

Company number: 09644797
Charity Number: 01162666

Nekton Foundation

Report and financial statements
For the year ended 31 December 2022

Contents

For the year ended 31 December 2022

Reference and administrative information	1
1. Objectives & Activities	3
2. Activities and Accomplishments 2022:	7
2.1 Conservation and Ocean Policy	8
2.2 Missions	9
2.3 Applied Science to catalyse Ocean Policy	10
2.4. Democratising Science and Knowledge Exchange	12
2.5. Communications and Engagement	13
2.6. Other Initiatives	15
2.7. This Nekton Alliance	16
3. Beneficiaries of our services	17
4. Financial review	17
5. Principal risks and uncertainties	18
6. Plans for the future	19
7. Structure, governance and management	21
8. Auditors	23
Independent auditors' report	24
Statement of financial activities (incorporating an income and expenditure account)	28
Balance sheet	29
Statement of cash flows	30
Notes to the financial statements	31

Nekton Foundation

Reference and administrative information

For the year ended 31 December 2022

Company number 09644797

Charity number 01162666

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

Country of registration England & Wales

Country of incorporation The United Kingdom

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

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

Key management personnel

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

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

Nekton Foundation

Reference and administrative information

For the year ended 31 December 2022

Solicitors

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

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

Auditor

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

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

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

1. Objectives and activities

1.1 Purpose & Strategy

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

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

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

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

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

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

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

1.1 Nekton's DNA

Our DNA is founded on:

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

1.2 Nekton Missions: working with Ocean Nations

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

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

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

i. **Applied Research:**

To inform & catalyse ocean policy through:

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

ii. **Knowledge Exchange:**

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

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

iii. **Inspirational Public Engagement:**

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

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

1.3 Nekton Initiatives

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

In 2022, these include:

1.3.1 Conservation & Ocean Policy

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

1.3.2 Applied Science

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

1.3.3 Communications & Public Engagement

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

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

1.3.4 Knowledge Exchange

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

1.3.5 Other

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

1.4 Indian Ocean Strategy 2018-2025

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

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

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

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

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

1.4.1 Projected impact – *First Descent: Indian Ocean*

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

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

2. Activities and Accomplishments 2022

The highlights include:

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

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

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

2.1 Conservation & Ocean Policy

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

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

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

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

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

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

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

2.1.2 Seychelles

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

2.1.3 Maldives

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

2.1.4 South Africa & Comores

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

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

2.2 Missions

2.2.1 Maldives Mission 2022

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

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

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

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

2.3 Applied science to catalyse ocean policy

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

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

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

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

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

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

2.3.3 Deep Reefs (with Garfield Weston Foundation)

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

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

2.3.4 Ocean Plastic

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

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

2.3.4.1 Antarctic Microplastics (with Flotilla Foundation)

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

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

2.3.5 Publications

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

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

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

2.3.6 Other marine and environmental policy activities

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

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

2.4 Democratising Science and Knowledge Exchange

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

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

2.4.1 Turning the Tide on Parachute Science

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

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

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

2.4.2 Indian Ocean Knowledge Exchange Programme

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

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

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

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

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

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

2.5 Communications & Engagement

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

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

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

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

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

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

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



2.5.3 Microplastics in Antarctica - Communications Campaign

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

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

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

2.5.4 Events

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

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

2.6 Other Initiatives

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

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

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

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

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



2.6.3 Extreme E

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



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

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

2.7. The Nekton Alliance

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

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

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

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

3. Beneficiaries of our services

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

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

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

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

4. Financial review

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

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

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

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

Charity's Reserves

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

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

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

As at 31 December 2022 no specific reserves were designated.

5. Principal risks and uncertainties

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

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

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

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

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

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

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

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

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

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

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

6. Plans for the future

6.1 Missions

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

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

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

6.2 Initiatives

6.2.1 Deep Reefs – Discovery & Conservation

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

Next Phase Objectives:

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

6.2.2 Deep Sea Science Course

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

6.2.3 Yachts for Science

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

6.2.4 Other

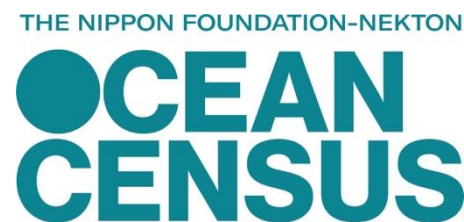
- **Ocean Rising:** Programmes, events and interventions with the fashion and music sectors (described in 2.5.2)
- **Submarine STEM:** ongoing through Ocean Census Expeditions
- **Extreme E** – ongoing
- **Earthshot Prize** – ongoing including support with impact assessment of citizen science initiatives.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

6.3 Strategic Development: Ocean Census

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

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

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



7. Structure, governance and management

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

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

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

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

7.1 Key management personnel for 2022

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

7.2 Appointment of trustees

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

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

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

7.3 Related parties and relationships with other organisations

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

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

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

7.4 Statement of responsibilities of the trustees

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

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

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

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

In so far as the trustees are aware:

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

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

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

8. Auditors

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

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

Rupert Grey
Chair

Independent auditors' report

To the members of

Nekton Foundation

Opinion

We have audited the financial statements of Nekton Foundation (the 'parent company') and its subsidiary (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of income and retained earnings, the group and parent company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so,

Independent auditors' report

To the members of

Nekton Foundation

consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the directors' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The directors' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report

To the members of

Nekton Foundation

Auditor's responsibilities for the audit of the financial statements

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

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

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

Capability of the audit in detecting irregularities

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

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with

Independent auditors' report

To the members of

Nekton Foundation

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

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

Use of our report

This report is made solely to the company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard (Senior statutory auditor)

9 September 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor

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

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

For the year ended 31 December 2022

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

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

As at 31 December 2022

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

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

Rupert Grey
Chair

Consolidated statement of cash flows

For the year ended 31 December 2022

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

1 Accounting policies

a) Statutory information

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

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

c) Consolidation

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

d) Public benefit entity

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

e) Going concern

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

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

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

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

f) Income

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

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

1 Accounting policies (continued)

g) Donations of gifts, services and facilities

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

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

h) Interest receivable

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

i) Fund accounting

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

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

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

j) Expenditure and irrecoverable VAT

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

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

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

k) Government grants

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

l) Grants payable

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

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

1 Accounting policies (continued)

m) Allocation of support costs

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

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

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

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

n) Operating leases

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

o) Tangible fixed assets

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

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

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

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

1 Accounting policies (continued)

p) Investments in subsidiaries

Investments in subsidiaries are at cost.

q) Debtors

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

r) Short term deposits

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

s) Cash at bank and in hand

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

t) Creditors and provisions

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

2 Income from donations and legacies

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

Prior Year

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

3 Income from charitable activities

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

Prior Year

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

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

4 Income from other trading activities

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

Prior Year

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

5a Analysis of expenditure

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

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

5b Analysis of expenditure (Prior Year)

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

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

Notes to the financial statements

For the year ended 31 December 2022

6 Net income for the year

This is stated after charging:

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

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

Staff costs were as follows:

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

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

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

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

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

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

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

Notes to the financial statements

For the year ended 31 December 2022

8 Staff numbers

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

9 Related party transactions

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

There were no related party transactions in the year.

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

10 Taxation

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

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

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

All of the above assets are used for charitable purposes.

12 Subsidiary undertaking

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

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

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

13 Debtors

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

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

14 Creditors: amounts falling due within one year

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

15 Pension scheme

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

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

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

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

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

Notes to the financial statements

For the year ended 31 December 2022

17a Movements in funds (current year)

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

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

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

17a Movements in funds (current year) continued

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

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

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

OcToPUS

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

Indian Ocean Missions

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

Yachts for Science

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

Deep Reefs and MPAs

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

Nautilus Feasibility Study

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

eDNA Seahorses

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

Plastics Drawdown

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

Notes to the financial statements

For the year ended 31 December 2022

17b Movements in funds (prior year)

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

Notes to the financial statements

For the year ended 31 December 2022

17b Movements in funds (prior year) continued

The Group

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

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

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

19 Analysis of cash and cash equivalents

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

20 Legal status of the charity

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