parent company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including 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).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2025 and of the group's loss for the period then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Nekton Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are

Independent auditors' report

To the members of

Nekton Foundation

required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 directors' annual report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- The directors' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- Adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees 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 trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with

Independent auditors' report

To the members of

Nekton Foundation

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the companies' policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the company operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the company from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Independent auditors' report

To the members of

Nekton Foundation

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.

Jonathan Orchard (Senior statutory auditor)

Date: 30 January 2026

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

Nekton Foundation

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2025

	Note	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Income from:							
Donations and legacies	2	2,320	–	2,320	37,664	–	37,664
Charitable activities							
Missions	3	–	3,189,085	3,189,085	–	7,315,866	7,315,866
Other trading activities	4	8,333	–	8,333	31,250	–	31,250
Total income		10,654	3,189,085	3,199,739	68,914	7,315,866	7,384,780
Expenditure on:							
Raising funds	5	2,594	–	2,594	2,078	–	2,078
Charitable activities							
Missions	5	5,724	3,270,007	3,275,731	100,879	2,111,617	2,212,496
Science and Research	5	11,397	1,067,807	1,079,204	80,160	890,317	970,477
Communication and Education	5	29,589	1,055,726	1,085,315	58,829	893,756	952,585
Total expenditure		49,304	5,393,540	5,442,844	241,946	3,895,690	4,137,636
Net (expenditure)/ income for the year		(38,650)	(2,204,455)	(2,243,105)	(173,032)	3,420,176	3,247,145
Transfers between funds		–	–	–	–	–	–
Other recognised losses: foreign exchange		(19,065)	(56,385)	(75,450)	(9,540)	(68,066)	(77,606)
Tax on profits on ordinary activities		–	–	–	(1,150)	–	(1,150)
Net (expenditure/ income before other recognised gains and losses)		(57,715)	(2,260,840)	(2,318,555)	(183,722)	3,352,110	3,168,389
Net movement in funds		(57,715)	(2,260,840)	(2,318,555)	(183,722)	3,352,110	3,168,389
Reconciliation of funds:	17b						
Total funds brought forward		435,870	4,064,621	4,500,491	619,592	712,511	1,332,103
Total funds carried forward		378,154	1,803,782	2,181,936	435,870	4,064,621	4,500,491

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17a to the financial statements.

As at 31 March 2025

	Note	The group 2025 £	2024 £	The charity 2025 £	2024 £
Fixed assets:					
Tangible assets	11	353,482	285,846	321,266	264,023
		<u>353,482</u>	<u>285,846</u>	<u>321,266</u>	<u>264,023</u>
Current assets:					
Debtors	13	88,090	47,429	396,626	508,282
Cash at bank and in hand		2,114,800	4,758,547	1,775,386	4,319,679
		<u>2,202,890</u>	<u>4,805,976</u>	<u>2,172,012</u>	<u>4,827,961</u>
Liabilities:					
Creditors: amounts falling due within one year	14	(374,436)	(591,331)	(396,983)	(656,836)
		<u>1,828,454</u>	<u>4,214,645</u>	<u>1,775,029</u>	<u>4,171,125</u>
Net current assets					
		<u>2,181,936</u>	<u>4,500,491</u>	<u>2,096,295</u>	<u>4,435,148</u>
Total net assets					
		<u>2,181,936</u>	<u>4,500,491</u>	<u>2,096,295</u>	<u>4,435,148</u>
Funds:	17a				
Restricted income funds		1,803,782	4,064,621	1,803,782	4,055,081
Unrestricted income funds:					
General funds		378,154	435,870	292,513	380,067
		<u>378,154</u>	<u>435,870</u>	<u>292,513</u>	<u>380,067</u>
Total unrestricted funds		<u>378,154</u>	<u>435,870</u>	<u>292,513</u>	<u>380,067</u>
Total funds		<u>2,181,936</u>	<u>4,500,491</u>	<u>2,096,295</u>	<u>4,435,148</u>

Approved by the trustees and signed on their behalf by

Vanessa Rice
Trustee

Date: 30 January 2026

Nekton Foundation

Consolidated statement of cash flows

For the year ended 31 March 2025

	Note	2025 £	£	2024 £	£
Cash flows from operating activities	18				
Net cash (used in)/ provided by operating activities		(2,443,594)		3,546,286	
Cash flows from investing activities:					
Purchase of fixed assets		(124,702)		(222,123)	
Net cash provided by / (used in) investing activities		(124,702)		(222,123)	
Change in cash and cash equivalents in the year		(2,568,296)		3,324,163	
Cash and cash equivalents at the beginning of the year		4,758,547		1,513,140	
Change in cash and cash equivalents: due to exchange rate movements		(75,450)		(77,606)	
corporation tax liability		–		(1,150)	
Cash and cash equivalents at the end of the year	19	2,114,800		4,758,547	

1 Accounting policies

a) Statutory information

Nekton Foundation is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address (and principal place of business) is Begbroke Science Park, Begbroke Hill, Woodstock Road, Begbroke, OX5 1PF.

b) 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) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Consolidation

These financial statements consolidate the results of the charitable company and its two wholly-owned subsidiaries – Nekton Enterprise Limited and Ocean Census Limited – on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the three companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

d) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

e) Going concern

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

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

f) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting policies (continued)

g) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

h) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

i) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

j) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of developing and undertaking the missions, research and education undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

k) Government grants

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred."

l) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

1 Accounting policies (continued)

m) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Support and governance costs are re-allocated to each of the activities based on time attributable to each activity

● Cost of raising funds	0%
● Missions	14%
● Science and research	58%
● Communication and education	29%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

n) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

o) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Scientific Equipment	10 years
● Filming & Communications equipment	3 years
● Computer equipment	3 years
● Office and lab furniture	10 years

p) Investments in subsidiaries

Investments in subsidiaries are at cost.

q) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

r) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

s) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

t) Creditors and provisions

Creditors and provisions are recognised where the charity 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2025 Total £	2024 Total £
Donations	2,320	–	2,320	37,644
	<u>2,320</u>	<u>–</u>	<u>2,320</u>	<u>37,644</u>

Prior Year

	Unrestricted £	Restricted £	2024 Total £
Donations	37,644	–	37,644
	<u>37,644</u>	<u>–</u>	<u>37,644</u>

3 Income from charitable activities

	Unrestricted £	Restricted £	2025 Total £	2024 Total £
Ocean Census Year 1	–	–	–	3,817,648
Ocean Census Year 2	–	2,300,459	2,300,459	3,167,655
Ocean Census Launch	–	–	–	150,314
Ocean Awards	–	12,000	12,000	–
Global Voyage	–	128,550	128,550	–
First Descent: Indian Ocean	–	536,789	536,789	132,252
Indian Ocean Development	–	78,375	78,375	–
First Descent: India	–	59,708	59,708	–
India Deep Reef Expedition: Feasibility	–	–	–	24,865
eDNA Seahorses	–	–	–	11,000
Deep Sea & Ocean Science MOOC	–	14,521	14,521	7,132
Yachts for Science	–	45,000	45,000	5,000
PEI / iSimangalisa	–	13,683	13,683	–
Total income from charitable activities	<u>–</u>	<u>3,189,085</u>	<u>3,189,085</u>	<u>7,315,866</u>

Prior Year

	Unrestricted £	Restricted £	2024 Total £
Ocean Census Year 1	–	3,817,648	3,817,648
Ocean Census Year 2	–	3,167,655	3,167,655
Ocean Census Launch	–	150,314	150,314
First Descent: Indian Ocean	–	132,252	132,252
India Deep Reef Expedition: Feasibility	–	24,865	24,865
eDNA Seahorses	–	11,000	11,000
Deep Sea & Ocean Science MOOC	–	7,132	7,132
Yachts for Science	–	5,000	5,000
Total income from charitable activities	<u>–</u>	<u>7,315,866</u>	<u>7,315,866</u>

Charitable activities income above includes £2,331,259 of gifts-in-kind (2024: £535,844).

4 Income from other trading activities

	Unrestricted £	Restricted £	2025 Total £	2024 Total £
Other	8,333	–	8,333	31,250
	<u>8,333</u>	<u>–</u>	<u>8,333</u>	<u>31,250</u>

Prior Year

	Unrestricted £	Restricted £	2024 Total £
Other	31,250	–	31,250
	<u>31,250</u>	<u>–</u>	<u>31,250</u>

5a Analysis of expenditure

	Charitable activities							
	Raising funds	Missions	Science and Research	Communications and Education	Governance costs	Support costs	2025 Total	2024 Total
	£	£	£	£	£	£	£	£
Staff costs (Note 7)	–	114,099	253,953	496,867	–	28,759	893,679	895,434
Consultant & staff related costs	413	79,203	384,398	154,675	–	21,951	640,640	951,865
Mission control / operations	–	2,901,574	85,971	65,723	–	39,580	3,092,848	1,565,116
Equipment and consumables	–	26,964	27,435	9,178	–	2,125	65,702	113,463
Science grants	–	674	86,322	–	–	–	86,996	–
Fundraising	–	–	1,160	21,926	–	1,399	24,485	72,201
Science costs	–	–	3,618	2,400	–	–	6,018	2,991
Travel and subsistence	2,141	98,129	153,790	63,562	–	15,402	333,024	255,956
Professional services	–	4,585	1	14,492	13,577	44,395	77,050	161,857
Insurance	–	15,127	1,427	15,024	–	7,772	39,350	31,276
Telephone, IT and office costs	–	436	2,667	80,141	–	19,475	102,719	45,824
Membership and subscriptions	40	532	1,848	11,479	–	7,269	21,168	14,006
Bank charges	–	2	44	34	–	2,016	2,096	1,105
Depreciation	–	–	–	–	–	57,068	57,068	26,542
	2,594	3,241,328	1,002,633	935,501	13,577	247,211	5,442,844	4,137,636
Support costs	–	27,614	73,177	146,420	–	(247,211)	–	
Governance costs	–	6,789	3,394	3,394	(13,577)	–	–	
Total expenditure 2025	2,594	3,275,731	1,079,204	1,085,315	–	–	5,442,844	4,137,636
Total expenditure 2024	2,078	2,212,496	970,477	952,585	–	–	4,137,636	

Of the total expenditure £49,304 was unrestricted (2024: £241,946) and £5,393,540 was restricted (2024: £3,895,690).

5b Analysis of expenditure (prior year)

	Charitable activities							
	Raising funds	Missions	Science and Research	Communications and Education	Governance costs	Support costs	2024 Total	2022 Total
	£	£	£	£	£	£	£	£
Staff costs (Note 7)	–	241,039	211,916	174,591	–	111,423	738,969	447,468
Consultant & staff related costs	578	166,086	532,673	405,958	–	3,035	1,108,330	251,596
Mission control / operations	–	1,385,040	35,369	134,890	–	9,817	1,565,116	2,113,896
Equipment and consumables	–	69,972	35,564	5,983	–	1,944	113,463	284,800
Fundraising	401	65	852	70,062	–	821	72,201	20,841
Science costs	–	169	2,721	101	–	–	2,991	2,690
Travel and subsistence	620	198,926	9,808	39,903	–	6,699	255,956	74,050
Professional services	–	48,145	18,525	27,786	13,559	53,842	161,857	46,615
Insurance	–	22,615	–	–	–	8,661	31,276	35,019
Telephone, IT and office costs	479	983	1,128	28,761	–	14,473	45,824	12,121
Membership and subscriptions	–	1,220	1,267	7,315	–	4,204	14,006	4,774
Bank charges	–	90	59	80	–	876	1,105	1,872
Depreciation	–	–	–	–	–	26,542	26,542	17,563
	2,078	2,134,350	849,882	895,430	13,559	242,337	4,137,636	3,313,305
Support costs	–	71,366	117,205	53,766	–	(242,337)	–	
Governance costs	–	6,780	3,390	3,389	(13,559)	–	–	
Total expenditure 2024	2,078	2,212,496	970,477	952,585	–	–	4,137,636	3,313,305
Total expenditure 2022	901	2,388,220	505,275	418,909	–	–	3,313,305	

Notes to the financial statements

For the year ended 31 March 2025

6 Net income for the year

This is stated after charging:

	2025 £	2024 £
Depreciation	51,034	26,542
Operating lease rentals:		
Property	18,024	18,024
Auditors' remuneration (excluding VAT):		
Audit	9,400	8,900
Other services	5,250	5,000
Foreign exchange losses	75,450	77,606
	<u>159,158</u>	<u>135,072</u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2025 £	2024 £
Salaries and wages	773,695	643,610
Social security costs	88,919	69,235
Pension costs	31,065	26,124
Consultants costs	–	–
	<u>893,679</u>	<u>738,969</u>

Four employees earned more than £60,000 during the year (2024: 2).

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2025 No.	2024 No.
£60,000 – £69,999	3	–
£70,000 – £79,999	–	1
£140,000 – £149,999	1	–
£160,000 – £169,999	–	1
	<u>4</u>	<u>2</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £390,757 (2024: £283,692).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2024: £nil). No charity trustee received payment for professional or other services supplied to the charity (2024: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2024: £nil) incurred by 0 (2024: 0) members relating to attendance at meetings of the trustees.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 14 (2024: 9).

9 Related party transactions

Nekton Foundation owes £110,670 (2024: £110,753) to its wholly owned subsidiary Nekton Enterprises Limited.

Nekton Foundation is owed £123,985 (2024: £252,242) from its wholly owned subsidiary Ocean Census Limited.

There were no related party transactions in the year.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiaries Nekton Enterprises Limited and Ocean Census Limited gift aid available profits to the parent charity.

11 Tangible fixed assets**The group & Charity**

	Scientific equipment £	Filming & Communica- tions equipment £	Computer equipment £	Office and lab furniture £	Total £
Cost					
At the start of the year	356,064	24,070	25,078	5,095	410,308
Additions in year	102,796	12,771	9,135	–	124,702
At the end of the year	<u>458,860</u>	<u>36,842</u>	<u>34,213</u>	<u>5,095</u>	535,010
Depreciation					
At the start of the year	79,846	22,357	18,913	3,344	124,460
Charge for the year	45,886	4,629	6,043	510	57,068
At the end of the year	<u>125,732</u>	<u>26,987</u>	<u>24,955</u>	<u>3,854</u>	181,528
Net book value					
At the end of the year	<u>333,128</u>	<u>9,855</u>	<u>9,258</u>	<u>1,241</u>	353,482
At the start of the year	<u>276,218</u>	<u>1,713</u>	<u>6,165</u>	<u>1,751</u>	285,847

All of the above assets are used for charitable purposes.

12a. Subsidiary undertaking – Nekton Enterprises Limited

The charitable company owns 100% of the voting rights of Nekton Enterprises Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. Available profits are gift aided to the charitable company. The Chief Executive of Nekton Foundation, Oliver Steeds, is also director of the subsidiary. A summary of the results of the subsidiary is shown below:

	2025 £	2024 £
Turnover	8,333	31,250
Cost of sales	(2,785)	(6,783)
Gross profit	5,548	24,467
Management charge payable to parent undertaking	–	(7,626)
Operating profit / (loss)	5,548	16,841
Interest payable	–	–
Interest payable to parent undertaking	–	–
Profit on ordinary activities before taxation	5,548	16,841
Taxation	–	(1,150)
Profit for the financial year	5,548	15,691
Retained earnings		
Retained earnings brought forward	15,691	129,028
Profit for the financial year	5,548	15,691
Profit distributed to parent under gift aid	(10,791)	(129,028)
Retained earnings carried forward	10,448	15,691
The aggregate of the assets, liabilities and funds was:		
Assets	236,760	248,097
Liabilities	(226,311)	(232,405)
Net Assets	10,449	15,692
Share Capital	1	1
Profit & Loss Account	10,448	15,691
Total Shareholders Funds	10,449	15,692

Amounts owed to/from the parent undertaking are shown in note 9.

12b. Subsidiary undertaking – Ocean Census Limited

The charitable company owns 100% of the voting rights of Ocean Census Limited, a company registered in England. While not a charity, the subsidiary is used to deliver the charitable objectives of the charity. Available profits are gift aided to the charitable company. The Chief Executive of Nekton Foundation, Oliver Steeds, is also a director of the subsidiary. A summary of the results of the subsidiary is shown below:

	2025 £	2,024 £
Turnover	1,579,074	1,042,520
Cost of sales	(1,503,880)	(992,886)
Gross profit	75,194	49,634
Management charge payable to parent undertaking	–	–
Operating profit / (loss)	75,194	49,634
Interest payable	–	–
Interest payable to parent undertaking	–	–
Profit on ordinary activities before taxation	75,194	49,634
Taxation	–	–
Profit for the financial year	75,194	49,634
Retained earnings		
Retained earnings brought forward	49,634	–
Profit for the financial year	75,194	49,634
Profit distributed to parent under gift aid	(49,634)	–
Retained earnings carried forward	75,194	49,634
The aggregate of the assets, liabilities and funds was:		
Assets	284,183	338,341
Liabilities	(208,979)	(288,697)
Net Assets	75,204	49,644
Share Capital	10	10
Profit & Loss Account	75,194	49,634
Total Shareholders Funds	75,204	49,644

Amounts owed to/from the parent undertaking are shown in note 9.

13 Debtors

	The group		The charity	
	2025	2024	2025	2024
	£	£	£	£
Trade debtors	43,260	23,368	249,058	231,979
Prepayments	44,713	24,061	23,583	24,061
Taxation and social security	117	–	–	–
Due from Ocean Census Limited subsidiary	–	–	123,985	252,242
	88,090	47,429	396,626	508,282

All of the group's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in note 17a below.

14 Creditors: amounts falling due within one year

	The group		The charity	
	2025	2024	2025	2024
	£	£	£	£
Trade creditors	87,600	151,519	32,832	123,556
Taxation and social security	35,137	27,112	35,137	23,465
Other creditors	116,690	17,083	106,409	9,914
Accruals	119,509	380,117	96,435	373,648
Due to Nekton Enterprises Limited subsidiary	–	–	110,670	110,753
Grant creditor	15,500	15,500	15,500	15,500
	374,436	591,331	396,983	656,836

15 Pension scheme

Nekton Foundation operates a defined contribution pension scheme to which fixed contributions are made. The amount paid in the year was £31,069 (2024: £26,124).

16a Analysis of group net assets between funds (current year)

	General unrestricted £	Restricted funds £	Total funds £
The Charity			
Tangible fixed assets	–	321,266	321,266
Net current assets	292,513	1,482,516	1,775,029
Net assets at 31 March 2025	292,513	1,803,782	2,096,295
	General £	Restricted £	Total funds £
The Group			
Tangible fixed assets	–	353,482	353,482
Net current assets	378,154	1,450,300	1,828,455
Net assets at 31 March 2025	378,154	1,803,782	2,181,936

16b Analysis of group net assets between funds (prior year)

	General unrestricted £	Restricted funds £	Total funds £
The Charity			
Tangible fixed assets	–	264,023	264,023
Net current assets	380,067	3,791,058	4,171,125
Net assets at 31 December 2024	380,067	4,055,081	4,435,148
	General £	Restricted £	Total funds £
The Group			
Tangible fixed assets	–	285,846	285,846
Net current assets	435,870	3,778,775	4,214,645
Net assets at 31 December 2024	435,870	4,064,621	4,500,491

17a Movements in funds (current year)

The Charity	At 1 April 2024	Income & Gains	Expenditure & losses	Losses	At 31 March 2025
	£	£	£	£	£
Restricted funds:					
Octopus	12,316	-	-	-	12,316
First Descent: Indian Ocean	413,063	536,789	(122,199)	-	827,653
Ocean Census Year 1	445,547	-	(445,547)	-	-
Ocean Census Year 2	3,166,953	2,300,459	(4,556,286)	(56,385)	854,741
Ocean Awards	-	12,000	(9,669)	-	2,331
Global Voyage	-	128,550	(124,486)	-	4,064
First Descent: India	-	59,708	(59,708)	-	-
Indian Ocean Development	-	78,375	(1,721)	-	76,654
Deep Sea & Ocean Science MOOC	-	14,521	(14,521)	-	-
Yachts for Science	-	45,000	(36,179)	-	8,821
Deep Reefs and MPAs	10,232	-	-	-	10,232
Microplastics	6,970	-	-	-	6,970
PEI / iSimangalisa	-	13,683	(13,683)	-	-
Total restricted funds	4,055,081	3,189,085	(5,384,000)	(56,385)	1,803,782
Unrestricted funds:					
General funds	380,067	2,320	(89,874)	-	292,513
Total unrestricted funds	380,067	2,320	(89,874)	-	292,513
Total funds	4,435,148	3,191,406	(5,473,874)	(56,385)	2,096,295

The narrative to explain the purpose of each fund is given at the foot of the note below.

17a Movements in funds (current year) continued

The Group	At 1 April 2024	Income & Gains	Expenditure & losses	Losses	At 31 March 2025
	£	£	£	£	£
Restricted funds:					
Octopus	12,316	–	–	–	12,316
First Descent: Indian Ocean	413,063	536,789	(122,199)	–	827,654
Ocean Census Year 1	455,087	–	(455,087)	–	(1)
Ocean Census Year 2	3,166,953	2,300,459	(4,556,286)	(56,385)	854,741
Ocean Awards	–	12,000	(9,669)	–	2,331
Global Voyage	–	128,550	(124,486)	–	4,064
First Descent: India	–	59,708	(59,708)	–	–
Indian Ocean Development	–	78,375	(1,721)	–	76,654
Deep Sea & Ocean Science MOOC	–	14,521	(14,521)	–	–
Yachts for Science	–	45,000	(36,179)	–	8,821
Deep Reefs and MPAs	10,232	–	–	–	10,232
Microplastics	6,970	–	–	–	6,970
PEI / iSimangalisa	–	13,683	(13,683)	–	–
Total restricted funds	4,064,621	3,189,085	(5,393,539)	(56,385)	1,803,782
Unrestricted funds:					
General funds	435,870	10,654	(49,305)	(19,065)	378,154
Total unrestricted funds	435,870	10,654	(49,305)	(19,065)	378,154
Total funds	4,500,491	3,199,739	(5,442,844)	(75,450)	2,181,936

The narrative to explain the purpose of each fund is given at the foot of the note below.

OcToPUS

Development of the Ocean Tool for Public Understanding and Science (OcToPUS) funded by the Garfield Weston Foundation and private philanthropists.

First Descent: Indian Ocean

Funding from Omega and Kensington Tours for the First Descent series of expeditions in the Indian Ocean, with expenditure for First Descent: Maldives.

Ocean Census

Funding from and co-founded with The Nippon Foundation, Ocean Census is a 10-year international programme developed to transform the discovery of ocean life, aiming to accelerate species discovery, innovate equitable access to ocean life data, build human and technology capacity in taxonomy, and amplify the story of ocean life to catalyse awareness and action.

India Deep Reef Expedition: Feasibility

Funding by the UK government's Foreign, Commonwealth & Development Office for a feasibility study for a potential expedition to India in partnership with the Governments of India and UK.

Deep Sea & Ocean Science MOOC

Funding by The Minderoo Foundation, and led by and working in partnership with The University of Seychelles, for the development of the Western Indian Ocean Deep Sea Science Course and Mass Open Online Course.

17a Movements in funds (current year) continued

Yachts for Science

Funding from private philanthropists for Yachts for Science, a programme which matches marine scientists with private yachts to undertake field research.

Deep Reefs and MPAs

Funding from Garfield Weston Foundation supports this research project to assess the value and importance of mesophotic reefs within marine spatial planning and the designation of marine protected areas globally.

Microplastics

Funding from The Flotilla Foundation for a research project into the contamination pathways and prevalence of microplastics in Antarctica.

India

Indian Ocean Development

PEI / ISimangalisa

17b Movements in funds (prior year)

The Charity	At 1 January 2023 £	Income & Gains £	Expenditure & losses £	Gains £	At 31 March 2024 £
Restricted funds:					
Octopus	12,316	–	–	–	12,316
First Descent: Indian Ocean	682,926	132,252	(402,115)	–	413,063
Ocean Census Year 1	–	3,817,648	(3,294,495)	(77,606)	445,547
Ocean Census Year 2	–	3,167,655	(702)	–	3,166,953
Ocean Census Launch	–	150,314	(150,314)	–	–
India Deep Reef Expedition: Feasibility	–	24,865	(24,865)	–	–
eDNA Seahorses	–	11,000	(11,000)	–	–
Deep Sea & Ocean Science MOOC	–	7,132	(7,132)	–	–
Yachts for Science	–	5,000	(5,000)	–	–
Deep Reefs and MPAs	10,232	–	–	–	10,232
Microplastics	7,037	–	(67)	–	6,970
Total restricted funds	712,511	7,315,866	(3,895,690)	(77,606)	4,055,081
Unrestricted funds:					
General funds	490,560	167,004	(277,497)	–	380,067
Total unrestricted funds	490,560	167,004	(277,497)	–	380,067
Total funds	1,203,071	7,482,870	(4,173,187)	(77,606)	4,435,148

*Nautilus Feasibility Study: 'Nautilus' was the working title for the programme launched in 2023 as Ocean Census.

17b Movements in funds (prior year) continued

The Group	At 1 January 2023 £	Income & Gains £	Expenditure & losses £	Gains £	At 31 March 2024 £
Restricted funds:					
Octopus	12,316	–	–	–	12,316
First Descent: Indian Ocean	682,926	132,252	(402,115)	–	413,063
Ocean Census Year 1	–	3,817,648	(3,294,495)	(68,066)	455,087
Ocean Census Year 2	–	3,167,655	(702)	–	3,166,953
Ocean Census Launch	–	150,314	(150,314)	–	–
India Deep Reef Expedition: Feasibility	–	24,865	(24,865)	–	–
eDNA Seahorses	–	11,000	(11,000)	–	–
Deep Sea & Ocean Science MOOC	–	7,132	(7,132)	–	–
Yachts for Science	–	5,000	(5,000)	–	–
Deep Reefs and MPAs	10,232	–	–	–	10,232
Microplastics	7,037	–	(67)	–	6,970
Total restricted funds	712,511	7,315,866	(3,895,690)	(68,066)	4,064,621
Unrestricted funds:					
General funds	619,592	68,914	(243,096)	(9,540)	435,870
Total unrestricted funds	619,592	68,914	(243,096)	(9,540)	435,870
Total funds	1,332,103	7,384,780	(4,138,786)	(77,606)	4,500,491

*Nautilus Feasibility Study: 'Nautilus' was the working title for the programme launched in 2023 as Ocean Census.

18 Reconciliation of net income to net cash flow from operating activities

	2025 £	2024 £
Net income for the reporting period (as per the statement of financial activities)	(2,243,105)	3,247,144
Depreciation charges	57,068	26,542
Loss/Profit on the sale of fixed assets	–	–
Increase in debtors	(40,662)	(36,550)
Decrease in creditors	(216,895)	309,150
Net cash provided by / (used in) operating activities	(2,443,594)	3,546,286

19 Analysis of cash and cash equivalents

	At 1 April 2024 £	Cash flows £	Other changes £	At 31 March 2025 £
Cash at bank and in hand	4,758,547	(2,643,747)	–	2,114,800
Total cash and cash equivalents	4,758,547	(2,643,747)	–	2,114,800

20 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

21 Operating lease disclosure

	2025 £	2024 £
Less than one year	96,324	122,400
One to five years	97,658	61,200
Greater than five years	-	-
	<u>193,982</u>	<u>183,600</u>

Accounts

Company number: 09644797
Charity Number: 01162666

Nekton Foundation

Report and financial statements
For the 15-month period ended 31 March 2024

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For the 15-month period ended 31 March 2024

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Nekton Foundation

Reference and administrative information

For the 15-month period ended 31 March 2024

Company number 09644797

Charity number 01162666

Registered office and operational address Begbroke Science Park
Begbroke Hill
Woodstock Road
Begbroke
OX5 1PF

Country of registration England & Wales

Country of incorporation The United Kingdom

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Chair:	Rupert Grey
Trustees:	Juliet Burnett
	Paul Jardine
	Paul Crowther
	Emily Penn
	Professor Callum Roberts
	Robert McCallum
	Vanessa Rice
	William Goodlad

Key management personnel

Chief Executive:	Oliver Steeds
Head of Finance & Central Operations:	Alex Murphy
Principal Scientist:	Dr. Lucy Woodall

Bankers Royal Bank of Scotland
1st Floor, Houblon House
62-63 Threadneedle Street
London
EC2R 8HP

Solicitors Skadden, Arps, Slate, Meagher & Flom (UK) LLP
40 Bank Street,

Nekton Foundation

Reference and administrative information

For the 15-month period ended 31 March 2024

Canary Wharf,
London,
E14 5DS

Blake Morgan LLP
Seacourt Tower
West Way
Oxford, OX2 0FB

Auditor

Sayer Vincent LLP
Chartered Accountants and Statutory Auditors
110 Golden Lane
LONDON
EC1Y 0TG

The trustees present their report and the audited financial statements for the 15-month period from 1 January 2023 to 31 March 2024, to align annual reporting across the Foundation's activities.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

1. Objectives and activities

1.1 Purpose & Strategy

Nekton Foundation is a not-for-profit charitable organisation dedicated to accelerating the scientific exploration and protection of the ocean. To help ensure the resilient and prosperous ocean needed to improve the lives and livelihoods of billions around the world, Nekton is focused on three connected goals:

1. Applied Research: accelerating marine scientific research and exploration to inform conservation
2. Innovative communications: to inspire deeper connection and value of the ocean
3. Knowledge Exchange: to harness the skills and resources to strengthen applied science and conservation.

Our charitable objects, as set out in our governing document, are to promote and advance education in the conservation, protection and improvement of the environment.

Nekton works with and on behalf of ocean nations who are committed to improving the prosperity, resilience and sustainable governance of their ocean.

Nekton's operations are aligned to support the implementation of the UK Government's Marine Policy, United Nation's Sustainable Development Goals including 14 (Life Below Water), The Commonwealth Blue Charter, the UN Ocean Decade for Sustainable Development, Convention of Biological Diversity's Kunming-Montreal Biodiversity Framework and the recommendations of the Global Ocean Commission.

Activities & Strategy: Nekton are implementing a 2018-2026 strategy that combines i) Missions (large scale programmes, ii) Initiatives - innovative projects with targeted outcomes to address the needs of our ocean.

Working in Partnership: The charity works in partnership with an Alliance of leading organisations across marine science, ocean policy, business, communications and civil society to deliver our objectives.

Funding & Business Model: Funding is through an Alliance of partners, and philanthropic grants and donations. Operations are implemented with Nekton's partners who share a common purpose to explore and protect the ocean.

Nekton's Theory of Change: Nekton creates change in four key ways – that either are achieved together through our large-scale Programmes or are achieved in isolation through targeted Initiatives:

- **Applied, Conservation Science:** We can't protect what we don't know exists. In collaboration with the Universities of Oxford and Exeter, we create step changes in our scientific knowledge of the ocean to inform and catalyse ocean protection for the benefit of the planet and all its people.
 - **Inspirational storytelling:** We amplify ocean stories globally and broadcast the journey of scientific discovery by our aquanauts in the ocean's depths to improve ocean awareness and inspire public support for political action.
 - **Knowledge Exchange:** Knowledge shared empowers ocean science and ocean protection. Host nation scientists, conservationists, journalists, even the Heads of State are the heart of everything we do. Equity of opportunity underpins all of our work.
 - **Unique alliance:** Our strength comes from the sum of our parts – uniting over 100 different organisations – from government, science, business, media, technology, and civil society – to work together for our shared client - the ocean.
-

1.2 Missions

Missions are large scale programmes developed and undertaken in close collaboration with our Alliance of government, business, science, philanthropic and civil society partners.

1.2.1 Ocean Census

The Ocean Census is a ground-breaking 10-year international scientific endeavour, co-founded with The Nippon Foundation. Endorsed by the UN Ocean Decade, it's mission is to transform the discovery of ocean life. The Ocean Census builds on The Census of Marine Life and other programmes and aims to:

- Accelerate species discovery
- Innovate equitable access to ocean life data
- Build human and technology capacity in taxonomy
- Amplify the story of ocean life to catalyse awareness and action.

Launched in April 2023 by The Nippon Foundation and Nekton, the Ocean Census is an open Alliance of scientists from over 280 institutes and dozens of government, scientific, business, technology, civil society and philanthropic partners, working together to take on this global challenge. Our next milestone is the discovery of 100,000 new species. Our North Star is discovering far more of the 1-2 million marine species that are currently unknown to science.

The Ocean Census Limited is established as a wholly owned subsidiary of Nekton Foundation, registered in England and Wales, incorporated on 10 May 2023.

1.2.2 First Descent Indian Ocean 2018-2026

The Indian Ocean is the least scientifically researched and least protected ocean on Earth. Already home to nearly 2.7 billion people with an average age under 30, by 2050, 'the Ocean of the Centre' will be home to half of the world's population.

First Descent: Indian Ocean aims to galvanise the scientific exploration and conservation of the region through a series of marine research expeditions, MPA initiatives, knowledge exchange, and public engagement activities, working with and on behalf of Indian Ocean nations. Each Programme in the Indian Ocean combines national commitments to ocean protection, marine spatial planning, applied research to inform ocean policy, investments in knowledge exchange and inspirational communications to strengthen the public mandate for political action.

Projected impact: First Descent aims to achieve environmental, scientific, political and civil society impact through:

- **Building resilience to climate change:** Large ocean nations committed to and implementing ambitious plans to protect 30% of their ocean by 2030 - providing the economic, political and scientific case for a healthy, prosperous ocean and planet. *Nations working with Nekton: India, Seychelles, Maldives, South Africa, Comores.*
 - **Empowering diversity & knowledge exchange:** A diverse cadre of Indian Ocean leaders with capacity, skills and knowledge across marine science, ocean conservation and management, to support the implementation of ocean protection and the sustainable development of the blue economy.
 - **Pioneering scientific knowledge:** Hundreds of new species, dozens of institutes participating and 60+ scientific papers incl. on climate change resilience and adaptation, biodiversity, fisheries and pollution to inform sustainable ocean management.
 - **Inspiring ocean conservation:** Increasing the public support for political action in support of the Global Ocean Alliance call for 30% global ocean protection by 2030.
-

1.3 Nekton Initiatives

Initiatives are innovative projects undertaken in partnership with our Alliance, aimed at accelerating our understanding of the ocean, fostering protection efforts, and inspiring public engagement. The Initiatives are:

Inspiring the public

- *Ocean Rising:* fostering deeper cultural connections with the ocean
- *Ocean storytelling & education:* promoting public awareness
- *Earthshot Prize:* Official Nominee

Field Research

- *Yachts for Science:* connecting scientists with private vessels

Applied Science

- *Ocean Plastic:* engaging in policy and treaty negotiations
 - *Extreme-E:* Marine science partners for the global electric SUV race
 - *Democratising Marine Science:* addressing parachute science
-

2. Activities and Accomplishments 2023-24

The highlights include:

- 6900+ news features (Ocean Census only) across over 1000 news channels
 - 407 Species discovered
 - 100+ partners
 - 300 Institutes represented in the Science Network
 - 300+ scientists participating in Nekton's programmes and initiatives
 - 1 Finalist in Earthshot Prize 2023 (Nekton nominated)
-

2.1 Programmes

2.1.1 The Ocean Census

By the numbers:

- 407 Species discovered
- 40+ Alliance Partners
- 286 institutes represented in the Science Network
- 329 taxonomists joined the Science Network
- 34 partners involved in Ocean Census expeditions
- 53 nations represented in the Science Network
- 250+ scientists participated in Ocean Census (expeditions & taxonomy)
- 6900+ features across international news

Watch:

- [Introducing Ocean Census](#) - 90 sec
- [1 Year: Ocean Census](#): 4mins

2.1.1.1 The Ocean Census Alliance

In its first year, the Ocean Census has attracted over 40 organisations to join the Alliance, and scientists from over 280 institutes are participating in the Science Network. The Alliance and Network's growth and coordination are supported by partner meetings, cross promotions, digital campaigns, monthly newsletters, and resource sharing. Partners and scientists actively engage in Ocean Census' core activities, such as expeditions and taxonomy. From Year 2 (April 2024 to March 2025), advisory committees and working groups will be established to deepen engagement and participation.

2.1.1.2 Hub & Core Programmes

The Ocean Census Hub has been established to coordinate Alliance activities and run core programs including expeditions, the Science Network, The Cyber-Biodiversity System and the Ocean Life Media Centre. All Ocean Census funded species discovery expeditions and taxonomy programmes are co-

produced with governments, host nation scientists and institutes, with all discoveries and data owned by host nations. [Read Equity Principles.](#)

Expeditions

Five expeditions have been undertaken in Year 1 combining 25+ partners and over 200 scientists from over 45 different institutes. Ocean Census undertook 2 major flagship expeditions in [Macaronesia](#) (Canaries, Spain, Atlantic) and the [Bounty Trough](#) in New Zealand. The Schmidt Ocean Institute [Chile expedition](#) was the Alliance's first Official Expedition and resulted in the discovery of over 100 new species (registered with Ocean Census).

Ocean Census has also been able to partner with the Ocean Exploration Trust on the [Johnston Atoll Expedition \(Pacific\)](#) and with the University of the Arctic, Tromsø and REV Ocean on the [Barents Sea Expedition](#) and support the participation of taxonomists to support species discovery aspects of the voyages.

Taxonomy: Over 400 new species were discovered in Year 1 (taxonomy completed in Year 2), including fish, sponges, octocorals, stylasterids, barnacles, asteroids, echinoids, gastropods, black corals, polychaetes, ophiuroids, amphipods, mysids, and decapods notably:

- Ocean Census Macaronesia Expedition: 31 species
- Ocean Census Bounty Trough: 145 species
- Ocean Census Arctic Deep: pending workshop
- UiT Barents Sea (Partner): pending workshop
- OET Johnston Atoll (Partner): pending workshop
- JAMSTEC Cruise (Kyushu-Palau Ridge), NW Pacific (Partner): pending workshop
- Official Expedition: Schmidt Ocean Institute: Salas y Gómez Ridge: ~100 species
- Official Expedition: Schmidt Ocean Institute: The Salas y Gómez, Nazca, and Juan Fernandez ridges: ~50 species
- Ocean Census Funded Museums Victoria Project – Australian Christmas Island and Cocos (Keeling) Islands Territories: 81

Cyber Biodiversity System: The Cyber-Biodiversity System is a central Ocean Census component, enabling taxonomists to contribute species discovery data and providing equitable access for scientists and decision-makers. In Year 1, Ocean Census data partners, UNEP-WCMC, laid the system foundations, developing its architecture, policies, processes, and networks while identifying data user needs and critical policy drivers.

Ocean Life Media Centre: The Ocean Life Media Centre aims to inspire and raise public and policy interest, galvanising sustained action to protect ocean life. Working on behalf of the Alliance, the Centre coordinates storytelling, events, and public engagement while promoting extraordinary species discovery stories from partners. Key activities include:

- **Brand development and launch:** including visual identity, logo and website developed by Fable & Co. [Learn more about our brand development.](#)

- **Global news coverage:** 6900+ features across 1031 news channels ([Newsroom](#): initiated and run through Associated Press, distributing and promoting Ocean Census content to news organisations globally)
 - **Social media campaigns:** across digital channels including monthly newsletters. Highlights include: 9.1 million social media impressions, 69,200+ direct social media engagements, 25,000+ new users on our website, over 2.3 million views on our YouTube channel, and 14,000+ followers across our digital channels
 - **Content:** video, photograph and print stories published extensively across digital channels and cross promoted by the Alliance. Highlights include: Discoveries the Bounty Tough, New Species Uncovered in Tenerife, Macaronesia, Our Message to COP28
 - **Education:** Ocean Census Educational Programme: [Live event from Macaronesia Expedition](#), 5 X curricula-linked educational resources about Ocean Life for launch in Year 2.
 - **Events:** Participation and keynotes at major ocean and science events, such as the World Ocean Summit (Lisbon, Portugal), World Conference on Marine Biodiversity (Penang, Malaysia), Distinguished Guest Lecture (Senckenberg Museum, Frankfurt, Germany).
 - **Partnerships:** announcements, promotions and engagement with partners, including with [World Registry of Marine Species](#), [UNEP-WCMC](#), [Ocean Exploration Trust](#), [Open Cell](#), [Seabed 2030](#),
 - **Media Partnerships:** Collaborations with BBC, Oceanographic Magazine, and Ocean Photographer of the Year
-

2.1.2 First Descent: Indian Ocean

2.1.2.1 Maldives

In October-November 2022, *First Descent: Maldives* conducted the first systematic survey from the surface to 1000m across the Maldives to establish a baseline for informing the creation of marine protected areas spanning over 20% of the nation's EEZ. [For Partners see *Nekton Alliance*, Section 2.3]

- **Mission Partners:** Omega & Kensington Tours (Navigatr)
- **Science Partners:** Maldives Marine Research Institute, South African Institute for Aquatic Biodiversity (SAIAB), Universities of Oxford and Exeter.
- **Taxonomic Workshop:** 24 scientists from 10 nations, held in Maldives (February 2023), identified 278 biological specimens including undescribed species of hydroids, black corals, sponges and octocorals. Read Report in [Research Ideas and Outcomes](#).
- **Data analysis:** of fish and seafloor megafauna observations from video footage with environmental data held by MMRI and our surveys. New knowledge, pertinent to Maldivian research priorities, marine spatial planning and conservation has been created.
- **Publications** (by June 2024): i) Benthic Field ID Guide, ii) Vulnerability of Maldivian fish communities (from consequences of climate change), iii) Patterns of human and environmental disturbance with benthic communities, iv) (by Oct 2024) Zooplankton community assessment.
- **Knowledge Exchange:** Programme development for Maldivian scientists to advance zooplankton research and co-author the Zooplankton paper with Nekton scientists at the Nekton Oxford Labs for a month in mid-2024.

2.1.2.2 Seychelles

Following successful field research in 2019, the data analysis, publication, and applied research to inform marine spatial planning and management has been completed, while knowledge exchange initiatives have been increased to continue generating a lasting legacy from the Mission. *[For Partners see Nekton Alliance Section 2.3]*

- **Analysis & Publications:** Final analysis of data and publications from *First Descent: Seychelles* was concluded.
- **Data:** Final data curation and management was concluded.
- **Biological collections** from the Mission are being curated on a temporary basis with Western Australian Museum (WAM) and will be returned to Seychelles when facilities are available.
- **Knowledge Exchange:** Seychellois scientists participating in *Maldives First Descent* (field research, taxonomic workshop and training), Nekton and SeyCCAT funded projects will be finalised by September 2024, development of a new deep-sea science course (see below) and supporting two new Awards with the Danny Faure Foundation (Ocean Innovation Award and Ocean Literacy Award).

2.1.2.3 South Africa & Comoros

We have continued to work with Wild Oceans and SAIAB to support deep reef research and conservation in South Africa and long-term research, management and biomonitoring in Comoros, including:

- **South Africa:** Supporting projects on climate resilience and fisheries co-management in the iSimangaliso and uThukela MPAs included research expeditions in 2023 and 2024 which successfully surveyed benthic habitat and provided training using SVS systems on the ROV platform.
- **Comoros:** research and publications on i) mesophotic benthic biodiversity and ii) depth zonation and environmental drivers of shallow and mesophotic coral reef assemblages have been concluded.

2.1.2.4 Western Indian Ocean (WIO) Deep Sea Science Course & MOOC

With the launch on track for 2024, course development has progressed well throughout 2023, including refining the course structure, developing lectures and teaching materials, establishing an expert network to deliver the course, accreditation development with the University of Seychelles, and initial course promotions. **Partners:** *University of Seychelles, Minderoo Foundation, Western Indian Ocean Marine Science Association (WIOMSA)*

2.1.2.5 Western Indian Ocean: Resilience & Prosperity Initiative (WIO-RPI)

Following review of the WIO's regional needs, ongoing marine science, conservation, and governance strategies are now being implemented within other initiatives (Great Blue Wall, WIO Regional Ocean Governance Strategy). As a result, the RPI is no longer required. The responsibilities for implementing the objectives identified by the RPI have been handed over to the Great Blue Wall, with Nekton continuing to support in an advisory capacity. **Partners:** *Government of Seychelles, UNEP Regional Seas Programme: Nairobi Convention*

2.2. Initiatives

2.2.1 Ocean Rising

Deepening cultural connection with the ocean. Partners: Schmidt Ocean Institute (SOI)

Our quest to create a movement that strengthens ocean connections through engaging with various individuals and organisations across different cultural sectors has begun in 2023. We initiated two pilot projects in the fashion sector and are building a pipeline to expand into arts and sports in 2024:

- **Fashion line with Jenny Packham** An ocean-themed collection in support of Ocean Rising was released at Paris Fashion Week 2023. Read [Vogue](#) and [Women's Wear Daily](#)
- **Uniqlo Collaboration & Fashion Competition:** In partnership with Redress, a Hong Kong-based environmental NGO accelerating the transition to a circular fashion industry, two designers were selected to join an ocean research expedition aboard Schmidt Ocean Institute's FalkorToo and joined by journalists from Vogue China. The designs inspired from their time at sea will be launched worldwide by Uniqlo in 2024.

2.2.2 Ocean storytelling & education

Innovating and inspiring public engagement with the ocean through events, TV, social media and educational programming:

- **Events:** Keynotes and presentations at the Coral Reef Symposium, the International Marine Conservation Congress, Explorer Yacht Summit, Reef Conservation UK Conference, Geneva Science and Diplomacy Anticipation Summit (GESDA), the Rise Residential Summit and Ocean Talks (London).
- **Social media campaigns** including Fish Friday – amplifying the extraordinary characters and characteristics of the fish encountered on our expeditions.
- **TV & Content:** BBC Frozen Planet & BBC *Changing Planet* Series - featuring Nekton and First Descent.; podcasts including '*Oceans: Life Under the Sea*'.
- **Education:** Submarine STEM: teacher and student lesson plans, resources, video content and live educational events with our partners Encounter EDU ([Ages 7-11](#) and [Ages: 11-14](#))

2.2.3 Earthshot Prize

Nekton is an Official Nominator of the Earthshot Prize, and we are delighted that our nominee in 2023, the brilliant organisation [ABALOB](#) was chosen as a finalist.

ABALOB is working to build more resilient and sustainable small-scale fishing communities globally, through the application of data and technology for good. Their '[Fish With A Story](#)' is an online, market-place platform connecting fishers directly with their customers and markets. The platform empowers fully traceable, premium quality, local seafood harvested and produced responsibly by small-scale fisherfolk using low-impact fishing methods. The platform ensures the fishers and their communities earn more whilst the data they gather empowers them to track their catches and sustainably manage their ocean. <https://abalobi.org>

2.2.4 Yachts for Science

Partners: EYOS, BOAT, Ocean Family Foundation (OFF), 10% for the Ocean. Yachts for Science continues to connect private vessels with scientists to provide critical sea-time for supporting important research and conservation activities, including:

- **Great White Shark Chase, Tunisia & Sicily Channel (Italy):** A 10-person scientific team led by the Fisheries Management and Conservation team from Virginia Tech (USA) partnered with SY Blue Titan for a 17-day expedition. Successfully deployed satellite tags on the last great white sharks in the Mediterranean, along with baited underwater cameras and eDNA testing. *Read more:* [BOAT](#) and [Robb Report](#).
- **Silver & La Navidad Banks Marine Protection, Dominican Republic:** An 8-person science team from Mission Blue and Sea Legacy united with the MY Papillion (from Bering Yachts) to advance critical research supporting the protection of the Marine Mammal Sanctuary 'Silver and La Navidad Banks', the world's largest humpback breeding ground. *Read more & Podcast:* [BOAT](#); *Watch:* [Sea Legacy](#)
- **The Seagrass Ocean Rescue Solent Project, UK:** Ring Powercraft and Itchenor Solent UK joined forces to conduct field trials for seagrass planting across multiple sites around the Solent and the Island of Wight's UNESCO biosphere. Yachts for Science continues to support the program with 3 hectares of further planting planned for 2024
- **Engagement:** Yachts for Science continues to gain coverage and attendance at major ocean and yachts events, including Ocean Talks, Blue Earth Summit (UK), Monaco Boat Show, Explorer Yacht Summit (Monaco), and The Super Yacht Forum (Netherlands). *Read more about YFS in* [Robb Report](#).

2.2.5 Extreme E

Marine science partners for the global electric SUV race

Nekton has deepened our marine science partnership with [Extreme E](#) - electric racing to some of the most remote corners of the planet - to highlight the climate change challenges faced by different ecosystems. Nekton Principal Scientist, Professor Lucy Woodall, has continued to lead Nekton's marine science and conservation impact partnership with Extreme-E, focusing on the Hydro Race (in Scotland) and Island race (Sardinia) and legacy initiatives at all race sites.

2.2.6 Ocean Plastic

Led by Nekton Principal Scientist, Professor Lucy Woodall, we have provided expert scientific guidance to support delegations with negotiations for the Global Plastics Treaty. **Read:** [Plastic Treaty Text Must Center Ecosystems, Science](#)

2.2.7 Democratising marine science

Nekton continues to combat the prevailing trends of 'parachute science' to increase equity of opportunity. Our activities include:

- **Western Indian Ocean:** Deep Sea Science Course & MOOC with University of Seychelles – see 2.1.2.4
 - **Publishing** 'Towards equity and justice in ocean science' – **Read: Nature**
-

2.3. The Nekton Alliance

Nekton's work in 2023-24 has been made possible through the generosity and support, financially and in-kind, of our Alliance partners and philanthropic supporters along with the efforts and dedication of our staff and advisors. We would like to take this opportunity to thank everyone who has supported our work throughout the year:

Founding Partners of Nekton: AXA, Garfield Weston Foundation, Kensington Tours (Navigatr).

Ocean Census Founder: The Nippon Foundation

First Descent Mission Partners: Omega, Kensington Tours

Strategic Partners: The Commonwealth; Teledyne Marine, Sonardyne Associated Press, Helly Hansen, University of Exeter.

Collaborating Partners: Paralenz, Bowtech (Subsea Camera & Light Partners); Triton Submarines; Priavo Security (Maritime Security); AXA-XL & Encounter EDU (Education); Institute of Marine Engineering, Science & Technology – IMarEST; EYOS (Expedition Logistics); Great Campaign, UK Government's Foreign, Commonwealth & Development Office); Blue Nature Alliance; Arksen Foundation, BOAT International, Ocean Family Foundation (Yachts for Science); Formula-E (Extreme-E); Wild Oceans, SAIAB, University of Seychelles, WIOMSA, WIOGEN.

Maldives Partners: Government Ministries (Fisheries, Environment, Tourism), Marine Research Institute, The Maldives National University; IPNLF, Maldives Whale Shark Research Programme, Manta Trust, Coral Research Institute, I.D.E.A.S.

Seychelles Partners: Government: Ministries of 1) Environment, Energy and Climate Change, 2) Education, 3) Blue Economy and 4) Tourism. National Institute for Science, Technology and Innovation (NISTI); **NGOs:** University of Seychelles (UniSey), Island Conservation Society (ICS), Seychelles Island Foundation (SIF), Marine Conservation Society Seychelles (MCCS), The Nature Conservancy (TNC), SeyCATT, **Parastatal:** Seychelles Fishing Authority, Seychelles Broadcasting Corporation.

Ocean Census Partners

- **Institutes:** IFREMER (France), JAMSTEC (Japan), NIWA (New Zealand), Schmidt Ocean Institute (USA), Wellcome-Sanger Institute (UK), Senckenberg Institute (Germany), Centro Nacional de Biotechnología, Instituto Español de Oceanografía, IEO, (Spain), WORMS, World Register of

Marine Species, The Nippon Foundation-GEBCO Seabed 2030 Project, UNEP-WCMC (International)

- **Universities:** Ocean Genome Legacy Centre, Northeastern University, Lehigh University, (USA), Universidad Católica del Norte (Chile), University of Arctic, Tromsø (Norway), University of Galway (Ireland), Auckland University of Technology (New Zealand), University of Helsinki - Finnish Scientific Diving Academy, FSDA (Finland), Universidad de La Laguna (ECOMAR), Universitat de Barcelona, Spain
 - **Media & Education:** AP, Associated Press; Encounter EDU; Oceanographic Magazine; BBC
 - **Museums:** Victoria Museums (Australia), Te Papa Museum (New Zealand), Fundación Museo Del Mar Cueta, Museo de Ciencias Naturales de Tenerife - MUNA, (Spain)
 - **Governments:** Cabildo de Tenerife, Gobierno de Canarias (Spain)
 - **Blue Economy, Business & Technology:** Navigatr, Open Cell, EYOS Expeditions, Oxford Nanopore Technologies, Global Ocean Trust
 - **Philanthropy:** The Nippon Foundation, Nekton Foundation, Schmidt Futures
 - **Expeditions, Science, Tech:** Monaco Explorations, Minderoo Foundation, PADI AWARE Foundation, Ocean Exploration Trust, REV Ocean, Pisces VI
-

3. Beneficiaries of our services

The trustees confirm that they have given due regard to the Charity Commission guidance on public benefit when reviewing the charity's aims and objectives, planning future strategy and setting policy. The work of the charity plays a key part in understanding and combating the threats to our oceans and provides a radical alternative to traditional, government-led approaches.

Nekton is committed to achieving sustainable ocean governance, through scientific exploration, communications and education, capacity development and policy change.

Our activities benefit marine scientists, with whom we collaborate to exchange knowledge and develop multi-disciplinary practices; and whose work we fund, promote and expedite. Our work benefits educators and the general public, through the production and distribution of engaging educational materials and short films. Our work benefits government and non-governmental policy-makers, tasked with sustainably managing ocean health and resources. Our work benefits schools, educators, the media and general public, providing content and resources to inspire greater awareness and deepen understanding of the importance of the ocean.

Ultimately, we all depend on a healthy and sustainably-managed ocean. The ocean supports millions of livelihoods via fisheries and tourism, regulates climate and plays a major role in carbon capture and storage. This report sets out our activities and achievements to date and illustrates how these benefit our oceans and society.

4. Financial review

The combined results of Nekton Foundation and its two wholly owned trading subsidiaries Nekton Enterprises Limited and Ocean Census Limited are consolidated.

In the fifteen months of operation, Nekton secured incoming resources of £7,385k which, after expenditure of £4,138k and other recognised losses relating to foreign exchange of £77k, resulted in a surplus of £3,170k. Cash income generated related mainly to grant funding from The Nippon Foundation for the Ocean Census Programme, the Ocean Census Launch and from Kensington Tours for the next part of the First Descent series of missions in the Indian Ocean, and philanthropic donations.

Of the total expenditure of £4,138k for the year, £2,134k related to the development and execution of the Ocean Census expeditions, £850k was incurred on Nekton's science programmes and £895k on Nekton's Communications and Education programme both of which include Ocean Census activities. The remaining expenditure was incurred on fundraising and overall management of the organisation.

Efforts continue towards seeking new funding to undertake further innovation projects in support of sustainable ocean governance.

Charity's Reserves

The charity held total funds at 31 December 2024 of £4,502k. £4,065k is restricted and £437k unrestricted. Of the restricted funds £3,622k is restricted to the Ocean Census programme, £413k restricted to First Descent Indian Ocean missions and initiatives, and the remaining £30k restricted funds comprises the remaining work on Deep Reefs and MPAs, Octopus, and Antarctic Microplastics projects.

Nekton recognises the building of unrestricted reserves as an important measure for financial resilience, to allow for a variety of unexpected events such as: potential drops in expected income, to meet the demands of new projects and opportunities, to meet unforeseen operational requirements or to support short term cash flow requirements.

An amount of £203k held in unrestricted reserves to cover three months of core operating costs would provide financial resilience for the charity to respond to unexpected events. The charity also regularly reviews its assessment of closure costs, which include redundancy costs and other closure commitments, and this is currently forecast at £62k. A total of £265k of unrestricted reserves therefore is the target requirement for unforeseen events and closure costs for the coming year. This is covered by the unrestricted reserves of £437k held at 31 March 2024.

As at 31 March 2024 no specific reserves were designated.

5. Principal risks and uncertainties

The management team reviews risk regularly and produces a detailed risk register with mitigating actions together with a comprehensive crisis management plan for field operations.

Following Nekton's comprehensive and effective operational and financial management through the pandemic from 2020 to 2022, the risks to Nekton's financial surety have been significantly reduced in 2023 and to March 2024, and coupled with growth, resulted with establishing larger unrestricted reserves. The long-term funding for Nekton's new large-scale Programme that began in 2023 (Ocean Census) provides further surety and a strong foundation on which the organisation can further strengthen.

With the awareness and impact of the climate and biodiversity crises growing globally and the devastating impacts on people and the planet, the need for organisations like Nekton, continues to grow. Our ability to take on complex challenges, such as accelerating the discovery of ocean life with innovation and impact (Ocean Census), reinforced by the successful launch and operationalisation of this global initiative, demonstrates the organisation's growing reputation and impact which provides confidence in Nekton's growing recognition and influence and thereby serve to mitigate against some future uncertainties.

Looking ahead to 2025, with the running of two large programmes – First Descent and Ocean Census – along with a series of Initiatives, Nekton will grow substantially, and the risks and uncertainties of growth will need to be continually managed. Successful recruitment of a growing team in 2023 to 2024 has seen Nekton begin to successfully mitigate a key aspect of these risks.

Complex marine operations, involving people in the depths of the ocean, remains one of Nekton's principal risks, which, through undertaking more expeditions and potentially in more complex geographies, will increase in 2024 and beyond. The recruitment of a dedicated expedition team that draws on the existing team's success has been important. The existing partnerships with leading subsea technology businesses, our industry-leading standards for safe and productive operations, our world-leading expertise on the Nekton Board and Expedition Committee, all provide strong foundations for the team to continue to execute safe and productive expeditions.

There are sufficient funds to complete all current activities, invest in business development, undertake the next major strategic phase with Ocean Census and maintain strong reserves.

Diversifying income remains an important area of development to extend operational and financial surety for the organisation. The development of First Descent: Indian Ocean to partner with the Government of India and co-fund the programme from 2024 will be important. The UK Government's support of this programme will also be beneficial.

With existing Programmes and Initiatives, Nekton maintains a sustained emphasis and efforts on partnership development; the production of regular income and expenditure and cash flow forecasts and scenario planning; ensuring an efficient cost base; and active ongoing management of expectations of partners, providing them with regular updates on our progress on deliverables and fundraising success.

Nekton holds all relevant legal agreements with service providers (suppliers) and partners, and insurance policies which cover all pertinent areas of risk including: rules of engagement with Nekton; intellectual property rights; ship and submersible charter; specific risk relating to expedition operations; theft, damage and loss of equipment, assets and cash; professional indemnity; personal injury and death; employers' liability; public liability; and Management and Trustees' liability.

The trustees believe the charity remains a going concern and strengthened by recent funding commitments received.

6. Plans for the future

Programmes

First Descent: Indian Ocean

- **First Descent: India** launch in November 2024 with expedition to Lakshadweep.
- **First Descent: Maldives**: publication of results, policy engagement, Knowledge Exchange Fellowships in UK for Maldivian scientists
- **First Descent: Seychelles**: Seychelles Ocean Innovation Award
- **Knowledge Exchange**: Western Indian Ocean Deep Sea Science Course & MOOC launched

Ocean Census

- **7 Expeditions**: including to Philippine Sea, Arctic, New Caledonia, NW Pacific, Central Pacific and Antarctic
- **Taxonomy**: 3 major regional taxonomic workshops and Taxonomy Awards launched
- **Data**: Cyber-Biodiversity System –launch of beta-version
- **Events**: Ocean Census Tokyo, March 2025

Initiatives

- **Ocean Rising**: fashion, theatre and art collaborations and events globally
 - **Yachts for Science**: programmes in Meso-American reef, Mediterranean, South-east Pacific, UK
 - **Ocean storytelling**: Submarine STEM Live from India
-

7. Structure, governance and management

The organisation is a charitable company, limited by guarantee, registered with the Charity Commission on 14 July 2015 and incorporated on 17 June 2015. The charity is constituted under its Memorandum and

Articles of Association dated 17 June 2015 which established the objects and powers of the charitable company and is governed under its articles of association.

The directors, who are also the trustees of the charity, are recruited by direct interest in the charity. Trustee induction has taken place with reference to the guidance published by the Charity Commission.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Note 8 to the accounts.

Day-to-day management of the charity is delegated to the senior management team. Our approach to remuneration is to ensure Nekton can attract and retain a talented and motivated team to achieve our mission and deliver our strategic goals, whilst taking into account pay scales of similar and partner organisations and charity sector pay surveys.

7.1 Key management personnel for 2023-24

Chief Executive:	Oliver Steeds
Finance & Operations Controller:	Alex Murphy
Principal Scientist:	Associate Professor Lucy Woodall
Head of Communications	Kira Coley
Head of Expeditions	Joe Sharman

7.2 Appointment of trustees

The charity is required to have at least three Trustees and a maximum of ten Trustees.

Additional trustees are co-opted by the board and management team to ensure the best mix of skills and experience attuned to the needs of the charity. Upon election new trustees meet the chair and chief executive and attend an induction meeting which includes a presentation on the organisation; the opportunity to meet key staff and a question-and-answer session. New trustees are also provided with the charity's business plan, financial statements, and any other documents requested. Trustees collectively identify any governance training needs and who best to undertake the training identified. Nekton Foundation does not engage in public fundraising. Nekton Foundation nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and Nekton Foundation received no complaints relating to its fundraising practice.

7.3 Related parties and relationships with other organisations

Nekton Foundation has two wholly owned subsidiaries, Nekton Enterprises Limited (NEL) and Ocean Census Limited (OCL). NEL was incorporated on 25th April 2016 and has been established to undertake commercial activities such as sponsorship which generate income for the benefit of Nekton Foundation. OCL was incorporated on 10 May 2023 and has been established to undertake the Ocean Census programme.

Nekton works closely with Encounter EDU to develop, produce and disseminate its Submarine STEM educational programme. Encounter EDU creates educational outreach programmes which bring expedition science and exploration into classrooms through collaborations between explorers, scientists, teachers and pupils. Nekton's Chief Executive Oliver Steeds co-founded Digital Explorer (renamed in 2019 as Encounter EDU). He is not involved in the day-to-day running of the organisation and has never received remuneration from it.

7.4 Statement of responsibilities of the trustees

The trustees (who are also directors of Nekton Foundation for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees on 31 March 2024 was 10 (31 December

2022: 10). The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

8. Auditors

Sayer Vincent LLP were appointed as the charitable company's auditor during the year and have expressed their willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 12 December 2024 and signed on their behalf by

Rupert Grey
Chair

Independent auditors' report

To the members of

Nekton Foundation

Opinion

We have audited the financial statements of Nekton Foundation (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 March 2024 which comprise the consolidated statement of income and retained earnings, the group and parent company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including 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).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2024 and of the group's loss for the period then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Nekton Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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

Independent auditors' report

To the members of

Nekton Foundation

form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 directors' annual report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- The directors' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- Adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees 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 trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern

Independent auditors' report

To the members of

Nekton Foundation

and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the companies' policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the company operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the company from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Independent auditors' report

To the members of

Nekton Foundation

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 or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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.

Jonathan Orchard (Senior statutory auditor)

17 December 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

Nekton Foundation

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the 15 months ended 31 March 2024

	Note	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2022 Total £
Income from:							
Donations and legacies	2	37,664	–	37,664	104,174	–	104,174
Charitable activities							
Missions	3	–	7,315,866	7,315,866	–	2,923,394	2,923,394
Other trading activities	4	31,250	–	31,250	179,167	–	179,167
Total income		68,914	7,315,866	7,384,780	283,341	2,923,394	3,206,735
Expenditure on:							
Raising funds	5	2,078	–	2,078	901	–	901
Charitable activities							
Missions	5	100,879	2,111,617	2,212,496	17,223	2,370,997	2,388,220
Science and Research	5	80,160	890,317	970,477	135,309	369,966	505,275
Communication and Education	5	58,829	893,756	952,585	90,173	328,736	418,909
Total expenditure		241,946	3,895,690	4,137,636	243,606	3,069,699	3,313,305
Net income / (expenditure) for the year		(173,032)	3,420,176	3,247,144	39,735	(146,305)	(106,570)
Other recognised (losses) / gains: foreign exchange		(9,540)	(68,066)	(77,606)	51,857	–	51,857
Tax on profits on ordinary activities		(1,150)	–	(1,150)	–	–	–
Net income / (expenditure) before other recognised gains and losses		(183,722)	3,352,110	3,168,388	91,592	(146,305)	(54,713)
Net movement in funds		(183,722)	3,352,110	3,168,388	91,592	(146,305)	(54,713)
Reconciliation of funds:	17b						
Total funds brought forward		619,592	712,511	1,332,103	528,000	858,816	1,386,816
Total funds carried forward		435,870	4,064,621	4,500,491	619,592	712,511	1,332,103

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 19a to the financial statements.

As at 31 March 2024

	Note	The group 2024 £	2022 £	The charity 2024 £	2022 £
Fixed assets:					
Tangible assets	11	285,846	90,265	264,023	90,265
		<u>285,846</u>	<u>90,265</u>	<u>264,023</u>	<u>90,265</u>
Current assets:					
Debtors	13	47,429	10,879	508,282	236,178
Cash at bank and in hand		4,758,547	1,513,140	4,319,679	1,273,398
		<u>4,805,976</u>	<u>1,524,019</u>	<u>4,827,961</u>	<u>1,509,576</u>
Liabilities:					
Creditors: amounts falling due within one year	14	(591,331)	(282,181)	(656,836)	(396,770)
		<u>4,214,645</u>	<u>1,241,838</u>	<u>4,171,125</u>	<u>1,112,806</u>
Net current assets / (liabilities)					
		<u>4,500,491</u>	<u>1,332,103</u>	<u>4,435,148</u>	<u>1,203,071</u>
Total net assets / (liabilities)					
		<u>4,500,491</u>	<u>1,332,103</u>	<u>4,435,148</u>	<u>1,203,071</u>
Funds:	17a				
Restricted income funds		4,064,621	712,511	4,055,081	712,511
Unrestricted income funds:					
General funds		435,870	619,592	380,067	490,560
		<u>435,870</u>	<u>619,592</u>	<u>380,067</u>	<u>490,560</u>
Total unrestricted funds					
		<u>435,870</u>	<u>619,592</u>	<u>380,067</u>	<u>490,560</u>
Total funds		<u>4,500,491</u>	<u>1,332,103</u>	<u>4,435,148</u>	<u>1,203,071</u>

Approved by the trustees on 12 December 2024 and signed on their behalf by

Rupert Grey
Chair

Nekton Foundation

Consolidated statement of cash flows

For the 15 months ended 31 March 2024

	Note	2024 £	£	2022 £	£
Cash flows from operating activities	19				
Net cash provided by / (used in) operating activities			3,546,286		40,731
Cash flows from investing activities:					
Purchase of fixed assets		(222,123)		(13,968)	
Net cash provided by / (used in) investing activities			(222,123)		(13,968)
Change in cash and cash equivalents in the year			3,324,163		26,763
Cash and cash equivalents at the beginning of the year			1,513,140		1,434,520
Change in cash and cash equivalents due to exchange rate movements			(77,606)		51,857
corporation tax liability			(1,150)		-
Cash and cash equivalents at the end of the year	20		4,758,547		1,513,140

1 Accounting policies

a) Statutory information

Nekton Foundation is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address (and principal place of business) is Begbroke Science Park, Begbroke Hill, Woodstock Road, Begbroke, OX5 1PF.

b) 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) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Consolidation

These financial statements consolidate the results of the charitable company and its two wholly-owned subsidiaries – Nekton Enterprise Limited and Ocean Census Limited – on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the three companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

d) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

e) Going concern

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

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. They are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above.

1 Accounting policies (continued)

f) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

g) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

h) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

i) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

j) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of developing and undertaking the missions, research and education undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

k) Government grants

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred."

l) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

1 Accounting policies (continued)

m) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Support and governance costs are re-allocated to each of the activities based on time attributable to each activity

● Cost of raising funds	0%
● Missions	14%
● Science and research	58%
● Communication and education	29%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

n) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

o) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Scientific Equipment	10 years
● Filming & Communications equipment	3 years
● Computer equipment	3 years
● Office and lab furniture	10 years

1 Accounting policies (continued)

p) Investments in subsidiaries

Investments in subsidiaries are at cost.

q) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

r) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

s) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

t) Creditors and provisions

Creditors and provisions are recognised where the charity 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Notes to the financial statements

For the 15 months ended 31 March 2024

2 Income from donations and legacies

	Unrestricted £	Restricted £	2024 Total £	2022 Total £
Donations	37,664	–	37,664	104,174
	<u>37,664</u>	<u>–</u>	<u>37,664</u>	<u>104,174</u>

Prior Year

	Unrestricted £	Restricted £	2022 Total £
Donations	104,174	–	104,174
	<u>104,174</u>	<u>–</u>	<u>104,174</u>

3 Income from charitable activities

	Unrestricted £	Restricted £	2024 Total £	2022 Total £
Ocean Census Year 1		3,817,648	3,817,648	138,361
Ocean Census Year 2		3,167,655	3,167,655	–
Ocean Census Launch	–	150,314	150,314	–
First Descent: Indian Ocean	–	132,252	132,252	2,774,033
India Deep Reef Expedition: Feasibility	–	24,865	24,865	–
eDNA Seahorses	–	11,000	11,000	6,000
Deep Sea & Ocean Science MOOC	–	7,132	7,132	–
Yachts for Science	–	5,000	5,000	5,000
Total income from charitable activities	<u>–</u>	<u>7,315,866</u>	<u>7,315,866</u>	<u>2,923,394</u>

Prior Year

	Unrestricted £	Restricted £	2022 Total £
First Descent: Indian Ocean	–	2,774,033	2,774,033
Ocean Census Year 1	–	138,361	138,361
eDNA Seahorses	–	6,000	6,000
Yachts for Science	–	5,000	5,000
Total income from charitable activities	<u>–</u>	<u>2,923,394</u>	<u>2,923,394</u>

4 Income from other trading activities

	Unrestricted £	Restricted £	2024 Total £	2022 Total £
Other	31,250	–	31,250	179,167
	31,250	–	31,250	179,167

Prior Year

	Unrestricted £	Restricted £	2022 Total £
Other	179,167	–	179,167
	179,167	–	179,167

5a Analysis of expenditure

	Charitable activities							
	Raising funds	Missions	Science and Research	Communications and Education	Governance costs	Support costs	2024 Total	2022 Total
	£	£	£	£	£	£	£	£
Staff costs (Note 7)	–	241,039	368,381	174,591	–	111,423	895,434	447,468
Consultant & staff related costs	578	166,086	376,208	405,958	–	3,035	951,865	251,596
Mission control / operations	–	1,385,040	35,369	134,890	–	9,817	1,565,116	2,113,896
Equipment and consumables	–	69,972	35,564	5,983	–	1,944	113,463	284,800
Fundraising	401	65	852	70,062	–	821	72,201	20,841
Science costs	–	169	2,721	101	–	–	2,991	2,690
Travel and subsistence	620	198,926	9,808	39,903	–	6,699	255,956	74,050
Professional services	–	48,145	18,525	27,786	–	67,401	161,857	46,615
Insurance	–	22,615	–	–	–	8,661	31,276	35,019
Telephone, IT and office costs	479	983	1,128	28,761	–	14,473	45,824	12,121
Membership and subscriptions	–	1,220	1,267	7,315	–	4,204	14,006	4,774
Bank charges	–	90	59	80	–	876	1,105	1,872
Depreciation	–	–	–	–	–	26,542	26,542	17,563
	2,078	2,134,350	849,882	895,430	–	255,896	4,137,636	3,313,305
Support costs	–	78,146	120,595	57,155	–	(255,896)	–	
Governance costs	–	–	–	–	–	–	–	
Total expenditure 2024	2,078	2,212,496	970,477	952,585	–	–	4,137,636	3,313,305
Total expenditure 2022	901	2,388,220	505,275	418,909	–	–	3,313,305	

Of the total expenditure £258,768 was unrestricted (2022: £243,606) and £3,895,689 was restricted (2022: £3,069,699).

5b Analysis of expenditure (Prior Year)

	Charitable activities						2022 Total £
	Raising funds £	Missions £	Science and Research £	Communications and Education £	Governance costs £	Support costs £	
Staff costs (Note 7)	–	53,688	253,452	105,472	–	34,856	447,468
Consultant & Staff Related Costs	525	60,854	97,528	92,689	–	–	251,596
Mission control / operations	–	1,943,645	47,689	116,344	–	6,218	2,113,896
Equipment and Consumables	–	268,160	5,002	11,458	–	180	284,800
Science Grants	–	–	–	–	–	–	–
Fundraising	–	114	2,110	18,013	–	604	20,841
Science costs	–	–	2,690	–	–	–	2,690
Travel and subsistence	195	20,731	16,489	36,910	–	(275)	74,050
Professional Services	–	4,531	–	–	–	42,084	46,615
Insurance	–	14,316	263	514	–	19,926	35,019
Telephone, IT and Office Costs	181	4,982	710	2,768	–	3,480	12,121
Membership and subscriptions	–	502	515	1,938	–	1,819	4,774
Bank charges	–	–	–	1	–	1,871	1,872
Depreciation	–	–	–	–	–	17,563	17,563
	901	2,371,523	426,448	386,107	–	128,326	3,313,305
Support costs	–	16,697	78,827	32,802	–	(128,326)	–
Governance costs	–	–	–	–	–	–	–
Total expenditure 2022	901	2,388,220	505,275	418,909	–	–	3,313,305

Of the total expenditure, £243,606 was unrestricted (2021: £349,142) and £3,069,699 was restricted (2021: £448,300).

6 Net income for the year

This is stated after charging:

	2024 £	2022 £
Depreciation	26,542	17,563
Operating lease rentals:		
Property	18,024	15,120
Auditors' remuneration (excluding VAT):		
Audit	9,855	7,700
Foreign exchange losses / (gains)	77,606	(51,857)
	<u>77,606</u>	<u>(51,857)</u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024 £	2022 £
Salaries and wages	643,610	263,876
Social security costs	69,235	26,116
Pension costs	26,124	9,547
Consultants costs	–	147,935
	<u>738,969</u>	<u>447,474</u>

Two employees earned more than £60,000 during the year (2022: 1).

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2024 No.	2022 No.
£70,000 – £70,999	1	–
£110,000 – £119,999	–	1
£160,000 – £169,999	1	–
	<u>1</u>	<u>1</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £283,692 (2022: £214,537).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2022: £nil) incurred by 0 (2022: 0) members relating to attendance at meetings of the trustees.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 9 (2022: 8).

9 Related party transactions

Nekton Foundation owes £nil (2022: £nil) to its wholly owned subsidiary Nekton Enterprises Limited.

Nekton Foundation owes £nil (2022: N/A) to its wholly owned subsidiary Ocean Census Limited.

There were no related party transactions in the year.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiaries Nekton Enterprises Limited and Ocean Census Limited gift aid available profits to the parent charity.

11 Tangible fixed assets**The group & Charity**

	Scientific equipment £	Filming & Communica- tions equipment £	Computer equipment £	Office and lab furniture £	Total £
Cost					
At the start of the year	136,389	24,070	22,631	5,095	188,185
Additions in year	219,677	–	2,446	–	222,123
At the end of the year	356,066	24,070	25,077	5,095	410,308
Depreciation					
At the start of the year	60,649	20,522	14,041	2,708	97,920
Charge for the year	19,197	1,835	4,873	637	26,542
At the end of the year	79,846	22,357	18,914	3,345	124,462
Net book value					
At the end of the year	276,220	1,713	6,163	1,750	285,846
At the start of the year	75,740	3,548	8,590	2,387	90,265

All of the above assets are used for charitable purposes.

12a. Subsidiary undertaking – Nekton Enterprises Limited

The charitable company owns 100% of the voting rights of Nekton Enterprises Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. Available profits are gift aided to the charitable company. The Chief Executive of Nekton Foundation, Oliver Steeds, is also director of the subsidiary. A summary of the results of the subsidiary is shown below:

	2024 £	2022 £
Turnover	31,250	179,167
Cost of sales	(6,783)	(19,356)
Gross profit	24,467	159,811
Management charge payable to parent undertaking	(7,626)	(16,367)
Operating profit / (loss)	16,841	143,444
Interest payable	–	–
Interest payable to parent undertaking	–	–
Profit on ordinary activities before taxation	16,841	143,444
Taxation	(1,150)	–
Profit for the financial year	15,691	143,444
Retained earnings		
Retained earnings brought forward	129,028	(14,415)
Profit for the financial year	15,691	143,443
Profit distributed to parent under gift aid	(129,028)	–
Retained earnings carried forward	15,691	129,028
The aggregate of the assets, liabilities and funds was:		
Assets	240,469	342,064
Liabilities	(224,778)	(213,036)
Net Assets	15,691	129,028
Share Capital	1	1
Profit & Loss Account	15,691	129,028
Total Shareholders Funds	15,692	129,029

Amounts owed to/from the parent undertaking are shown in note 9.

12b. Subsidiary undertaking – Ocean Census Limited

The charitable company owns 100% of the voting rights of Ocean Census Limited, a company registered in England. While not a charity, the subsidiary is used to deliver the charitable objectives of the charity. Available profits are gift aided to the charitable company. The Chief Executive of Nekton Foundation, Oliver Steeds, is also a director of the subsidiary. A summary of the results of the subsidiary is shown below:

	2024 £
Turnover	1,042,520
Cost of sales	(992,876)
Gross profit	49,644
Management charge payable to parent undertaking	–
Operating profit / (loss)	49,644
Interest payable	–
Interest payable to parent undertaking	–
Profit on ordinary activities before taxation	49,644
Taxation	–
Profit for the financial year	49,644
Retained earnings	
Retained earnings brought forward	–
Profit for the financial year	49,644
Profit distributed to parent under gift aid	–
Retained earnings carried forward	49,644
The aggregate of the assets, liabilities and funds was:	
Assets	–
Liabilities	–
Net Assets	–
Share Capital	10
Profit & Loss Account	49,644
Total Shareholders Funds	49,654

Amounts owed to/from the parent undertaking are shown in note 9.

13 Debtors

	The group		The charity	
	2024	2022	2024	2022
	£	£	£	£
Trade debtors	23,368	4,942	231,979	230,241
Prepayments	24,061	5,937	24,061	5,937
Due from Ocean Census Limited subsidiary	–	–	252,242	–
	47,429	10,879	508,282	236,178

All of the group's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in note 17a below.

14 Creditors: amounts falling due within one year

	The group		The charity	
	2024	2022	2024	2022
	£	£	£	£
Trade creditors	151,519	9,460	123,556	9,669
Taxation and social security	27,112	8,919	23,465	7,669
Other creditors	17,083	510	9,914	2,302
Accruals	380,117	247,792	373,648	242,937
Due to Nekton Enterprises Limited subsidiary	–	–	110,753	118,693
Grant creditors	15,500	15,500	15,500	15,500
	591,331	282,181	656,836	396,770

15 Pension scheme

Nekton Foundation operates a defined contribution pension scheme to which fixed contributions are made. The amount paid in the year was £26,124 (2022: £9,547).

16a Analysis of group net assets between funds (current year)

	General unrestricted £	Restricted funds £	Total funds £
The Charity			
Tangible fixed assets	–	264,023	264,023
Net current assets	380,067	3,791,058	4,171,125
Net assets at 31 March 2024	380,067	4,055,081	4,435,148
The Group			
Tangible fixed assets	–	285,846	285,846
Net current assets	435,870	3,778,775	4,214,645
Net assets at 31 March 2024	435,870	4,064,621	4,500,491

16b Analysis of group net assets between funds (prior year)

	General unrestricted £	Restricted funds £	Total funds £
The Charity			
Tangible fixed assets	–	90,265	90,265
Net current assets	490,559	622,247	1,112,806
Net assets at 31 December 2022	490,559	712,512	1,203,071
The Group			
Tangible fixed assets	–	90,265	90,265
Net current assets	619,591	622,247	1,241,838
Net assets at 31 December 2022	619,591	712,512	1,332,103

17a Movements in funds (current year)

The Charity	At 1 January 2023	Income & Gains	Expenditure & losses	Losses	At 31 March 2024
	£	£	£	£	£
Restricted funds:					
Octopus	12,316	–	–	–	12,316
First Descent: Indian Ocean	682,926	132,252	(402,115)	–	413,063
Ocean Census Year 1	–	3,817,648	(3,294,495)	(77,606)	445,547
Ocean Census Year 2	–	3,167,655	(702)	–	3,166,953
Ocean Census Launch	–	150,314	(150,314)	–	–
India Deep Reef Expedition: Feasibility	–	24,865	(24,865)	–	–
eDNA Seahorses	–	11,000	(11,000)	–	–
Deep Sea & Ocean Science MOOC	–	7,132	(7,132)	–	–
Yachts for Science	–	5,000	(5,000)	–	–
Deep Reefs and MPAs	10,232	–	–	–	10,232
Microplastics	7,037	–	(67)	–	6,970
Total restricted funds	712,511	7,315,866	(3,895,690)	(77,606)	4,055,081
Unrestricted funds:					
General funds	490,560	167,004	(277,497)	–	380,067
Total unrestricted funds	490,560	167,004	(277,497)	–	380,067
Total funds	1,203,071	7,482,870	(4,173,187)	(77,606)	4,435,148

The narrative to explain the purpose of each fund is given at the foot of the note below.

17a Movements in funds (current year) continued

The Group	At 1 January 2023	Income & Gains	Expenditure & losses	Losses	At 31 March 2024
	£	£	£	£	£
Restricted funds:					
Octopus	12,316	–	–	–	12,316
First Descent: Indian Ocean	682,926	132,252	(402,115)	–	413,063
Ocean Census Year 1	–	3,817,648	(3,294,495)	(68,066)	455,087
Ocean Census Year 2	–	3,167,655	(702)	–	3,166,953
Ocean Census Launch	–	150,314	(150,314)	–	–
India Deep Reef Expedition: Feasibility	–	24,865	(24,865)	–	–
eDNA Seahorses	–	11,000	(11,000)	–	–
Deep Sea & Ocean Science MOOC	–	7,132	(7,132)	–	–
Yachts for Science	–	5,000	(5,000)	–	–
Deep Reefs and MPAs	10,232	–	–	–	10,232
Microplastics	7,037	–	(67)	–	6,970
Total restricted funds	712,511	7,315,866	(3,895,690)	(68,066)	4,064,621
Unrestricted funds:					
General funds	619,592	68,914	(243,096)	(9,540)	435,870
Total unrestricted funds	619,592	68,914	(243,096)	(9,540)	435,870
Total funds	1,332,103	7,384,780	(4,138,786)	(77,606)	4,500,491

The narrative to explain the purpose of each fund is given at the foot of the note below.

OcToPUS

Development of the Ocean Tool for Public Understanding and Science (OcToPUS) funded by the Garfield Weston Foundation and private philanthropists.

First Descent: Indian Ocean

Funding from Omega and Kensington Tours for the First Descent series of expeditions in the Indian Ocean, with expenditure for First Descent: Maldives.

Ocean Census

Funding from and co-founded with The Nippon Foundation, Ocean Census is a 10-year international programme developed to transform the discovery of ocean life, aiming to accelerate species discovery, innovate equitable access to ocean life data, build human and technology capacity in taxonomy, and amplify the story of ocean life to catalyse awareness and action.

India Deep Reef Expedition: Feasibility

Funding by the UK government's Foreign, Commonwealth & Development Office for a feasibility study for a potential expedition to India in partnership with the Governments of India and UK.

eDNA Seahorses

Funding from and collaboration with Natural England, providing guidance and supervision of research on using eDNA for seahorse detection in the UK and review of new guidelines.

Deep Sea & Ocean Science MOOC

Funding by The Minderoo Foundation, and led by and working in partnership with The University of Seychelles, for the development of the Western Indian Ocean Deep Sea Science Course and Mass Open Online Course.

17a Movements in funds (current year) continued

Yachts for Science

Funding from private philanthropists for Yachts for Science, a programme which matches marine scientists with private yachts to undertake field research.

Deep Reefs and MPAs

Funding from Garfield Weston Foundation supports this research project to assess the value and importance of mesophotic reefs within marine spatial planning and the designation of marine protected areas globally.

Microplastics

Funding from The Flotilla Foundation for a research project into the contamination pathways and prevalence of microplastics in Antarctica.

17b Movements in funds (prior year)

The Charity	At 1 January 2022 £	Income & Gains £	Expenditure & losses £	Gains £	At 1 January 2023 £
Restricted funds:					
Octopus	12,316	–	–	–	12,316
Indian Ocean Missions	753,283	2,774,033	(2,844,390)	–	682,926
Yachts for Science	–	5,000	(5,000)	–	–
Deep Reefs and MPAs	22,304	–	(12,072)	–	10,232
Nautilus Feasibility Study*	38,451	138,361	(176,812)	–	–
eDNA Seahorses	–	6,000	(6,000)	–	–
Microplastics	32,462	–	(25,425)	–	7,037
Total restricted funds	858,816	2,923,394	(3,069,699)	–	712,511
Unrestricted funds:					
General funds	528,001	120,381	(157,822)	–	490,560
Total unrestricted funds	528,001	120,381	(157,822)	–	490,560
Total funds	1,386,817	3,043,775	(3,227,521)	–	1,203,071

*Nautilus Feasibility Study: 'Nautilus' was the working title for the programme launched in 2023 as Ocean Census.

17b Movements in funds (prior year) continued

The Group	At 1 January 2022 £	Income & Gains £	Expenditure & losses £	Gains £	At 1 January 2023 £
Restricted funds:					
Octopus	12,316	–	–	–	12,316
Indian Ocean Missions	753,283	2,774,033	(2,844,390)	–	682,926
Yachts for Science	–	5,000	(5,000)	–	–
Deep Reefs and MPAs	22,304	–	(12,072)	–	10,232
Nautilus Feasibility Study*	38,451	138,361	(176,812)	–	–
eDNA Seahorses	–	6,000	(6,000)	–	–
Microplastics	32,462	–	(25,425)	–	7,037
Total restricted funds	858,816	2,923,394	(3,069,699)	–	712,511
Unrestricted funds:					
General funds	528,000	283,341	(243,606)	51,857	619,592
Total unrestricted funds	528,000	283,341	(243,606)	51,857	619,592
Total funds	1,386,816	3,206,735	(3,313,305)	51,857	1,332,103

*Nautilus Feasibility Study: 'Nautilus' was the working title for the programme launched in 2023 as Ocean Census.

18 Reconciliation of net income to net cash flow from operating activities

	2024 £	2022 £
Net income for the reporting period (as per the statement of financial activities)	3,247,144	(106,570)
Depreciation charges	26,542	17,563
Loss/Profit on the sale of fixed assets	–	–
Increase in debtors	(36,550)	19,430
Decrease in creditors	309,150	110,308
Net cash provided by / (used in) operating activities	3,546,286	40,731

19 Analysis of cash and cash equivalents

	At 1 January 2023 £	Cash flows £	Other changes £	At 31 March 2024 £
Cash at bank and in hand	1,513,140	3,245,407	–	4,758,547
Total cash and cash equivalents	1,513,140	3,245,407	–	4,758,547

20 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

Accounts

Company number: 09644797
Charity Number: 01162666

Nekton Foundation

Report and financial statements
For the year ended 31 December 2022

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For the year ended 31 December 2022

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Nekton Foundation

Reference and administrative information

For the year ended 31 December 2022

Company number 09644797

Charity number 01162666

Registered office and operational address Begbroke Science Park
Begbroke Hill
Woodstock Road
Begbroke
OX5 1PF

Country of registration England & Wales

Country of incorporation The United Kingdom

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Chair:	Rupert Grey
Trustees:	Juliet Burnett
	Paul Jardine
	Paul Crowther (Vice Chair)
	Emily Penn
	Professor Callum Roberts
	Robert McCallum
	Vanessa Rice
	Will Goodlad
	Angelique Poupponeau (resigned 23 rd February 2023)

Key management personnel

Chief Executive:	Oliver Steeds
Finance & Operations Controller:	Alex Murphy
Head of Communications	Lisa Hynes (resigned 30 th June 2022)
Principal Scientist:	Dr. Lucy Woodall

Bankers Royal Bank of Scotland
1st Floor, Houblon House
62-63 Threadneedle Street
London
EC2R 8HP

Nekton Foundation

Reference and administrative information

For the year ended 31 December 2022

Solicitors Skadden, Arps, Slate, Meagher & Flom (UK) LLP
40 Bank Street,
Canary Wharf,
London,
E14 5DS

Blake Morgan LLP
Seacourt Tower
West Way
Oxford, OX2 0FB

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditors
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

The trustees present their report and the audited financial statements for the year ended 31 December 2022.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

1. Objectives and activities

1.1 Purpose & Strategy

Nekton Foundation is a not-for-profit charitable organisation dedicated to accelerating the scientific exploration and protection of the ocean. To help ensure the resilient and prosperous ocean needed to improve the lives and livelihoods of billions around the world, Nekton is focused on three connected goals: accelerating deep-sea scientific research and exploration, inspiring education and outreach and galvanising progress towards greater ocean protection.

Our charitable objects, as set out in our governing document, are to promote and advance education in the conservation, protection and improvement of the environment.

Nekton works with and on behalf of ocean nations who are committed to improving the prosperity, resilience and sustainable governance of their ocean.

Nekton's operations are aligned to support the implementation of the UK Government's Marine Policy, United Nation's Sustainable Development Goals including 14 (Life Below Water), The Commonwealth Blue Charter, the UN Ocean Decade for Sustainable Development and the recommendations of the Global Ocean Commission.

Activities & Strategy: Nekton are implementing a 2018-2025 strategy that combines i) Missions with Ocean Nations to galvanise protection (Indian Ocean focus), ii) Initiatives - innovative projects with targeted outcomes to address the needs of our ocean.

Working in Partnership: The charity works in partnership with an Alliance of leading organisations across marine science, ocean policy, business, communications and civil society to deliver our objectives.

Funding & Business Model: Funding is through an Alliance of partners, and philanthropic grants and donations. Operations are implemented with Nekton's partners who share a common purpose to explore and protect the ocean.

1.1 Nekton's DNA

Our DNA is founded on:

- **Applied, Conservation Science:** We can't protect what we don't know exists. In collaboration with the Universities of Oxford and Exeter, we create step changes in our scientific knowledge of the ocean to inform and catalyse ocean protection for the benefit of the planet and all its people.
 - **Inspirational storytelling:** We amplify ocean stories globally and broadcast the journey of scientific discovery by our aquanauts in the ocean's depths to improve ocean awareness and inspire public support for political action.
 - **Democratising science:** Knowledge shared empowers ocean science and ocean protection. Host nation scientists, conservationists, journalists, even the Heads of State are the heart of everything we do. Equity of opportunity underpins all of our work.
 - **First Descent Missions:** Working for and with large ocean nations committed to and implementing ambitious plans to protect at least 30% of their ocean by 2030.
 - **Unique alliance:** Our strength comes from the sum of our parts – uniting over 50 different organisations – from government, science, business, media, technology, and civil society – to work together for our shared client - the ocean.
-

1.2 Nekton Missions: working with Ocean Nations

8.2% of the ocean is currently designated as marine protected areas (MPAs) – but only 2.9% is fully protected (source: WDPA / Protected Planet). We aim to help support the global effort to protect at least 30% by 2030, an ambitious goal but an essential one that we share with other partners globally.

Our Missions, in partnership with the people and organisations of ocean nations, are vital if we are to achieve that target. We co-develop and co-deliver these research programmes with policymakers, scientists, businesses, teachers and storytellers of each host nation, and are supported by our international alliance of partners ('The Nekton Alliance').

Our Missions scientifically explore the ocean, driven by curiosity and the determination to use the knowledge we gain to serve the planet. Each Mission combines state-of-the-art technology, applied research, knowledge exchange, ocean policy initiatives and inspirational public engagement activities. We coordinate all these activities together to increase their collective impact. All data and biological specimens are owned and vested by the host nations.

i. **Applied Research:**

To inform & catalyse ocean policy through:

- Generating new multi-disciplinary marine datasets for accurate marine spatial planning
- Determining conservation priorities for marine protected areas
- Establishing scientific baseline of marine life and ocean health for long-term monitoring and management
- Curation and open access publication of all data.

ii. **Knowledge Exchange:**

To create a legacy of leadership, skills, knowledge and networks within the host nation and empower long-term sustainable ocean governance through:

- Marine research & ocean management grants
- Field research participation and leadership
- Marine research, ocean management and taxonomic training and workshops with international experts
- Co-produced knowledge sharing publications and conservation tools
- Fellowships for early career scientists to University of Oxford and partner institutions

iii. **Inspirational Public Engagement:**

To inspire and engage host nation, regional and international audiences, host nation scientists anchor communications activities to amplify ocean awareness serving to:

- Strengthen the public mandate for political action
- Create a new cadre of Ocean Leaders in the local, regional and international spotlight
- Promoting sustainable marine tourism and a pillar of the Blue Economy

1.3 Nekton Initiatives

We work on innovative projects with targeted outcomes to address the needs of our ocean. From educational programmes to podcasts, scientific research to ground-breaking data portals, all of our initiatives further our aims of accelerating greater understanding of our ocean, how we protect it and inspiring public engagement.

In 2022, these include:

1.3.1 Conservation & Ocean Policy

- *Western Indian Ocean: Resilience & Prosperity Initiative (WIO-RPI):* governments of the WIO co-creating an ambitious new regional ocean policy and strategy to support sustainable ocean development that is underpinned by science-based management and protection.

1.3.2 Applied Science

- *Deep Reefs:* galvanising their protection
- *General Ocean Survey and Sampling Iterative Protocol (GOSSIP):* standardising marine biological field research activities to increase interoperability and usability of critical data.
- *Ocean Life (Nautilus-Ocean Census):* accelerating the discovery and protection of marine biodiversity.
- *Ocean Plastics:* step-change research on prevalence and distribution pathways of microplastics and practical policies to reduce plastic use.

1.3.3 Communications & Public Engagement

- *Ocean Rising:* deepening cultural connections with the ocean
- *Submarine STEM:* Educational programme to bring the ocean to classrooms through STEM

- *Media Services:* producing films and content, creative communications, news and social media campaigns

1.3.4 Knowledge Exchange

- *Democratising Science:* combatting parachute science and promoting co-produced science.
- *Indian Ocean Knowledge Exchange Programme*
- *Western Indian Ocean Deep Sea Science Course – with University of Seychelles, WIOMSA & Minderoo Foundation.*

1.3.5 Other

- *Yachts for Science:* matching scientists with private vessels – with owners providing their vessels for free to undertake marine research and conservative projects.
- *Extreme-E:* Marine science partners for the global electric SUV race
- *Earthshot Prize:* Nominating candidates, strategic advice and engagement activities.

1.4 Indian Ocean Strategy 2018-2025

The Indian Ocean is the least scientifically researched and least protected ocean on Earth. Already home to nearly 2.7 billion people with an average age under 30, by 2050, 'the Ocean of the Centre' will be home to half of the world's population.

In order to strengthen resilience against the impact of the climate and biodiversity crises for the billions of people dependent on the health of the Indian Ocean, Nekton, in partnership with Governments in the region, is undertaking a series of Missions - *First Descent: Indian Ocean*. We collectively aim to catalyse the sustainable ocean governance needed, including at least 30% protection by 2030. **Watch** launch film, narrated by Morgan Freeman.

First Descent: Indian Ocean began in Comores in 2018 with a pathfinder mission with partners Wild Oceans and others before leading onto a larger, Nekton-led Mission at the invitation of the Government of Seychelles - *First Descent: Seychelles* 2018-2022. Our next Mission '*First Descent: Maldives*' began in 2019, with field operations in late 2022, concluding by the end of 2023. Subject to funding and other nations inviting Nekton to support their commitments to establish marine protected areas, the *First Descent: Indian Ocean* missions will continue beyond 2024.

Each Mission combines national commitments to ocean protection, marine spatial planning, applied research to inform ocean policy, investments in knowledge exchange and inspirational communications to strengthen the public mandate for political action.

The policy outcome for the Indian Ocean Strategy is being implemented through the *Western Indian Ocean – Resilience and Prosperity Initiative (WIO-RPI)* - an initiative of the governments of the Western Indian Ocean to co-create an ambitious new regional ocean policy and strategy to support sustainable ocean development that is underpinned by science-based management and protection. The Initiative has been endorsed as a project by all nations at the Nairobi Convention's COP10 in November 2021. Nekton are the architects of the WIO-RPI and technical partners to the Government of Seychelles (the coordinating Government), the Nairobi Convention and the Danny Faure Foundation (the implementing partner).

1.4.1 Projected impact – *First Descent: Indian Ocean*

First Descent aims to achieve environmental, scientific, political and civil society impact through:

- **Building resilience to climate change:** Large ocean nations committed to and implementing ambitious plans to protect 30% of their ocean by 2030 - providing the economic, political and scientific case for a healthy, prosperous ocean and planet. *Nations working with Nekton: Seychelles, Maldives, South Africa, Comores.*
- **Political Leadership:** Western Indian Ocean Summit to ratify the WIO-RPI in 2025 will unite Heads of States from all ten nations of the Western Indian Ocean to implement a regional policy and strategy for sustainable governance, underpinned with investment into blue natural capital - the first of its kind globally.
- **Empowering diversity & knowledge exchange:** A diverse cadre of Indian Ocean leaders with capacity, skills and knowledge across marine science, ocean conservation and management, to support the implementation of ocean protection and the sustainable development of the blue economy.
- **Pioneering scientific knowledge:** Hundreds of new species, dozens of institutes participating and 60+ scientific papers incl. on climate change resilience and adaptation, biodiversity, fisheries and pollution to inform sustainable ocean management.
- **Inspiring ocean conservation:** Increasing the public support for political action in support of the Global Ocean Alliance call for 30% global ocean protection by 2030.

2. Activities and Accomplishments 2022

The highlights include:

- **Mission: *First Descent: Maldives*:** the first systematic survey from the surface to 1000m across the Maldives to create a baseline to inform the establishment of marine protected areas across over 20% of the nation's EEZ. The discovery of the Trapping Zone, a vast ecosystem new to science
- **Maldives Knowledge Exchange Expedition:** alongside *First Descent: Maldives*, we led a dedicated knowledge exchange expedition with scientists participating from Maldives, Seychelles, South Africa, Sri Lanka and India (and UK and EU).
- **Voice of the Maldives – Communications Campaign** - to 'amplify the voice of the Maldivian scientists, conservationists and policy makers in national and international news media and across social media'. Included i) 124 features (print or digital) and 5 major broadcast features in Maldives, ii) international coverage including 2900+ broadcast and digital content features, 283 broadcasters, 1168 digital and print publishers, 120+ countries, iii) Educational Programming: 6 Live Lessons, 172 schools, 12 countries, 11,500 students (*data from Encounter Edu*)
- **Microplastics in Antarctica: Prevalence & Distribution Pathways:** Research and communications campaign revealed all samples (from Weddell Sea Expedition) - from air, seawater, sediment and

sea air – were found to contain microplastics, the vast majority were from synthetic fibres (fibrous polyesters). Research concluded that airborne microplastics found in the Weddell Sea are highly likely to have come primarily from southern South America, whilst microplastics reaching Antarctica by ocean currents are from the surrounding Southern Ocean

- **Project Nautilus / Ocean Census:** Completion of project planning, fundraising and partnership development to secure multi-year core funding to launch the largest programme in history to discover ocean life. Ocean Census is the next major strategic development for Nekton and will be launched in April 2023.

2.1 Conservation & Ocean Policy

2.1.1 Western Indian Ocean – Resilience & Prosperity Initiative (WIO-RPI)

The policy outcome for Nekton's Indian Ocean Strategy 2018-2025 is being implemented through the *Western Indian Ocean – Resilience and Prosperity Initiative (WIO-RPI)*.

The WIO-RPI is an initiative of the governments of the Western Indian Ocean to co-create an ambitious new regional ocean policy and strategy to support sustainable ocean development that is underpinned by science-based management and protection.

The policy and the first five-year strategy will be co-developed with regional and international experts and civil society organisations and will serve to support and underpin current and future initiatives in the region, including the Great Blue Wall.

The **four interconnected objectives** of the WIO policy are:

- 1. Enhance Marine Science:** To inform and coordinate decisions on the sustainable use and management of marine resources and priorities for restoration and resilience.
- 2. Harness a Sustainable Blue Economy:** To support the development of a sustainable blue economy plan that delivers resilience, jobs and a just, equitable transition
- 3. Strengthen Natural Resilience & Restoration:** To establish a just, equitably designed and managed connected network of ecologically and culturally representative protected areas in national and international waters, complementing global targets.
- 4. Advance Ocean Governance:** To advance governance for sustainable use and management of marine resources and protected areas.

Stakeholder engagement and programme partnership development (included fundraising) continued through 2022. An official side event of the UN Ocean Conference in Lisbon was hosted with speaking including Former President Danny Faure, Minister Joubert (Environment & Climate Change) and Nekton CEO, Oliver Steeds. Event hosted in partnership with IUCN, Great Blue Wall.

2.1.2 Seychelles

Data and content from *First Descent: Seychelles* has been utilised by the Government of Seychelles, science and conservation partners to establish and manage marine protected areas across over 30% of the nation's EEZ (an area equivalent in size to twice the United Kingdom), along with informing long-term sustainable ocean management including the sustainable development of the blue economy.

2.1.3 Maldives

First Descent: Maldives undertook the first systematic survey from the surface to 1000m across the Maldives to create a baseline to inform the establishment of marine protected areas across over 20% of the nation's EEZ. The discovery of the Trapping Zone, a vast ecosystem new to science, was documented to support the marine food web and many important fisheries around Maldives. Now it is known, it can be protected. The Maldives mission and this discovery served to inspire and galvanise public interest in the importance of the ocean and its protection. (More details below in Missions 2.2.1)

2.1.4 South Africa & Comores

Our collaboration with WildOcean continued apace including applying research to support long term management and monitoring in Comoros. The iSimangaliso and uThukela MPA project (South Africa) secured another 3 years of funding to support iSimangaliso (Blue Action Fund) and survey expeditions being undertaken in 2022 and more planned for 2023 (ROV and diver based) along with training the South African team to use SVS systems on the ROV platform.

All these projects add to Nekton wider goals of understanding mesophotic and rariphotic reefs across the central and western Indian Ocean and support their better management. WildOcean's links with the management authorities and local communities continues to ensure that the needs of the resident population is considered within a realistic management plan.

2.2 Missions

2.2.1 Maldives Mission 2022

Field Operations were undertaken successfully in September-October notably including:

- **Health and Safety:** There were no major incidents. Minor incidents and near-miss incidents were well managed.
- **Finance:** The field phase of the expedition was concluded below budget with favourable variances around insurance and operations.
- **Maldives Political Partnership:** The President, Ministers of Fisheries, Environment, Office of the President and the Special Envoy for Climate Change, along with the UK's High Commissioner, all joined the Expedition and all but the President undertook submersible dives to contribute to the mission's scientific objectives. A press conference was held after the expedition, hosted by and at the Office of the President with key notes from the Minister of Fisheries, UK High Commissioner and Nekton CEO / Mission Director Oliver Director followed by contributions by Dr Lucy Woodall, Principal Scientist and Maldives Expedition Leader, Mohamed Shimal.
- **Maldives Science Partnership:** All science activities have been co-designed and co-produced with Maldives partners anchored to the lead implementing partner, The Maldives Marine Research Institute (MMRI) and a network of science, conservation and civil society partners within Maldives.
- **Marine Operations:** Field research was focused on eight sites from North Malé to Addu Atoll covering 590km in latitude, included 24 scientists from nine countries of which 70% were from the Indian Ocean Region. Two vessels, RV Odyssey and Dhinasha (live aboard dive boat) were used for the expedition, with most deployments conducted off the Odyssey with the Dhinasha housing the additional knowledge exchange expedition participants. Dhinasha joined Odyssey for 10 days at the start of the expedition at Vaavu and Laamu.
- **Science Operations:** 352 deployments (submersible, ROV, snorkel and dives, CTD casts, neuston and midwater zooplankton tows, BRUV and drops and multibeam surveys); 747nm sailed; 295km² of seafloor was mapped with the multibeam, this is approximately the same size of the land area of Maldives; 186 fish and 201 benthic morphotypes were identified during the expedition (many more

expected during ongoing analysis); 279 specimens resulting in 554 samples were collected, processed and preserved

- **Major science discovery:** The Tapping Zone (ecosystem)
 - **Governance:** the Mission was undertaken under the guidance of the Nekton Expedition Committee (NEC) who provided excellent support and counsel notably Rob McCallum, Paul Crowther, Callum Roberts, Emily Penn and Rupert Grey
-

2.3 Applied science to catalyse ocean policy

Throughout 2022, the Nekton Research Group combining University of Oxford and University of Exeter (the latter following Nekton Principal Scientist appointment to the University of Exeter in late 2022) has been highly productive concluding research from First Descent: Seychelles, undertaking new research initiatives with First Descent: Maldives, deeper reefs and microplastics, and publishing extensively on other topics.

2.3.1 Maldives Mission (Mission Partners: Omega, Kensington Tours)

Following the successful field phase of the Mission, a Research Assistant was recruited and appointed in the Maldives to work with Mission partners, Maldives Marine Research Institute and coordinate analysis across a network of science partners including Nekton, University of Oxford, University of Exeter and SAIAB.

Initial morphotype screening was completed quickly due to advances and work completed during the field phase whilst video transect annotation began. A Taxonomic Workshop is being established for 11-23 February in Male, Maldives with international scientists contributing. Zooplankton analysis to be conducted by Nekton scientists in Oxford HQ. All research from the Maldives Mission will be concluded by early 2024, providing essential data and analysis to inform the Maldives Marine Spatial Plan and the designation of marine protected areas and sustainable ocean management across Maldives EEZ.

2.3.2 Seychelles (with Mission Partners: Omega and Kensington Tours)

Final analysis of data from *First Descent: Seychelles* was concluded in 2022 leading to a series of publications (see Publications section). *Seychelles First Descent* data was curated and uploaded to OBIS open access data repository.

2.3.3 Deep Reefs (with Garfield Weston Foundation)

Deep reefs are found at mesophotic (30-150 m) and rariphotic depths (150-300 m), along with cold-water corals (>300 m). These deeper reefs are considered to have a comparable geographic reach to their shallower counterparts. However, despite providing essential ecosystem services, and acting as refuge for coral and other reef-based organisms threatened in shallow water notably the impacts of climate change, they are poorly researched and remain largely unprotected.

Research was completed and published to coincide with 'Nature COP' in Montreal (December 2022) to amplify the call on policy makers to put in place specific actions and targets to protect deep reefs. The research revealed that very few deep reefs have any form of protection, and face a multitude of threats, set only to escalate in the near future.

2.3.4 Ocean Plastic

Nekton's leadership in ocean plastic research and policy continued with the publication of the [Plastic Drawdown](#) paper with Common Seas - a rapid, user-friendly tool to help decision-makers identify and deliver effective pollution mitigation strategies – and implemented in UK, Greece, Indonesia and Maldives to inform and guide their programme with 27 Commonwealth governments. In addition, the team co-

authored a report on plastic policy opportunities (led by University of Portsmouth) and concluded a major programme on microplastic prevalence and distribution pathways to and in Antarctica.

2.3.4.1 Antarctic Microplastics (with Flotilla Foundation)

During Nekton's partnership on the Weddell Sea Expedition, our scientists collected contemporaneous samples of sediment from the seabed, water from the surface, ice from sea ice and the ice shelf, and aerosols from the air. Laboratory analysis of this unique combination of samples was successfully undertaken with the following results published in *Global Change Biology* (to coincide with negotiations for the Global Plastics Treaty).

It was the first study into presence of microplastic pollution in air, seawater, sediment and sea ice in the Antarctic region and their distribution pathways. All samples - from air, seawater, sediment and sea air – were found to contain microplastics, the vast majority were from synthetic fibres (fibrous polyesters). Research concluded that airborne microplastics found in the Weddell Sea are highly likely to have come primarily from southern South America, whilst microplastics reaching Antarctica by ocean currents are from the surrounding Southern Ocean. Of note, the research has revealed that the Antarctic Circumpolar Current and the associated polar front does not, as previously thought, act as physical barrier and prevent microplastics from entering Antarctica from all surrounding regions. In addition, the coastal and Antarctic deep sea were found to be a sink for microplastics and the ice melt could be considered a seasonal sink for pollution before they are transported to the seabed or a new area of the world. See Engagement section for the related public and news media engagement campaign.

2.3.5 Publications

The science team have published extensively on a range of important subjects from the seep sea, to policy, plastics, climate change, biodiversity and capacity development ([full details](#)). Beyond those detailed above, they include:

- i. [Bringing seascape ecology to the deep seabed: A review and framework for its application](#) DJB Swanborn, VAI Huvenne, SJ Pittman, LC Woodall - *Limnology and Oceanography*, 2022
- ii. [Geomorphological drivers of deeper reef habitats around Seychelles](#) DJB Swanborn, N Fassbender, VAI Huvenne... - *Coral Reefs*, 2022
- iii. [The forgotten ocean: Why COP26 must call for vastly greater ambition and urgency to address ocean change](#) D Laffoley, JM Baxter, DJ Amon, J Claudet, CA Downs... - *Aquatic Conservation: marine and freshwater ...*, 2022
- iv. [Discovering marine biodiversity in the 21st century](#) AD Rogers, W Appeltans, J Assis, LT Ballance, P Cury... - *Advances in Marine Biology*, 2022
- v. [The transport and fate of microplastic fibres in the Antarctic: The role of multiple global processes](#) EM Cunningham, N Rico Seijo, KE Altieri, RR Audh... - *Frontiers in Marine Science*, 2022
- vi. [Antarctic Seabed Assemblages in an Ice-Shelf-Adjacent Polynya, Western Weddell Sea](#) BAV Frinault, FDW Christie, SE Fawcett, RF Flynn... - *Biology*, 2022
- vii. Cassidy, Margaret M., Craig W. Schneider, and Gary W. Saunders. "The *Dasya baillouviana* and *D. cryptica* complexes (Delesseriaceae, Rhodophyta) in Bermuda with three additional new species from the archipelago." *Journal of Phycology* 58.6 (2022): 731-745.
- viii. [Plastic Drawdown: A rapid assessment tool for developing national responses to plastic pollution when data availability is limited, as demonstrated in the Maldives](#) J Royle, B Jack, H Parris, T Elliott, AC Castillo... - *Global Environmental Change*, 2022
- ix. [The fundamental links between climate change and marine plastic pollution](#) HV Ford, NH Jones, AJ Davies, BJ Godley... - *Science of the Total Environment*, 2022

- x. [Learning from natural sediments to tackle microplastics challenges: A multidisciplinary perspective](#)
K Waldschläger, MZM Brückner, BC Almroth... - Earth-Science Reviews, 2022
- xi. [Capacity development in the Ocean Decade and beyond: Key questions about meanings, motivations, pathways, and measurements](#) H Harden-Davies, DJ Amon, M Vierros, NJ Bax... - Earth system governance, 2022

2.3.6 Other marine and environmental policy activities

The team contributed and participated in a diverse range of other activities to catalyse marine and environmental policies internationally including:

- **PhD:** Dr Denise Swanborn, Nekton completed and received her PhD from University of Oxford (see publications above).
- **COP27:** Published and presented recommendations for deep sea science in the Indian Ocean (with WIOMSA - *Western Indian Ocean Marine Science Association*).
- **Publications:** PANOROMA Solution for a healthy Planet, 'Co-producing deep-sea science for a more equitable and inclusive future' <https://panorama.solutions/en/solution/co-producing-deep-sea-science-more-equitable-and-inclusive-future>
- **Research:** Depth zonation and environmental drivers of shallow and mesophotic coral reef assemblages in Comoros.
- **Research:** Comoros mesophotic benthic biodiversity
- **Taxonomy:** Bermuda: new species of algae described
- **MPAs** uThukla MPA deep reef project cruise report complete, and planning for 2023 expedition
- **Conferences:** Gordon Research Conference: 'Co-producing impactful mesophotic research'
- **Seahorses:** i) provided expert guidance for Natural England advisory group, ii) Supervising research on using eDNA for seahorse detection in the UK, iii) Review new guidelines from NE to DEFRA and MMO on seahorses.

2.4 Democratising Science and Knowledge Exchange

Democratising science is the heart of everything we do. We look to both combat the prevailing trends of 'parachute science' to increase equity of opportunity and deliver innovative knowledge exchange programmes and activities to meet the needs of marine scientists (currently with a primary focus on the Indian Ocean).

Our knowledge exchange programmes are co-defined and co-delivered with ocean nation partners to meet their priorities. National scientists, marine managers, policy makers and their communities should all have an integral role in the process of marine science and ocean management – from determining research priorities to data acquisition, field research, analysis and ultimately the publication of new knowledge to inform ocean management priorities.

2.4.1 Turning the Tide on Parachute Science

The deep sea is present in the waters of 70% of countries, but only 17% of these have the resources, equipment, and expertise to be able to observe, research and sample these depths. There remains a prevailing trend of parachute science – a practice whereby international scientists, typically from higher-income countries, conduct field studies in another country, typically of lower income, and then complete the research in their home country without any further effective communication and engagement with others from that nation. Nekton aims to support the democratisation of ocean science through increasing greater equity of opportunity.

We continue to promote a more inclusive, equitable approach to co-produce and co-deliver research activities, including field operations with host nations. In 2022, the team continued with a focus on the Western Indian Ocean whilst also providing:

- **Lectures** including at University of British Columbia, Memorial University (Canada), Seychelles Ministry of Agriculture, Climate Change and Environment and ARC Centre of Excellence (as part of their Justice, Equity, Diversity and Inclusion Talks - available [here](#)).
- **Workshops:** including RCUK Conference on the challenges and opportunities of the pay-to-volunteer model in coral reef science.
- **Webinars:** including hosted by OctoGroup - available [here](#).

2.4.2 Indian Ocean Knowledge Exchange Programme

The Nekton science team combines scientists in the UK, Seychelles and Maldives and a network of collaborating scientists across the EU, South Africa and other nations. We have continued to support knowledge exchange in the Indian Ocean including through development of the first deep sea science course for Western Indian Ocean scientists and the following other targeted contributions:

- **Maldives Knowledge Exchange Expedition:** alongside *First Descent: Maldives*, we led a dedicated knowledge exchange expedition with scientists participating from Maldives, Seychelles, South Africa, Sri Lanka and India (and UK and EU). The expedition successfully united scientists from the region together to undertake research (with a specific focus on eDNA and sequencing technologies) in support of the objectives of *First Descent: Maldives*.
- **Governance: WIOGEN:** leading the deep-sea group, organising a deep-sea themed session during WIOGEN Ocean Governance Conference
- **Conservation:** In partnership with WildOcean's uThukela MPA deep reef project 'Smart Zones'.
- **Webinars:** including with WIOMSA on deep sea science
- **Events:** WIOMSA: Western Indian Ocean Science Symposium – presentations
- **Workshops** including IGOOS Online Workshop on Biological Observations in the Indian Ocean and "Oceans Alive Project Regional Network Workshop".

2.4.3 Deep Sea Science Course & MOOC, Western Indian Ocean (Minderoo Foundation)

During 2022, we have developed this important deep sea science course with progress including:

- Securing funding from the Minderoo Foundation
- Establishing partnerships with a) the University of Seychelles to deliver and accredit and course, b) WIOMSA to promote the course regionally
- The recruitment of Course Coordinator to work from University of Seychelles.

The first phase of the course began in 2022 and will be launched in 2023.

2.5 Communications & Engagement

We believe to make a difference we need to do things differently. For Nekton, our DNA combines science and storytelling and we constantly look to innovate the ocean story. In 2022, our highlights have been breaking ground with 'Voice of the Maldives'.

2.5.1 Voice of the Maldives - <https://nektonmission.org/missions/maldives/the-voice-of-the-maldives>

The primary story-telling goal of the Maldives Mission was to 'amplify the voice of the Maldivian scientists, conservationists and policy makers in national and international news media and across social media' – the campaign was successful and achieved major national and international engagement:

- **Maldives coverage:** 124 features (print or digital) and 5 major broadcast features (*Usage data from Atoll Communications, Maldives Comms Agency engaged by Nekton*)
- **International news coverage:** 2900+ broadcast and digital content features, 283 broadcasters, 1168 digital and print publishers, 120+ countries (*Usage data from Associated Press, Official News Agency Partner*).
- **19.6m social media** views / likes (Nekton digital channels, aggregated by Nekton)
- **Educational Programming:** 6 Live Lessons, 172 schools, 12 countries, 11,500 students (*data from Encounter Edu*)
- **BBC Partnership:** a global campaign with BBC Studios featuring stories from the Mission about the changing climate.
- **Image licensing:** ongoing to various publications including general interest, children's books, science books etc.
- **Memo to COP27 Campaign:** Top 3 most viewed content on YouTube about / during COP27 featuring content from Maldivians who participated in Maldives Mission.
- [Visit the Mission Newsroom](#) (with Associated Press)

2.5.2 Ocean Rising (with Schmidt Ocean Institute) - <https://schmidtoccean.org/ocean-rising/>

Launched in 2021, in partnership with Schmidt Ocean Institute (SOI), Ocean Rising continued to deepen people's relationship to the ocean by connecting major aspects of culture to it. In 2022, we began with a focus on the fashion and music sectors hosting two events with leaders of each industry to identify and develop specific initiatives which have resulted in:

- **Fashion:** Fashion Line with Jenny Packham (release at Paris Fashion Week 2023 on the Ocean Runway), Design Competition (winners line produced and distributed by international clothing stores), Designer in Residence (aboard SOI's Falkor Too Research Vessel), Fashion media engagement (Cond Nast Global, Vogue China).
- **Music:** ocean imagery shared and utilised for music events and album artwork, ocean album (produced by Cosmo Sheldrake), Musician in Residence (aboard SOI's Falkor Too Research Vessel).



2.5.3 Microplastics in Antarctica - Communications Campaign

Following the conclusion and publication of the research, we amplified the results in partnership with the University of Oxford's communications team. The timing of the release was aligned with the Global Plastic Treaty Negotiations in Uruguay (w/c 28th November). Engagement activities included:

- **News Release:** published on CSION and EurekaAlert and distributed to journalists
- **Video & Broadcast:** produced video content cut for newsrooms and social media about the results including interviews with contributors. Engaged Associated Press to utilise Nekton's research and content and distribute globally through Horizons (Science & Environment)
- **Social Media:** published and promoted content, research headlines and infographics on Nekton and University of Oxford digital channels (e.g. [LinkedIn](#))
- **Infographics:** two infographics produced: 1) Policy Recommendations for the Global Plastic Treaty negotiations; ii) 7 Ways to reduce microplastic pollution
- **Initial coverage** includes: (more expected throughout w/c 28th November)
 - [Daily Mail](#): Plastic pollution in the ANTARCTIC is now as bad as everywhere else on Earth: Scientists discover synthetic microplastics in air, seawater, sediment and ice near the South Pole
 - [Phys.org](#): Synthetic fibers discovered in Antarctic air, seawater, sediment and sea ice

- [Reddit](#): Scientists have discovered that plastic pollution in Antarctica is as bad as everywhere else on the planet. Most of the microfibrs were found in air samples, meaning that Antarctic animals and seabirds could very well be breathing them in.
- [Ecotextile](#): Synthetic microfibrs found in Antarctica
- [Extreme Tech](#): Microplastics Found in Formerly 'Pristine' Antarctic Water, Air, Sediment

2.5.4 Events

Throughout 2022, Nekton contributed at global events - chairing symposiums and summits and providing keynotes and presentations including:

- The Explorers Club Ocean's Week, NYC, Lecture, Big Ideas
- 'Voice from the Ocean' with Gallifrey Foundation, UN Ocean Conference.
- US State Department: "One Humanity" Event, keynote.
- UN Ocean Decade Clean Oceans: How to create national policy that will solve plastic pollution'
- IUCN, DOSI: Marine genetic resources: exploring scientific practices and wider uses in conservation in the BBNJ agreement
- Seabed mapping: UN Ocean Conference, Read [BBC article](#)
- Race for the Earth Series - Amazon Prime

2.6 Other Initiatives

2.6.1 Ocean Life – Nautilus / Ocean Census (with The Nippon Foundation)

Under the working title of *Project Nautilus*, operational and financial planning continued through 2022 to launch in early 2023 (under the name *Ocean Census*). See Section 6, 'Plans for the Future' for full details.

2.6.2 Yachts for Science (with EYOS, OFF, Arksen and Boat International)

[Yachts for Science](#) continues to match marine scientists with private vessels including projects to undertake ocean science and conservation initiatives. Programmes undertaken in 2022 include i) Great White Shark Chase, Italy and Tunisia; ii) Project Seagrass, UK, iii) Forests of the Sea, Chile, iv) Cayman Survey, Cayman Islands, v) Help our Kelp, UK.

Following the successful 4-year piloting, Nekton will lead fundraising in 2023 to expand the programme, recruit a core team supported by multi-year funding and deliver the scale and speed of impact the ocean needs.



2.6.3 Extreme E

We have deepened our marine science partnership with [Extreme E](#) - electric racing to some of the most remote corners of the planet - to highlight the climate change challenges faced by different ecosystems. Nekton Principal Scientist, Professor Lucy Woodall, continued to lead Nekton's marine science and conservation impact partnership with Extreme-E, with a particular focus on the Ocean Race (in Senegal), legacy initiatives at all race sites and further research activities from Extreme-E's Mothership as she circumnavigates the planet.



2.6.4 Earthshot Prize – with the Royal Foundation - <https://www.earthshotprize.org>

Nekton is one of 100+ organisations selected by the Royal Foundation to nominate individuals, organisations and businesses for this prestigious global prize which aims to help repair our planet. We undertook extensive due diligence on a range of different ocean-related organisations to identify and nominate a number of strong contenders - both organisations and individuals. We are delighted to see Indigenous Women of the Great Barrier Reef win the 2022 Earthshot prize to Revive Our Ocean.

2.7. The Nekton Alliance

Nekton's work in 2022 has been made possible through the generosity and support, financially and in-kind, of our Alliance partners and philanthropic supporters along with the efforts and dedication of our staff and advisors. We would like to take this opportunity to thank everyone who has supported our work throughout the year:

- **Mission Partners (2):** Omega, Kensington Tours
- **Strategic Partners (7):** The Commonwealth; Teledyne Marine, Sonardyne (Official Subsea Technology Partners), Associated Press (Official News Agency Partner), Helly Hansen (Official Apparel Partner), University of Oxford.
- **Collaborating Partners (23):** Paralenz, Bowtech (Subsea Camera & Light Partners); Triton (Submersible Partners); Priavo Security (Maritime Security); AXA-XL & Encounter EDU (Education); Institute of Marine Engineering, Science & Technology – IMarEST; EYOS (Expedition Logistics); Great Campaign, UK Government's Foreign, Commonwealth & Development Office); Blue Nature Alliance; Arksen Foundation, BOAT International, Ocean Family Foundation (Yachts for Science); Royal Foundation (Earthshot Prize); Formula-E (Extreme-E); Flotilla Foundation (Microplastics Research), The Nippon Foundations ('Ocean Census'); Wild Oceans, SAIAB, University of Seychelles, WIOMSA (Western Indian Ocean marine science, conservation), WIOGEN,
- **Maldives Partners (10):** Government Ministries (Fisheries, Environment, Tourism), Marine Research Institute, The Maldives National University; IPNLF, Maldives Whale Shark Research Programme, Manta Trust, Coral Research Institute, I.D.E.A.S.
- **Seychelles Partners (13):** **Government:** Ministries of 1) Environment, Energy and Climate Change, 2) Education, 3) Blue Economy and 4) Tourism. National Institute for Science, Technology and Innovation (NISTI); **NGOs:** University of Seychelles (UniSey), Island Conservation Society (ICS),

Seychelles Island Foundation (SIF), Marine Conservation Society Seychelles (MCCS), The Nature Conservancy (TNC), SeyCATT, **Parastatal:** Seychelles Fishing Authority, Seychelles Broadcasting Corporation.

- **Founding Partners of Nekton (3):** AXA, Garfield Weston Foundation, Kensington Tours (Navigatr).

3. Beneficiaries of our services

The trustees confirm that they have given due regard to the Charity Commission guidance on public benefit when reviewing the charity's aims and objectives, planning future strategy and setting policy. The work of the charity plays a key part in understanding and combating the threats to our oceans and provides a radical alternative to traditional, government-led approaches.

Nekton is committed to achieving sustainable ocean governance, through scientific exploration, communications and education, capacity development and policy change.

Our activities benefit marine scientists, with whom we collaborate to exchange knowledge and develop multi-disciplinary practices; and whose work we fund, promote and expedite. Our work benefits educators and the general public, through the production and distribution of engaging educational materials and short films. Our work benefits government and non-governmental policy-makers, tasked with sustainably managing ocean health and resources. Our work benefits schools, educators, the media and general public, providing content and resources to inspire greater awareness and deepen understanding of the importance of the ocean.

Ultimately, we all depend on a healthy and sustainably-managed ocean. The ocean supports millions of livelihoods via fisheries and tourism, regulates climate and plays a major role in carbon capture and storage. This report sets out our activities and achievements to date and illustrates how these benefit our oceans and society.

4. Financial review

The combined results of Nekton Foundation and its wholly owned trading subsidiary Nekton Enterprises Limited are consolidated.

In its sixth year of operation, Nekton secured incoming resources of £3,207k and ended the year with a deficit of £55k. Cash income generated related mainly to grant funding from Omega for Maldives expedition - the next part of the First Descent series of missions in the Indian Ocean, and from The Nippon Foundation for the Ocean Life Feasibility collaboration (Nautilus / Ocean Census), and philanthropic donations.

Of the total expenditure of £3,261k for the year, £2,372k related to the development and execution of the Maldives expedition, £426k was incurred on Nekton's science programme and £386k on Nekton's Communications and Education programme including ocean literacy. The remaining expenditure was incurred on fundraising and overall management of the organisation.

Efforts continue towards seeking new funding to undertake further innovation projects in support of sustainable ocean governance.

Charity's Reserves

The charity held total funds at 31 December 2022 of £1,332k. £712k is restricted and £620k unrestricted. Of the restricted funds £683k is restricted to First Descent Indian Ocean missions and initiatives, and the remaining £29k restricted funds comprises the remaining work on Deep Reefs and MPAs, Octopus, and Antarctic Microplastics projects.

Nekton recognises the building of unrestricted reserves as an important measure for financial resilience, to allow for a variety of unexpected events such as: potential drops in expected income, to meet the demands of new projects and opportunities, to meet unforeseen operational requirements or to support short term cash flow requirements.

An amount of £177k held in unrestricted reserves to cover three months of core operating costs would provide financial resilience for the charity to respond to unexpected events. The charity also regularly reviews its assessment of closure costs, which include redundancy costs and other closure commitments, and this is currently forecast at £40k. A total of £217k of unrestricted reserves therefore is the target requirement for unforeseen events and closure costs for the coming year. This is covered by the unrestricted reserves of £620k held at 31 December 2022.

As at 31 December 2022 no specific reserves were designated.

5. Principal risks and uncertainties

The management team reviews risk regularly and produces a detailed risk register with mitigating actions together with a comprehensive crisis management plan for field operations.

A major area of risk management in 2022 remained the Covid-19 global pandemic and the impact that it could still have, in particular, onto field operations. These were well managed with mitigation measures implemented prior to going offshore and there was not a single case recorded.

Following Nekton's comprehensive and effective operational and financial management through the pandemic from 2020 to 2022, the risks to Nekton's financial surety have been significantly reduced in 2022 and coupled with growth, resulted with establishing larger unrestricted reserves. The long-term funding for Nekton's next strategic phase (Ocean Census) provides further surety and a strong foundation on which the organisation can further strengthen.

With the awareness and impact of the climate and biodiversity crises growing globally and the devastating impacts on people and the planet, the need for organisations' like Nekton, continues to grow. Our ability to take on complex challenges, such as accelerating the discovery of ocean life with innovation and impact (Ocean Census), reinforced by the core funder approaching Nekton to undertake this programme, demonstrates the organisation's growing reputation which reduces some future uncertainties. In addition, our discovery of The Trapping Zone, a new ecosystem during the Maldives Mission, also adds to Nekton's growing scientific contributions (noting Nekton's discovery of the Rariphotic Zone (Rare Light Zone), another major ecosystem in 2018 during the first Mission).

Looking ahead to the launch of Ocean Census in 2023, Nekton will grow substantially and the risks and uncertainties of growth will need to be managed. Two years of detailed operational, financial and resource planning, supported by over 100 experts from around the world, has provided solid foundations. Success will be born from good recruitment and a number of the senior advisors from the development phase will be joining the senior management team. This continuity will contribute to mitigating some of the risks that could be experienced with growth.

Complex marine operations, involving people in the depths of the ocean, remains one of Nekton's principal risks, which, through undertaking more expeditions and potentially in more complex geographies, will increase in 2023 and beyond. The recruitment of a dedicated expedition team that draws on the existing team's success will be important. The existing partnerships with leading subsea technology businesses, our industry-leading standards for safe and productive operations, our world-leading expertise on the Nekton Board / Nekton Expedition Committee, all provide strong foundations for the team to lead the next part of our journey.

There are sufficient funds to complete all current activities, invest in business development, undertake the next major strategic phase with Ocean Census and maintain strong reserves.

Diversifying income remains an important area of development to extend operational and financial surety for the organisation. Further business development plans for a number of major initiatives (Deep Reefs, Western Indian Ocean-Resilience & Prosperity Initiative) along with a significant continuation of the *First Descent: Indian Ocean* Strategy into 2025 with the India Nekton Mission (supported by the Governments of India and the UK) provide considered strategic focus to achieve this goal.

With existing programmes, new initiatives and Missions, Nekton maintains a sustained emphasis and efforts on partnership development; the production of regular income and expenditure and cash flow forecasts and scenario planning; ensuring an efficient cost base; and active ongoing management of expectations of partners, providing them with regular updates on our progress on deliverables and fundraising success.

Nekton holds all relevant legal agreements with service providers (suppliers) and partners, and insurance policies which cover all pertinent areas of risk including: rules of engagement with Nekton; intellectual property rights; ship and submersible charter; specific risk relating to expedition operations; theft, damage and loss of equipment, assets and cash; professional indemnity; personal injury and death; employers' liability; public liability; and Management and Trustees' liability.

The trustees believe the charity remains a going concern and strengthened by recent funding commitments received.

6. Plans for the future

6.1 Missions

First Descent: Indian Ocean 2018-2025 will continue with a combination of:

- Completion of the Maldives Mission (by early 2024)
- Development of India Nekton Deep Reefs Mission 2023-2025 (to inform establishment of new marine protected areas in partnership with the Government of India (Ministry of Earth Sciences) and others)

- Ongoing collaboration with Wild Ocean in applied research, including expeditions, to support marine spatial planning, capacity development, conservation and sustainable ocean governance.
- Funding, activation and implementation of the Western Indian Ocean – Resilience & Prosperity Initiative (2-year development on securing funding, concluding with a WIO Head of State event to ratify the Western Indian Ocean policy and initial 5-year strategy)

6.2 Initiatives

6.2.1 Deep Reefs – Discovery & Conservation

Fundraising and project development to scale the programme through identifying and ranking resilient and biodiverse deep reefs globally to inform and amplify conservation priorities with partners including WIOMSA, CORDIO East Africa, International Ocean Institute – South Africa, and Ocean Exploration Trust.

Next Phase Objectives:

1. Compile a new global dataset of deep reef biodiversity. Using a trait-based approach we will then estimate functional diversity metrics of deep reef communities, including proxies for reef resilience such as functional redundancy, and assess how they link with biodiversity.
2. Produce a global list of deep reefs ranking them according to their resilience against disturbance.
3. Engage with conservation stakeholders and policymakers for the consideration and inclusion of resilient deep reefs in marine spatial management programmes.

6.2.2 Deep Sea Science Course

University of Seychelles, supported by the Minderoo Foundation and WIOMSA – course development and launch with the first course in September 2023.

6.2.3 Yachts for Science

Fundraising and project development to scale the programme with long-term sustainable funding and a larger core team to increasingly run the initiative more independently but with continued strategic direction and leadership from Nekton.

6.2.4 Other

- **Ocean Rising:** Programmes, events and interventions with the fashion and music sectors (described in 2.5.2)
- **Submarine STEM:** ongoing through Ocean Census Expeditions
- **Extreme E** – ongoing
- **Earthshot Prize** – ongoing including support with impact assessment of citizen science initiatives.
- **Democratising Science / Turning The Tide on Parachute Science:** ongoing international engagement and amplification
- **Indian Ocean Knowledge Exchange Programme:** ongoing with WIOGEN, WIOMSA, Wild Oceans, SeyCATT and other regional partners.

6.3 Strategic Development: Ocean Census

Beyond *First Descent: Indian Ocean 2018-2025*, **Ocean Census** is the next stage of Nekton's strategic development as a major initiative which begins in April 2023 with an initial 10-year horizon and multi-year funding committed by the Nippon Foundation. Founded by The Nippon Foundation and Nekton, Ocean Census is a programme of Nekton and implemented by Nekton. Ocean Census has five missions:

- i. **Explore:** To undertake expeditions to collect species in biodiversity hotspots, prioritising taxa that are new to science and / or endangered.

- ii. **Discover:** To accelerate the speed of species discovery, with an ambitious target of 100,000 new species over the next decade
- iii. **Inspire:** To raise public and policy interest and galvanise sustained action to protect ocean life.
- iv. **Conserve:** To increase accessibility and interoperability of ocean life data to accelerate decision making and ensure open access and equitable use for the common good.
- v. **Sustain:** To build an inclusive, international network of taxonomists and biodiversity experts in high-, low- and middle-income countries.



7. Structure, governance and management

The organisation is a charitable company, limited by guarantee, registered with the Charity Commission on 14 July 2015 and incorporated on 17 June 2015. The charity is constituted under its Memorandum and Articles of Association dated 17 June 2015 which established the objects and powers of the charitable company and is governed under its articles of association.

The directors, who are also the trustees of the charity, are recruited by direct interest in the charity. Trustee induction has taken place with reference to the guidance published by the Charity Commission.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Note 8 to the accounts.

Day-to-day management of the charity is delegated to the senior management team. Our approach to remuneration is to ensure Nekton can attract and retain a talented and motivated team to achieve our mission and deliver our strategic goals, whilst taking into account pay scales of similar and partner organisations and charity sector pay surveys.

7.1 Key management personnel for 2022

Chief Executive:	Oliver Steeds
Finance & Operations Controller:	Alex Murphy
Head of Communications	Lisa Hynes (until end June 2022, then consultant as Acting Head of Communications through to end of 2022)
Principal Scientist:	Associate Professor Lucy Woodall

7.2 Appointment of trustees

The charity is required to have at least three Trustees and a maximum of ten Trustees.

Additional trustees are co-opted by the board and management team to ensure the best mix of skills and experience attuned to the needs of the charity. Upon election new trustees meet the chair and chief executive and attend an induction meeting which includes a presentation on the organisation; the opportunity to meet key staff and a question-and-answer session. New trustees are also provided with the charity's business plan, financial statements, and any other documents requested. Trustees collectively identify any governance training needs and who best to undertake the training identified. Nekton

Foundation does not engage in public fundraising. Nekton Foundation nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and Nekton Foundation received no complaints relating to its fundraising practice.

7.3 Related parties and relationships with other organisations

Nekton Foundation has a wholly-owned subsidiary, Nekton Enterprises Limited (NEL). NEL was incorporated on 25th April 2016 and has been established to undertake commercial activities such as sponsorship which generate income for the benefit of Nekton Foundation. In 2017 the charity entered into an agreement with Kensington Tours to promote Kensington as Nekton's launch partner for Mission II and to develop a mutually beneficial tourism product.

Nekton works closely with Encounter EDU to develop, produce and disseminate its Submarine STEM educational programme. Encounter EDU creates educational outreach programmes which bring expedition science and exploration into classrooms through collaborations between explorers, scientists, teachers and pupils. Nekton's Chief Executive Oliver Steeds co-founded Digital Explorer (renamed in 2019 as Encounter EDU). He is not involved in the day-to-day running of the organisation and has never received remuneration from it.

As part of their generous philanthropic support of Nekton Foundation, Nekton's Mission Partner Omega presented the Chair of Trustees and CEO with the loan of an Omega Seamaster Nekton Edition timepiece each.

7.4 Statement of responsibilities of the trustees

The trustees (who are also directors of Nekton Foundation for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees on 31 December 2022 was 10 (2021:10). The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

8. Auditors

Sayer Vincent LLP were appointed as the charitable company's auditor during the year and have expressed their willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 29 June 2023 and signed on their behalf by

Rupert Grey
Chair

Independent auditors' report

To the members of

Nekton Foundation

Opinion

We have audited the financial statements of Nekton Foundation (the 'parent company') and its subsidiary (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of income and retained earnings, the group and parent company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including 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).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's loss for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Nekton Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. Our responsibility is to read the other information and, in doing so,

Independent auditors' report

To the members of

Nekton Foundation

consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 directors' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The directors' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- Adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees 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 trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report

To the members of

Nekton Foundation

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the companies' policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the company operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the company from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 or non-compliance with

Independent auditors' report

To the members of

Nekton Foundation

regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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.

Jonathan Orchard (Senior statutory auditor)

9 September 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2022

	Note	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Income from:							
Donations and legacies	2	104,174	-	104,174	100,149	22,257	122,406
Charitable activities							
Missions	3	-	2,923,394	2,923,394	-	295,020	295,020
Other trading activities	4	179,167	-	179,167	20,945	-	20,945
Investments		-	-	-	-	-	-
Total income		283,341	2,923,394	3,206,735	121,094	317,277	438,371
Expenditure on:							
Raising funds	5	901	-	901	18,220	-	18,220
Charitable activities							
Missions	5	17,223	2,370,997	2,388,220	34,245	33,772	68,017
Science and Research	5	135,309	369,966	505,275	225,116	299,282	524,398
Communication and Education	5	90,173	328,736	418,909	78,370	115,246	193,616
Total expenditure		243,606	3,069,699	3,313,305	355,951	448,300	804,251
Net income / (expenditure) for the year		39,735	(146,305)	(106,570)	(234,857)	(131,023)	(365,880)
Other recognised gains: foreign exchange		51,857	-	51,857	6,808	-	6,808
Net income / (expenditure) before other recognised		91,592	(146,305)	(54,713)	(228,049)	(131,023)	(359,072)
Net movement in funds		91,592	(146,305)	(54,713)	(228,049)	(131,023)	(359,072)
Reconciliation of funds:	16b						
Total funds brought forward		528,000	858,816	1,386,816	756,049	989,839	1,745,888
Total funds carried forward		619,592	712,511	1,332,103	528,000	858,816	1,386,816

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17a to the financial statements.

As at 31 December 2022

	Note	The group 2022 £	2021 £	The charity 2022 £	2021 £
Fixed assets:					
Tangible assets	11	90,265	93,860	90,265	93,860
		90,265	93,860	90,265	93,860
Current assets:					
Debtors	13	10,879	30,309	236,178	231,317
Cash at bank and in hand		1,513,140	1,434,520	1,273,398	1,385,565
		1,524,019	1,464,829	1,509,576	1,616,882
Liabilities:					
Creditors: amounts falling due within one year	14	(282,181)	(171,873)	(396,770)	(323,925)
Net current assets / (liabilities)		1,241,838	1,292,956	1,112,806	1,292,957
Total net assets / (liabilities)		1,332,103	1,386,816	1,203,071	1,386,817
Funds:	16a				
Restricted income funds		712,511	858,816	712,511	858,816
Unrestricted income funds:					
General funds		619,592	528,000	490,560	528,001
Total unrestricted funds		619,592	528,000	490,560	528,001
Total funds		1,332,103	1,386,816	1,203,071	1,386,817

Approved by the trustees on **8 August 2023** and signed on their behalf
by

Rupert Grey
Chair

Consolidated statement of cash flows

For the year ended 31 December 2022

	Note	2022 £	£	2021 £	£
Cash flows from operating activities	18				
Net cash provided by / (used in) operating activities			40,731		(262,856)
Cash flows from investing activities:					
Purchase of fixed assets		(13,968)		(2,601)	
Net cash provided by / (used in) investing activities			(13,968)		(2,601)
Change in cash and cash equivalents in the year			26,763		(265,457)
Cash and cash equivalents at the beginning of the year			1,434,520		1,699,977
Cash and cash equivalents due to exchange rate movements			51,857		6,808
Cash and cash equivalents at the end of the year	19		1,513,140		1,441,328

1 Accounting policies

a) Statutory information

Nekton Foundation is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address (and principal place of business) is Begbroke Science Park, Begbroke Hill, Woodstock Road, Begbroke, OX5 1PF.

b) 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) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Consolidation

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary Nekton Enterprise Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. As this is the first year consolidated accounts have been produced the statement of financial activities for the prior year has been amended to include results on a consolidated basis.

d) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

e) Going concern

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

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements and have considered the impact of the coronavirus pandemic on the charity's operations.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. They are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above.

f) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting policies (continued)

g) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

h) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

i) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

j) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of developing and undertaking the missions, research and education undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

k) Government grants

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred."

l) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

1 Accounting policies (continued)

m) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Support and governance costs are re-allocated to each of the activities based on time attributable to each activity

● Cost of raising funds	0%
● Missions	14%
● Science and research	58%
● Communication and education	29%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

n) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

o) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Scientific Equipment	10 years
● Filming & Communications equipment	3 years
● Computer equipment	3 years
● Office and lab furniture	10 years

1 Accounting policies (continued)

p) Investments in subsidiaries

Investments in subsidiaries are at cost.

q) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

r) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

s) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

t) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in

2 Income from donations and legacies

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Donations	104,174	-	104,174	100,149
Government Grant	-	-	-	22,257
Gifts	-	-	-	-
	<u>104,174</u>	<u>-</u>	<u>104,174</u>	<u>122,406</u>

Prior Year

	Unrestricted £	Restricted £	2021 Total £
Donations	100,149	-	100,149
Government Grant	-	22,257	22,257
Gifts	-	-	-
	<u>100,149</u>	<u>22,257</u>	<u>122,406</u>

3 Income from charitable activities

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Octopus	-	-	-	15,726
Indian Ocean Missions	-	2,774,033	2,774,033	-
Yachts for Science	-	5,000	5,000	5,000
Plastics Drawdown	-	-	-	4,200
Nautilus feasibility study*	-	138,361	138,361	189,802
eDNA Seahorses	-	6,000	6,000	-
Microplastics	-	-	-	80,292
Total income from charitable activities	<u>-</u>	<u>2,923,394</u>	<u>2,923,394</u>	<u>295,020</u>

Prior Year

	Unrestricted £	Restricted £	2021 Total £
Octopus	-	15,726	15,726
Yachts for Science	-	5,000	5,000
Plastics Drawdown with Common Seas	-	4,200	4,200
Nautilus feasibility study	-	189,802	189,802
Microplastics	-	80,292	80,292
Total income from charitable activities	<u>-</u>	<u>295,020</u>	<u>295,020</u>

*Nautilus Feasibility Study: 'Nautilus' was the working title for the programme launched in 2023 as Ocean Census.

4 Income from other trading activities

	Unrestricted £	Restricted £	2022 Total £	2021 Total £
Other	179,167	-	179,167	20,945
	<u>179,167</u>	<u>-</u>	<u>179,167</u>	<u>20,945</u>
	<u><u>179,167</u></u>	<u><u>-</u></u>	<u><u>179,167</u></u>	<u><u>20,945</u></u>

Prior Year

	Unrestricted £	Restricted £	2021 Total £
Other	20,945	-	20,945
	<u>20,945</u>	<u>-</u>	<u>20,945</u>
	<u><u>20,945</u></u>	<u><u>-</u></u>	<u><u>20,945</u></u>

5a Analysis of expenditure

	Charitable activities									
	Raising funds	Missions	Science and Research	Communications and Education	Governance costs	Support costs	2022	Total	2021	Total
	£	£	£	£	£	£	£	£		£
Staff costs (Note 7)	-	53,688	253,452	105,472	-	34,856	447,468		505,944	
Consultant & staff related costs	525	60,854	97,528	92,689	-	-	251,596		141,909	
Mission control / operations	-	1,943,645	47,689	116,344	-	6,218	2,113,896		36,821	
Equipment and consumables	-	268,160	5,002	11,458	-	180	284,800		8,207	
Science grants	-	-	-	-	-	-	-		4,800	
Fundraising	-	114	2,110	18,013	-	604	20,841		3,408	
Science costs	-	-	2,690	-	-	-	2,690		9,764	
Travel and subsistence	195	20,731	16,489	36,910	-	(275)	74,050		9,615	
Professional services	-	4,531	-	-	-	42,084	46,615		34,701	
Insurance	-	14,316	263	514	-	19,926	35,019		20,527	
Telephone, IT and office costs	181	4,982	710	2,768	-	3,480	12,121		7,146	
Membership and subscriptions	-	502	515	1,938	-	1,819	4,774		2,866	
Bank charges	-	-	-	1	-	1,871	1,872		883	
Depreciation	-	-	-	-	-	17,563	17,563		17,660	
	901	2,371,523	426,448	386,107	-	128,326	3,313,305		804,251	
Support costs	-	16,697	78,827	32,802	-	(128,326)	-			
Governance costs	-	-	-	-	-	-	-			
Total expenditure 2022	901	2,388,220	505,275	418,909	-	-	3,313,305		804,251	
Total expenditure 2021	18,220	68,017	517,590	193,616	-	-	797,443			

Of the total expenditure £191,181 was unrestricted (2021: £349,142) and £3,069,699 was restricted (2021: £448,300).

5b Analysis of expenditure (Prior Year)

	Charitable activities						2021	Total
	Raising funds	Missions	Science and Research	Communications and Education	Governance costs	Support costs		
	£	£	£	£	£	£		£
Staff costs (Note 7)	-	25,734	214,730	97,699	-	167,781		505,944
Consultant & Staff Related Costs	16,200	-	112,984	12,350	375	-		141,909
Mission control / operations	-	6,874	19,549	5,480	-	4,918		36,821
Equipment and Consumables	-	24	6,847	1,182	-	154		8,207
Science Grants	-	-	4,800	-	-	-		4,800
Fundraising	60	-	2,926	-	-	422		3,408
Science costs	-	-	9,764	-	-	-		9,764
Travel and subsistence	1,935	1,369	4,188	1,286	-	837		9,615
Professional Services	-	-	-	-	-	34,701		34,701
Insurance	-	884	-	548	-	19,095		20,527
Telephone, IT and Office Costs	-	158	568	3,352	6	3,062		7,146
Membership and subscriptions	25	15	649	1,223	151	803		2,866
Bank charges	-	-	45	-	-	838		883
Depreciation	-	-	-	-	-	17,660		17,660
	18,220	35,058	377,050	123,120	532	250,271		804,251
Support costs	-	32,888	140,235	70,340	-	(243,463)		-
Governance costs	-	71	305	156	(532)	-		-
Total expenditure 2021	18,220	68,017	517,590	193,616	-	6,808		804,251

Of the total expenditure, £349,143 was unrestricted (2020: £361,045) and £448,300 was restricted (2020: £2,306,507).

Notes to the financial statements

For the year ended 31 December 2022

6 Net income for the year

This is stated after charging:

	2022 £	2021 £
Depreciation	17,563	17,660
Operating lease rentals:		
Property	15,120	15,120
Auditors' remuneration (excluding VAT):		
Audit	7,700	6,800
Other services	-	-
Foreign exchange gains or losses	(51,857)	(6,808)
	<u> </u>	<u> </u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	263,876	312,149
Social security costs	26,116	30,552
Pension costs	9,547	12,452
Consultants costs	147,935	150,791
	<u> </u>	<u> </u>
	447,474	505,944
	<u> </u>	<u> </u>

One employee earned more than £60,000 during the year (2021: 2).

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2022 No.	2021 No.
£60,000 - £69,999	-	1
£100,000 - £109,999	1	1
	<u> </u>	<u> </u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £214,537 (2021: £241,370).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2021: £nil) incurred by 0 (2021: 0) members relating to attendance at meetings of the trustees.

Notes to the financial statements

For the year ended 31 December 2022

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 8 (2021: 7).

9 Related party transactions

Nekton Foundation owes £nil (2021: £nil) to its wholly owned subsidiary Nekton Enterprises Limited.

There were no related party transactions in the year.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Nekton Enterprises Limited gift aids available profits to the parent charity.

11 Tangible fixed assets**The group & Charity**

	Scientific equipment £	Filming & Communica-tions equipment £	Computer equipment £	Office and lab furniture £	Total £
Cost					
At the start of the year	136,389	19,665	13,068	5,095	174,217
Additions in year	-	4,405	9,563	-	13,968
At the end of the year	<u>136,389</u>	<u>24,070</u>	<u>22,631</u>	<u>5,095</u>	<u>188,185</u>
Depreciation					
At the start of the year	47,010	19,665	11,483	2,199	80,357
Charge for the year	13,639	857	2,558	509	17,563
At the end of the year	<u>60,649</u>	<u>20,522</u>	<u>14,041</u>	<u>2,708</u>	<u>97,920</u>
Net book value					
At the end of the year	<u><u>75,740</u></u>	<u><u>3,548</u></u>	<u><u>8,590</u></u>	<u><u>2,387</u></u>	<u><u>90,265</u></u>
At the start of the year	<u>89,379</u>	-	1,585	2,897	93,861

All of the above assets are used for charitable purposes.

12 Subsidiary undertaking

The charitable company owns 100% of the voting rights of Nekton Enterprises Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. Available profits are gift aided to the charitable company. The trustee, Alex Rogers and Chief Executive Oliver Steeds are also directors of the subsidiary. A summary of the results of the subsidiary is shown below:

	2022 £	2021 £
Turnover	179,167	20,945
Cost of sales	(19,356)	(23,954)
Gross profit	159,811	(3,009)
Management charge payable to parent undertaking	(16,367)	(18,888)
Operating profit / (loss)	143,444	(21,897)
Interest payable	-	-
Interest payable to parent undertaking	-	-
Profit on ordinary activities before taxation	143,444	(21,897)
Taxation	-	-
Profit for the financial year	143,444	(21,897)
Retained earnings		
Retained earnings brought forward	(14,415)	118,758
Profit for the financial year	143,444	(21,897)
Profit distributed to parent under gift aid	-	(111,276)
Retained earnings carried forward	129,029	(14,415)
The aggregate of the assets, liabilities and funds was:		
Assets	342,064	325,356
Liabilities	(213,036)	(339,771)
Net Assets	129,028	(14,415)
Share Capital	1	1
Profit & Loss Account	129,029	(14,415)
Total Shareholders Funds	129,030	(14,414)

Amounts owed to/from the parent undertaking are shown in note 8.

13 Debtors

	The group 2022 £	2021 £	The charity 2022 £	2021 £
Trade debtors	4,942	24,000	230,241	225,008
Prepayments	5,937	6,309	5,937	6,309
	10,879	30,309	236,178	231,317

All of the group's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in note 17a below.

14 Creditors: amounts falling due within one year

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	9,460	14,689	9,669	14,689
Taxation and social security	8,919	11,028	7,669	9,382
Other creditors	510	3,039	2,302	3,039
Accruals	247,792	127,617	242,937	124,277
Due to subsidiary	-	-	118,693	157,038
Grant creditors	15,500	15,500	15,500	15,500
	282,181	171,873	396,770	323,925

15 Pension scheme

Nekton Foundation operates a defined contribution pension scheme to which fixed contributions are made. The amount paid in the year was £9,547 (2021: £12,452).

16a Analysis of group net assets between funds (current year)

	General unrestricted	Restricted funds	Total funds
	£	£	£
The Charity			
Tangible fixed assets	-	90,265	90,265
Net current assets	490,559	622,247	1,112,806
Net assets at 31 December 2022	490,559	712,511	1,203,071
The Group			
Tangible fixed assets	-	90,265	90,265
Net current assets	619,591	622,247	1,241,838
Net assets at 31 December 2022	619,591	712,511	1,332,103

16b Analysis of group net assets between funds (prior year)

	General unrestricted	Restricted funds	Total funds
	£	£	£
The Charity			
Tangible fixed assets	-	93,860	93,860
Net current assets	528,001	764,956	1,292,957
Net assets at 31 December 2021	528,001	858,817	1,386,817
The Group			
Tangible fixed assets	-	93,860	93,860
Net current assets	527,999	764,957	1,292,956
Net assets at 31 December 2021	527,999	858,817	1,386,816

Notes to the financial statements

For the year ended 31 December 2022

17a Movements in funds (current year)

The Charity	At 1 January 2022	Income & Gains	Expenditure & losses	Gains	At 31 December 2022
	£	£	£	£	£
Restricted funds:					
Octopus	12,316	-	-		12,316
Indian Ocean Missions	753,283	2,774,033	(2,844,390)		682,926
Yachts for Science	-	5,000	(5,000)		-
Deep Reefs and MPAs	22,304	-	(12,072)		10,232
Nautilus Feasibility Study*	38,451	138,361	(176,812)		-
eDNA Seahorses	-	6,000	(6,000)		-
Microplastics	32,462	-	(25,425)		7,037
Total restricted funds	858,816	2,923,394	(3,069,699)	-	712,511
Unrestricted funds:					
General funds	528,001	120,381	(157,822)		490,560
Total unrestricted funds	528,001	120,381	(157,822)	-	490,560
Total funds	1,386,817	3,043,776	(3,227,522)	-	1,203,071

*Nautilus Feasibility Study: 'Nautilus' was the working title for the programme launched in 2023 as Ocean Census.

The narrative to explain the purpose of each fund is given at the foot of the note below.

17a Movements in funds (current year) continued

The Group	At 1 January 2022	Income & Gains	Expenditure & losses	Gains	At 31 December 2022
	£	£	£	£	£
Restricted funds:					
Octopus	12,316	-	-		12,316
Indian Ocean Missions	753,283	2,774,033	(2,844,390)		682,926
Yachts for Science	-	5,000	(5,000)		-
Deep Reefs and MPAs	22,304	-	(12,073)		10,231
Nautilus Feasibility Study*	38,451	138,361	(176,812)		-
eDNA Seahorses		6,000	(6,000)		-
Microplastics	32,462	-	(25,425)		7,037
Total restricted funds	858,816	2,923,394	(3,069,699)	-	712,511
Unrestricted funds:					
General funds	528,000	283,341	(243,606)	51,857	619,592
Total unrestricted funds	528,000	283,341	(243,606)	51,857	619,592
Total funds	1,386,816	3,206,735	(3,313,305)	51,857	1,332,103

*Nautilus Feasibility Study: 'Nautilus' was the working title for the programme launched in 2023 as Ocean Census.

The narrative to explain the purpose of each fund is given at the foot of the note below.

OcToPUS

Development of the Ocean Tool for Public Understanding and Science (OcToPUS) funded by the Garfield Weston Foundation and private philanthropists.

Indian Ocean Missions

Funds for The Midnight Zone mission predominantly from Omega who is one of the Mission Partners for the Maldives expedition.

Yachts for Science

Funding from private philanthropists for Yachts for Science, a programme which matches marine scientists with private yachts to undertake field research.

Deep Reefs and MPAs

Funding from Garfield Weston Foundation supports this research project to assess the value and importance of mesophotic reefs within marine spatial planning and the designation of marine protected areas globally.

Nautilus Feasibility Study

Funding from The Nippon Foundation for the scoping, project planning, fundraising and partnership development for multi-year programme to discover ocean life. The programme has been launched as Ocean Census.

eDNA Seahorses

Collaboration with Natural England, providing guidance and supervision of research on using eDNA for seahorse detection in the UK and review of new guidelines.

Plastics Drawdown

Funding from, and a research collaboration with, Common Seas for Plastics Drawdown, a plastic waste minimisation initiative.

Notes to the financial statements

For the year ended 31 December 2022

17b Movements in funds (prior year)

The Charity	At 1 January 2021	Income & Gains	Expenditure & losses	Gains	At 31 December 2021
	£	£	£	£	£
Restricted funds:					
XL Foundation	4,586	-	(4,586)	-	-
Octopus	-	22,257	(22,257)	-	-
Weddell Sea	5,280	15,726	(8,690)	-	12,316
Gossip	59,787	-	(59,787)	-	-
eDNA	790,479	-	(37,196)	-	753,283
First Descent: Seychelles	-	5,000	(5,000)	-	-
The Midnight Zone	5,250	4,200	(9,450)	-	-
Yachts for Science	13,850	-	(13,850)	-	-
Plastics Drawdown with Common Seas	77,132	-	(54,828)	-	22,304
Ocean Ark	33,475	-	(33,475)	-	-
Deep Reefs and MPAs	-	189,802	(151,351)	-	38,451
Ocean Podcasts	-	80,292	(47,830)	-	32,462
Total restricted funds	989,839	317,277	(448,300)	-	858,816
Unrestricted funds:					
General funds	637,298	197,219	(306,516)	-	528,001
Total unrestricted funds	637,298	197,219	(306,516)	-	528,001
Total funds	1,627,137	514,496	(754,816)	-	1,386,817

Notes to the financial statements

For the year ended 31 December 2022

17b Movements in funds (prior year) continued

The Group

	At 1 January 2021	Income & Gains	Expenditure & losses	Gains	At 31 December 2021
	£	£	£	£	£
Restricted funds:					
XL Foundation	4,586	-	(4,586)	-	-
Octopus	-	22,257	(22,257)	-	-
Weddell Sea	5,280	15,726	(8,690)	-	12,316
Gossip	59,787	-	(59,787)	-	-
eDNA	790,479	-	(37,196)	-	753,283
First Descent: Seychelles	-	5,000	(5,000)	-	-
The Midnight Zone	5,250	4,200	(9,450)	-	-
Yachts for Science	13,850	-	(13,850)	-	-
Plastics Drawdown with Common Seas	77,132	-	(54,828)	-	22,304
Ocean Ark	33,475	-	(33,475)	-	-
Deep Reefs and MPAs	-	189,802	(151,351)	-	38,451
Ocean Podcasts	-	80,292	(47,830)	-	32,462
Total restricted funds	989,839	317,277	(448,300)	-	858,816
Unrestricted funds:					
General funds	756,049	121,094	(355,951)	6,808	528,000
Total unrestricted funds	756,049	121,094	(355,951)	6,808	528,000
Total funds	1,745,888	438,371	(804,251)	6,808	1,386,816

18 Reconciliation of net income to net cash flow from operating activities

	2022 £	2021 £
Net income for the reporting period (as per the statement of financial activities)	(106,570)	(359,072)
Depreciation charges	17,563	17,660
Increase in debtors	19,430	34,246
Decrease in creditors	110,308	44,310
Net cash provided by / (used in) operating activities	40,731	(262,856)

19 Analysis of cash and cash equivalents

	At 1 January 2022 £	Cash flows £	Other changes £	At 31 December 2022 £
Cash at bank and in hand	1,434,520	78,620	-	1,513,140
Total cash and cash equivalents	1,434,520	78,620	-	1,513,140

20 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

Accounts

Company number: 09644797
Charity Number: 01162666

Nekton Foundation

Report and financial statements
For the year ended 31 December 2021

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Nekton Foundation

Reference and administrative information

For the year ended 31 December 2021

Company number 09644797

Charity number 01162666

Registered office and operational address Begbroke Science Park
Begbroke Hill
Woodstock Road
Begbroke
OX5 1PF

Country of registration England & Wales

Country of incorporation The United Kingdom

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Chair:	Rupert Grey
Trustees:	Juliet Burnett
	Paul Jardine
	Paul Crowther (Vice Chair)
	Emily Penn
	Professor Callum Roberts
	Robert McCallum
	Vanessa Rice
	Will Goodlad
	Angelique Poupponeau

Key management personnel

Chief Executive:	Oliver Steeds
Finance & Operations Controller:	Alex Murphy
Head of Communications	Lisa Hynes
Principal Scientist:	Dr. Lucy Woodall

Bankers Royal Bank of Scotland
1st Floor, Houblon House
62-63 Threadneedle Street
London
EC2R 8HP

Nekton Foundation

Reference and administrative information

For the year ended 31 December 2021

Solicitors Skadden, Arps, Slate, Meagher & Flom (UK) LLP
40 Bank Street,
Canary Wharf,
London,
E14 5DS

Bates Wells Braithwaite
10 Queen Street Place
London
EC4R 1B

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditors
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

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

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

1. Objectives and activities

1.1 Purpose & Strategy

Nekton Foundation ('Nekton') is a not-for-profit charitable organisation dedicated to accelerating the scientific exploration and protection of the ocean. To help ensure the resilient and prosperous ocean needed to improve the lives and livelihoods of billions around the world, Nekton is focused on three connected goals: accelerating deep-sea scientific research and exploration, inspiring education and outreach and galvanising progress towards greater ocean protection.

Our charitable objects, as set out in our governing document, are to promote and advance education in the conservation, protection and improvement of the environment.

Nekton works with and on behalf of ocean nations who are committed to improving the prosperity, resilience and sustainable governance of their ocean.

Nekton's operations are aligned to support the implementation of the UK Government's Marine Policy, United Nation's Sustainable Development Goals including 14 (Life Below Water), The Commonwealth Blue Charter and the recommendations of the Global Ocean Commission.

Activities & Strategy: Nekton are implementing a 2018-2024 strategy that combines i) Missions with Ocean Nations to galvanise protection (Indian Ocean focus), ii) Initiatives - innovative projects with targeted outcomes to address the needs of our ocean.

Working in Partnership: The charity works in partnership with an Alliance of leading organisations across marine science, ocean policy, business, communications and civil society to deliver our objectives.

Funding & Business Model: Funding is through an Alliance of partners, and philanthropic grants and donations. Operations are implemented with Nekton's partners who share a common purpose to explore and protect the ocean.

1.1 Nekton's DNA

Our DNA is founded on:

- **Applied, Conservation Science:** We can't protect what we don't know. In collaboration with the University of Oxford, we create step changes in our scientific knowledge of the ocean to inform and catalyse ocean protection for the benefit of the planet and all its people.
 - **Inspirational storytelling:** We amplify ocean stories globally and broadcast the journey of scientific discovery by our aquanauts in the ocean's depths to improve ocean awareness and inspire public support for political action.
 - **Democratising science:** Knowledge shared empowers ocean science and ocean protection. Host nation scientists, conservationists, journalists, even the Heads of State are the heart of everything we do.
 - **First Descent Missions:** Working for and with large ocean nations committed to and implementing ambitious plans to protect at least 30% of their ocean by 2030.
 - **Unique alliance:** Our strength comes from the sum of our parts – uniting over 50 different organisations – from government, science, business, media, technology, and civil society – to work together for our shared client - the ocean.
-

1.2 Nekton Missions: working with Ocean Nations

Approximately 8% of the ocean is currently designated as marine protected areas (MPAs) – but only 2.8% is fully protected. We aim to help support the global effort to protect at least 30% by 2030, an ambitious goal but an essential one that we share with other partners globally.

Our Missions, in partnership with the people and organisations of ocean nations, are vital if we are to achieve that target. We co-develop and co-deliver these research programmes with policymakers, scientists, businesses, teachers and storytellers of each host nation, and are supported by our international alliance of partners ('The Nekton Alliance').

Our Missions explore the ocean, driven by curiosity and the determination to use the knowledge we gain to serve the planet. Each Mission combines state-of-the-art technology, applied research, knowledge exchange, ocean policy initiatives and inspirational public engagement activities. We coordinate all these activities together to increase their collective impact. All data and biological specimens are owned and vested by the host nations.

i. **Applied Research:**

To inform & catalyse ocean policy through:

- Generating new multi-disciplinary marine datasets for accurate marine spatial planning
- Determining conservation priorities for marine protected areas
- Establishing scientific baseline of marine life and ocean health for long-term monitoring and management
- Curation and open access publication of all data.

ii. **Knowledge Exchange:**

To create a legacy of leadership, skills, knowledge and networks within the host nation and empower long-term sustainable ocean governance through:

- Marine research & ocean management grants
- Field research participation and leadership
- Marine research, ocean management and taxonomic training and workshops with international experts
- Co-produced knowledge sharing publications and conservation tools
- Fellowships for early career scientists to University of Oxford and partner institutions

iii. **Inspirational Public Engagement:**

To inspire and engage host nation, regional and international audiences, host nation scientists anchor communications activities to amplify ocean awareness serving to:

- Strengthen the public mandate for political action
- Create a new cadre of Ocean Leaders in the local, regional and international spotlight
- Promoting sustainable marine tourism and a pillar of the Blue Economy

1.3 Nekton Initiatives

We work on innovative projects with targeted outcomes to address the needs of our ocean. From educational programmes to podcasts, scientific research to ground-breaking data portals, all of our initiatives further our aims of accelerating greater understanding of our ocean, how we protect it and inspiring public engagement.

In 2021, these include:

1.3.1 Conservation & Ocean Policy

- *Western Indian Ocean: Resilience & Prosperity Initiative (WIO-RPI)*: governments of the WIO co-creating an ambitious new regional ocean policy and strategy to support sustainable ocean development that is underpinned by science-based management and protection.

1.3.2 Applied Science

- *Deeper Reefs*: galvanising their protection
- *General Ocean Survey and Sampling Iterative Protocol (GOSSIP)*: standardising marine biological field research activities to increase interoperability and usability of critical data.
- *Ocean Life*: accelerating the discovery and protection of marine biodiversity.
- *Ocean Plastics*: step-change research on prevalence and distribution pathways of microplastics and practical policies to reduce plastic use.
- *Octopus*: ocean data - increasing marine data accessibility and usability.

1.3.3 Communications & Public Engagement

- *Catch Our Drift*: a podcast for those who love the ocean
- *Ocean Rising*: deepening cultural connections with the ocean
- *Submarine STEM*: Educational programme to bring the ocean to classrooms through STEM subjects

- *Media Services*: producing films and content, creative communications, news and social media campaigns

1.3.4 Knowledge Exchange

- *Democratising Science*: combatting parachute science and promoting co-produced science.
- *Networks & Courses*: Western Indian Ocean: Deep Sea Science Course & MOOC

1.3.5 Other

- *Yachts for Science*: matching scientists with private vessels – with owners providing their vessels for free to undertake marine research and conservative projects.
- *Extreme-E*: Marine science partners for the global electric SUV race

1.4 Indian Ocean Strategy 2018-2024

The Indian Ocean is the least scientifically researched and least protected ocean on Earth. Already home to nearly 2.7 billion people with an average age under 30, by 2050, 'the Ocean of the Centre' will be home to half of the world's population.

In order to strengthen resilience against the impact of the climate and biodiversity crises for the billions of people dependent on the health of the Indian Ocean, Nekton, in partnership with Governments in the region, is undertaking a series of Missions - *First Descent: Indian Ocean*. We collectively aim to catalyse the sustainable ocean governance needed, including at least 30% protection by 2030. **Watch** launch film, narrated by Morgan Freeman.

First Descent: Indian Ocean began in Comores in 2018 with a pathfinder mission with partners Wild Oceans and others before leading onto a larger, Nekton-led Mission at the invitation of the Government of Seychelles - *First Descent: Seychelles* 2018-2022. Our next Mission '*First Descent: Maldives*' began in 2019, with field operations in late 2022, concluding by the end of 2023.

Each Mission combines national commitments to ocean protection, marine spatial planning, applied research to inform ocean policy, investments in knowledge exchange and inspirational communications to strengthen the public mandate for political action.

The policy outcome for the Indian Ocean Strategy is being implemented through the *Western Indian Ocean – Resilience and Prosperity Initiative (WIO-RPI)* - an initiative of the governments of the Western Indian Ocean to co-create an ambitious new regional ocean policy and strategy to support sustainable ocean development that is underpinned by science-based management and protection. The Initiative has been endorsed as a project by all nations at the Nairobi Convention's COP10 in November 2021. Nekton are the architects of the WIO-RPI and technical partners to the Government of Seychelles (the coordinating Government), the Nairobi Convention and the Danny Faure Foundation (the implementing partner).

1.4.1 Projected impact – *First Descent: Indian Ocean*

First Descent: Indian Ocean aims to achieve environmental, scientific, political and civil society impact through:

- **Building resilience to climate change:** Large ocean nations committed to and implementing ambitious plans to protect 30% of their ocean by 2030 - providing the economic, political and scientific case for a healthy, prosperous ocean and planet.
- **Political Leadership:** Western Indian Ocean Summit to ratify the WIO-RPI in 2023 will unite Heads of States to implement a regional policy and strategy for sustainable governance, underpinned with investment into blue natural capital - the first of its kind globally.
- **Empowering diversity & knowledge exchange:** A diverse cadre of Indian Ocean leaders with capacity, skills and knowledge across marine science, ocean conservation and management, to support the implementation of ocean protection and the sustainable development of the blue economy.
- **Pioneering scientific knowledge:** Hundreds of new species, dozens of institutes participating and 60+ scientific papers incl. on climate change resilience and adaptation, biodiversity, fisheries and pollution to inform sustainable ocean management.
- **Inspiring ocean conservation:** Increasing the public support for political action in support of the Global Ocean Alliance call for 30% global ocean protection by 2030.
- **Build back better:** Pairing economic recovery with positive action, supporting economic growth, driving job creation, strengthening response to future shocks and creating a more equitable and sustainable future.

2. Activities and Accomplishments 2021

2.1 Conservation & Ocean Policy

2.1.1 Western Indian Ocean – Resilience & Prosperity Initiative (WIO-RPI)

The policy outcome for Nekton's Indian Ocean Strategy 2018-2024 is being implemented through the *Western Indian Ocean – Resilience and Prosperity Initiative (WIO-RPI)*.

The WIO-RPI is an initiative of the governments of the Western Indian Ocean to co-create an ambitious new regional ocean policy and strategy to support sustainable ocean development that is underpinned by science-based management and protection.

The policy and the first five-year strategy will be co-developed with regional and international experts and civil society organisations and will serve to support and underpin current and future initiatives in the region, including the Great Blue Wall.

The **four interconnected objectives** of the WIO policy are:

- I. **Enhance Marine Science:** To inform and coordinate decisions on the sustainable use and management of marine resources and priorities for restoration and resilience.
- II. **Harness a Sustainable Blue Economy:** To support the development of a sustainable blue economy plan that delivers resilience, jobs and a just, equitable transition
- III. **Strengthen Natural Resilience & Restoration:** To establish a just, equitably designed and managed connected network of ecologically and culturally representative protected areas in national and international waters, complementing global targets.
- IV. **Advance Ocean Governance:** To advance governance for sustainable use and management of marine resources and protected areas.



2.1.2. Bermuda (Mission: 2016-2018)

Following Nekton's first mission to Bermuda in 2016 (*XL Catlin Deep Ocean Survey*), the discovery of the Rariphotic Zone in Bermuda, and the publication of over 20 scientific papers about the discoveries, the data, available through open access databases, was used throughout 2021 by the Government of Bermuda to inform marine spatial planning and their commitment to protect at least 20% of their Exclusive Economic Zone along with the sustainable governance of the entire ocean territory.

2.1.3 Seychelles

Data and content from *First Descent: Seychelles* has been utilised by the Government of Seychelles to inform the nation's marine spatial plan and designation of marine protected areas across over 30% of the nation's EEZ (an area equivalent in size to twice the United Kingdom,) along with informing long-term sustainable ocean management including the sustainable development of the blue economy. Notably contributions include deep reef and fisheries data for Seychelles '*National Policy and Strategic Action Plan on Coral Reef Conservation and Management*'.

2.2 Applied science to catalyse ocean policy

Throughout 2021, the Nekton Research Group at the Zoology Department, University of Oxford has been highly productive concluding research from First Descent: Seychelles, undertaking new research initiatives on deeper reefs and microplastics, and publishing extensively on topics from the pandemic impact to ocean data.

2.2.1 Seychelles (with Mission Partners: Omega and Kensington Tours)

Final analysis of data from *First Descent: Seychelles* was concluded in 2021 leading to a series of publications including:

- Seychelles - Benthic Field ID Guide: 'Reef benthos of Seychelles - A field guide' - [Biodiversity Data Journal](#) - capturing all the different species identified on 'First Descent: Seychelles'. Main findings shared in two blogs ([Pensoft](#) and Conservation International) and a [video abstract](#).
- Taxonomic publications on sponges, hydroids, seastars and sea urchins including new species and species new to Seychelles.

The major and final synthesis publications of research from *First Descent: Seychelles* is being published in 2022.

Data: all curated and to be uploaded to the OBIS open access data repository in 2022 following final approval by the Government of Seychelles. Fisheries imagery and data uploaded on the public database Fishbase in 2021.

2.2.2 Deeper Reefs – Phase 1 (with Garfield Weston Foundation)

Deeper reefs are found at mesophotic (30-150 m) and rariphotic depths (150-300 m), along with cold-water corals (>300 m). These deeper reefs are considered to have a comparable geographic reach to their shallower counterparts. However, despite providing essential ecosystem services, and acting as refuge for coral and other reef-based organisms threatened in shallow water notably the impacts of climate change, they are poorly researched and remain largely unprotected.

Nekton's scientists are leading this initiative with a goal to help galvanise the global scientific exploration, protection and sustainable management of deeper reefs. The objective of the first phase (2021-2022) is to develop the scientific rationale for the explicit inclusion of deeper reefs into marine conservation strategies with an initial geographic focus of the Western Indian Ocean (WIO).

WIO reefs provide important benefits to the over 240 million people, including over 3 million people who are directly dependent on artisanal fishing for their livelihoods. Deeper reefs in the WIO are particularly under explored due to costs, logistics and the general perception of facing fewer threats. Consequently, fewer data are available, and these are rarely used to inform management and conservation activities. At present, most deeper reef habitats are unprotected despite being under threat from a multitude of stressors, including overfishing, pollution, and climate change with seabed mining looming in the near future. The few deeper reef habitats that are protected, are often included incidentally because of geopolitical boundaries and rarely explicitly included as part of purposeful management plans and designation targets

Publications: From May 2022

2.2.3 Ocean Life – Nautilus (with The Nippon Foundation)

Building on our initial work investigating how to accelerate the sequencing of ocean life, in 2021 we continued development of a complex feasibility study to determine how to launch a global 10-year initiative to discover and protect ocean life. The goals of the initiative are:

1. **To discover ocean life** through a global network of field expeditions and research institutes, deploying low-cost, fast, third generation sequencing technology and machine learning to increase the speed of species discovery ten-fold, adding at least 100,000 new species to our knowledge and understanding.
2. **To catalyse conservation of ocean life** - through increasing the digitisation and interoperability of data and populating genetic libraries, advances in ocean life data will accelerate decision making to conserve ocean life, whilst ensuring equitable use for the common good.
3. **To inspire the public and policy-makers:** from aquarium installations to social and news media, from citizen science to crowdfunding and brand partnerships, the global public and decision makers will be inspired to support the discovery and protection of ocean life.
4. **To build a legacy of equitable human capacity** - through a global grant programme creating a network of taxonomists and biodiversity experts in both high and low-income nations.

Feasibility Study concludes in 2022. Project launch in 2023 to be determined with partners.

2.2.4 Ocean Plastic

2.2.4.1 Antarctic Microplastics: Prevalence and distribution pathways (with Flotilla Foundation)

During Nekton's partnership on the Weddell Sea Expedition, Nekton scientists collected contemporaneous samples of sediment from the seabed, water from the surface, ice from sea ice and the ice shelf, and aerosols from the air. Laboratory analysis of this unique combination of samples was successfully undertaken throughout 2021 with research findings to be published in 2022 that will include:

- i. the first temporal analysis of microplastic pollution and prevalence in Weddell Sea
- ii. identification of the transfer pathways of microplastics in the remote southern polar region and how they move across the planet.

The research is the first of its kind and will likely change our understanding of the contamination pathways and prevalence of microplastics in Antarctica, including the Weddell Sea – a region that is currently under consideration by CCAMLR for marine protected area status. The discoveries will likely hold implications for other remote locations globally.

Publications: 2022

2.2.4.2 Plastic Drawdown (with Common Seas)

Nekton's Principal Scientist led the development of a new initiative with partners Common Seas on plastic drawdown – a rapid, user-friendly tool to help decision-makers identify and deliver effective pollution mitigation strategies. Throughout 2021, the team developed the adaptable, cost-effective, model for nations to utilise their available resources to create and deliver an effective mitigation strategy.

[Plastic Drawdown](#) is published in 2022 and implemented in UK, Greece, Indonesia and Maldives and informed our work with 27 Commonwealth governments.

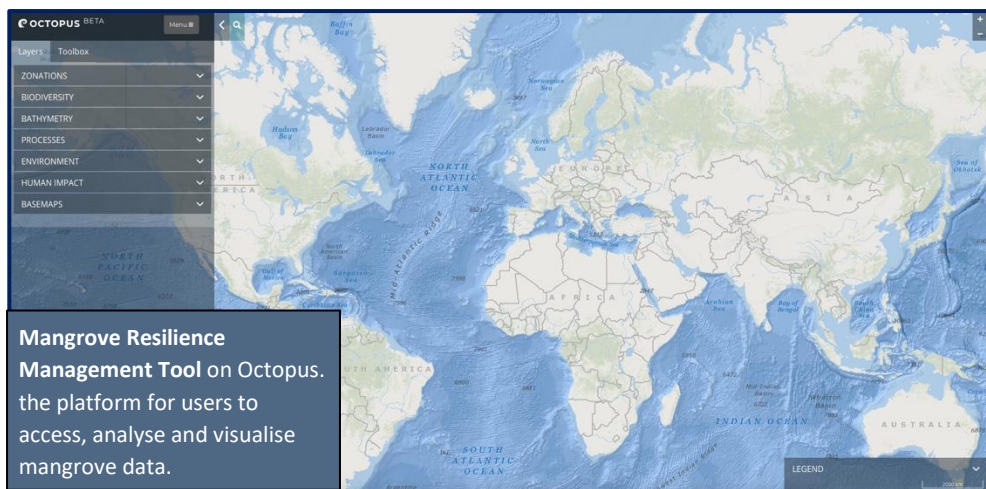
2.2.5 Octopus – Ocean Data – with WWF and Mangroves Alliance

In 2021, the team created and published the Mangrove Resilience Management Tool – the first major application to be built on the ocean data system of Octopus.

The tool enables policy makers and conservationists to more effectively manage development needs alongside the value of ecosystem services from mangroves. In part, this specifically includes geographic positioning of proposed dam projects and being able to determine the sediment flow to the river mouth and visualise the most at risk areas.

Like coral reefs, mangrove forests are extremely productive ecosystems that provide numerous good services both to

the marine environment and people, notably related to sustainable fisheries and tourism along with coastal protection from the increasing frequency and intensity of extreme climate events. In addition, mangroves hold 3 billion metric tons of carbon - more than tropical forests - and sequester three to five more carbon than tropical forests. They are threatened by impacts of climate change and other human-related activities including coastal development and dam construction.



2.2.6 Marine science responses to Covid-19 pandemic

The Nekton science team contributed to a wide range of research programmes and publications to evaluate the impact of the pandemic ranging from threats to the environment to conservation policy for the post-pandemic transition:

- Ten considerations for conservation policy makers for the post-COVID-19 transition: [Environmental Reviews, 29\(999\), pp.1-8.](#)
- Global COVID-19 lockdown highlights humans as both threats and custodians of the environment. [Biological Conservation, p.109175.](#)
- [Moving conferences online: lessons learned from an international virtual.](#)

2.2.7 Publications

Eleven papers were published by the Nekton team in 2021 ([full details](#)). Beyond those detailed above, they include:

- The forgotten ocean: Why COP26 must call for vastly greater ambition and urgency to address ocean change. Aquatic Conservation: marine and freshwater ecosystems. [Aquatic Conservation: marine and freshwater ecosystems.](#)
- The fundamental links between climate change and marine plastic pollution. [Science of The Total Environment, p.150392.](#)
- Bringing seascape ecology to the deep seabed: A review and framework for its application. [Limnology and Oceanography.](#)
- A decade to study deep-sea life: [Nature Ecology and Evolution](#)
- The quest for seafloor macrolitter: a critical review of background knowledge, current methods and future prospects: [Environmental Research Letters](#)

2.2.8 Other marine and environmental policy activities

The team contributed and participated in a diverse range of activities to catalyse marine and environmental policies internationally including:

- OSPAR Commission's Action Plan for Marine Litter: <https://www.ospar.org/work-areas/eiha/marine-litter/regional-action-plan>
 - COP26 Recommendations for deep sea science in the Western Indian Ocean, with WIOMSA, the Western Indian Ocean Marine Science Association
 - UN Ocean Decade Laboratory: Event on 'Clean Oceans'
 - Human Rights Commission: the consequences of deep-sea plastic
 - Seahorses: Natural England Advisory Group and Chair of IUCN SSC Seahorses
-

2.3 Democratising Science and Knowledge Exchange

Democratising science is the heart of everything we do. We look to both combat the prevailing trends of 'parachute science' to increase equity and deliver innovative knowledge exchange programmes and activities to meet the needs of marine scientists (currently with a primary focus on the Indian Ocean).

Our knowledge exchange programmes are co-defined and co-delivered with ocean nation partners to meet their priorities. National scientists, marine managers, policy makers and their communities should all have an integral role in the process of marine science and ocean management – from determining research priorities to data acquisition, field research, analysis and ultimately the publication of new knowledge to inform ocean management priorities.

2.3.1 Turning the Tide on Parachute Science

The deep sea is present in the waters of 70% of countries, but only 17% of these have the resources, equipment, and expertise to be able to observe, research and sample these depths. There remains a prevailing trend of parachute science – a practice whereby international scientists, typically from higher-income countries, conduct field studies in another country, typically of lower income, and then complete the research in their home country without any further effective communication and engagement with others from that nation.

To bridge the gap and promote a more inclusive, equitable approach to co-produce and co-deliver research activities, including field operations with host nations. In 2021, the team published a series of papers, practical guides and gave presentations on how to turn the tide on parachute science.

- [Turning the tide of parachute science, Current Biology](#)
- [Parachute Science in Coral Reef Research: Q&A with Nekton's Dr. Paris Stefanoudis and Sheena Talma: The Scientist](#)
- [Co-development, co-production and co-dissemination of scientific research: a case study to demonstrate mutual benefits, Royal Society, Biology Letters](#)
- How to conduct collaborative research - [Best practice guidance on how to conduct research outside the UK](#) (with University of Oxford).
- Presentations at: [SCBNA Diversity, Equity, & Inclusion in Conservation Practice and Research 2021 Webinar Series](#).
- *16th Deep-Sea Biology Symposium Session: "Achieving truly global stewardship of the deep ocean".*
View short film ([HERE](#))

2.3.2 Western Indian Ocean Knowledge Exchange Programme

The Nekton science team, anchored from Seychelles, have continued to support knowledge exchange in the Western Indian Ocean. Whilst in person activities have been limited due to the ongoing pandemic, our activities have been focused on two areas:

Presentations / Events

- WIO Benthic Imagery Workshop, August 2021
- The Deep Sea for the *International Ocean Institute* in partnership with the Nairobi Convention, September 2021
- GOSSIP (standardising marine research protocols), presented to scientists from across India to learn and adopt GOSSIP. Organised by the Science & Innovation Network, UK FCDO, UK High Commission, Delhi (as part of UK-India Marine Science Collaboration).
- WIOGEN – Nekton leadership of the deep-sea group with WIOGEN Regional Conference October, 2021.
- ID sharking through video analysis, SeyCCAT, Seychelles
- Co-chair of Challenger 150's Indian Ocean Regional Committee.

Deep Sea Science Course & MOOC, Western Indian Ocean (Minderoo Foundation).

In partnership with the *Western Indian Ocean Marine Science Association (WIOMSA)*, the team undertook quantitative and qualitative research to understand the specific needs of Western Indian Ocean scientists:

- i. Regional Stakeholder Engagement through [WIOMSA](#)
- ii. Systematic review of WIO Deep Sea Scientific Research Activities & Publications within the framework of the Nairobi Convention
- iii. Creation of a deep-sea working group within the WIOGEN Network
- iv. Short online course/lecture targeted at policy makers as part of the International Ocean Institute South Africa (IOI-SA) policy makers diploma course

In conclusion, they identified the need for a deep sea marine science course for marine scientists in the region – available in person and online as a MOOC.

The course proposal has been developed with the University of Seychelles (UniSey) and WIOMSA and its development and creation are being funded by the Minderoo Foundation. The course will be available free through UniSey in 2022 and include formal accreditation.

2.4 Communications & Engagement

We believe to make a difference we need to do things differently. For Nekton, our DNA combines science and storytelling and we constantly look to innovate the ocean story. In 2021, our highlights have been breaking ground with new immersive installations, podcasts and a new initiative 'Ocean Rising' to deepen cultural connection with the ocean.

Nekton: 5 Years

2021 marked 5 years since Nekton launched with our first Mission – *the XL Catlin Deep Ocean Survey* - in Bermuda and the Northwest Atlantic. To mark this important milestone, we produced a short film about our journey so far – [watch here](#).

2.4.1 Catch our Drift – ocean podcast (with Garfield Weston Foundation)

The first series of [Catch Our Drift](#) – ‘the podcast for those who love the sea’ was launched in early 2021. Co-hosted by author, journalist, marine biologist Dr Helen Scales and Nekton’s Founder and Mission Director Oliver Steeds, it used storytelling to promote ocean conservation. The pod was produced to be entertaining and inspiring and to appeal to a wide range of listeners with all that is exciting, uplifting, dramatic and concerning in the ocean. The series provided news and views to engage and inform an audience of both ocean experts and novices throughout 2021.



The episodes in the first series were:

1. **Survival:** Robert Sheehan (actor), Ian Urbina (journalist, Outlaw Ocean), Chris Lemons (commercial diver, survivor of Last Breath documentary), Trey Munkenbeck and Mariners Away (Dartmoor based shanty group)
2. **Sport:** Nico Rosberg (F1 World Champion), Miranda Merron (Vendee Globe), Alenka Artnik (Freediving World Champion)
3. **Sharks:** Steve Backshall, Jaida Elcock (Minorities in Shark Science), Dr. David Shiffman (Shark scientist)
4. **Art:** Jason deCaires Taylor (leading UK underwater sculptor), Joan Jonas and Markus Reymann (Venice Biennale)
5. **Health:** Jason Fox (Presenter: SAS: Are you Tough Enough?), Bhakti Sharma (world record open water swimmer) and Dr. Jo Garrett (mental health benefits from the ocean)
6. **Seaspiracy:** Prof Alex Rogers (leading UK scientists), Serge Raemaekers and David Shoshola (Founder of Abalobi, social enterprise supporting local fishers), Chef Bun (ethical sushi) and Mitch Tonks (UK chef and proponent of sustainable seafood).
7. **Music:** Cosmo Sheldrake (UK aquatic ecologist and musician), Ben Mirin (National Geographic acoustic conservationist), and Adam Gardner and Lauren Sullivan (REVERB, reducing environmental footprint of music events)
8. **Space:** Kathy Sullivan (3-time NASA astronaut, first woman to full ocean depth), Dr. Craig Donlon (ESA and Earth-Space observations), Fabien Cousteau (underwater habitats)
9. **Literature:** Monique Roffey (Costa Prize Winner), Manchan Magan (ancient Irish sea-related languages) and Kirti Ramesh (children’s author / marine biologist)
10. **Deep Sea Mining:** Diva Amon (leading marine biologist), Gerard Baron (CEO, Deep Green (seabed mining company)).

Promotions: We partnered with [One Ocean](#) Flotilla, a collective of marine organisations, seeking to influence ocean protection through aligned, impactful communication.

2.4.2 Installations – Future Labs (with Goodwood Festival of Speed)

In 2021, we also broke ground and took our first steps in curating immersive exhibitions, and were a central exhibitor at [Goodwood Festival of Speed Future Labs](#). Highlights of the exhibit included 360 projections of Nekton submersible dives, graphical explanations of how Nekton and partners pioneered the first live submersible broadcasting and displays of cutting-edge technologies from our partners Teledyne Marine (autonomous underwater vehicles) and Oxford Nanopore (miniaturised sequencing).

Watch - ITV: [Goodwood Future Lab](#)

2.4.3 Ocean Rising (with Schmidt Ocean Institute)

In partnership with Schmidt Ocean Institute, we launched a new initiative '[Ocean Rising](#)'. Our goal is to try to deepen people's relationship to the ocean by connecting all major aspects of culture to it. Ocean Rising will establish new links between the ocean and fashion, the arts, sports, music, gaming, news, television, film, social media, consumer choices, religion and more.

We've begun the initiative in laying the foundations – publishing '[This is how we can inspire people to feel connected to the ocean](#)' with the World Economic Forum (WEF), and a White Paper: '[Ocean Rising: The Quest to Inspire the Public](#)' that captures all the critical concepts including case studies of success.

We hosted one of the first events for the *UN Decade of Ocean Sciences for Sustainable Development* to engage the ocean community and co-develop the ideas. The event included 8 quick fire keynotes from experts from all major cultural sectors (watch [here](#)) followed by a workshop with participants to identify tangible ways to deepen cultural engagement with the ocean (read [results](#) and listen [fireside chat podcast](#) with the project leads Oliver Steeds (Nekton) and Jyotika Virmani (SOI, Executive Director)).



2.4.4 Productions (and media services)

Whilst not at sea in 2021, Nekton's multi-award broadcast and content productions expertise were deployed to produce a range of inspiring content including:

- **The Ocean in 2021: A Nekton Event** with President Faure, Seychelles and UN Ocean Ambassador Peter Thomson. Watch 10minute highlight [film](#).
- [Dubai Expo](#): film broadcast at the Seychelles Pavilion about *First Descent: Seychelles*
- [Achieving Truly Global Stewardship of the Deep Ocean](#) - accompanying the *Deep Sea Biology Symposium*
- **Commonwealth Institute**: two films about the successes of ocean conservation in Seychelles and Vanuatu.

2.4.5 Events (including virtual)

Throughout 2021, Nekton contributed at global events - chairing symposiums and summits and providing keynotes and presentations including:



Global stage: *Economist World Ocean Summit* (research priorities & technology), *COP26* (Western Indian Ocean - Resilience & Prosperity), *Oceanology International* (exploring and protecting the deep ocean), *Ultramarine Global Summit* (deep sea mining), *Earth Action Conference* (ocean empathy), *Women Blaze Trials* (celebrating women in science and exploration), *Extreme-E* (Consequences of climate change).

Science events: *Deep Sea Biology Symposium* (global stewardship of the deep ocean), *Society for Conservation Biology* (sustainable fisheries and parachute science), *Public Engagement and Research Conference* (ocean literacy and inspiration), *The International Ocean Institute* (Deep Sea), *WIOGEN Ocean Governance Conference* (deep sea science and governance), *North American Society for Conservation and Biology* (Equity and Inclusion in Conservation Practise and Research), *Schmidt Ocean Institute Summit* (A journey from surface to full ocean depth), *23rd Annual Meeting of the Reef Conservation Society UK* (First Descent: Seychelles).

2.4.6 Nekton in the news

Nekton contributed to a diverse range of media publications generating coverage about the ocean across news and social media. Highlights include:

- **BBC Science Focus:** [Deep Sea Mountains](#)
- **Eco Magazine:** 3000-word feature about *First Descent: Seychelles* - read [here](#).
- **The Guardian:** [Is deep-sea mining a cure for the climate crisis of a curse?](#)
- **The Scientist:** [Parachute Science in Coral Reef Research](#)
- **Science Friday:** [The Problem with Parachute Science](#)
- **Reef Bites:** [Moving Beyond Parachute Science in Coral Reef Research](#)
- **Nature Index:** [Parachute Science Falls to Earth](#)
- **Eco Magazine:** [New Nekton Podcast Catch Our Drift](#)
- **BBC Science Focus:** [Deep Sea Mountains](#)
- **Automobil Sport:** [The Importance of Ocean Health](#)
- **Eco Magazine:** [Opening up the Deep Sea](#)
- **Inmarsat:** [First Descent – Nekton x Inmarsat: broadcasting from the deep sea](#)
- **Podcasts:** [The Sustainable Motorsport](#) (Nekton & Extreme-E), [The Underwater Technology Podcast](#), [The Future Lab Podcast](#): (The Race for the Deep)
- **Poster Campaign:** The Great Campaign produced a series of posters about Nekton, prominently displayed at the G7 and other UK events and venues globally including billboards on public displays at airports and UK embassies and High Commissions (see below).



2.5 Other Initiatives

2.5.1 Yachts for Science (with EYOS, OFF, Arksen and Boat International)

[Yachts for Science](#) continues to match marine scientists with private vessels including projects to mapping the seabed, and undertake research from the hadal depths to black coral in Raja Ampat (read - Boat International's '[How Superyachts can support ocean research](#)').

Whilst Covid-19 restrictions limited the matches we could complete in 2021, the growth in scientific projects and vessels being registered along with an updated website and more extensive social media engagement has set us well for 2022.



2.5.2 Extreme E

We have deepened our marine science partnership with [Extreme E](#) - electric racing to some of the most remote corners of the planet - to highlight the climate change challenges faced by different ecosystems. The Nekton team participated in the Ocean Race in Senegal (see right) and the [Jurassic Race](#) in the UK and continue to advise on the legacy initiatives at all race sites and developing further research activities from Extreme-E's Mothership as she circumnavigates the planet.



2.5.3 Earthshot Prize – with the Royal Foundation

Nekton is one of 100+ organisations selected by the Royal Foundation to nominate individuals, organisations and businesses for this prestigious global prize which aims to help repair our planet. We undertook extensive due diligence on a range of different ocean-related organisations to identify and nominate a number of brilliant organisations and individuals. We are delighted to see Coral Vita in the Bahamas win the inaugural prize to Revive Our Ocean (right). Nekton was honoured to be nominated by the Commonwealth Institute.

<https://www.earthshotprize.org>



2.6. The Nekton Alliance

Nekton's work in 2021 has been made possible through the generosity and support, financially and in-kind, of our Alliance partners and philanthropic supporters along with the efforts and dedication of our staff and

advisors. We would like to take this opportunity to thank everyone who has supported our work throughout the year:

- **Mission Partners (2):** Omega, Kensington Tours
 - **Strategic Partners (7):** The Commonwealth; Teledyne Marine, Sonardyne (Official Subsea Technology Partners), Associated Press (Official News Agency Partner), Inmarsat (Official Satellite Communications Partner), Helly Hansen (Official Apparel Partner), University of Oxford,
 - **Collaborating Partners (19):** Deep Sea Power and Light, Paralenz, Bowtech (Subsea Camera & Light Partners); Triton (Submersible Partners); Priavo Security (Maritime Security); AXA-XL & Encounter EDU (Education); Institute of Marine Engineering, Science & Technology – IMarEST; EYOS (Expedition Logistics); Great Campaign, UK Government's Foreign, Commonwealth & Development Office); Blue Nature Alliance; Arksen Foundation, BOAT International, Ocean Family Foundation (Yachts for Science); Royal Foundation (Earthshot Prize); Formula-E (Extreme-E); Flotilla Foundation (Microplastics Research), The Nippon Foundations (Ocean Life research 'Nautilus').
 - **Seychelles Partners (13): Government:** Ministries of 1) Environment, Energy and Climate Change, 2) Education, 3) Blue Economy and 4) Tourism. National Institute for Science, Technology and Innovation (NISTI); **NGOs:** University of Seychelles (UniSey), Island Conservation Society (ICS), Seychelles Island Foundation (SIF), Marine Conservation Society Seychelles (MCCS), The Nature Conservancy (TNC), SeyCATT, **Parastatal:** Seychelles Fishing Authority, Seychelles Broadcasting Corporation.
 - **Maldives Partners (10):** Government Ministries (Fisheries, Environment, Tourism), Marine Research Institute, The Maldives National University; IPNLF, Maldives Whale Shark Research Programme, Manta Trust, Coral Research Institute, I.D.E.A.S.
 - **Founding Partners of Nekton (3):** AXA, Garfield Weston Foundation, Kensington Tours.
-

3. Beneficiaries of our services

The trustees confirm that they have given due regard to the Charity Commission guidance on public benefit when reviewing the charity's aims and objectives, planning future strategy and setting policy. The work of the charity plays a key part in understanding and combating the threats to our ocean and provides an essential alternative to traditional, government-led approaches.

Nekton is committed to achieving sustainable ocean governance, through scientific exploration, communications and education, capacity development and policy change.

Our activities benefit marine scientists, with whom we collaborate to exchange knowledge and develop multi-disciplinary practices; and whose work we fund, promote and expedite. Our work benefits educators and the general public, through the production and distribution of engaging educational materials and short films. Our work benefits government and non-governmental policy-makers, tasked with sustainably managing ocean health and resources.

Ultimately, we all depend on a healthy and sustainably managed ocean. The ocean supports millions of livelihoods via fisheries and tourism, regulates climate and plays a major role in carbon capture and storage. This report sets out our activities and achievements to date and illustrates how these benefit our oceans and society.

4. Financial review

The combined results of Nekton Foundation and its wholly owned trading subsidiary Nekton Enterprises Limited are consolidated.

In its fifth year of operation, Nekton secured incoming resources of £438k and ended the year with a deficit of £359k. Cash income generated related mainly to grant funding from The Nippon Foundation for the Ocean Life Feasibility collaboration (Nautilus), The Flotilla Foundation for an innovative project focused on the analysis of microplastics in the Antarctic, and additional philanthropic donations.

Of the total expenditure of £797k for the year, £377k was incurred on Nekton's science programme and £123k on Nekton's Communications and Education programme including ocean literacy, and £35k related to missions including the conclusion of the mission in Seychelles and development of the Maldives expedition - the next part of the First Descent series of missions in the Indian Ocean. The remaining expenditure was incurred on fundraising and overall management of the organisation.

Sufficient funds have been raised to activate and deliver the Maldives expedition in the Indian Ocean in 2022. Operations include activities such as field operations, scientific research and analysis and knowledge exchange, along with a full Communications programme. Efforts continue towards seeking new funding to undertake further innovation projects in support of sustainable ocean governance.

Charity's Reserves

The charity held total funds at 31 December 2021 of £1,387k. £859k is restricted and £528k unrestricted. Of the restricted funds £753k is restricted to First Descent Indian Ocean mission, £38k is restricted to the Nautilus Feasibility Study, £32k is restricted to The Antarctic Microplastics project, and the remaining £37k restricted funds includes the remaining work Deep Reefs and MPAs project and Octopus.

Nekton recognises the building of unrestricted reserves as an important measure for financial resilience, to allow for a variety of unexpected events such as: potential drops in expected income, to meet the demands of new projects and opportunities, to meet unforeseen operational requirements or to support short term cash flow requirements. An amount of £155k held in unrestricted reserves to cover three months of core operating costs would provide financial resilience for the charity to respond to unexpected events. The charity also regularly reviews its assessment of closure costs, which include redundancy costs and other closure commitments, and is currently forecast at £35k. A total of £190k of unrestricted reserves is the target requirement to be held in reserves for unforeseen events and closure costs if required. This is covered by the unrestricted reserves of £528k held at 31 December 2021. As at 31 December 2021 no specific reserves were designated.

5. Principal risks and uncertainties

The management team reviews risk regularly and produces a detailed risk register with mitigating actions together with a comprehensive crisis management plan for field operations.

A major area of risk management in 2021 and into 2022 remains around the Covid-19 global pandemic and the impact on Nekton's personnel, financial surety and field operations. Following the announcement by the UK Government of the first national lockdown in March 2020, all field operations were postponed, and this continued through 2021.

In light of Covid-19, Nekton implemented a comprehensive evaluation and review of operational and financial planning, including reducing overhead costs and field operations costs, along with participating in the UK Government's furlough scheme. In addition, the charity undertook a strategic review of activities and successfully diversified funding sources to support non-field-based operations including laboratory-based research, virtual knowledge exchange activities and a broader scope of engagement and educational activities.

The management of the team's physical and mental health throughout the crisis has been paramount and has been well managed by all members of the team, notably by Nekton's Financial and Operations Controller, a trained counsellor. To mitigate personnel risks, all staff largely worked from their homes during 2021 with in person meetings held when needed and in compliance all government regulations.

The risk of losing members of the team due to financial uncertainties was well managed and the whole team have remained employed throughout 2021 with confirmation of their positions remaining throughout 2022.

The Covid-19 pandemic, the resulting national and international travel restrictions, reduction in economic activity in some sectors and an expected global recession represented significant challenges to operations in the Indian Ocean and working with some partners. Throughout 2021, Nekton continued to support and engage the team and partners in the Indian Ocean region. To help address the impact and needs of the marine science community in the region, and build further resilience into their capabilities and capacities, Nekton invested in the development of the *Western Indian Ocean – Resilience and Prosperity Initiative (WIO-RPI)* along with a new deep sea marine science course, anchored to the University of Seychelles and to be made available to scientists across the Western Indian Ocean.

Looking ahead, Nekton will be returning to field operations in 2022 with *First Descent: Maldives*. A specialist Field Operations Sub Committee will be established by the Nekton Board to support decision making towards, and during the next period of field operations.

There are sufficient funds to complete the delivery of the Seychelles Mission into 2022 and undertake *First Descent: Maldives* concluding at the end of 2023.

The Initiatives – Octopus (ocean data), Yachts for Science, Ocean Plastics, Nautilus, Extreme-E, Ocean Rising, Submarine STEM, WIO Deep Sea Science Course (MOOC) - are funded by discreet grants for specific durations to achieve specific tasks. Fundraising for Deeper Reefs (Phase 2), WIO-RPI (2 years), Nautilus (10 years), Catch Our Drift podcast (Series 2) will be undertaken in 2022.

The charity continues to undertake fundraising activities led by the Chief Executive and supported by the Nekton Board to expand our Missions and Initiatives in 2022 and beyond. Nekton maintains a sustained emphasis and efforts on partnership development (particularly related to offshore operations); the production of regular cash flow forecasts and scenario planning; ensuring an efficient cost base; and active ongoing management of expectations of partners, providing them with regular updates on our progress on deliverables and fundraising success.

Nekton holds all relevant legal agreements with service providers (suppliers) and partners, and insurance policies which cover all pertinent areas of risk including: rules of engagement with Nekton; intellectual property rights; ship and submersible charter; specific risk relating to expedition operations; theft, damage and loss of equipment, assets and cash; professional indemnity; personal injury and death; employers' liability; public liability; and Management and Trustees' liability.

The trustees believe the charity remains a going concern given recent funding commitments received.

6. Plans for the future

Missions

Following two years strengthening and diversifying the base of our activities beyond Missions and not undertaking field operations due to the limitations imposed by the pandemic, in 2022, Nekton will be returning to sea to undertake *'First Descent: Maldives'*.

The Mission is co-defined and will be co-delivered with the Government of the Maldives, and Maldivian academic and civil society partners. All marine data, biological samples and discoveries will be owned by, and vested in the Maldives.

First Descent: Seychelles – the first phase of the initiative will be completed with the publication of the major synthesis papers revealing the major discoveries and implications for ocean protection. In 2022, Nekton will continue to support our partners, The Government of Seychelles to support their national ocean strategy.

Initiatives

- Western Indian Ocean – Resilience & Prosperity Initiative: activating the project with the Government of Seychelles, implementation partner the Danny Faure Foundation and technical partners, the Nairobi Convention.
- Nautilus: ongoing research into how to accelerate the discovery of ocean life and launch of a new 10-year project.
- Deeper Reefs: Publications from Phase 1. Fundraising for Phase 2 to scale the initiative globally.
- Antarctic Microplastics: publications and amplification of discoveries to science and policy stakeholders along with the general public.
- Deep Sea Science Course: MOOC with University of Seychelles, supported by the Minderoo Foundation and WIOMSA – course development and launch in Q4.
- Catch our Drift Podcast: subject to securing a new sponsor, produce and promote Series 2.

Strategic Development

The impacts of the climate and biodiversity crises on our client, the ocean continues to worsen. The need to identify innovative solutions that can achieve impact at speed and scale has never been greater. Nekton's strategy 2018-2023 that combines Missions (First Descent: Indian Ocean) and Initiatives, will be reviewed in 2022 and the process to define Nekton's next strategy from 2024 will begin.

7. Structure, governance and management

The organisation is a charitable company, limited by guarantee, registered with the Charity Commission on 14 July 2015 and incorporated on 17 June 2015. The charity is constituted under its Memorandum and Articles of Association dated 17 June 2015 which established the objects and powers of the charitable company and is governed under its articles of association.

The directors, who are also the trustees of the charity, are recruited by direct interest in the charity. Trustee induction has taken place with reference to the guidance published by the Charity Commission.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Note 8 to the accounts.

Day-to-day management of the charity is delegated to the senior management team. Our approach to remuneration is to ensure Nekton can attract and retain a talented and motivated team to achieve our mission and deliver our strategic goals, whilst taking into account pay scales of similar and partner organisations and charity sector pay surveys.

7.1 Key management personnel for 2021

Chief Executive:	Oliver Steeds
Finance & Operations Controller:	Alex Murphy
Head of Communications	Lisa Hynes
Principal Scientist:	Dr. Lucy Woodall

7.2 Appointment of trustees

The charity is required to have at least three Trustees and a maximum of ten Trustees.

Additional trustees are co-opted by the board and management team to ensure the best mix of skills and experience attuned to the needs of the charity. Upon election new trustees meet the chair and chief executive and attend an induction meeting which includes a presentation on the organisation; the opportunity to meet key staff and a question-and-answer session. New trustees are also provided with the charity's business plan, financial statements, and any other documents requested. Trustees collectively identify any governance training needs and who best to undertake the training identified. Nekton Foundation does not engage in public fundraising. Nekton Foundation nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and Nekton Foundation received no complaints relating to its fundraising practice.

7.3 Related parties and relationships with other organisations

Nekton Foundation has a wholly-owned subsidiary, Nekton Enterprises Limited (NEL). NEL was incorporated on 25th April 2016 and has been established to undertake commercial activities such as sponsorship which generate income for the benefit of Nekton Foundation. In 2017 the charity entered into an agreement with Kensington Tours to promote Kensington as Nekton's launch partner for Mission II and to develop a mutually beneficial tourism product.

Nekton works closely with Encounter EDU to develop, produce and disseminate its Submarine STEM educational programme. Encounter EDU creates educational outreach programmes which bring expedition science and exploration into classrooms through collaborations between explorers, scientists, teachers and pupils. Nekton's Chief Executive Oliver Steeds co-founded Digital Explorer (renamed in 2019 as Encounter EDU). He is not involved in the day-to-day running of the organisation and has never received remuneration from it.

As part of their generous philanthropic support of Nekton Foundation, Nekton's Mission Partner Omega presented the Chair of Trustees and CEO with the gift of an Omega Seamaster Nekton Edition timepiece each. This gift is being held by the chair of trustees on trust for the benefit of the Foundation. Further detail can be found in note 9 of the financial statements.

7.4 Statement of responsibilities of the trustees

The trustees (who are also directors of Nekton Foundation for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees on 31 December 2021 was 10 (2020:10). The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

8. Auditors

Sayer Vincent LLP were appointed as the charitable company's auditor during the year and have expressed their willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 27 September 2022 and signed on their behalf by

Rupert Grey
Chair

Opinion

We have audited the financial statements of Nekton Foundation (the 'parent company') and its subsidiary (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of income and retained earnings, the group and parent company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including 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).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's loss for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Nekton Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for

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To the members of

Nekton Foundation

the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 directors' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The directors' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- Adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees 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 trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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 trustees determine

Independent auditors' report

To the members of

Nekton Foundation

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 group's and the parent 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 intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the companies' policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the company operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the company from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.

Independent auditors' report

To the members of

Nekton Foundation

- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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 or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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.

Jonathan Orchard (Senior statutory auditor)

28 September 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108–114 Golden Lane, LONDON, EC1Y 0TL

Consolidated statement of financial activities (incorporating an income and expenditure account)**For the year ended 31 December 2021**

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Income from:							
Donations and legacies	1	100,149	22,257	122,406	55,341	–	55,341
Charitable activities							
Missions	2	–	295,020	295,020	260,585	1,397,332	1,657,917
Other trading activities	3	20,945	–	20,945	254,868	–	254,868
Investments		–	–	–	–	–	–
Total income		121,094	317,277	438,371	570,794	1,397,332	1,968,126
Expenditure on:							
Raising funds	4	18,220	–	18,220	56,493	–	56,493
Charitable activities							
Missions	4	34,245	33,772	68,017	65,299	1,859,696	1,924,995
Science and Research	4	218,308	299,282	517,590	123,769	414,936	538,705
Communication and Education	4	78,370	115,246	193,616	115,485	31,875	147,360
Total expenditure		349,143	448,300	797,443	361,046	2,306,507	2,667,553
Net (expenditure) / income for the year before transfers		(228,049)	(131,023)	(359,072)	209,748	(909,175)	699,427
Transfers between funds		–	–	–	(102)	102	–
Net movement in funds		(228,049)	(131,023)	(359,072)	209,646	(909,073)	(699,427)
Reconciliation of funds:	17a						
Total funds brought forward		756,049	989,839	1,745,888	546,403	1,898,912	2,445,315
Total funds carried forward		528,000	858,816	1,386,816	756,049	989,839	1,745,888

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 19a to the financial statements.

As at 31 December 2021

	Note	The group 2021 £	2020 £	The charity 2021 £	2020 £
Fixed assets:					
Tangible assets	10	93,860	108,919	93,860	108,919
		<u>93,860</u>	<u>108,919</u>	<u>93,860</u>	<u>108,919</u>
Current assets:					
Debtors	12	30,309	64,555	231,317	20,600
Cash at bank and in hand		1,434,520	1,699,977	1,385,565	1,596,414
		<u>1,464,829</u>	<u>1,764,532</u>	<u>1,616,882</u>	<u>1,617,014</u>
Liabilities:					
Creditors: amounts falling due within one year	13	(171,873)	(127,563)	(323,925)	(98,796)
		<u>(171,873)</u>	<u>(127,563)</u>	<u>(323,925)</u>	<u>(98,796)</u>
Net current assets / (liabilities)		<u>1,292,956</u>	<u>1,636,969</u>	<u>1,292,957</u>	<u>1,518,218</u>
Total net assets / (liabilities)		<u>1,386,816</u>	<u>1,745,888</u>	<u>1,386,817</u>	<u>1,627,137</u>
Funds:	17a				
Restricted income funds		858,816	989,839	858,816	989,838
Unrestricted income funds:					
General funds		528,000	756,049	528,001	637,298
		<u>528,000</u>	<u>756,049</u>	<u>528,001</u>	<u>637,298</u>
Total unrestricted funds		<u>528,000</u>	<u>756,049</u>	<u>528,001</u>	<u>637,298</u>
Total funds		<u>1,386,816</u>	<u>1,745,888</u>	<u>1,386,817</u>	<u>1,627,137</u>

Approved by the trustees on 27 September 2022 and signed on their behalf by

Rupert Grey
Trustee

Consolidated statement of cash flows

For the year ended 31 December 2021

	Note	2021 £	£	2020 £	£
Cash flows from operating activities	18				
Net cash provided by / (used in) operating activities		(262,856)		(871,390)	
Cash flows from investing activities:					
Purchase of fixed assets		(2,601)		(12,930)	
Net cash provided by / (used in) investing activities		(2,601)		(12,930)	
Change in cash and cash equivalents in the year		(265,457)		(884,320)	
Cash and cash equivalents at the beginning of the year		1,699,977		2,584,298	
Cash and cash equivalents at the end of the year	19	1,434,520		1,699,978	

1 Accounting policies

a) Statutory information

Nekton Foundation is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address (and principal place of business) is Begbroke Science Park, Begbroke Hill, Woodstock Road, Begbroke, OX5 1PF.

b) 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) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Consolidation

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary Nekton Enterprise Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. As this is the first year consolidated accounts have been produced the statement of financial activities for the prior year has been amended to include results on a consolidated basis.

d) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

e) Going concern

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

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements and have considered the impact of the coronavirus pandemic on the charity's operations.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. They are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above.

f) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting policies (continued)

g) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

h) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

i) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

j) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of developing and undertaking the missions, research and education undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

k) Government grants

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred."

l) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

1 Accounting policies (continued)

m) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Support and governance costs are re-allocated to each of the activities based on time attributable to each activity.

● Cost of raising funds	0%
● Missions	14%
● Science and research	58%
● Communication and education	29%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

n) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

o) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Scientific Equipment	10 years
● Filming & Communications equipment	3 years
● Computer equipment	3 years
● Office and lab furniture	10 years

p) Investments in subsidiaries

Investments in subsidiaries are at cost.

q) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

r) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

s) Creditors and provisions

Creditors and provisions are recognised where the charity 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Donations	100,149	–	100,149	103
Government Grant	–	22,257	22,257	55,238
	<u>100,149</u>	<u>22,257</u>	<u>122,406</u>	<u>55,341</u>

Prior Year

	Unrestricted £	Restricted £	2020 Total £
Donations	103	–	103
Donated services	55,238	–	55,238
	<u>55,341</u>	<u>–</u>	<u>55,341</u>

3 Income from charitable activities

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Octopus	–	15,726	15,726	–
Indian Ocean Missions	–	–	–	1,386,654
Yachts for Science	–	5,000	5,000	5,000
Plastics Drawdown with Common Seas	–	4,200	4,200	5,250
Ocean Ark	–	–	–	428
Nautilus feasibility study	–	189,802	189,802	–
Microplastics	–	80,292	80,292	–
Kensington Tours	–	–	–	260,585
Total income from charitable activities	<u>–</u>	<u>295,020</u>	<u>295,020</u>	<u>1,657,917</u>

Prior Year

	Unrestricted £	Restricted £	2020 Total £
Indian Ocean Missions	–	1,386,654	1,386,654
Yachts for Science	–	5,000	5,000
Plastics Drawdown with Common Seas	–	5,250	5,250
Ocean Ark	–	428	428
Kensington Tours	260,585	–	260,585
Total income from charitable activities	<u>260,585</u>	<u>1,397,332</u>	<u>1,657,917</u>

4 Income from other trading activities

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Kensington Tours	-	-	-	3,811
Other	20,945	-	20,945	251,057
	<u>20,945</u>	<u>-</u>	<u>20,945</u>	<u>254,868</u>

Prior Year

	Unrestricted £	Restricted £	2020 Total £
Kensington Tours	3,811	-	3,811
Other	251,057	-	251,057
	<u>254,868</u>	<u>-</u>	<u>254,868</u>

5a Analysis of expenditure

	Charitable activities						2021 Total £	2020 Total £
	Raising funds £	Missions £	Science and research £	Communications and education £	Governance costs £	Support costs £		
Staff costs (Note 7)	-	25,734	214,730	97,699	-	167,781	505,944	580,461
Consultant & staff related costs	16,200	-	112,984	12,350	375	-	141,909	128,290
Mission control / operations	-	6,874	19,549	5,480	-	4,918	36,821	1,336,775
Equipment and consumables	-	24	6,847	1,182	-	154	8,207	439,287
Science grants	-	-	4,800	-	-	-	4,800	2,400
Fundraising	60	-	2,926	-	-	422	3,408	10,465
Science costs	-	-	9,764	-	-	-	9,764	-
Travel and subsistence	1,935	1,369	4,188	1,286	-	837	9,615	43,780
Professional services	-	-	-	-	-	34,701	34,701	40,923
Insurance	-	884	-	548	-	19,095	20,527	38,123
Telephone, IT and office costs	-	158	568	3,352	6	3,062	7,146	8,454
Membership and subscriptions	25	15	649	1,223	151	803	2,866	16,532
Bank charges	-	-	45	-	-	838	883	1,262
Foreign exchange (gain)/ loss	-	-	-	-	-	(6,808)	(6,808)	3,308
Depreciation	-	-	-	-	-	17,660	17,660	17,493
	18,220	35,058	377,050	123,120	532	243,463	797,443	2,667,553
Support costs	-	32,888	140,235	70,340	-	(243,463)	-	-
Governance costs	-	71	305	156	(532)	-	-	-
Total expenditure 2021	18,220	68,017	517,590	193,616	-	-	797,443	2,667,553
Total expenditure 2020	56,493	1,924,995	538,705	147,360	-	-	2,667,553	

Of the total expenditure £349,143 was unrestricted (2020: £361,046) and £448,300 was restricted (2020: £2,306,507).

5b Analysis of expenditure (Prior Year)

	Charitable activities						
	Raising funds	Missions	Science and Research	Communications and Education	Governance costs	Support costs	2020 Total
	£	£	£	£	£	£	£
Staff costs (Note 7)	20,625	146,156	309,359	20,641	1,937	81,743	580,461
Consultant & Staff Related Costs	28,197	28,288	45,318	26,050	438	–	128,290
Mission control / operations	–	1,232,331	24,375	59,397	–	20,671	1,336,775
Equipment and Consumables	–	400,276	28,464	10,141	–	406	439,287
Science Grants	–	–	2,400	–	–	–	2,400
Fundraising	–	80	151	9,013	690	530	10,465
Science costs	–	–	–	–	–	–	–
Travel and subsistence	34	22,897	12,568	7,937	53	291	43,780
Professional Services	–	8,307	–	–	–	32,616	40,923
Insurance	–	18,864	–	–	–	19,258	38,123
Telephone, IT and Office Costs	–	46	283	5,020	–	3,105	8,454
Membership and subscriptions	–	13,563	1,157	1,504	26	282	16,532
Bank charges	–	60	133	12	–	1,057	1,262
Foreign exchange (gain)/ loss	–	12	(42)	–	–	3,337	3,308
Depreciation	–	–	–	–	–	17,493	17,493
	48,856	1,870,879	424,167	139,715	3,143	180,791	2,667,553
Support costs	7,506	53,192	112,581	7,512	–	(180,791)	–
Governance costs	130	924	1,957	131	(3,143)	–	–
Total expenditure 2020	56,493	1,924,995	538,705	147,360	–	–	2,667,553

6 Net income for the year

This is stated after charging:

	2021 £	2020 £
Depreciation	17,660	17,493
Operating lease rentals:		
Property	15,120	15,120
Auditors' remuneration (excluding VAT):		
Audit	6,800	6,500
Foreign exchange gains or losses	(6,808)	3,307
	<u> </u>	<u> </u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	312,149	293,751
Social security costs	30,552	27,726
Pension costs	12,452	11,402
Consultant Costs	150,791	247,582
	<u>505,944</u>	<u>580,461</u>

2 employees earned more than £60,000 during the year (2020: 1).

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2021 No.	2020 No.
£60,000 – £69,999	1	–
£80,000 – £89,999	–	1
£100,000 – £109,999	1	–
	<u> </u>	<u> </u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £241,370 (2020: £207,986).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2020: £268) incurred by 0 (2020: 1) members relating to attendance at meetings of the trustees.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 7 (2020: 7).

9 Related party transactions

Nekton Foundation owes £nil (2020: £nil) to its wholly owned subsidiary Nekton Enterprises Limited.

As part of their generous philanthropic support of Nekton Foundation, Nekton's Mission Partner Omega presented the Chair of Trustees and CEO with the gift of an Omega Seamaster Nekton Edition timepiece each with an approximate value of between £5,800 to £6,100. This gift is being held by the chair of trustees on trust for the benefit of the Foundation.

There were no other related party transactions in the year.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Nekton Enterprises Limited gift aids available profits to the parent charity.

11 Tangible fixed assets**The group & Charity**

	Scientific equipment £	Filming & Communica- tions equipment £	Computer equipment £	Office and lab furniture £	Total £
Cost					
At the start of the year	135,036	19,665	11,819	5,095	171,615
Additions in year	1,352	–	1,249	–	2,601
At the end of the year	136,388	19,665	13,068	5,095	174,216
Depreciation					
At the start of the year	33,416	19,665	7,926	1,689	62,696
Charge for the year	13,593	–	3,557	510	17,660
At the end of the year	47,009	19,665	11,483	2,199	80,356
Net book value					
At the end of the year	89,379	–	1,585	2,896	93,860
At the start of the year	101,620	–	3,893	3,406	108,919

All of the above assets are used for charitable purposes.

12 Subsidiary undertaking

The charitable company owns 100% of the voting rights of Nekton Enterprises Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. Available profits are gift aided to the charitable company. The trustee, Alex Rogers and Chief Executive Oliver Steeds are also directors of the subsidiary. A summary of the results of the subsidiary is shown below:

	2021 £	2020 £
Turnover	20,945	254,868
Cost of sales	(23,952)	(65,702)
Gross profit	(3,007)	189,166
Management charge payable to parent undertaking	(18,888)	(77,890)
Operating profit / (loss)	(21,895)	111,276
Profit on ordinary activities before taxation	(21,895)	111,276
Taxation	–	–
Profit for the financial year	(21,895)	111,276
Retained earnings		
Retained earnings brought forward	118,758	430,913
Profit for the financial year	(21,895)	111,276
Profit distributed to parent under gift aid	(111,276)	(423,431)
Retained earnings carried forward	(14,413)	118,758
The aggregate of the assets, liabilities and funds was:		
Assets	306,469	690,825
Liabilities	(320,881)	(572,066)
Net Assets	(14,412)	118,759
Share Capital	1	1
Profit & Loss Account	(14,413)	118,758
Total Shareholders Funds	(14,412)	118,759

Amounts owed to/from the parent undertaking are shown in note 9.

13 Debtors

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	24,000	58,985	225,008	3,242
Prepayments	6,309	5,570	6,309	5,570
Due from Subsidiary	–	–	–	11,788
	30,309	64,555	231,317	20,600

All of the group's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in note 16a below.

14 Creditors: amounts falling due within one year

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	14,689	28,351	14,689	4,594
Taxation and social security	11,028	9,502	9,382	7,832
Other creditors	3,039	3,013	3,039	3,013
Accruals	127,617	71,197	124,277	67,857
Due to subsidiary	–	–	157,038	–
Deferred income	–	–	–	–
Grant creditors	15,500	15,500	15,500	15,500
	171,873	127,563	323,925	98,796

15 Deferred income

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Balance at the beginning of the year	–	150,000	–	–
Amount released to income in the year	–	(150,000)	–	–
Balance at the end of the year	–	–	–	–

16 Pension scheme

Nekton Foundation operates a defined contribution pension scheme to which fixed contributions are made. The amount paid in the year was £ 12,452 (2020: £11,402).

17a Analysis of group net assets between funds (current year)

	General unrestricted £	Restricted funds £	Total funds £
The Charity			
Tangible fixed assets	–	93,860	93,860
Net current assets	528,001	764,956	1,292,957
Net assets at 31 December 2021	528,001	858,816	1,386,817
The Group			
Tangible fixed assets	–	93,860	93,860
Net current assets	528,000	764,956	1,292,956
Net assets at 31 December 2021	528,000	858,816	1,386,816

17b Analysis of group net assets between funds (prior year)

	General unrestricted £	Restricted funds £	Total funds £
The Charity			
Tangible fixed assets	–	108,919	108,919
Net current assets	637,298	880,919	1,518,218
Net assets at 31 December 2020	637,298	989,838	1,627,137
The Group			
Tangible fixed assets	–	108,919	108,919
Net current assets	756,050	880,920	1,636,970
Net assets at 31 December 2020	756,050	989,839	1,745,888

Notes to the financial statements

For the year ended 31 December 2021

18a Movements in funds (current year)

The Charity	At 1 January 2021	Income & Gains	Expenditure & losses	Transfers	At 31 December 2021
	£	£	£	£	£
Restricted funds:					
XL Foundation	4,586	–	(4,586)	–	–
CJRS	–	22,257	(22,257)	–	–
Octopus	5,280	15,726	(8,690)	–	12,316
First Descent: Seychelles	59,787	–	(59,787)	–	–
Indian Ocean Missions	790,479	–	(37,196)	–	753,283
Yachts for Science	–	5,000	(5,000)	–	–
Plastics Drawdown with Common Seas	5,250	4,200	(9,450)	–	–
Ocean Ark	13,850	–	(13,850)	–	–
Deep Reefs and MPAs	77,132	–	(54,828)	–	22,304
Ocean Podcasts	33,475	–	(33,475)	–	–
Nautilus Feasibility Study	–	189,802	(151,351)	–	38,451
Microplastics	–	80,292	(47,830)	–	32,462
Total restricted funds	989,839	317,276	(448,299)	–	858,816
Unrestricted funds:					
General funds	637,298	197,219	(306,516)	–	528,001
Total unrestricted funds	637,298	197,219	(306,516)	–	528,001
Total funds	1,627,137	514,495	(754,815)	–	1,386,817

The narrative to explain the purpose of each fund is given at the foot of the note below.

18a Movements in funds (current year) continued

The Group	At 1 January 2021	Income & Gains	Expenditure & losses	Transfers	At 31 December 2021
	£	£	£	£	£
Restricted funds:					
XL Foundation	4,586	–	(4,586)	–	–
CJRS	–	22,257	(22,257)	–	–
Octopus	5,280	15,726	(8,690)	–	12,316
First Descent: Seychelles	59,787	–	(59,787)	–	–
Indian Ocean Missions	790,479	–	(37,196)	–	753,283
Yachts for Science	–	5,000	(5,000)	–	–
Plastics Drawdown with Common Seas	5,250	4,200	(9,450)	–	–
Ocean Ark	13,850	–	(13,850)	–	–
Deep Reefs and MPAs	77,132	–	(54,828)	–	22,304
Ocean Podcasts	33,475	–	(33,475)	–	–
Nautilus Feasibility Study	–	189,802	(151,351)	–	38,451
Microplastics	–	80,292	(47,830)	–	32,462
Total restricted funds	989,839	317,277	(448,300)	–	858,816
Unrestricted funds:					
General funds	756,049	121,094	(349,143)	–	528,000
Total unrestricted funds	756,049	121,094	(349,143)	–	528,000
Total funds	1,745,888	438,371	(797,443)	–	1,386,816

18a Movements in funds (current year) continued

XL Foundation

Remaining funds from XL Foundation are restricted towards the 2016 Mission, producing the XL Catlin Deep Ocean Survey and further scientific research.

OcToPUS

Development of the Ocean Tool for Public Understanding and Science (OcToPUS) funded by the Garfield Weston Foundation and private philanthropists.

GOSSIP and eDNA

Funds for development of General Ocean Survey and Sampling Iterative Protocol (GOSSIP) and initial analysis of environmental DNA (eDNA) to scope the development of Ocean Ark, from the Garfield Weston Foundation for the ongoing promotion and adoption across the marine science and ocean management communities.

First Descent: Seychelles

Funds for First Descent: Seychelles from Omega and Kensington Tours who are Mission Partners for the first Indian Ocean expedition to Seychelles, for the cost of the expedition.

Indian Ocean Missions

Funds for The Midnight Zone mission predominantly from Omega who is one of the Mission Partners for the second Indian Ocean expedition, for the cost of the expedition.

Yachts for Science

Funding from private philanthropists for Yachts for Science, a programme which matches marine scientists with private yachts to undertake field research.

Plastics Drawdown with Common Seas

Funding from, and a research collaboration with, Common Seas for Plastics Drawdown, a plastic waste minimisation initiative.

Ocean Ark

Funding from Garfield Weston Foundation for research into the development of Ocean Ark, a project that aims to sequence, catalogue and characterise the ocean genome.

Deep Reefs and MPAs

Funding from Garfield Weston Foundation supports this research project to assess the value and importance of mesophotic reefs within marine spatial planning and the designation of marine protected areas globally.

Nautilus Feasibility Study

Funding from The Nippon Foundation to undertake a complex feasibility study to determine how to launch a global 10-year initiative to discover and protect ocean life.

Microplastics

Funding from The Flotilla Foundation for a research project into the contamination pathways and prevalence of microplastics in Antarctica.

18b Movements in funds (prior year)

The Charity	At 1 January 2020 £	Income & Gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
Restricted funds:					
XL Foundation	4,586	–	–	–	4,586
Octopus	216,103	–	(81,805)	(129,018)	5,279
Weddell Sea	7,663	–	(9,636)	1,973	–
Gossip	24,319	–	(9,073)	(15,246)	–
eDNA	857	–	(7,264)	6,407	–
First Descent: Seychelles	307,779	–	(248,093)	102	59,787
The Midnight Zone	1,337,604	1,386,654	(1,933,778)	–	790,479
Yachts for Science	–	5,000	(5,000)	–	–
Plastics Drawdown with Common Seas	–	5,250	–	–	5,250
Ocean Ark	–	428	(428)	13,850	13,850
Deep Reefs and MPAs	–	–	–	77,132	77,132
Ocean Podcasts	–	–	(11,428)	44,902	33,474
Total restricted funds	1,898,910	1,397,332	(2,306,507)	102	989,838
Unrestricted funds:					
General funds	115,495	745,511	(223,605)	(102)	637,298
Total unrestricted funds	115,495	745,511	(223,605)	(102)	637,298
Total funds	2,014,405	2,142,843	(2,530,112)	–	1,627,137

18b Movements in funds (prior year) continued

The Group	At 1 January 2020 £	Income & Gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
Restricted funds:					
XL Foundation	4,586	-	-	-	4,586
Octopus	216,103	-	(81,805)	(129,018)	5,280
Weddell Sea	7,663	-	(9,636)	1,973	-
Gossip	24,319	-	(9,073)	(15,246)	-
eDNA	857	-	(7,264)	6,407	-
First Descent: Seychelles	307,779	-	(248,093)	102	59,787
The Midnight Zone	1,337,604	1,386,654	(1,933,778)	-	790,479
Yachts for Science	-	5,000	(5,000)	-	-
Plastics Drawdown with Common Seas	-	5,250	-	-	5,250
Ocean Ark	-	428	(428)	13,850	13,850
Deep Reefs and MPAs	-	-	-	77,132	77,132
Ocean Podcasts	-	-	(11,428)	44,902	33,474
Total restricted funds	1,898,911	1,397,332	(2,306,507)	102	989,839
Unrestricted funds:					
General funds	546,405	570,793	(361,047)	(102)	756,049
Total unrestricted funds	546,405	570,793	(361,047)	(102)	756,049
Total funds	2,445,316	1,968,125	(2,667,554)	-	1,745,888

Purposes of restricted funds

Funds from XL Foundation are restricted towards the 2016 Mission and producing the XL Catlin Deep Ocean Survey.

19 Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the reporting period (as per the statement of financial activities)	(359,072)	(699,428)
Depreciation charges	17,660	17,495
Loss/Profit on the sale of fixed assets	-	1,647
Decrease in debtors	34,246	(28,075)
Increase in creditors	44,310	(163,029)
Net cash provided by / (used in) operating activities	(262,856)	(871,390)

20 Analysis of cash and cash equivalents	At 1 January 2021 £	Cash flows £	Other changes £	December 2021 £
Cash at bank and in hand	1,699,977	(265,457)	–	1,434,520
Total cash and cash equivalents	1,699,977	(265,457)	–	1,434,520

21 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

Accounts

Company number: 09644797
Charity Number: 01162666

Nekton Foundation

Report and financial statements
For the year ended 31 December 2020

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For the year ended 31 December 2020

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Reference and administrative information

For the year ended 31 December 2019

Company number 09644797

Charity number 01162666

Registered office and operational address Begbroke Science Park
Begbroke Hill
Woodstock Road
Begbroke
OX5 1PF

Country of registration England & Wales

Country of incorporation The United Kingdom

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Chair:	Rupert Grey
Trustees:	Juliet Burnett
	Paul Jardine
	Captain Paul Crowther (Vice Chair)
	Emily Penn
	Professor Callum Roberts
	Robert McCallum
	Vanessa Rice
	William Goodlad (appointed 13 February 2020)
	Angelique Pouponneau (appointed 27 July 2020)

Key management personnel

Chief Executive:	Oliver Steeds
Finance & Operations Controller:	Alex Murphy
Head of Communications	Lisa Hynes
Principal Scientist:	Dr. Lucy Woodall

Bankers Royal Bank of Scotland
1st Floor, Houblon House
62-63 Threadneedle Street
London
EC2R 8HP

Reference and administrative information

For the year ended 31 December 2019

Solicitors	Skadden, Arps, Slate, Meagher & Flom (UK) LLP (appointed July 2020) 40 Bank Street Canary Wharf London E14 5DS
	Bates Wells Braithwaite 10 Queen Street Place London EC4R 1B
	Blake Morgan Apex Plaza Forbury Road Reading RG1 1AX
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane LONDON EC1Y 0TL

Nekton Foundation – Trustees’ Annual Report – For the year ended 31 December 2020

The trustees present their report and the audited financial statements for the year ended 31 December 2020.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

1. Objectives and activities

1.1 Purpose and Aims

Nekton Foundation is a charitable organisation dedicated to accelerating the scientific exploration and protection of the ocean. To help ensure the resilient and prosperous ocean needed to improve the lives and livelihoods of billions around the world, Nekton is focused on three connected goals: accelerating deep-sea scientific research and exploration, inspiring education and outreach and galvanising progress towards greater ocean protection.

Our charitable objects as set out in our governing document are to promote and advance education in the conservation, protection and improvement of the environment.

We work with and on behalf of ocean nations who are committed to improving the prosperity, resilience and sustainable governance of their ocean.

Nekton’s operations are aligned to support the implementation of the UK Government’s Marine Policy, United Nation’s Sustainable Development Goals including 14 (Life Below Water), The Commonwealth Blue Charter and the recommendations of the Global Ocean Commission.

Working in Partnership: We work in partnership with an Alliance of world leading organisations across marine science, ocean policy, business, communications and civil society to deliver our objectives.

Funding & Business Model: We are funded through an Alliance of Mission, Strategic and Founding Partners and philanthropic grants and donations. We implement our operations with our partners who share a common purpose to explore and protect the ocean.

Nekton’s DNA

Our DNA is founded on:

- **Conservation Science:** We can’t protect what we don’t know. In collaboration with the University of Oxford, we create step changes in our scientific knowledge of the ocean to catalyse ocean protection.
- **First Descent Missions:** Working for and with large ocean nations committed to and implementing ambitious plans to protect 30% of their ocean by 2030
- **Democratising science:** Knowledge shared empowers ocean science and ocean protection. Host nation scientists, conservationists, even the Heads of State are at the heart of everything we do.

- **Inspirational story-telling:** We broadcast the journey of scientific discovery by our aquanauts in the ocean’s depths live to audiences globally galvanising public support for political action.
 - **Unique alliance:** Our strength comes from the sum of our parts – uniting 56 different organisations – from government, science, business, media, technology, and civil society – to work together for our shared client - the ocean.
-

1.2 Nekton Missions: working with Ocean Nations

Each project (or ‘Mission’) is co-developed and co-delivered with the Government, academic, civil society and media partners of each host nation. Each Mission combines applied research, knowledge exchange, ocean policy and inspirational public engagement activities to achieve maximum impact. All data and biological specimens are owned and vested by the host nation.

i. **Applied Research:**

To inform & catalyse ocean policy through:

- Generating new multi-disciplinary marine datasets for accurate marine spatial planning
- Determining conservation priorities for marine protected areas
- Establishing scientific baseline of marine life and ocean health for long-term monitoring and management
- Curation and open access publication of all data.

ii. **Knowledge Exchange:**

To create a legacy of leadership, skills, knowledge and network within the host nation and empower long-term sustainable ocean governance through:

- Marine Research & Ocean Management Grants
- Field research participation and leadership
- Marine research, ocean management and taxonomic training and workshops with international experts
- Co-produced knowledge sharing publications and conservation tools
- Fellowships for early career scientists to University of Oxford and partner institutions

iii. **Inspirational Public Engagement:**

To inspire and engage host nation, regional and international audiences, host nation scientists lead all communications activities to amplify ocean awareness serving to:

- Promote sustainable marine tourism and a pillar of the Blue Economy
 - Strengthening the public mandate for political action
 - Creating a new cadre of Ocean Leaders in the local, regional and international spotlight
-

1.3 Nekton Innovation Projects

In addition to Missions, we undertake specific, mutually supportive initiatives (*‘Innovation Projects’*) targeted to accelerate the process of scientific discovery and sustainable ocean governance.

Nekton Foundation – Trustees’ Annual Report – For the year ended 31 December 2020

In 2020, these include:

- **Ocean Data:** increasing marine data accessibility and usability through
 - OCTOPUS – the Ocean Tool for Public Understanding and Science, the global ocean data portal.
 - Field research data standardisation through *the General Ocean Survey and Sampling Iterative Protocol (GOSSIP)*
 - **Plastics:** drawdown of plastic usage, research into microplastics prevalence and distribution pathways with associated policy recommendations.
 - **Extreme E** – electric racing to highlight climate challenges faced by different ecosystems.
 - **Combatting parachute science**
 - **Yachts for Science:** matching scientists with vessels of opportunity.
 - **The Earthshot Prize** with the Royal Foundation
-

1.4 Indian Ocean Strategy 2018-2023

The Indian Ocean is the least scientifically researched and least protected ocean on Earth. Already home to nearly 2.7 billion people with an average age under 30, by 2050, ‘the Ocean of the Centre’ will be home to half of the world’s population.

In order to strengthen resilience against the impacts climate change and biodiversity loss for the billions of people dependent on the health of the Indian Ocean, Nekton, in partnership with Governments in the region, is undertaking a series of Missions - *First Descent: Indian Ocean*. We collectively aim to catalyse the sustainable ocean governance needed, including at least 30% protection by 2030.

First Descent: Indian Ocean began in Comores in 2018 with a pathfinder mission with partners Wild Oceans and others before leading onto a larger, Nekton-led Mission at the invitation of the Government of Seychelles. The initial phase of activities are scheduled to complete in October 2023 with a regional Summit.

Each Mission combines national commitments to ocean protection, marine spatial planning, applied research to inform ocean policy, investments in knowledge exchange and inspirational communications to strengthen the public mandate for political action.

[Watch](#) launch film, narrated by Morgan Freeman.

1.4.1 Projected impact

First Descent achieves environmental, scientific, political and civil society impact through:

- **Building resilience to climate change:** Large ocean nations committed to and implementing ambitious plans to protect 30% of their ocean by 2030 - providing the economic, political and scientific case for a healthy, prosperous ocean and planet.
- **Political Leadership:** Western Indian Ocean Summit in 2023 - convened by UNEP, uniting Heads of States to implement a regional strategy for sustainable governance, underpinned with investment into blue natural capital - the first of its kind globally.

- **Empowering diversity & knowledge exchange:** A diverse cadre of Indian Ocean leaders with capacity, skills and knowledge across marine science, ocean conservation and management, to support the implementation of ocean protection and the sustainable development of the blue economy.
 - **Pioneering scientific knowledge:** Hundreds of new species, dozens of institutes participating and 60+ scientific papers incl. on climate change resilience and adaptation, biodiversity, fisheries and pollution to inform sustainable ocean management.
 - **Inspiring ocean conservation:** Increasing the public support for political action in support of the Global Ocean Alliance call for 30% global ocean protection by 2030.
 - **Build back better:** Pairing economic recovery with positive action, supporting economic growth, driving job creation, strengthening response to future shocks and creating a more equitable and sustainable future.
-

2. Achievements and performance

Since our first Mission and Nekton getting underway in 2016, we have achieved significant impact across marine science, ocean protection, knowledge exchange and public engagement (review: [The Nekton Story](#) – detailing our timeline and achievements). In 2020, we remain the only organisation globally undertaking co-produced deep ocean research with host nations at the heart of all activities and outcomes, including their ownership of all the data we generate.

The impact of the global pandemic has been significant for Nekton. Our next major mission in the Indian Ocean (First Descent: Midnight Zone), a collaboration between Nekton and the Governments of Seychelles and the Maldives, due to be in March-April 2020 was postponed.

During this challenging period, Nekton has performed well and we have remained financially robust, continued to keep the whole team together and sustained our high productivity and impact. We have continued to prioritise our strategic objectives for our operations and initiatives in the Indian Ocean, which due to the pandemic have been extended by a year, with the Western Indian Ocean Summit, now scheduled for October 2023. All major partners (the Nekton Alliance – see 2.7) have been retained during 2020 and some new partners added.

Recognising the need to strengthen the base of our core operations when not able to undertake field operations, we have developed, financed and launched a series of new marine science, knowledge exchange, ocean policy and public engagement initiatives.

2.1 Protecting the Ocean

2.1.1. Bermuda (Mission: 2016-2018)

Following our mission to Bermuda in 2016 (*XL Catlin Deep Ocean Survey*), the discovery of the Rariphotic Zone in Bermuda, and the publication of over 20 scientific papers about the discoveries, these critical datasets have been utilised throughout 2020 by the Government of Bermuda to inform marine spatial

planning and their commitment to protect at least 20% of their Exclusive Economic Zone along with the sustainable governance of the entire ocean territory. The Nekton team have continued to work with our Bermudian partners in 2020 to support these activities. Read more: “*Marine Sanctuary planned for island* - *BerNews*”

2.1.2 Seychelles (Mission: 2018-2022)

In April 2020, President Faure announced Seychelles had successfully protected 32% of their territorial waters, (over 400,000 km² – equivalent in size to twice the entire UK) – *Al Jazeera*.

2.1.3 Maldives (Mission: 2019-2023)

Following Seychelles’ Special Envoy and Nekton meeting with President Solih, in 2019, the Government of the Maldives committed to protect at least 20% of their EEZ. *President Solih announced the Maldives commitment at the United Nations.*

“How the Indian Ocean changes in the coming decades will profoundly affect the lives, livelihoods and wellbeing of the 2.7 billion of us living in the region. Nekton’s work in the Indian Ocean is critical to galvanising action to ensure we restore the resilience and prosperity of our ocean and our blue economies.”

**His Excellency, Danny Faure,
President of Seychelles**

2.1.4 Western Indian Ocean Summit 2023

We have continued to work with President Faure and the Government of Seychelles to co-develop a regional strategy for the sustainable governance of the Western Indian Ocean, including a target of at least 30% protected by 2030 (in EEZ and High Seas). During 2020, the scoping of the implementation strategy was developed in consultation with the UN’s Nairobi Convention and regional partners. Due to the delay to the Nairobi Convention’s COP from 2020 to 2021, the proposed Summit for the implementation strategy to be ratified by regional Heads of State, has been moved to October 2023.

2.2 Missions

2.2.1 First Descent: Seychelles 2018-2021

First Descent: Seychelles is first in Nekton’s series of missions with ocean nations in the Indian Ocean. *First Descent: Seychelles* is a joint programme between Nekton and the Government of Seychelles, supported by a dozen Seychelles partners and 30+ international partners. The mission combines applied research, knowledge exchange and public engagement activities to support the Government’s commitments to protect over 400,000km² - 30% of their ocean territory and the sustainable development of their Blue Economy.

Field research activities were conducted in 2019 to gather actionable data to support Seychelles’ Marine Spatial Plan, the designation of marine protected areas and the sustainable governance of their ocean. Data analysis and publication has continued through 2019 and 2020 to support these efforts.

2.2.1.1 Seychelles Partners

- **Government:** Office of the President; Ministries of i) Environment, Energy and Climate Change, ii) Education, iii) Blue Economy and iv) Tourism.
- **Academic:** National Institute for Science, Technology and Innovation (NISTI); University of Seychelles (UniSey).
- **Civil Society:** Island Conservation Society (ICS), Seychelles Island Foundation (SIF), Marine Conservation Society Seychelles (MCCS), The Nature Conservancy (TNC), Seychelles Conservation & Climate Change Adaptation Trust (SeyCATT).
- **Parastatal:** Seychelles Fishing Authority (SFA), Seychelles Broadcasting Corporation (SBC).

2.2.1.2 Applied Marine Conservation Research

Analysis of 1200+ biological samples and 20TB of environmental data has been conducted by Nekton, Seychellois partners and international scientific collaborators through 2020. The initial key discoveries were shared with Government partners to inform the Marine Spatial Plan Policy and the Coral Reef Policy and shared at the Seychelles Ocean Science Symposium (see below). Joint analysis and publication with Seychelles partners continues (see below) with 16 scientific papers in train for publication in 2021. Highlights of the discoveries announced in 2020 include:

- **The Rariphotic Zone** (130 to 300metres): the first documentation of this unique ecosystem in the Indian Ocean. Following our discovery of the Rariphotic Zone in Bermuda and other discoveries in the Caribbean, it is likely that this can now be considered one of the largest new ecosystems found on Earth in decades.
- **Aldabra, UNESCO Marine World Heritage Site:** first documentation of life below 30metres revealed significant diversity and abundance, showing the protected status is having an important impact in retaining a healthy and resilient marine environment.
- **Astove, Outer Islands:** almost 100% coral cover from shallow to depth. With at least a third of coral destroyed across the planet by bleaching and human impact, the team continue to investigate if these corals are genetically different, and if so, if they can provide clues to help protect or repopulate coral reefs elsewhere. (*Jacques Cousteau thought of Astove as ‘the greatest treasure of the sea’, 1956*).
- **Seagrass:** discoveries of dead sea grass leaves at depths of at least 400metres, a critical and previously undocumented carbon store who’s sequestration value needs greater management (and protection) and could be utilised by Seychelles NDC (UNFCCC’s Nationally Determined Contributions).
- **New species:** a diversity of new coral, sponge, fish and other species have been discovered, many that are new to science and many more that the first records of these species within Seychelles.

“This was an incredible and a very important expedition for Seychelles to gather vital data for to inform our policies for the marine spatial plan. Importantly, it’s not all about conservation but it’s also about usage of marine resources, sustainable use of marine resources such as fisheries. It was perfect timing to gather this data to decide and confirm on the different zones to protect 30% of our EEZ (Exclusive Economic Zone)”.

Alain De Comarmond,
Principal Secretary, Ministry of Environment, Energy and Climate Change.

2.2.1.3 Knowledge Exchange: <https://nektonmission.org/knowledge-exchange/seychelles>

Nekton’s knowledge exchange programme continues to enable Seychellois scientists, marine managers, policy makers and their communities to have an integral role in the process of marine science and ocean management – from determining research priorities to data acquisition, field research, analysis and ultimately the publication of new knowledge to inform ocean management priorities. Our knowledge exchange programme is creating a collaborative and equitable process through three key areas of activity:

- i. Co-creation of science objectives and outcomes;
- ii. Joint research and skills exchange,
- iii. Joint analysis, publication and engagement.

Highlights of the programme in 2020 have included:

- **Seychelles Ocean Science Symposium:** November 2020. Nekton were a lead partner in the Seychelles Ocean Science Symposium held in November 2020 alongside the Government of Seychelles and the Seychelles, Conservation and Climate Adaptation Trust (SeyCATT). 31 presentations were given in total (9 by Nekton presenting findings and conservation / policy tools from the Mission) with 400 attendees both in person for Seychelles citizens and virtually for international collaborators.
- **Deep Blue Grants:** In partnership with SeyCCAT, Nekton funded 8 Seychellois to undertake research activities that have continued through 2020 (with some delays due to Covid-19 restrictions). These

include: (*full details* and read more: “Creating a legacy of marine science and ocean management (*with SeyCCAT*)”

- i. **Sheena Talma:** Spatio-temporal abundance and distribution of ichthyoplankton within the Seychelles waters.
- ii. **Clara Belmont, Stephanie Marie and Andrew Souffre:** Variability in trophic signatures of zooplankton and food web dynamics within Seychelles waters
- iii. **Jeanne Mortimer:** Marine Macrophytes — i.e. marine plants (seagrass and algae) large enough to be seen without a microscope - known as "Gomo" in Kreol.
- iv. **Jennifer Appoo:** marine predator community around Aldabra down to 500m.
- v. **Damien Labiche:** Identification and behavioural analysis of deep-sea sharks and rays
- vi. **Dr Jerome Harlay:** Ocean Acidification, Blue Carbon and coastal ecosystems metabolism

2.2.1.4 Public Engagement

The Mission continues to amplify ocean awareness, create a new cadre of Seychellois ocean leaders, strengthen public support for ocean policy and promote sustainable marine tourism. For 2020 Highlights see section 2.4 Public Engagement.

2.2.2 First Descent: Midnight Zone – Maldives 2019-2022

Watch launch film.

‘First Descent: Midnight Zone’ is a partnership between the Government of the Maldives, Nekton and Maldivian scientific and conservation organisations to support the sustainable governance of the Maldivian ocean including the protection of at least 20% of the Exclusive Economic Zone.

Research is focused on seamounts in the Midnight Zone. The Midnight Zone describes ocean depths between 1000metres and 4000metres. Whilst biomass peaks in surface waters, biodiversity peaks within the Midnight Zone. The Mission will undertake the first research of seamounts in this area of the Indian Ocean. With high levels of biological endemism, seamounts are often described as ‘undersea Galapagos’, home to species found nowhere else on the planet.

“The ocean is a key part of each Maldivian. 71% rely on the ocean for their primary source of income. We have committed to a 5-year initiative to advance ocean protection and sustainably develop the blue economy. This Mission will help us establish the long-term sustainability of our economic growth, livelihoods and jobs through establishing marine protected areas to build ocean resilience”
His Excellency, President Ibrahim Mohamid Solih of Maldives.

The objectives of the mission are:

- **Applied Research:** To contribute to establishing a baseline of marine life and the state of the ocean in the Maldives.
- **Ocean Governance:** To support the Maldives in successful implementation of improved ocean governance and Marine Spatial Planning (including an initial spatial target of conserving 20% of Maldivian territorial waters).
- **Public Engagement:** To inspire and engage Maldivian and international audiences with the scientific exploration of the Indian Ocean and promote the Maldives as beacons of leadership in ocean conservation, management and the sustainable blue economy.
- **Knowledge sharing:** To support the development of the leadership, tools, skills, knowledge and networks within the Maldives and regionally to empower long-term sustainable ocean governance.

Nekton Foundation – Trustees’ Annual Report – For the year ended 31 December 2020

The summary output from the Mission is projected to be:

ACTIVITY	OUTPUT
Science	Document changes in fauna from surface to 3000m-4000 m and identify environmental drivers, disseminated by peer-reviewed papers.
	Ground truth assumptions made by the spatial planning exercise
	Establish geographic patterns between island groups and determine impacts of human activities on the marine life
Knowledge Exchange	10 X Maldivian scientists participating in the Mission, including a visiting fellowships to Oxford University
	Co-authored papers, taxonomic guides and other tools meeting national needs
Ocean Governance	Tools and data to support the sustainable management and governance of at least 20% of Maldives EEZ (184,000km ² of 923,000km ²).
	OCTOPUS Indian Ocean node developed with a relevant case study to support regional and national ocean governance and research
Engagement & Ocean Literacy	750m Global Audience Reach
	15million: social media engagement
	10 Maldivians Ocean Ambassadors
	750,000 students engaged with Submarine STEM

Maldives Partners include Government Ministries (Fisheries, Environment, Tourism), Marine Research Institute, The Maldives National University; IPNLF, Maldives Whale Shark Research Programme, Manta Trust, Coral Research Institute, I.D.E.A.S.

Launch announcement: Highlights of media coverage of launch announcement (5th February 2020):

- [NY Times](#): Scientists Dive into ‘Midnight Zone’ to study Dark Ocean.
- [ITV](#): Scientists to dive 4000m into ‘Midnight Zone’ of Ocean to observe impact of climate change
- [Seychelles and Maldives President’s Joint Statement](#): announce a major joint marine research Mission to explore and conserve the Indian Ocean

Field Research Activities 2020

Nekton scientists joined forces with Maldivian and international scientists in January and February 2020 in the Maldives, to undertake initial biodiversity mapping and sampling. The Nekton team were focused on environmental DNA research to underpin marine spatial planning. Analysis is ongoing in partnership with scientists from the University of Copenhagen. Due to the pandemic, all further research activities, including the major field operations focused on seamounts were postponed. Nekton, the Government of the Maldives, Maldivian partners and Nekton remain committed to undertaking this critical research with ambitions to be operating towards the end of 2021 or early 2022, subject to health and safety guidance.

2.3 Applied Marine Conservation Science

2.3.1 Nekton Research Group: Zoology Department, University of Oxford

Throughout 2020, we have strengthened the Nekton Research Group at the Zoology Department, University of Oxford and includes a team of post-Doctorate researchers, geospatial modellers and PhD students. In addition, the team have been undertaking reviews of doctoral publications, supervising student courses, assignments, giving lectures and marking exams.

2.3.2 Turning the Tide on Parachute Science

A key area of work by the Nekton science team in 2020 has been to lead research, publication and public engagement in confronting parachute science (i.e., whereby scientists from high income nations conduct fieldwork in another, often low-income country without engaging local researchers). This work was born

from the team discussing the protests following the killing of George Floyd in the US and the Black Lives Matter movement and how marine science could be, and should be, far more inclusive and tackle inherent and historic marine research biases and activities and therefore seek to achieve far greater fairness and equality.

- [Read](#) scientific paper, ‘Turning the Tide on Parachute Science, Current Biology
- [Read](#) interview in The Scientist: with the lead authors: Paris Stefanoudis and Sheena Talma.

2.3.3 Weddell Sea, Antarctica: Deep Sea Ecology & Microplastics

Successful field operations to the Weddell Sea were completed in 2019 in partnership with the Flotilla Foundation, Scott Polar Research Institute, Nelson Mandela University, University of Cape Town and the University of Canterbury.

Research and analysis from the mission has revealed the impact of climate change on Antarctica including how a series of seafloor ridges are retreating kilometres every year. Nekton’s primary research activities - focused on the ecology of the deep sea system in Antarctica – have continued with the analysis of biological imagery. In addition, the Nekton team collected a unique dataset of samples of sediment from the seabed, water and ice



from the water from different depths, and filtration from air from remote locations. Funding has been secured to now undertake analysis on microplastic prevalence in remote regions of the Weddell Sea and their global distribution pathways. All related publications are due at the end of 2021.

2.3.4 Plastic Drawdown

We have provided scientific expertise and leadership for partners Commons Seas on their Plastic Drawdown Programme – a rapid, user-friendly tool to help decision-makers identify and deliver effective pollution mitigation strategies. With research and publications led by Nekton’s Principal Scientist, Dr. Woodall, the tool is designed to be highly adaptable and cost-effective, to work within a country’s available resources to create and deliver the most effective mitigation strategy. The Drawdown model has been developed and implemented in UK, Greece, Indonesia and Maldives and informed Common Seas’ work with 27 Commonwealth governments. [Read more.](#)

2.3.5 Publications

The Nekton team will have authored or co-author nine published papers in 2020, making it our most productive year for research outputs. A further 20 papers are in the pipeline for publication in 2021. The 2020 papers include:

- Woodall LC et al (2020) Co-development, co-production and co-dissemination of scientific research: a case study to demonstrate mutual benefits, Biology Letters.
- Stefanoudis PV, Licuanan WY, Morrison TH, Talma S, Veitayaki J, Woodall LC (2020) Turning the tide of parachute science, Ecology Letters.
- Stefanoudis PS, Talma S, Samimi-Namin K, Woodall LC (2020) Deep reef ecosystems of the Western Indian Ocean: addressing the great unknown. Research Ideas and Outcomes 6: e53913.
- Howell KL, et al (Stefanoudis PV) (2020) A blueprint for an inclusive, global deep-sea Ocean Decade field programme. Frontiers of Marine Science, in press.
- Howell KL et al (Stefanoudis PV) (2020) A decade to study deep-sea life. Nature Ecology and Evolution, in press.

- vi. Canals M et al (2020) The quest for seafloor macrolitter: a critical review of background knowledge, current methods and future prospects. Environmental Research Letters, in press
 - vii. Laffoley D et al, (2020) Evolving the narrative for protecting a rapidly changing ocean, post COVID-19. Aquatic Conservation: Marine and Freshwater Ecosystems, in press.
 - viii. Laffoley D et al, (2020) Eight urgent fundamental steps to recover ocean sustainability, and the consequences for humanity and the planet of inaction or delay. Aquatic Conservation: Marine and Freshwater Ecosystems, 30: 194-208.
 - ix. Impact of the global human health crisis on the ocean, Nature
-

2.4 Public Engagement

Finding innovative ways to tell the story about ocean issues, marine science and conservation is a core aspect of our work and in 2020, we continued to receive critical acclaim including from:

- 2020 Royal Television Society: Technology & Broadcast Award
- Ocean Awards 2020: Public Engagement (Read [Feature Article](#): How Nekton is helping to save the Indian Ocean)
- BETT: Best Educational Resource (Submarine STEM).

2.4.1 Seychelles

Without major marine operations being undertaken in 2020, we have focused on bringing the stories of Seychelles conservation leadership to global audiences through a wide range on virtual events, webinars, broadcasts, social media content, short documentaries and published articles. 2020 highlights include:

- **Documentary:** to coincide with the Ocean Science Symposium a 17 minute [documentary](#) and a [shorter film](#) were produced by Nekton with the Seychelles Broadcasting Corporation (SBC) to highlight the discoveries made during the Mission. documentary was premiered on Seychelles TV in early November.
- **International Press coverage:** Associated Press, Nekton’s news agency partner, Associated Press reporting on the scientific discoveries (the press release can be accessed through the Nekton newsroom [here](#).)
- **Installations:** The Nekton partnership with Seychelles was promoted in a dedicated installation at an Exhibition in Seychelles combining videos, photographs and corals from the mission on display. 400+ visitors attended (Gender: 41.3% Male / 58.7% Female - Above 30: 37% Below 30: 63%) including new Ministers of Fisheries, Blue Economy, Finance, Agriculture, Environment and Climate Change.
- **Articles & Features** including *First Descent: Seychelles* Eco Magazine Global Deep Sea Issue, read [here](#).
- **On the global stage:** the team have presented at global events (mainly virtually) throughout 2020 showcasing the Seychelles mission including with the Marine Technology Society, Explorers Club, Global Biodiversity Festival, the Royal Geographical Society and the UK National Maritime Museum

2.4.2 On the global stage

In addition, we have continued to provide inspiration and leadership on the global (virtual) stage with a series of major keynote addresses at Oceanology, MIT Open Ocean, Oxplore, Global Leadership Summit (*Ocean Research & Technology: the next years*), Bio Divers Symposium, Mission Blue, Extreme E, and key presentations at Virtual Ocean Dialogues (UN High Level Panel, Blue Paper, Plastics), Biodiversity beyond

National Jurisdiction (with IUCN), Deep Sea Exploration & Stewardship, Oceanswell (*Talking Ichthyology and STEM*), Deep sea mining an African perspective (*with Sustainable Oceans Alliance*).

2.4.3 Education: Submarine STEM Live

With many schools closed at times across the UK and globally due to the pandemic, we relaunched Submarine STEM to provide free educational programming and learning resources to help meet the need for remote schooling. Supported by Inmarsat, Submarine STEM Live engaged 12,000 students directly across 22 countries in 10 live lessons. Resources have been downloaded globally with digital and social media engagement estimated at 2million+.

2.5 Ocean Data

2.5.1 Octopus: The Global Ocean Data Portal

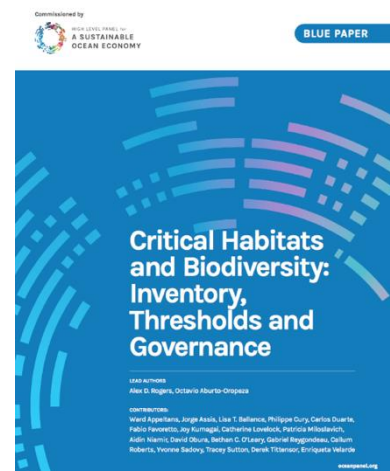
Launched in 2018 by Nekton at the *Ocean Risk Summit*, the *Ocean Tool for Public Understanding and Science (OcToPUS)* provides a single source to freely access the latest global marine data including on oceanographic observations, biodiversity and human stressors on the ocean. It is a critical contribution to a global infrastructure for data-driven ocean governance, OCTOPUS is constantly updated and is accessible to scientists, policy makers, businesses and the general public and aims to catalyse a new era of collaborative marine research, the sustainable development of the blue economy and sustainable ocean governance.

Throughout 2020, technical upgrades and development have been completed to provide ongoing improvements to the user interface, to meet GDPR regulations, and to strengthen web analytics system.

2.5.1.1 Events: The team have contributed to major ocean data events including Ocean Data Summit (NYC), Ocean Data Conference (Ditchley Park, Oxford, UK) and technical scientific and data conferences including the International Marine Conservation Congress and the application of open ocean data to inform conservation.

2.5.1.2 Critical Habitats and Biodiversity: Inventory, Thresholds and Governance

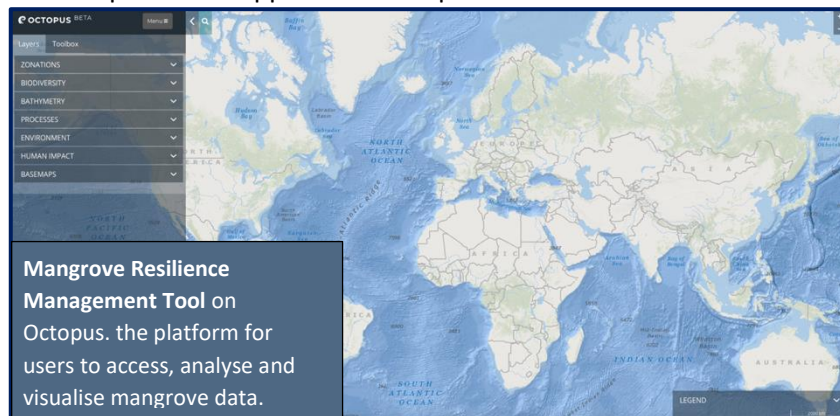
Octopus provided essential data and analysis to inform the United Nations [Blue Paper](#), published in May 2020 (image, right). The goal was to examine the distribution of species and critical marine habitats across the world’s oceans; analyse trends in drivers, pressures, impacts and response; and established thresholds for protecting biodiversity hotspots, and indicators to monitor change.



From this scientific base, the team assessed the current legal framework and available tools for biodiversity protection, current gaps in ocean governance and management and the implications for achieving a sustainable ocean economy tailored to individual coastal states grouped by social indicators. The results were announced by the United Nations on 7th May 2020 and provided the basis to inform global policies on the sustainable management and protection of marine biodiversity.

2.5.1.3 Mangrove health, resilience, carbon sequestration and impact

Based on Octopus’ data infrastructure, we have developed a new application with partners at the World Wildlife Fund (WWF) and the global Mangrove Alliance to model mangrove health, resilience, the value of carbon storage and where mangroves are at risk, particularly from dams being constructed upstream. The Mangrove Resilience Management Tool enables policy makers and conservationists to more effectively manage development needs alongside the value of ecosystem services from mangroves. In part, this specifically includes geographic positioning of proposed dam projects and being able to determine the sediment flow to the river mouth and visualise the most at risk areas.



2.5.2 Data Standardisation: GOSSIP

From 2016 to 2018, Nekton brought together leading marine scientists from each of the major disciplines - to create a new multi-disciplinary standard protocol, the General Ocean Survey and Sampling Iterative Protocol (GOSSIP). Nekton field-tested the protocol, deploying 13 different research tools and engaging over 100 scientists from 15 different marine institutes subsequently published in the journal Oceanography.

During 2020, GOSSIP has been promoted, cited and utilised globally and is now recognised as an important pillar of improving the standardisation of marine research, including with the United States National Oceanic and Atmospheric Administration (NOAA), presentations at the International Marine Conservation Congress, the Deep-Sea Biology Symposium and important scientific publications [online](#). As a measure of the adoption of GOSSIP and the value and impact to the scientific community, it has been cited in 19 scientific papers to date (including Nature and Frontiers in Marine Science), with 12 further papers to be published throughout 2021. GOSSIP has also been utilised by marine scientists globally undertaking field research and more and more scientists are utilising the framework including as part of the Challenger 150, a decade-long programme of deep-sea research ([read more](#)). The team have led specific training workshops pre, during and post field research operations with international teams operating in Comoros, Seychelles and the Maldives. Over 100 marine scientists from over 20 different marine research institutes and related civil society organisations participated.

2.6. Additional Innovation Projects

2.6.1 Yachts for Science - <https://yachtsforscience.com>

In partnership with Boat International, in 2019, we launched Yachts for Science to match marine scientists with private vessels to undertake field research.

Following the success of the pilot year, we added new partners (EYOS and Arksen Foundation) and launched a new platform – <https://yachtsforscience.com>. We continue to promote to the scientific community and select scientific research projects to match with vessels. Read Article: ‘How to turn your Superyacht into a marine research vessel’.

2.6.2 Extreme E - <https://www.extreme-e.com>

Extreme E is a new international off-road racing series in some of the most remote corners of the planet to highlight the climate change challenges faced by different ecosystems and deliver a "Legacy Programme" to provide social and environmental support for those locations. The series also promotes gender equality in motorsport by mandating that all teams consist of a female and a male driver who share equal driving duties. From the Arctic to the Amazon, from the Sahara to Greenland, the race is transported globally by the vessel the St. Helena.

Nekton have partnered with Extreme-E to lead on all marine research aspects of the programme, selecting researchers to participate aboard the vessel and identify legacy projects and in-country partners, particularly focused on the ocean race in Senegal (highlighting the impacts of sea level rise).

2.6.3 Earthshot Prize with the Royal Foundation - <https://www.earthshotprize.org>

Nekton was been chosen to be one of 100+ organisations to nominate individuals, organisations and businesses for this prestigious global prize which aims to help repair our planet. We’ve selected and undertaken extensive due diligence on a range of different ocean-related organisations to identify suitable nominations and submit applications (first award announced in autumn 2021). Nekton was also selected and nominated for the Earthshot Prize by the Commonwealth (another nominating organisation).

2.7. The Nekton Alliance

Nekton’s work in 2020 has been made possible through the generosity and support, financially and in-kind, of our Alliance partners and the efforts and dedication of our staff and advisors. We would like to take this opportunity to thank everyone who has supported our work throughout the year:

- **Mission Partners (2):** Omega, Kensington Tours
- **Strategic Partners (6):** The Commonwealth; Teledyne Marine, Sonardyne (Official Subsea Technology Partners), Associated Press (Official News Agency Partner), Inmarsat (Official Satellite Communications Partner), Helly Hansen (Official Apparel Partner),
- **Collaborating Partners (25):** CEFAS (Subsea Research Equipment); Deep Sea Power and Light, Paralenz, Bowtech (Subsea Camera & Light Partners); Triton (Submersible Partners); Priavo Security (Maritime Security); Technicolor, AXA-XL & Encounter EDU (Education); University of Oxford; Institute of Marine Engineering, Science & Technology – IMarEST; EYOS Missions (Logistics); Great Campaign (UK Government, Foreign & Commonwealth Office); Ocean Unite; IUCN; Project Zero; Caladan Oceanic (Midnight Zone Mission Partner), Blue Nature Alliance; Arksen Foundation, BOAT International, Ocean Family Foundation (Yachts for Science); Royal Foundation (Earthshot); Formula-E (Extreme-E); Flotilla Foundation (Microplastics Research)
- **Seychelles Partners (13): Government:** Ministries of 1) Environment, Energy and Climate Change, 2) Education, 3) Blue Economy and 4) Tourism. National Institute for Science, Technology and Innovation (NISTI); **NGOs:** University of Seychelles (UniSey), Island Conservation Society (ICS), Seychelles Island Foundation (SIF), Marine Conservation Society Seychelles (MCCS), The Nature Conservancy (TNC), SeyCATT, **Parastatal:** Seychelles Fishing Authority, Seychelles Broadcasting Corporation.
- **Maldives Partners (10):** Government Ministries (Fisheries, Environment, Tourism), Marine Research Institute, The Maldives National University; IPNLF, Maldives Whale Shark Research Programme, Manta Trust, Coral Research Institute, I.D.E.A.S.
- **Founding Partners of Nekton (3):** AXA-XL, Garfield Weston Foundation, Kensington Tours.

3. Beneficiaries of our services

The trustees confirm that they have given due regard to the Charity Commission guidance on public benefit when reviewing the charity’s aims and objectives, planning future strategy and setting policy. The work of the charity plays a key part in understanding and combating the threats to our oceans and provides a radical alternative to traditional, government-led approaches.

Nekton is committed to achieving sustainable ocean governance, through scientific exploration, communications and education, capacity development and policy change.

Our activities benefit marine scientists, with whom we collaborate to exchange knowledge and develop multi-disciplinary practices; and whose work we fund, promote and expedite. Our work benefits educators and the general public, through the production and distribution of engaging educational materials and short films. Our work benefits government and non-governmental policy-makers, tasked with sustainably managing ocean health and resources.

Ultimately, we all depend on a healthy and sustainably-managed ocean. The ocean supports millions of livelihoods via fisheries and tourism, regulates climate and plays a major role in carbon capture and storage. This report sets out our activities and achievements to date and illustrates how these benefit our oceans and society.

4. Financial review

The combined results of Nekton Foundation and its wholly-owned trading subsidiary Nekton Enterprises Limited are consolidated.

In its fifth year of operation, Nekton secured incoming resources of £1,968k and ended the year with a deficit of £699k, of which there was a restricted deficit of £909k and an unrestricted surplus of £210k, drawing down on brought forward restricted funds. Cash income generated related mainly to donation and grant funding from Kensington Tours and Omega and other philanthropic donations, along with some other smaller grants for specific initiatives.

Of the total expenditure of £2,668k for the year, £1,871k was incurred on missions; £424k on Nekton’s science programme and initiatives; and £140k on Nekton’s communications and education programme and initiatives. The remaining expenditure related to raising funds for future missions and initiatives and overall management of the organisation.

Funds are being raised to activate and deliver future expeditions to the Indian Ocean to include activities such as field operations and scientific research and analysis. Efforts continue towards seeking new funding to undertake further expeditions for Mission II Indian Ocean, and innovation projects in support of sustainable ocean governance. For our expeditions to the Indian Ocean, we aim to raise funds through a structured partnership programme with a range of individual philanthropists, foundations and companies including media and broadcast sales and bespoke projects.

Charity’s Reserves

The charity held total funds at 31 December 2020 of £1,746k. £990k is restricted and £756k unrestricted. Of the restricted funds £791k is restricted to First Descent Midnight Zone Expedition, £77k is restricted to Deep Reefs innovation project, £60k is restricted to First Descent Seychelles Expedition, £33k is restricted to Ocean Podcasts (Catch Our Drift) and the remaining £29k restricted funds includes the remaining work on XL Catlin Deep Ocean Survey, Ocean Ark, Octopus and other innovation projects.

As at 31 December 2020 no specific reserves were designated.

Nekton’s reserves policy is to ensure that there are sufficient unrestricted reserves to underpin core operations to support the charity’s ability to provide appropriate expertise for its missions and initiatives. Whilst recognising the challenges in reaching a specific target for this, reviews include assessments of the risks of unplanned closure associated with the charity’s business model, spending commitments, potential liabilities, and financial forecasts.

5. Principal risks and uncertainties

The management team reviews risks regularly and produces a detailed risk register with mitigating actions together with a comprehensive crisis management plan for field operations.

A major area of risk management in 2020 and into 2021 remains around the Covid-19 global pandemic and the impact on Nekton’s personnel, financial surety, and field operations. Following the announcement by the UK Government of the first national lockdown in March 2020, all field operations were postponed.

In light of Covid-19, Nekton implemented a comprehensive evaluation of operational and financial planning, including reducing overhead costs and field operation costs, reduced resources along with participating in the UK Government’s furlough scheme. In addition, we undertook a strategic review of activities and successfully diversified funding sources to support non-field based operations including laboratory-based research, virtual knowledge exchange activities and a broader scope of engagement and educational activities.

The management of the team’s physical and mental health throughout the crisis has been paramount and has been well managed by all members of the team and with help of external and internal advisors. To mitigate personnel risks, all staff have largely been working from their homes with in-person meetings held as and when needed and in compliance with government regulations.

The Covid-19 pandemic, the resulting national and international travel restrictions, reduction in economic activity in some sectors and an expected global recession represents significant challenges to operations in the Indian Ocean and working with some partners. Throughout 2020, we have continued to support and engage our team and partners in the Indian Ocean region. To help address the impact and needs of the marine science community in the region, and build further resilience into their capabilities and capacities, we have developed a new knowledge exchange programme with the Western Indian Ocean Marine Science Association (WIOMSA).

Looking ahead to potential field operations towards the end of 2021 or into 2022, these will be evaluated at the time, based on information available. Positively, throughout much of the crisis in 2020, the Maldives remained one of the few countries on the UK FCO ‘safe list’ for travel, meaning UK travellers could visit

without having to worry about invalidating their travel insurance. At the time of writing, the Maldives has one of the most successful national vaccination programmes. A specialist Field Operations Sub Committee will be established by the Board to support decision making towards, and during the next period of field operations.

We have sufficient funds to complete the delivery of the Seychelles Mission into 2021. The Innovation projects (Octopus, Yachts for Science, GOSSIP, Plastic Drawdown, Extreme-E, Combatting Parachute Science, The Earthshot Prize) are funded by discreet grants for specific durations to achieve specific tasks. In addition, new discreet grants have been secured to additional projects in 2021 (see Section 6 below).

The majority of funds have been secured for our two further Missions (Maldives and High Seas) but there remains a risk that the shortfall cannot be closed. In this eventuality, we would look to scale back the ambitions of the Missions and deliver key activities with the funds secured.

We are managing this funding risk through sustained emphasis and efforts on partnership development (particularly related to offshore operations) and fundraising; the production of regular cash flow forecasts and scenario planning; ensuring an efficient cost base; and active ongoing management of expectations of partners, providing them with regular updates on our progress on deliverables and fundraising success. The trustee board has been further strengthened to assist with fundraising and a Fundraising Sub-Committee established.

Nekton holds all relevant insurance policies and legal and contractual agreements with service providers (suppliers) and partners, which cover all pertinent areas of risk including the rules of engagement with Nekton, expedition operations, intellectual property rights, ship and submersible charter, damage to and loss of equipment, personal injury and death, employers’ liability and public liability, and Trustees’ liability.

Nekton has assessed going concern in accordance with the updated ISA 570 requirements and has made appropriate assumptions in the assessment and considered whether there are any material uncertainties that might affect going concern. It is the trustees’ opinion that going concern basis is appropriate and there are no material uncertainties.

6. Plans for the future

2021 is billed as the Ocean Super Year with decisions being made that determine the future of the ocean for decades to come. It is a critical year for the ocean and for Nekton, on the 5-year anniversary since launch of our first Mission (Bermuda & NW Atlantic). A short-film has been made to mark this landmark which can be watched [here](#).

We started 2021 with the ‘2021: Ocean Super Year Briefing’ with President Faure and UN Ocean Ambassador Peter Thomson - watch highlight [film](#) here.

Recognising the impact of Covid-19 globally, on the ocean community and our work, 2021 will see Nekton continue to strength the core of our work, outside of field operations. This remains focused on applied conservation science, knowledge exchange, public engagement and policy impact. Funding for new projects have been secured in 2020 to launch in 2021 including:

- **Catch Our Drift:** the podcast for those who love the ocean (www.catchourdriift.org)
- **Ocean Ark:** Sequencing the ocean genome for the common good

Nekton Foundation – Trustees’ Annual Report – For the year ended 31 December 2020

- **Deep Reefs:** Establishing the scientific case for the inclusion of deeper reefs within marine conservation
- **Microplastics in air, water and ice** - Prevalence and global distribution pathways.

Indian Ocean

In 2021, we still remain committed and focused on our achieving our Indian Ocean strategy with:

- **Missions:** subject to the pandemic, to undertake field operations in the Maldives and the High Seas of the central and Western Indian Ocean (seamounts focus).
- **Knowledge Exchange:** Secure funding to launch and implement the Deep Ocean Knowledge Network in partnership with Western Indian Ocean Marine Sciences Association (WIOMSA).
- **Policy:** Secure the support of the Nairobi Convention at the 2021 COP to develop the Western Indian Ocean – Resilience and Prosperity Initiative for ratification at the 2023 Indian Ocean Summit (convened by the Government of Seychelles and Nekton).
- **Seychelles research:** publications from Seychelles First Descent and ongoing support of Seychellois scientists through the Deep Blue Grants programmes with SeyCATT.

Other Innovation Projects

In 2021, we will continue to respond to the needs of our client, the ocean, and developing existing projects and adding the following new initiatives:

- **Deep Blue Carbon** – creating a tool to measure the value of stored deep blue carbon at a national level Seychelles: Case Study for global utilisation.
- **Fisheries Traceability** – with Oxford Nanopore Technologies.
- **Ocean Data:** Octopus – ‘OcToSUM - Ocean Tool for Sustainable Management’ a new application to inform and catalyse the sustainable management of the ocean including the creation of new marine protected areas. It will enable governments, scientists and conservation groups to track the progress of each nation towards the targets of United Nation’s Sustainable Development Goals, particularly SDG14.
- **GOSSIP:** Standardised ocean data: a technical guide to utilise the field research protocol will be developed and published to also include recommendations for where the most applicable open access databases for storage and accessibility.

7. Structure, governance and management

The organisation is a charitable company, limited by guarantee, registered with the Charity Commission on 14 July 2015 and incorporated on 17 June 2015. The charity is constituted under its Memorandum and Articles of Association dated 17 June 2015 which established the objects and powers of the charitable company and is governed under its articles of association.

The directors, who are also the trustees of the charity, are recruited by direct interest in the charity. Trustee induction has taken place with reference to the guidance published by the Charity Commission.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Note 8 to the accounts.

Day-to-day management of the charity is delegated to the senior management team. Our approach to remuneration is to ensure we can attract and retain a talented and motivated team to achieve our mission

Nekton Foundation – Trustees’ Annual Report – For the year ended 31 December 2020

and deliver our strategic goals, whilst taking into account pay scales of similar and partner organisations and charity sector pay surveys.

7.1 Key management personnel for 2020

Chief Executive:	Oliver Steeds
Finance & Operations Controller:	Alex Murphy
Head of Communications	Lisa Hynes
Principal Scientist:	Dr. Lucy Woodall

7.2 Appointment of trustees

The charity is required to have at least three Trustees and a maximum of ten Trustees.

Additional trustees are co-opted by the board and management team to ensure the best mix of skills and experience attuned to the needs of the charity. Upon election new trustees meet the chair and chief executive and attend an induction meeting which includes a presentation on the organisation; the opportunity to meet key staff and a question-and-answer session. New trustees are also provided with the charity’s business plan, financial statements, and any other documents requested. Trustees collectively identify any governance training needs and who best to undertake the training identified. Nekton Foundation does not engage in public fundraising. Nekton Foundation nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and Nekton Foundation received no complaints relating to its fundraising practice

7.3 Related parties and relationships with other organisations

Nekton Foundation has a wholly-owned subsidiary, Nekton Enterprises Limited (NEL). NEL was incorporated on 25th April 2016 and has been established to undertake commercial activities such as sponsorship which generate income for the benefit of Nekton Foundation. In 2017 we entered into an agreement with Kensington Tours to promote Kensington as Nekton’s launch partner for Mission II and to develop a mutually beneficial tourism product.

Nekton works closely with Encounter EDU to develop, produce and disseminate its Submarine STEM educational programme. Encounter EDU creates educational outreach programmes which bring expedition science and exploration into classrooms through collaborations between explorers, scientists, teachers and pupils. Nekton’s Chief Executive Oliver Steeds co-founded Digital Explorer (renamed in 2019 as Encounter EDU). He is not involved in the day-to-day running of the organisation and receives no remuneration from it.

7.4 Statement of responsibilities of the trustees

The trustees (who are also directors of Nekton Foundation for the purposes of company law) are responsible for preparing the trustees’ annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Nekton Foundation – Trustees’ Annual Report – For the year ended 31 December 2020

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company’s auditors are unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2020 was 10 (2019:9). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

8. Auditors

Sayer Vincent LLP were appointed as the charitable company's auditor during the year and have expressed their willingness to continue in that capacity.

The trustees’ annual report has been approved by the trustees on 24 June 2021 and signed on their behalf by

Rupert Grey
Chair

Independent auditors' report

To the members of

Nekton Foundation

Opinion

We have audited the financial statements of Nekton Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2020 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
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

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 group 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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Nekton Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not

Independent auditors' report

To the members of

Nekton Foundation

express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the group financial statements themselves. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; 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 trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Independent auditors' report

To the members of

Nekton Foundation

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 or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard (Senior statutory auditor)

30 July 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Nekton Foundation

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2020

	Note	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Income from:							
Donations and legacies	2	55,341	–	55,341	100,101	–	100,101
Charitable activities							
Missions	3	260,585	1,397,332	1,657,917	–	3,407,113	3,407,113
Other trading activities	4	254,868	–	254,868	553,670	–	553,670
Total income		570,794	1,397,332	1,968,126	653,771	3,407,113	4,060,884
Expenditure on:							
Raising funds	5	56,493	–	56,493	1,288	–	1,288
Charitable activities							
Missions	5	65,299	1,859,696	1,924,995	156,405	2,445,899	2,602,304
Science and Research	5	123,769	414,936	538,705	100,283	385,982	486,265
Communication and Education	5	115,485	31,875	147,360	54,806	465,466	520,272
Total expenditure		361,046	2,306,507	2,667,554	312,782	3,297,347	3,610,129
Net income / (expenditure) for the year		209,748	(909,175)	(699,428)	340,989	109,766	450,755
Transfers between funds		(102)	102	–	–	–	–
Net movement in funds		209,646	(909,073)	(699,426)	340,989	109,766	450,755
Reconciliation of funds:	18a						
Total funds brought forward		546,403	1,898,912	2,445,315	205,415	1,789,145	1,994,560
Total funds carried forward		756,049	989,839	1,745,888	546,403	1,898,912	2,445,315

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18a to the financial statements.

As at 31 December 2020

		The group		The charity	
	Note	2020	2019	2020	2019
		£	£	£	£
Fixed assets:					
Tangible assets	11	108,919	115,130	108,919	115,130
		108,919	115,130	108,919	115,130
Current assets:					
Debtors	13	64,555	36,480	20,600	156,846
Cash at bank and in hand		1,699,978	2,584,297	1,596,414	2,018,530
		1,764,533	2,620,777	1,617,014	2,175,376
Liabilities:					
Creditors: amounts falling due within one year	14	(127,563)	(290,592)	(98,796)	(276,101)
Net current assets / (liabilities)		1,636,970	2,330,185	1,518,218	1,899,275
Total assets less current liabilities		1,745,888	2,445,315	1,627,137	2,014,405
Total net assets / (liabilities)		1,745,888	2,445,315	1,627,137	2,014,405
Funds:	18a				
Restricted income funds		989,839	1,898,911	989,838	1,898,910
Unrestricted income funds:					
General funds		756,049	546,404	637,298	115,495
Total unrestricted funds		756,049	546,404	637,298	115,495
Total funds		1,745,888	2,445,315	1,627,137	2,014,405

Approved by the trustees on 24 June 2021 and signed on their behalf by

Rupert Grey
Chair

Nekton Foundation

Consolidated statement of cash flows

For the year ended 31 December 2020

	Note	2020 £	£	2019 £	£
Cash flows from operating activities	19				
Net cash provided by / (used in) operating activities		(871,390)		492,619	
Cash flows from investing activities:					
Purchase of fixed assets		(12,930)		(62,300)	
Net cash provided by / (used in) investing activities		(12,930)		(62,300)	
Change in cash and cash equivalents in the year		(884,320)		430,319	
Cash and cash equivalents at the beginning of the year		2,584,298		2,153,979	
Cash and cash equivalents at the end of the year	20	1,699,978		2,584,298	

1 Accounting policies

a) Statutory information

Nekton Foundation is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address (and principal place of business) is Begbroke Science Park, Begbroke Hill, Woodstock Road, Begbroke, OX5 1PF.

b) 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) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Consolidation

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary Nekton Enterprise Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. As this is the first year consolidated accounts have been produced the statement of financial activities for the prior year has been amended to include results on a consolidated basis.

d) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

e) Going concern

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

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements and have considered the impact of the coronavirus pandemic on the charity's operations.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. They are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 December 2020, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets.

The trustees have specifically considered the impact of covid-19 on the charity and do not consider there to be a material uncertainty as a result. Further discussion on the impact of and response to covid-19 by the charity can be found in the trustees' annual report

1 Accounting policies (continued)

f) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

g) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

h) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

i) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

j) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of developing and undertaking the missions, research and education undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

k) Government grants

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred."

1 Accounting policies (continued)

l) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

m) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Support and governance costs are re-allocated to each of the activities based on time attributable to each activity

● Cost of raising funds	4%
● Missions	30%
● Science and research	62%
● Communication and education	4%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

n) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

o) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Scientific Equipment	10 years
● Filming & Communications equipment	3 years
● Computer equipment	3 years
● Office and lab furniture	10 years

1 Accounting policies (continued)

p) Investments in subsidiaries

Investments in subsidiaries are at cost.

q) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

r) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

s) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

t) Creditors and provisions

Creditors and provisions are recognised where the charity 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
Donations	103	–	103	100,101
CJRS Grant	55,238	–	55,238	–
	<u>55,341</u>	<u>–</u>	<u>55,341</u>	<u>100,101</u>
Prior Year				
	Unrestricted £	Restricted £	2019 Total £	
Donations	100,101	–	100,101	
	<u>100,101</u>	<u>–</u>	<u>100,101</u>	

3 Income from charitable activities

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
First Descent: Seychelles	-	-	-	2,053,907
The Midnight Zone	-	1,386,654	1,386,654	1,353,207
Yachts for Science	-	5,000	5,000	-
Plastics Drawdown with Common Seas	-	5,250	5,250	-
Ocean Ark	-	428	428	-
Kensington Tours	260,585	-	260,585	-
Total income from charitable activities	260,585	1,397,332	1,657,917	3,407,113

Prior Year

	Unrestricted £	Restricted £	2019 Total £
First Descent: Seychelles	-	2,053,907	2,053,907
The Midnight Zone	-	1,353,207	1,353,207
Total income from charitable activities	-	3,407,113	3,407,113

4 Income from other trading activities

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
Kensington Tours	3,811	-	3,811	150,000
Other	251,057	-	251,057	403,671
	254,868	-	254,868	553,671

5 Analysis of expenditure

	Charitable activities							
	Raising funds	Missions	Science and research	Communications and education	Governance costs	Support costs	2020	2019
	£	£	£	£	£	£	Total £	Total £
Staff costs (Note 7)	20,625	146,156	309,359	20,641	1,937	81,743	580,461	503,328
Consultant & staff related costs	28,198	28,288	45,318	26,050	438	-	128,291	169,391
Mission control / operations	-	1,232,331	24,375	59,397	-	20,671	1,336,775	1,969,000
Equipment and consumables	-	400,276	28,464	10,141	-	406	439,287	630,654
Science grants	-	-	2,400	-	-	-	2,400	33,869
Fundraising	-	80	151	9,013	690	530	10,465	11,072
Science costs	-	-	-	-	-	-	-	10,992
Travel and subsistence	34	22,897	12,568	7,937	53	291	43,780	151,193
Professional services	-	8,307	-	-	-	32,616	40,923	42,720
Insurance	-	18,864	-	-	-	19,258	38,122	36,717
Telephone, IT and office costs	-	46	283	5,020	-	3,105	8,454	33,580
Membership and subscriptions	-	13,563	1,157	1,504	26	282	16,532	2,733
Bank charges	-	60	133	12	-	1,057	1,262	1,329
Foreign exchange (gain)/ loss	-	12	(42)	-	-	3,337	3,307	(5,596)
Depreciation	-	-	-	-	-	17,493	17,493	19,146
	48,857	1,870,879	424,167	139,715	3,144	180,791	2,667,552	3,610,129
Support costs	7,506	53,192	112,581	7,512	-	(180,791)	-	-
Governance costs	130	924	1,957	133	(3,144)	-	-	-
Total expenditure 2020	56,493	1,924,995	538,705	147,360	-	-	2,667,552	3,610,129
Total expenditure 2019	1,288	2,602,304	486,265	520,272	-	-	3,610,129	

Of the total expenditure £361,045 was unrestricted (2019: £312,782) and £2,306,507 was restricted (2019: £3,297,347).

5 Analysis of expenditure (Prior Year)

	Charitable activities						
	Raising funds	Missions	Science and Research	Communications and Education	Governance costs	Support costs	2019 Total
	£	£	£	£	£	£	£
Staff costs (Note 7)	369	151,531	264,065	68,438	1,728	17,197	503,328
Consultant & Staff Related Costs	–	74,781	19,578	74,200	832	–	169,391
Mission control / operations	134	1,852,577	49,862	40,915	–	25,512	1,969,000
Equipment and Consumables	152	352,530	30,835	245,303	–	1,834	630,654
Science Grants	–	–	–	33,869	–	–	33,869
Fundraising	200	919	52	9,901	–	–	11,072
Science costs	–	–	8,592	2,400	–	–	10,992
Travel and subsistence	268	90,817	44,927	10,162	2,874	2,145	151,193
Professional Services	–	4,975	–	1,760	917	35,068	42,720
Insurance	–	24,680	–	–	–	12,037	36,717
Telephone, IT and Office Costs	72	4,387	1,804	20,810	1,607	4,900	33,580
Membership and subscriptions	–	1,607	122	937	13	54	2,733
Bank charges	–	29	45	–	–	1,255	1,329
Foreign exchange (gain)/ loss	–	(502)	–	250	–	(5,344)	(5,596)
Depreciation	–	–	–	–	–	19,146	19,146
	1,195	2,558,331	419,882	508,945	7,971	113,805	3,610,129
Support costs	87	41,095	62,037	10,586	–	(113,805)	–
Governance costs	6	2,878	4,346	741	(7,971)	–	–
Total expenditure 2019	1,288	2,602,304	486,265	520,272	–	–	3,610,129

Of the total expenditure, £312,585 was unrestricted (2018: £224,134) and £3,297,347 was restricted (2018: £302,231).

6 Net income for the year

This is stated after charging:

	2020 £	2019 £
Depreciation	17,493	19,146
Operating lease rentals:		
Property	15,120	25,484
Auditors' remuneration (excluding VAT):		
Audit	6,500	7,680
Foreign exchange gains or losses	3,307	(5,596)
	<u>3,307</u>	<u>(5,596)</u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	293,751	277,105
Social security costs	27,726	25,470
Pension costs	11,402	8,220
Consultants costs	247,582	192,533
	<u>580,461</u>	<u>503,328</u>

1 employee earned more than £60,000 during the year (2018: 1).

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2020 No.	2019 No.
£80,000 – £89,999	1	–
£90,000 – £99,999	–	1
	<u>–</u>	<u>1</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £207,986 (2019: £209,297).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £268 (2019: £908) incurred by 1 (2019: 2) members relating to attendance at meetings of the trustees.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 7 (2019: 7).

9 Related party transactions

Nekton Foundation owes £nil (2019: £nil) to its wholly owned subsidiary Nekton Enterprises Limited.

During the year Nekton paid £6,072 to Encounter Edu/Digital Explorer for support of Nekton Submarine STEM 2020. Oliver Steeds co-founded Digital Explorer with Jamie in 2008. He lends strategic support to Encounter Edu, with the rest of his time dedicated to running Nekton which he founded in 2015.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Nekton Enterprises Limited gift aids available profits to the parent charity.

11 Tangible fixed assets**The group & Charity**

	Scientific equipment £	Filming & Communica- tions equipment £	Computer equipment £	Office and lab furniture £	Total £
Cost					
At the start of the year	122,105	19,665	11,819	7,206	160,795
Additions in year	12,930	–	–	–	12,930
Disposals in year	–	–	–	(2,111)	(2,111)
At the end of the year	135,035	19,665	11,819	5,095	171,615
Depreciation					
At the start of the year	19,984	19,666	4,478	1,538	45,666
Charge for the year	13,433	–	3,448	615	17,495
Eliminated on disposal	–	–	–	(464)	(464)
At the end of the year	33,416	19,666	7,926	1,689	62,697
Net book value					
At the end of the year	101,619	0	3,894	3,406	108,919
At the start of the year	102,121	0	7,341	5,668	115,130

All of the above assets are used for charitable purposes.

12 Subsidiary undertaking

The charitable company owns 100% of the voting rights of Nekton Enterprises Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. Available profits are gift aided to the charitable company. The Chief Executive Oliver Steeds is also a director of the subsidiary. A summary of the results of the subsidiary is shown below:

	2020 £	2019 £
Turnover	254,868	553,670
Cost of sales	(65,702)	(16,527)
Gross profit	189,166	537,143
Management charge payable to parent undertaking	(77,890)	(113,712)
Operating profit / (loss)	111,276	423,431
Profit on ordinary activities before taxation	111,276	423,431
Taxation	–	–
Profit for the financial year	111,276	423,431
Retained earnings		
Retained earnings brought forward	430,913	195,017
Profit for the financial year	111,276	423,431
Profit distributed to parent under gift aid	(423,431)	(187,535)
Retained earnings carried forward	118,758	430,913
The aggregate of the assets, liabilities and funds was:		
Assets	690,822	584,254
Liabilities	(572,065)	(153,340)
Net Assets	118,757	430,914
Share Capital	1	1
Profit & Loss Account	118,758	430,913
Total Shareholders Funds	118,759	430,914

Amounts owed to/from the parent undertaking are shown in note 8.

13 Debtors

	The group		The charity	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	58,985	–	3,242	–
Prepayments	5,570	36,480	5,570	36,480
Due from Subsidiary	–	–	11,788	120,366
	64,555	36,480	20,600	156,846

All of the group's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in note 16a below.

14 Creditors: amounts falling due within one year

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	28,351	82,334	4,594	82,223
Taxation and social security	9,502	11,572	7,832	11,572
Other creditors	3,013	12,607	3,013	12,607
Accruals	71,197	18,579	67,857	15,239
Due to subsidiary	–	–	–	138,960
Deferred income	–	150,000	–	–
Grant creditors	15,500	15,500	15,500	15,500
	127,563	290,592	98,796	276,101

15 Deferred income

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Balance at the beginning of the year	150,000	150,000	–	–
Amount released to income in the year	(150,000)	(150,000)	–	–
Amount deferred in the year	–	150,000	–	–
Balance at the end of the year	–	150,000	–	–

16 Pension scheme

Nekton Foundation operates a defined contribution pension scheme to which fixed contributions are made. The amount paid in the year was £ 11,402 (2019: £8,220).

17a Analysis of group net assets between funds (current year)

	General unrestricted £	Restricted funds £	Total funds £
The Charity			
Tangible fixed assets	–	108,919	108,919
Net current assets	637,298	880,919	1,518,218
Net assets at 31 December 2020	637,298	989,838	1,627,137
The Group			
Tangible fixed assets	–	108,919	108,919
Net current assets	756,050	880,920	1,636,970
Net assets at 31 December 2020	756,050	989,839	1,745,888

17b Analysis of group net assets between funds (prior year)

	General unrestricted £	Restricted funds £	Total funds £
The Charity			
Tangible fixed assets	–	115,130	115,130
Net current assets	115,494	1,783,780	1,899,275
Net assets at 31 December 2019	115,494	1,898,910	2,014,405
	General £	Restricted £	Total funds £
The Group			
Tangible fixed assets	–	115,130	115,130
Net current assets	546,403	1,783,782	2,330,185
Net assets at 31 December 2019	546,403	1,898,912	2,445,315

18a Movements in funds (current year)

The Charity	At 1 January 2020 £	Income & Gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
Restricted funds:					
XL Foundation	4,586	–	–	–	4,586
Octopus	216,103	–	(81,805)	(129,018)	5,279
Weddell Sea	7,663	–	(9,636)	1,973	–
Gossip	24,319	–	(9,073)	(15,246)	–
eDNA	857	–	(7,264)	6,407	–
First Descent: Seychelles	307,779	–	(248,093)	102	59,787
The Midnight Zone	1,337,604	1,386,654	(1,933,778)	–	790,479
Yachts for Science	–	5,000	(5,000)	–	–
Plastics Drawdown with Common Seas	–	5,250	–	–	5,250
Ocean Ark	–	428	(428)	13,850	13,850
Deep Reefs and MPAs	–	–	–	77,132	77,132
Ocean Podcasts	–	–	(11,428)	44,902	33,474
Total restricted funds	1,898,910	1,397,332	(2,306,507)	102	989,838
Unrestricted funds:					
General funds	115,495	745,511	(223,605)	(102)	637,298
Total unrestricted funds	115,495	745,511	(223,605)	(102)	637,298
Total funds	2,014,405	2,142,843	(2,530,112)	–	1,627,137

The narrative to explain the purpose of each fund is given at the foot of the note below.

18a Movements in funds (current year) continued

The Group	At 1 January 2020	Income & Gains	Expenditure & losses	Transfers	At 31 December 2020
	£	£	£	£	£
Restricted funds:					
XL Foundation	4,586	–	–	–	4,586
Octopus	216,103	–	(81,805)	(129,018)	5,280
Weddell Sea	7,663	–	(9,636)	1,973	–
Gossip	24,319	–	(9,073)	(15,246)	–
eDNA	857	–	(7,264)	6,407	–
First Descent: Seychelles	307,779	–	(248,093)	102	59,787
The Midnight Zone	1,337,604	1,386,654	(1,933,778)	–	790,479
Yachts for Science	–	5,000	(5,000)	–	–
Plastics Drawdown with Common Seas	–	5,250	–	–	5,250
Ocean Ark	–	428	(428)	13,850	13,850
Deep Reefs and MPAs	–	–	–	77,132	77,132
Ocean Podcasts	–	–	(11,428)	44,902	33,474
Total restricted funds	1,898,911	1,397,332	(2,306,507)	102	989,839
Unrestricted funds:					
General funds	546,405	570,793	(361,047)	(102)	756,049
Total unrestricted funds	546,405	570,793	(361,047)	(102)	756,049
Total funds	2,445,316	1,968,125	(2,667,554)	–	1,745,888

Purposes of restricted funds

XL Foundation

Remaining funds from XL Foundation are restricted towards the 2016 Mission, producing the XL Catlin Deep Ocean Survey and further scientific research.

OcToPUS

Development of the Ocean Tool for Public Understanding and Science (OcToPUS) funded by the Garfield Weston Foundation and private philanthropists.

Weddell Sea

Funds from the Flotilla Foundation for Nekton's costs to take part in the expedition to the Weddell Sea off Antarctica, and from the Garfield Weston Foundation for the publication of research from the expedition and development of a new tool.

GOSSIP and eDNA

Funds for development of General Ocean Survey and Sampling Iterative Protocol (GOSSIP) and initial analysis of environmental DNA (eDNA) to scope the development of Ocean Ark, from the Garfield Weston Foundation for the ongoing promotion and adoption across the marine science and ocean management communities.

First Descent: Seychelles

Funds for First Descent: Seychelles from Omega and Kensington Tours who are Mission Partners for the first Indian Ocean expedition to Seychelles, for the cost of the expedition.

The Midnight Zone

Funds for The Midnight Zone mission predominantly from Omega who is one of the Mission Partners for the second Indian Ocean expedition, for the cost of the expedition.

18a Movements in funds (current year) continued**Purposes of restricted funds****Yachts for Science**

Funding from private philanthropists for Yachts for Science, a programme which matches marine scientists with private yachts to undertake field research.

Plastics Drawdown with Common Seas

Funding from, and a research collaboration with, Common Seas for Plastics Drawdown, a plastic waste minimisation initiative.

Ocean Ark

Funding from Garfield Weston Foundation for research into the development of Ocean Ark, a project that aims to sequence, catalogue and characterise the ocean genome.

Deep Reefs and MPAs

Funding from Garfield Weston Foundation supports this research project to assess the value and importance of mesophotic reefs within marine spatial planning and the designation of marine protected areas globally.

18b Movements in funds (prior year)

The Charity	At 1 January 2019 £	Income & Gains £	Expenditure & losses £	Transfers £	At 1 January 2020 £
Restricted funds:					
XL Foundation	48,161	–	(43,575)	–	4,586
Octopus	291,544	–	(75,441)	–	216,103
Weddell Sea	25,687	–	(18,024)	–	7,663
Gossip	24,319	–	–	–	24,319
eDNA	2,692	–	(1,835)	–	857
First Descent: Seychelles	1,396,742	2,053,907	(3,142,870)	–	307,779
The Midnight Zone	–	1,353,207	(15,603)	–	1,337,604
Total restricted funds	1,789,145	3,407,113	(3,297,348)	–	1,898,910
Unrestricted funds:					
General funds	10,398	294,293	(189,196)	–	115,495
Total unrestricted funds	10,398	294,293	(189,196)	–	115,495
Total funds	1,799,543	3,701,406	(3,486,544)	–	2,014,405

18b Movements in funds (prior year) continued

The Group	January 2019 £	Income & Gains £	Expenditure & losses £	Transfers £	At 1 January 2020 £
Restricted funds:					
XL Foundation	48,161	–	(43,575)	–	4,586
Octopus	291,544	–	(75,441)	–	216,103
Weddell Sea	25,687	–	(18,024)	–	7,663
Gossip	24,319	–	–	–	24,319
eDNA	2,692	–	(1,835)	–	857
First Descent: Seychelles	1,396,742	2,053,907	(3,142,870)	–	307,779
The Midnight Zone	–	1,353,207	(15,603)	–	1,337,604
Total restricted funds	1,789,145	3,407,113	(3,297,348)	–	1,898,911
Unrestricted funds:					
General funds	205,415	653,772	(312,782)	–	546,405
Total unrestricted funds	205,415	653,772	(312,782)	–	546,405
Total funds	1,994,560	4,060,885	(3,610,130)	–	2,445,315

Purposes of restricted funds

Funds from XL Foundation are restricted towards the 2016 Mission and producing the XL Catlin Deep Ocean Survey.

19 Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net income for the reporting period (as per the statement of financial activities)	(699,428)	450,755
Depreciation charges	17,495	19,146
Loss/Profit on the sale of fixed assets	1,647	–
Increase in debtors	(28,075)	41,286
Decrease in creditors	(163,029)	(18,568)
Net cash provided by / (used in) operating activities	(871,390)	492,619

20	Analysis of cash and cash equivalents	At 1 January	Cash flows	Other changes	At 31
		2020			December
		£	£	£	2020
					£
	Cash at bank and in hand	2,584,298	(884,320)	–	1,699,978
	Total cash and cash equivalents	2,584,298	(884,320)	–	1,699,978

21 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.