

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

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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
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Chartered Accountants and Statutory Auditors
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108-114 Golden Lane
LONDON
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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.

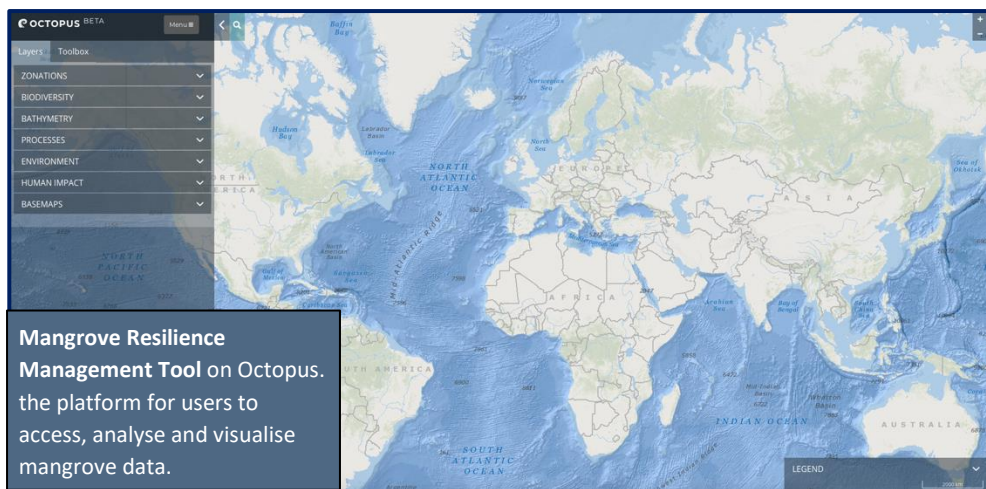
2.2.5 Octopus – Ocean Data – with WWF and Mangroves Alliance

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

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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

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- 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							
	Raising funds £	Missions £	Science and research £	Communications and education £	Governance costs £	Support costs £	2021 Total £	2020 Total £
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						2020 Total £
	Raising funds £	Missions £	Science and Research £	Communications and Education £	Governance costs £	Support costs £	
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

	General unrestricted £	Restricted funds £	Total funds £
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

	General £	Restricted funds £	Total funds £
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.