

AUDITED FINANCIAL STATEMENTS AND TRUSTEES REPORT



FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

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SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE

CONTENTS

	Page
Reference and Administrative Details of the Charity, its Trustees and Advisers	1
Trustees' Report	2 - 20
Independent Auditor's Report on the Financial Statements	21 - 24
Consolidated Statement of Financial Activities	25
Consolidated Balance Sheet	26
Charity Balance Sheet	27
Consolidated Statement of Cash Flows	28
Notes to the Financial Statements	29 - 55

SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 30 JUNE 2022

Trustees	C. Peter Judge MBE, Chair Prof Stuart Piertney Dr Paul Brickle Prof Richard Sanders Stuart Wallace Dr Teal Riley Tracy Satherley (appointed 11 November 2021)
Charity registered number	1173105
Registered office	Falkland House 14 Broadway, Westminster London SW1H 0BH
Principal office	Stanley Cottage North Ross Road Stanley FIQQ 1ZZ Falkland Islands
Independent auditor	Mazars LLP Chartered Accountants 90 Victoria Street Bristol BS1 6DP
Bankers	HSBC Bank Plc 38 High Street Exeter EX4 3LP
Solicitors	Bates Wells LLP 10 Queen Street Place London EC4R 1BE

**TRUSTEES' REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 July 2021 to 30 June 2022. The Trustees confirm that the annual report and the financial statements of the Group and the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the financial statements.

Objectives and activities**a. Objectives for 2021-2222**

The end of June 2022 was a milestone for SAERI. Not only did we celebrate 10 years of operation since inception as a Falkland Islands Government (FIG) department, but we also celebrated 5 full years of independent operation as a charity. With our approved strategy in full swing, and business planning gaining impetus, we set ourselves some audacious targets. With the finalisation of the overarching strategy, 5 Headline Categories were outlined with 5-year ambitions, and against which SAERI sets its annual business plan and thus key performance indicators. The aim is that over the term of the strategy, each year adds to the achievement of the 5-year goals. To this end, in the 2022 financial year, SAERI and SAERI (Falklands) Limited (SFL) set the following broad brushstrokes for each of the categories as follows:

1. Pathways to impact: A broader international reach and achievement of project targets, with two websites redesigned and launched to tell the SAERI story;
2. Science, Research & Quality Assurance (QA): Implementing SAERI's strategies and structures in science, broadening SAERI's science in the Falklands and abroad;
3. Size & Performance: Greater grant proposals, with streamlined internal processes, and a honed focus on our service delivery to FIG;
4. Business Plan & Reputation: to focus on refining communications and ensuring good governance at both Board and operational level; and
5. SFL: consolidate and review capabilities and strategise for expansion.

b. Policy review

The 2021-22 annual policy review saw the finalisation and sign-off by the Board of an internal Recharges policy, ensuring the parameters for recharges to the trading subsidiary as well as external partners is consistent and in line with Charity Commission requirements for arm's length transactions.

c. Achieving our objectives

The 2021-22 year progressed in the shadow of the COVID-19 pandemic, and fortunately the SAERI and SFL businesses continued to suffer minimal impact, with any issues centering around timing delays rather than any other material impact.

d. Objective 1 – Strengthen and diversify funding streams

A comprehensive set of ambitions were laid out at the beginning of the year, which have been largely achieved. Highlights of the achievements include:

SAERI continues to work on funded collaborations through One Ocean Hub (OOH) a United Kingdom Research and Innovation (UKRI) programme to work with the Namibia Nature Foundation (NNF) on Natural Capital Assessments (NCA). The marine NCA drew to a close on 30 June 2022 and we were awarded a further two years' worth of funding to extend the Ecosystem Services work in Tourism as well as Blue Carbon, taking us through to March 2024, extending our impact through the South Atlantic to the west coast of Africa.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Objectives and activities (continued)

Our Darwin Plus submission on Seal By-catch was successful, as was a smaller project addressing wildlife diseases, and we aim to start the projects in earnest early in our 2022-23 financial year, with support funding secured from FIG through the Environmental Studies budget who also are supporting our Darwin Plus Falkland Islands Climate Change project. Two international grants were achieved with the Paul Angell Family Foundation and we were also pleased to be part of a European consortium granted an award through the Horizon funding programme (SELINA). While the UK and EU governments realign their funding agreements, we were able to have our portion of the award underwritten by InnovateUK. This culminated in a slight delay to the project start from 1 July 2022. It is a 5-year project where we continue to work with partners known from the EU MOVE and MOVE-On projects in the Ecosystem Services area.

One of our main highlights we celebrated this financial year was to secure funding to work with Wilton Park on a Sub-Antarctic symposium where we brought together scientists from across our networks to further understand the gaps in science and/or facilities provision working in and around the sub-Antarctic.

We successfully secured funding for three PhD studentships which are scheduled to start in 2022-23: the life history and movement ecology of Flightless Steamer Ducks, the ecology of Imperial Shags, and lastly, a research initiative which examines Zooplankton dynamics inshore and investigates important links to the fishery and shelf ecosystem. Our Peer Reviewed publications reached 18, with highlight publications including papers in the Proceedings of the Royal Society B, Ecological Applications and Science Advances.

Lastly, we finalised the establishment of our International Advisory Committee as a sub-committee of the Board, with full Terms of Reference and look forward to the finalisation of our International Strategy in the forthcoming financial year.

In SFL, we successfully assisted Royal Haskoning with contributions to a large feasibility study for the Port Development in the Falkland Islands and delivered on the Receptor Sensitivity Assessment commissioned by the Turks and Caicos Government (TCIG). We also undertook a number of other discrete local projects.

e. Objective 2 – Science, Research and Quality Assurance

This year saw us achieve the milestone of establishing a fully-functional Science Advisory Committee. A sub-committee of the Board and with agreed Terms of Reference, we aim to complete our Science Strategy in the 2022-23 financial year.

With a view to continuing and increasing our presence in the Overseas Territories, we signed MoUs with both TCIG and St Helena government (SHG), had staff embedded in each territory for projects, particularly important for St Helena and our relationship with both the government and the St Helena Research Institute, one of our partner initiatives. We also achieved projects with other partner organisations, through the Mid-Atlantic Environmental Research Institute (MAERI), the Namibia Nature Foundation (NNF) and Austral Earth Observation Alliance (AEOA).

Our projects continue to achieve great results, with the Wetlands project and the Turks and Caicos Marine Spatial Planning project – both Darwin Plus projects and both ending in this year – with the TCI project achieving an A, and the Wetlands project achieving an A+ in review. Our EU MOVE project was extended to finish in September 2021, and the project as a whole is then being audited by the EU.

This year saw us initiate a strategic review of our Data Centre, with the aim of continuing to provide a suite of comprehensive services – some of them new – to the Falkland Islands Government, as well as looking to diversify income streams for both SAERI and SFL by increasing our offering. We hope to finalise this in the forthcoming year.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Objectives and activities (continued)**f. Objective 3 - Size & Performance**

We continued a high level of grant proposal submissions this year, in the face of increasing competition for fewer funds. Although slightly lower than targeted, we achieved a 50% success rate on our applications which is nevertheless an admirable achievement given the circumstances, and a level which keeps us focused going forward for improved success rates.

We also embarked on strategic income diversification strategy which will, once finalised, examine possibilities for both SAERI and SFL to apply their specialisations outside their normal suite of scientific and consulting offering to date.

g. Objective 4 - Business Plan & Reputation

After the Science Demand Survey in the previous financial year, conversations were initiated with FIG around the development of a dedicated Science Facility, and this remains work in progress – it is a big vision with many stakeholders to consult. We also embarked on an internal structural review so that, after 5 years, we can be sure our structure remains fit for purpose and is aligned to the delivery of our strategy. This will be refined and presented to the Board if any improvements are identified.

With some windfall discrete grants coming through later in the financial year, and with some lucrative projects in SFL, we exceeded our budget by around £20,000, bolstering our working capital. Further strategic work initiated in this financial year include a Funding and Donor strategy and a Reserves Policy which we aim to complete in the forthcoming financial year.

Our governance remained strong, with both organisations fully compliant and we celebrated another unqualified audit. We finalised and subsequently embarked on the implementation of our communications strategy, and next year should see the engagement of local (Falkland Islands) and international Public Relations specialists to further tell the SAERI story. We have successfully streamlined our communications tools and our dedicated Communications Officer has worked hard at our social media presence, which is paying off with 3067 followers on Twitter with a 15% increase in the year by way of example.

h. Objective 5 - SAERI (Falklands) Limited (SFL) (SFL)

SFL had a bumper year with revenues increased by 25%, largely due to the two large contracts fulfilled, one for a Receptor Sensitivity Analysis undertaken in the Turks and Caicos Islands and inputting into an FIG project to understand the feasibility of building a new port facility to replace the current structure. The former will lead to further work to be confirmed, and the latter was set of discrete deliverables that fed into a broader and bigger project, to be accepted or rejected in the next financial year. This year has seen a year of focus on deliverables, with the project pipeline settling later in the next financial year.

The SFL strategy has seen a great deal of progress, and this piece of work carries through to next year, and the new website has been designed and is almost complete for launch.

i. Strategies and Activities for achieving our objectives

The Annual Business Planning cycle commenced in earnest this financial year and enabled us to hone our activities against the Headline Categories. SAERI continues to provide scientific research and academic support from the Falkland Islands, and our strategy (and as a result our Annual Plan) sets ambitious goals against which the annual delivery of specific tasks will cascade up to achieving these 5-year goals. SFL continues to provide core funding to SAERI through gifting profits and through the use of services from SAERI to provide specialist inputs into SFL projects – all at arm's length: this provides comfort to the Board and the Executive that there is stable unrestricted funding, and also allows for the cross-fertilisation of our science outcomes into application, in real time, beyond academia.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Objectives and activities (continued)**j. Main activities undertaken to further the charity's purposes for the public benefit**

Through its scientific and academic programme, SAERI remains committed to fulfilling its objects in education and research, environmental protection or improvement, and the promotion of sustainable development through these means. Our impressive portfolio of grants (and projects) in SFL supporting the Institute's charitable objects is testament to funders' belief in our ability to deliver expertly, not only for public benefit but for the benefit of the environment in the mission of informing global stewardship. In doing so, SAERI also supports academic research through its PhD programme. As part of this remit, this year we finalised our Fellowship programme, and implemented a Masters working group to connect science students throughout the territories in which we operate, and beyond.

The Board completed its governance review, with the Effectiveness review identifying certain skills gaps, one of which we filled with a new Trustee as honorary Treasurer, filling a much-needed space to advise on finance and audit.

Achievements and performance**a. Academic performance**

This year, SAERI's academic and research base consisted of 5 PhD students and 2 Masters projects. We also published 18 peer-reviewed papers in high impact publications.

Our PhD students**Amy Guest**

Sub-tidal Ecology of the Falkland Islands, with a Biogeographical Comparison between the Straits of Magellan and the Beagle Channel. University of Aberdeen, University of Magallanes, University of Chile and SAERI

This PhD examines the community dynamics in temporal and spatial scales around the shallow subtidal around the Falkland Islands. This bathymetric space has been missed with the intertidal and subtidal (<5m) receiving greater sampling effort. In addition, the project examines the role of the Last Glacial Maximum (LGM) or last ice age on the biodiversity patterns in this depth range in the Falkland Islands and southern South America. Amy will also examine the contemporary and paleo population connectivity in two model marine invertebrates to help identify the role of Pleistocene glaciations in forging population structure.

One of her chapters examines the impact of peat erosion on Islands in King George Bay, West Falkland. Initial investigations, from a survey in February 2022, concluded that significant amounts of peat enter the intertidal and shallow subtidal especially around the northern parts of Hummock Island. From initial analyses fewer 'less mobile' species are seen in areas of high peat cover and fewer filter feeding animals were evident compared to control sites at Middle Island. This has important implications to managing coastal erosion around the Falkland Islands.

As part of her doctoral training, Amy spent a month in the Natural History Museum, London learning genetic techniques essential for her PhD.

Amanda Kuepfer

Provide an improved understanding of the complex seabird-fishery relationships in the Falkland Islands and across the wider Patagonian Shelf. University of Exeter, ISPA Instituto Universitário, Falkland Islands Government and SAERI

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Objectives and activities (continued)

This Project aims to provide an improved understanding of the complex seabird-fishery relationship in the Falkland Islands and across the wider Patagonian Shelf. Increase in the world's most important black-browed albatross population has been speculated to be partly the result of easy feeding opportunities created by discards from trawl fisheries. However, scientific evidence of this relationship remains limited.

This project has produced excellent results and in the year under review Amanda and co-authors had their work polished in the scientific Journal Biological Conservation. This work reports on an experiment to test whether strategic discard management results in reduced seabird contact and mortality in association with fishing gear. This work has had direct impact in seabird conservation in the South Atlantic.

Amanda's other research areas include examining black browed albatross diet in chicks using a time series as well as the examination of adults feeding chicks with trawl fishing discards. Amanda is also using data derived from satellite tags deployed on adult birds feeding chicks to understand the role of discards and natural prey over this period.

Elyse Parker

Investigating the drivers of diversification in a non-Antarctic notothenioid radiation. Yale University and SAERI

This group is found mainly in Antarctic and sub-antarctic waters, with some species ranging north to southern Australia and southern South America. Notothenioids constitute approximately 90% of the fish biomass in the continental shelf waters surrounding Antarctica and the sub-Antarctic.

One of the most speciose, the *Patagonotothen* spp., occurs north of the Polar Front in South American Patagonian waters. Given their high species richness and recent evolutionary origin (3-6 Ma), *Patagonotothen* is considered a rapid evolutionary radiation nested within the larger notothenioid adaptive radiation, but the drivers of diversification in this clade remain unclear. Elyse's objectives include 1) the use of molecular and morphological data to determine species boundaries and to work out evolutionary relationships amongst *Patagonotothen*. 2) To integrate data on phylogeny, phenotype, and ecology in order to characterize evolutionary dynamics of trait disparity within the radiation. Elyse has had a great year making significant progress on her PhD.

Katy Ross

Sheep vs Sealions – Quantifying the human impacts on greenhouse gas emissions and carbon stock of Falkland Island peatlands – University of Leicester, Natural History Museum, Centre of Ecology & Hydrology and SAERI

The proportional extent of peat on the Falkland Islands rivals that of any other country. However, no direct measurements of greenhouse gas emissions from Falkland peat has been published; therefore, it is unknown whether these peatlands continue to sequester carbon or are now net sources of emissions. Katy is quantifying greenhouse gas emissions (GHG) from FI peat habitats and determining the influence of land use on GHG fluxes. She is investigating the underlying drivers of these emissions through organic geochemical analysis and microbiological techniques before upscaling findings to the wider Falklands landscape.

Joanna Zanker

Variability in circulation and exchange in Cumberland Bay, South Georgia. University of Southampton, British Antarctic Survey and SAERI

The overall aim of the project is to investigate the drivers of variability in fjord water circulation, and the biological and physical consequences in a changing climate, using Cumberland Bay, South Georgia. Cumberland Bay was chosen as a study area for two reasons. Firstly, the glaciers that terminate at the head of each arm have shown markedly different rates of retreat over the past century, aiding a strong comparative study of ocean forcing on glacier dynamics. Secondly, Cumberland Bay is an important spawning area for commercially fished mackerel icefish, which have seen significant reduction in annual catch in recent years. A high-resolution numerical model is developed using the Nucleus for European Modelling of the Ocean (NEMO) framework, and important forcing factors contributing to the circulation regime and the transport of heat to the glacier termini, such as winds and freshwater runoff, are assessed.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

An Individual Based Model (IBM) will then be used with the modelled flow fields to examine variability in retention of mackerel icefish larvae in the bay.

Some of the highlights this year include a cruise to South Georgia to collect oceanographic data for her project. The cruise was organised by SAERI and SMSG and was part of the DPLUS122 grant on South Georgia seaweeds named '*Operation Himantothallus*'.

Tom Busbridge

Understanding the decline and recovery of one of the South Atlantic's largest fisheries (southern blue whiting) – University of Aberdeen and SAERI

Southern blue whiting (*Micromesistius australis*) is a pelagic schooling fish which can be found around the southern tip of South America (Patagonia) and in New Zealand waters. The Patagonian population has been commercially exploited since the 1970s with record landings of 258,000 tonnes in 1983 in the South Atlantic.

Following decades of continuous exploitation, the fishery collapsed between 2004 and 2007. A seasonally closed area was introduced in 2010 to alleviate fishing pressure from the spawning grounds.

Tom's work thus far has resulted in a paper examining otolith microstructure and elemental fingerprints to elucidate the early life history of southern blue whiting and this work was published in the peer reviewed journal *Fisheries Research*. In addition, Tom has examined the demography of spawning stocks of southern blue whiting during different periods of exploitation on the Patagonian Shelf. For Tom's final research chapter he examined the fishing dynamics and their cumulative impact on the spawning stock of southern blue whiting using cohort hotspot analyses.

Our Masters Students**Oshin Whyte**

Investigating the Coastal Cultural Values of the Turks and Caicos Islands (TCI). University of Kent and SAERI.

The Turks and Caicos Islands have a rich culture that revolves around the ocean and coastal areas from salt raking in the late 1600s to the explosion of a tourism industry that markets sun, sand, and sea and welcomes over a million tourists annually. Currently, there is little in literature around cultural values pertinent to marine and spatial planning. The aims of this project were to determine the cultural value places on coastal and marine areas by the people of the TCI and explore the range of values that are present that can feed into a marine spatial planning process. Oshin did an excellent job in determining the coastal areas that have cultural value and she also mapped the range of coastal values present.

We have a number of other students working with SAERI and they are key to our science. Our students also go off into their careers as future collaborators and ambassadors for the organisation. Our three new PhDs will be joining us in the next financial year.

Blessing Kachidza

Multi temporal analysis of soil erosion and habitat restoration

Blessing is currently doing a research project that will assess soil erosion in the Falkland Islands. He is modelling soil erosion rates over a period of 15 years (2001 – 2016) in the Falkland Islands using a combination of medium and high-resolution satellite imagery and other ancillary data. The research considers a mixture of protected and farmed areas with different land management systems and stocking densities. Links to habitat are being made through the broad scale habitat maps from SAERI's Coastal Mapping project.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

Achievements and performance (continued)

International Partnerships

SAERI continues to build and develop our international partnerships, while consolidating existing ones. We have established Memorandums of Understanding (MoU's) with a number of partners that provide an umbrella for our collaborative working. Three of these MoUs provide a framework for our active engagement in supporting the development of sister institutes in other United Kingdom Overseas Territories (UKOTs) and in leading a South American alliance.

Austral Earth Observation Alliance (AEOA))

SAERI continues to provide the Chair and Secretarial roles for AEOA. AEOA partners are the Joint Nature Conservation Committee, the Universidad de Magallanes (UMAG); Universidad Santo Tomás (Santiago), Universidad de Chile and the University of Dundee. The AEOA partnership which meets at least twice a year and hosts an annual symposium. This year planning is underway for the next online Symposium to which will be held in October 2022.

St Helena Research Institute (SHRI)

SAERI works closely with SHRI and sits as an advisory member on the SHRI Council. In addition, the MOVE ON spatial data analyst spends one day every two weeks in SHRI offices, providing technical advice and sharing ideas. SHRI was a core stakeholder in the MOVE-ON project workshops.

Mid-Atlantic Environmental Research Institute (MAERI)

SAERI works closely with MAERI partners (the Anguillian Department of Natural Resources, The Anguilla Community College and the Joint Nature Conservation Committee) to progress the development of the Institute and this year co-ordinated a partner workshop to map out the future of the Institute.

International events and conferences

In August 2021, SAERI gave a presentation at the IUCN World Parks Congress focussing on the Best 2.0 projects in the South Atlantic, which had drawn to a close. SAERI played the role of the Regional Coordinator for the South Atlantic under this EU funding programme. In October, we presented at the Friends of St. Helena Annual General Meeting in London, highlighting SAERI's work on the island, with a particular focus on current activities under the MOVE ON Project.

In November 2021, SAERI was honoured to be invited to join a panel of UKOT and UK government ministers at the UNFCCC side event on Climate change in UKOTs. SAERI's intervention focussed on climate change in the UKOTs, and recognised the leadership that is being provided by the UKOTs. SAERI underwater video footage also formed a part of the UKOT Climate Change video that was launched at the event.

Also in November, SAERI attended (remotely) the 2-day Blue Belt workshop that was held in the Turks and Caicos Islands providing an overview of previous project to provide a bridge into the new programme of work being developed by Blue Belt.

In December, SAERI was pleased to attend (remotely) the book launch of the invertebrates of St. Helena, a comprehensive overview of all known invertebrates on the island and to also present potential PhD and placement opportunities at the London National Environmental Research Council (NERC) Doctoral Training Programme (DTP).

Local partnerships

We continue to work closely with our Government and industry partners in the Falkland Islands. Collaboration remains key to how we operate – it is one of the building blocks for our future research. We provide logistics support and advice to researchers wanting to operate in and around the South Atlantic - we

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Achievements and performance (continued)

continue to do this very well. We operate in challenging environments, and we ensure our staff and collaborators conduct their science safely and cost-effectively.

Key financial performance indicators

Improved recoveries from projects, SAERI (Falklands) Limited and additional windfall projects meant we ended the year better than we had already anticipated. Our measurements include a minimum of a break-even annual budget, improvements in cash balance in unrestricted funds over the previous year, improved recharges and income from SFL as well as minimal change requests to donors throughout the financial year. We achieved these indicators without exception.

Review of activities

With such a successful previous year, SAERI entered a year of intense delivery against ambitious targets, managed with ease and alacrity. Our team performed particularly well and continued to deliver world-class project outputs. Below is an overview of the achievements we celebrated.

Cross-cutting data solutions

SAERI's Data Centre uses a solutions-based approach to provide GIS and data management solutions in both the Falkland Islands and abroad, expanding its suite of services to include new data services and tools which aim to enhance the work of data users on the islands. Not only does the Centre support SAERI's research projects in the Falklands and abroad, FIG and work with visiting researchers to the Falklands, it also provides intrinsic support to SFL, providing data collection and analysis services to its commercial projects, at arm's length. The Data Centre has been instrumental in changing the way citizens and spatial data users are able to access, view and use data as part of their decision-making.

Data Centre - Falklands operation

This year's focus in the Falkland Islands has been around data management and data access for the Falkland Islands Government (FIG) - from high-resolution base maps, to building databases from scratch. Within SAERI, the Data Manager provides GIS support across our projects as well as working closely with FIG on research permitting, ensuring the conditions of the permit are fulfilled by appropriately capturing, storing and making the data available to all.

Data Centre - International operations

SAERI continues to develop its international portfolio of work, with projects and partnerships in the South Atlantic as well as internationally, and remains committed to the regions by the continued development of proposals and initiatives in the South Atlantic, the Caribbean, South America and Southern Africa.

Our projects and partnerships sections show the breadth and depth of this work, and we are particularly proud of being able to undertake research and share our skills and expertise globally from the Falkland Islands. To support the international portfolio of work, the International Advisory Committee held its first meeting during the period. The Committee will advise, guide and potentially create international opportunities for SAERI and advise on an international strategy.

Research projects**Developing Marine Spatial Planning (MSP) tools for Turks and Caicos Islands (D+094)4)**

SAERI successfully completed this project in October 2021 after 2.5 years. The territory-to-territory partnership between the Falkland Islands and the TCIG shared methodologies across islands which in turn led to the development of core tools that provide the foundation for Marine Spatial Planning (MSP) in the TCI. The principal successes of the project included the launch of a Data Portal and ebGIS, accessible via

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Achievements and performance (continued)

the TCIG website which provide holistic overviews of all marine data available for the islands. The Data portal hosts over 70 datasets and is accompanied by a series of user manuals. Training for Data Portal and ebGIS users was delivered to around 30 participants and was well received.

A workshop on 'developing methodologies for modelling/analysis to identify ecologically important areas for marine spatial planning in the TCI' was well attended with 37 participants over 4 mornings. We were also pleased to be able to provide funding for Oshin Whyte, a Masters student from the Turks and Caicos Islands to undertake her studies into the cultural value of the marine ecosystems in TCI. SAERI continues to provide ad hoc technical support for post-project sustainability.

Understanding increased seal bycatch to inform bycatch Action Plan (D+ 168)

This SAERI project is a collaborative research project funded by Defra through the Darwin Initiative and partnering with FIG and the Falkland Islands Fishing Companies Association (FIFCA) and developed to better understand factors leading to an increase in Falkland Islands seal-fishery interactions and quantify seal-fishery overlap using a range of methods – from net cameras to predictive modelling. Ultimately, the project will produce recommendations and guidance which will help align current long-term management objectives and actions into action plans supporting Fisheries and Oceans Governance. The project will commence in the 2022-23 austral summer.

Tracking the at-sea movements of Falkland Islands seabirds and seals (D+ 139)

This project commenced in earnest in 2021. With the continued focus in the Falklands on the establishment of Marine Managed Areas, ongoing marine conservation and ecosystem-based management, SAERI is contributing to these crucial conversations by collecting, collating and analysing tracking data from the largest colonies of local seabirds and seals, collected via state-of-the-art GPS tags. The outputs of this data collection will allow researchers and decision-makers to better understand fluctuations in numbers which could impact their global conservation status as well as how individuals, colonies and populations use our coastal waters, so that we can disentangle and address potential threats to the populations, thereby improving evidence-based marine management through improved quality and quantity of data available.

In its first austral summer field season – September 2021 thru March 2022 – 99 seabirds from three species (black-browed albatross, rockhopper penguins and thin-billed prions) across two sites (Bird Island and Steeple Jason Island) were successfully tracked and revealed a large area of the proposed inshore Falkland Islands Marine Managed Area was important to seabirds. Additional fieldwork is planned in 2022/23.

The project is funded by Defra through the Darwin Plus initiative, the Falkland Islands Government Environmental Studies budget, the Paul Angell Family Foundation and Winifred Violet Scott Trust, the latter of which specifically support Imperial Shag and fur seal tracking elements of the project.

Climate change resilience in Falkland Islands Fisheries and Marine Ecosystems (D+148)8)

The Falkland Islands' economy is heavily reliant on its marine environment particularly fisheries, but also tourism, shipping, and hydrocarbons. Indeed, Falklands coastal landscapes and marine seascapes are central to its economic success. The introduction of a fisheries conservation zone (FCZ) and fisheries management regime in 1986 transformed the economy from what was previously a solely agro-economy to one with more diverse sources of income and highly reliant on its fisheries income. The fishery today is unusual in that two species of squid account for 75% of catches. This makes the Falklands economy a downstream susceptible party to climate change.

FIG is actively working toward the long-term sustainability of the fishery and marine environment. Important to this project are the aims of sustainable catches of commercial target species as well as reduction of harmful impacts on bycatch species while maintaining ecosystem function. Until now, the Falklands has not undertaken an assessment of the impacts that climate change will have on its fisheries and marine ecosystems and is therefore unable to mainstream climate change adaptation into Fisheries and Oceans Governance.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Achievements and performance (continued)

SAERI aims to address these issues through this groundbreaking project funded by Defra through the Darwin Initiative, generating baseline data to better understand key inshore species that support fisheries and ecosystems, conducting physiological experiments on key species to understand the winners and losers, as well as explore Climate Change Adaptation interventions which could inform decisions on whether to mainstream Climate Change Adaptation and an Ecosystem Approach to Fisheries (EAF) into sustainable fisheries, conservation of marine ecosystems, governance and policy. The FIG contributes an annual contribution to this project through their Environmental Studies Budget.

Conserving tropical marine ecosystems in TCI through science-based fisheries management (D+ 153)53)

Awarded in May 2021 but starting in earnest in July 2021, this project is based in the Turks and Caicos Islands and partners closely with the TCIG over two and a half years. The balance between sustainable tropical marine ecosystems and Sustainable Small-scale Fisheries is delicate, the latter requiring robust evidence-based management, which in TCI is impeded by insufficient fish landings and life history data for stock assessments. SAERI has embedded a senior project manager within the TCIG with the aim of, together, building fishers' capacity for participation in fisheries management, centralising landing sites, training government staff in landing and biological data collection and management and conducting stock assessments using data collected. Through funding from the project, SAERI aims to contribute equipment for the new government Fisheries Laboratory.

In its first year of activities, data collection training was delivered to staff on two main sites, a project manager/scientist and project officer were appointed, the latter post created within the TCIG to support the ultimate sustainability of the initiative. There is regular engagement with fishermen and stakeholders across the islands and collection of biological samples. Importantly, SAERI has spearheaded within government a nationwide stakeholder consultation promoting outreach and exposure for the project and its aims, gained important ecological knowledge about the fishery and obtained feedback regarding how best to address the centralisation of landing sites and promotion of data collection opportunities.

SAERI is pleased to be working closely with departments of the TCIG, namely the Department of Environment and Coastal Resources (DECR) with project staff based in the DECR's offices in Providenciales, and the Department of Fisheries and Marine Resource Management (FMRM). Both departments provide crucial support for project implementation and are pivotal to its success.

Falklands wetlands and aquatic habitats: baselines for monitoring future change (D+116)

This Defra-funded Darwin Plus project ended in March 2022 after 18 months of a literature review which informed a programme of intense fieldwork collecting data to inform the project outputs. The project aimed to investigate the Falklands wetlands in light of historic land changes driven by human activities including the introduction of grazing animals c. 250 years ago, and their subsequent impacts. Although limited past research suggests that water quality has remained fairly natural, some studies have shown evidence of human impacts, such as elevated nutrient concentrations in some ponds. Not only are the impacts of past human influence important but impacts climate change also present several threats to the Falklands wetlands. A predicted temperature rise without equivalent increases in rainfall could adversely affect freshwater availability, which in turn could lead to the loss of some habitats and their associated species. Changes in seasonal rainfall distribution and/or the volume of precipitation could similarly impact the wetlands. Increased storm frequency or severity is likely to change water quality and may impact natural drainage systems and wetlands. These impacts on aquatic biota can be identified and tracked into the future by regular monitoring of suitable indicators.

The project is now complete, and successfully identified gaps in baseline data, filled those gaps through an intensive field assessment of 81 inland aquatic wetland within 11 representative regions distributed across the Falkland Islands and provided recommendations for a terrestrial Wetlands Action Plan. With measurable indicators defined, the project was also able to ensure that a long-term monitoring regime could be followed.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Achievements and performance (continued)**Vulnerable Marine Ecosystems (VME) project**

Through this collaborative project SAERI is working with the Falkland Islands Fisheries Department and Consolidated Fisheries Ltd to map vulnerable marine ecosystems distribution (VMEs) and assess the impact of the fishery on those VMEs. Highlights for 2021 include a dedicated research cruise undertaken aboard the longliner CFL Hunter. Using a specially adapted deep-water longline camera system SAERI was able to increase its knowledge of deep-sea species, habitats and VMEs occurring in the Falkland Islands Conservation Zones (FCZ), including sea pen meadows and cold-water coral reefs and gardens. The first broad coverage deep-sea habitat maps of the FCZ were also developed by delineating areas of similar environmental characteristics. The habitat map is used to inform the VME sampling strategy and the CFL Hunter research plan. To assess the vulnerability of the VME "sea pen meadows", sea pen tissue samples from different locations around the FCZ were sent to one of SAERI's collaborative partners at the University of Aberdeen. Genetic analysis of the tissue samples estimated connectivity between populations and understand how vulnerable a particular population may be.

Fur Seals Project

Identifying critical habitats of marine mammals and understanding how individuals overlap and interact with threats in space and time underpins coherent conservation and management. Juveniles are more likely to overlap with threats at-sea and are more vulnerable than other age-classes, given they are less experienced and range more widely. Juvenile survival also disproportionately influences population dynamics. However, the at-sea distribution of juveniles is largely unknown because most marine mammal tracking effort is focussed on adults. To address this knowledge gap, we deployed miniaturised biologging tags on seal pups to follow their movements during the first year of independent life. The first field season was completed in October 2021, and revealed some extraordinary pup dispersal movements – in particular pups venturing off the Patagonian Shelf, and as far as 1000 km to the east of the Falkland Islands. A second and final field season is planned for 2022-23. This work is funded by the Winifred Violet Scott fund and the data collected feeds into **"Tracking the at-sea movements of Falkland Islands seabirds and seals (D+ 139)"**.

Enhancing legacy and capacity for marine and coastal environmental co-ordination in the Falkland Islands through collaboration and partnership.

In recognition of the need for holistic marine management, the Falkland Islands started a process of Marine Spatial Planning (MSP) in 2014, which was followed by an Assessment of Fishing Closure Areas as Sites (AFCAS) for wider management of the Falkland Islands marine environment. The aim of the AFCAS process was to provide evidence-based recommendations for a network of marine protected areas. The AFCAS process focused on areas that are closed to fishing or subject to low fishing impact (termed marine wilderness areas in the literature), which have irreplaceable biodiversity and are ecologically representative, but presently do not have a legal framework for protection. The AFCAS study prioritised marine wilderness areas as potential Marine Managed Areas (MMAs). Given the next step is MMA designation, SAERI, with funding from the John Ellerman Foundation, secured the Marine and Coastal Programme Co-ordinator role – a 2.5 year post aimed to secure long-term capacity and sustainability in ocean conservation, management and research co-ordination by continuing to work with FIG and stakeholders, providing evidence to support the proposed MMAs.

A key highlight for this year was the completion of a comprehensive technical document which supported a public consultation on MMAs held in April and May 2022. The 250-page document covers four chapters including inshore biodiversity, offshore biodiversity, seabirds and marine mammals and potential economic impacts and considerations. The technical document represents a significant milestone for SAERI as it not only integrates recent SAERI blue carbon research undertaken as part of the project, but it also serves as a synthesis of research undertaken over the past 15 years, centralising and making this information available to support the proposed MMAs. This is significant because it ensures the proposed MMA designations are underpinned by good quality scientific data.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Achievements and performance (continued)**Sub-Antarctic connections and climate change symposium****Wilton Park**

Wilton Park is an executive agency of the UK Foreign, Commonwealth & Development Office (FCDO) providing a global forum for strategic discussion. The venue was the beautiful Wiston House and gardens. This is a 16th century country house situated in 6,000 exclusive acres of the South Downs National Park.

This SAERI-led symposium was a truly international meeting which brought together 61 delegates representing 10 countries with a mutual desire to identify research priorities and create a legacy of collaboration across the sub-Antarctic. The initiative was funded through the UK government through the Conflict, Stability and Security Fund (CSSF). The vision brought forward from the event was 'to create a blueprint for increasing efficient transnational research collaboration in the sub-Antarctic to support evidence-informed decision making for maximum policy impact.' The symposium concluded that a number of demonstration projects would be taken forward with a staged implementation programme.

Safeguarding South Georgia's Blue Belt: Marine Invasives Mitigation

Invasive species are among the leading threats to native wildlife with many of the world's threatened or endangered species at risk due to invasive species. The impacts of invasive non-native species (INNS) on our natural ecosystems and economy cost billions each year. Many of commercial, agricultural, and recreational activities depend on healthy native ecosystems and these species can threaten biodiversity, industry, health, and ecosystem function and can potentially invade new environments through a range of pathways and in the marine environment, these can be through ballast water, hull biofouling, and equipment contamination. Floating debris can also carry invasive species. International legislation and protocols are in force to mitigate ballast water contamination, yet the other major transport vector threats remain largely unmitigated.

South Georgia and the South Sandwich Islands are remote archipelago with high biodiversity and endemism, sitting just below the Polar Front, which has afforded it some degree of protection against historical introductions of INNS. In the area, no INNS have yet been recorded as established. However, the region increasingly acts as a gateway for vessel traffic into the wider sub-Antarctic & Antarctic. Both tourism and annual temperatures in these regions are rising.

The project analysed the threat of marine invasive species introduced through vessel traffic to South Georgia and the South Sandwich Islands, focussing on hull biofouling. Hull biofouling is the accumulation of microorganisms, plants, algae and animals on vessels below the waterline. The project also identified vessels and 'ports' of risk to inform research and monitoring and put forward a suite of recommendations to mitigate risk as well as lay the foundation for further research to provide further insights. This work was funded by the Government of South Georgia & South Sandwich Islands.

Partner projects**Technical assistance Programme for effective coastal-marine management in the Turks and Caicos Islands (D+119)19).**

SAERI partnered with JNCC on the Defra-funded Darwin Plus project, where JNCC led a technical assistance programme in the TCI with the aim of developing an enhanced evidence base to support status assessment and management programmes in coastal and marine environments.

Working with local communities, science professionals and decision-makers, the project aims to provide in-depth support and capacity-building in using information management, environmental indicators and environmental status assessments. New mapping tools will support decision making, maximising the use and value of existing data, and support the implementation of a new TCIG Environment Strategy.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Achievements and performance (continued)

SAERI has an advisory role in this project, ensuring that the work aligns with its two Darwin Plus projects in the TCI, which we discuss in this report. SAERI attends Project Management Group meetings and provides ad hoc advice and support throughout the year.

Biodiversity discovery and the future of South Georgia's seaweed habitats (D+122))

This Defra-funded Darwin Plus initiative is led by Dr Juliet Brodie from the Natural History Museum, and SAERI is a key local project partner. The project aims to fill knowledge gaps of inshore seaweed-dominated habitats in South Georgia through field expeditions to understand seaweed diversity and distribution. Project progress includes the main field expedition, which involved ecological surveys and specimen collections at South Georgia, enabling the distribution of key seaweed species to be determined.

Protecting South Georgia's terrestrial communities from climate change-invasion synergies (D+144))

This project funded by Defra through the Darwin Plus Initiative, is led by the University of Durham in collaboration with SAERI, British Antarctic Survey and Kew Gardens. South Georgia's unique terrestrial systems are vulnerable to invasion by non-native plants and insects that will benefit from climate change. The project's aims are to immediately generate data to inform conservation management. Specifically, this will be by 1) recording colonisation of recently de-glaciated areas by non-native species, 2) identifying 'winning' and 'losing' native and non-native plants under simulated warming, 3) mapping invasive carabid beetle and native invertebrate distribution and abundance, and 4) identifying high-risk potential future invaders from the Falkland Islands.

February / March 2022 saw the first field season on South Georgia delivered by a Post-Doctoral Research Assistant and a SAERI field specialist. The team surveyed areas adjacent to glacial retreat and collected seeds for climate change experiments back in the laboratory in Kew Gardens and Durham University which are well underway.

Red listing can protect OT marine biodiversity (D+146)

This Defra-funded Darwin Plus initiative was led by Dr Julie Sigwart from the Queens University Belfast. The project, which is now complete, focussed on marine molluscs, under-represented in conservation planning. Marine molluscs represent a diverse group with high commercial and ecological significance, but are little understood in terms of risk and conservation status.

The project incorporated climate stressors to the International Union for the Conservation of Nature (IUCN) global Red List assessments. Using marine molluscs as a case study, the project developed new Red List assessments for a set of species from three UK Overseas Territories (OTs) (Falkland Islands, South Georgia and the South Sandwich Islands (SGSSI), and the British Antarctic Territory). This project also included training for regional and other UKOT stakeholders to use Red List assessments to guide conservation action.

SAERI was a project partner and the project successfully completed assessments on numerous mollusc species.

SFL projects**MOVE ON: From Case Studies to Anchor Projects –Setting the ground to advance MAES in Europe's overseas Grant Agreement No. 07.027735/2019/808239/SUB/ENV.D2 May 2020 – October 2022**

The project is a consortium of 14 partners of which SFL is one. SFL is leading on an anchor project in the South Atlantic which will focus on bridging the gap between evidence and decision-making in St. Helena.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Achievements and performance (continued)

A spatial data analyst was recruited in March 2021, and spent a year on St. Helena working with the St. Helena Government (SHG) GIS team and other SHG portfolio holders. A large number of stakeholders were engaged in developing awareness and understanding around ecosystem services, and how the available data can be used in decision-making. A number of stakeholder engagement events were held, culminating in a wrap up event in March 2022. There was positive feedback from all stakeholders, and during the project period evidence was prepared for at least 5 policies. Draft project deliverables (a project report and a set of guidelines) for small islands were produced.

Financial review

In spite of continuing COVID-19 challenges SAERI and SFL have held out well and managed the moving targets of grant start-dates, application deadlines and general grant and project management.

SAERI continues to operate with its working capital, which is beginning to recover after the pandemic. Current grants require cash flow support at certain times of year, and this is the primary function of the working capital surpluses. The Board has approved a reserves policy in the 2023 financial year which outlines SAERI's approach to reserves.

Going Concern

This year, SAERI has diversified its granting and donor base by engaging with private foundations to support the work we do for the environment. We have had successful applications to two foundations and are actively engaged in developing grants with others which we hope to turn into funding opportunities which will continue into the future – building these relationships is key. These are positive and exciting times for SAERI as we begin another phase of growth in the Falkland Islands and internationally.

In addition, other ventures are also being investigated to provide regular and sustained income to the group through SFL, which has continued to add value by contributing to SAERI's core costs on a continued sustained basis.

Principal funding

Funding spend for SAERI was split between territories:

Falklands	64%
Caribbean	18%
South Atlantic Other	6%
Southern Africa	12%

And for the group thus, with a higher percentage of income in the Caribbean driven by the Turks and Caicos Receptor Sensitivity Analysis in the Caribbean:

Falklands	55%
Caribbean	27%
South Atlantic Other	8%
Southern Africa	10%

Income derived for SAERI from the following sources::

Falklands	32%
UK	65%
USA & Caribbean	2%
EU & Other	1%

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Achievements and performance (continued)

And the Group::

Falklands	27%
UK	52%
USA & Caribbean	17%
EU & Other	4%

The FIG subvention was 40% of unrestricted income, down 4% on previous year. This is largely driven by a business plan strategy and subsequent commitment to FIG to reduce the subvention from the government over time and the figure for unrestricted income includes the service agreement contribution by FIG to fund part of the Data Centre costs.

As all transactions between the entities must be at arm's length, this year saw the following value of goods and services from SAERI to SFL, which includes time resource charges, the charges for equipment owned by the charity and used for consulting purposes, as well as the SFL contribution to Group Insurance, the shared services fee per the Operating Agreement, and where SFL consultants use the SAERI office space, this is recharged.

Total to SAERI		2022 Actual
Time	(Staff)	95,286.27
Resource	(Equip't, insurance, cost of seat SFL, shared services fee)	11,947.35
Donation		45,000.00
		<u>152,233.62</u>
Reimbursements	Where SAERI has paid and SFL has reimbursed	27,067.69
	Total value of goods and services from SAERI	179,301.31

Structure, governance and management**a. Constitution**

South Atlantic Environmental Research Institute is a registered charity, number 1173105, and is constituted under a Trust deed.

The Charity's Objects remain:

1. The advancement of education and research;
2. The advancement of environmental protection or improvement; and
3. The promotion of sustainable development

and the Group is to ensure the continued arm's length relationship between the charity and its subsidiary so that the subsidiary can donate its profits to cover core costs of the charity, to progressively reduce the government support through its subvention.

b. Methods of appointment or election of Trustees

The management of the Charity and the Group is the responsibility of the Trustees who are elected and co-opted under the terms of the Charitable Incorporated Organisation. Nothing changed in this financial year.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Structure, governance and management (continued)**Policies adopted for the induction and training of Trustees**

The Board undertook a Board Effectiveness Survey, the results of which were disseminated amongst the Board Members. The outcomes will be used by the Chair and the Executive Director to inform future appointments, as well as informing specific areas of support for each Trustee.

Pay policy for senior staff

Senior staff at the Charity are remunerated according to the band commensurate with their title, position and experience. These are reviewed alongside and in line with all other staff members and there are no other differentiators or benefits offered to the senior staff. This year the senior leadership team declined the organisation-wide cost of living increase, which it is hoped will be rectified in the next financial year.

c. Organisational structure and decision-making policies

With the completion of the Science and International Committees, the Board will have better structure and information available to support decision-making. There have been no changes to the structure.

d. Risk management

Risk and governance are standing items at the quarterly Board meetings and as such Trustees continue to assess the major risks to which the Charity and the Group is exposed, in particular those related to the operations and finances of the Charity and the Group, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The Trustees consider the following most significant risks:

- Withdrawal and or decline in funding (e.g. changes in eligibility, reaction to global crises or political environment)
- Withdrawal of subvention from FIG
- Decreased commercial opportunities for SFL
- Decline in donations from SFL as a result of decreased commercial activity and or increased costs in the subsidiary
- A weakened Leadership team.

Plans for future periods**Future developments**

SAERI has taken on some interesting projects for development, with a view to diversification of income in the Falkland Islands. These are the sub-Antarctic Science Facility which has gained some traction in conversations with partners and preliminary steps have been made toward a business case. Although the Falklands is remote, it is perfectly placed as not only a destination but also a stepping-stone for those wishing to visit Antarctica for scientists not only visiting. In conjunction with local and overseas partners, initial discussions have been held for the beginnings of a commercial laboratory that will potentially provide a range of services to industry and the community. Other ventures are also being investigated to provide regular and sustained income to the group through SFL. In addition, SAERI has diversified its granting and donor base by engaging with private foundations to support the work we do for the environment. We have had successful applications to two foundations and are actively engaged in developing grants with others. These are positive and exciting times for SAERI as we begin another phase of growth in the Falkland Islands and internationally.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Plans for future periods (continued)

SAERI looks forward to the creating a new strategy for its data centre, with a view to further developing and growing the services available. Internationally the focus will be on consolidating and strengthening existing relationships and developing a hub in the Caribbean to further develop our portfolio of work in the region.



The strategy for the next financial year is one of growth. SAERI is now well established as a Charitable Incorporated Organisation with good governance and financial procedures. The next stage of growth will be to define and recruit for one senior scientist Focal Area leader, as well as to complete the Funding and Donor strategy. It is the Board's intention to seek fundraising expertise so that this process may be streamlined and properly informed. In addition, we aim to diversify the business opportunities in SFL in order to increase the unrestricted funding to the charity.

Information on fundraising practices

There has been no change to fundraising practices.

Funds held as custodian

SAERI has been custodian of funds for albatross research, which we administer on behalf of the researcher and manage on instruction due to the limitations of holding funds in the Falkland Islands when not a resident. These funds are from the Falkland Islands Government Environmental Studies Budget, which seeks to support environmental research in the Falkland Islands.

1 July 2021 – 31 June 2022 (date taken as first published online)

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales 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 Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Auditor

The auditor, Mazars LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 29 March 2023 and signed on their behalf by:



Peter Judge MBE
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE

Opinion

We have audited the financial statements of South Atlantic Environmental Research Institute and its subsidiary (the 'Group') for the year ended 30 June 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and the Charity's affairs as at 30 June 2022 and of the Group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity 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 the Group's and the Charity'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 Trustee's report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 20, the Trustees 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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE

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.

Based on our understanding of the Group and Charity and its activities, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, pensions regulation and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Charities' SORP and the Charities Act 2011.

In addition, we evaluated the Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut-off assertion).

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.


There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE

Use of the audit report

This report is made solely to the charity's members as a body in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustees 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 charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Bott (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
90 Victoria Street
Bristol
BS1 6DP

Date: 20 March 2023

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	3	131,204	627,943	759,147	680,258
Other trading activities	5	511,983	-	511,983	399,295
Other income	6	130,510	23,326	153,836	114,356
Total income		<u>773,697</u>	<u>651,269</u>	<u>1,424,966</u>	<u>1,193,909</u>
Expenditure on:					
Raising funds	4	463,243	-	463,243	343,513
Charitable activities	7	353,516	606,761	960,277	757,613
Total expenditure		<u>816,759</u>	<u>606,761</u>	<u>1,423,520</u>	<u>1,101,126</u>
Net (expenditure)/income		<u>(43,062)</u>	<u>44,508</u>	<u>1,446</u>	<u>92,783</u>
Transfers between funds	21	48,859	(48,859)	-	-
Net movement in funds		<u>5,797</u>	<u>(4,351)</u>	<u>1,446</u>	<u>92,783</u>
Reconciliation of funds:					
Total funds brought forward		146,218	223,019	369,237	276,454
Net movement in funds		5,797	(4,351)	1,446	92,783
Total funds carried forward		<u>152,015</u>	<u>218,668</u>	<u>370,683</u>	<u>369,237</u>

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 29 to 55 form part of these financial statements.

**CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2022**

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	14	537	537
Tangible assets	15	150,256	133,161
		<u>150,793</u>	<u>133,698</u>
Current assets			
Debtors	18	154,630	168,302
Cash at bank and in hand	25	309,334	262,716
		<u>463,964</u>	<u>431,018</u>
Creditors: amounts falling due within one year	19	(243,808)	(194,978)
Net current assets		<u>220,156</u>	<u>236,040</u>
Total assets less current liabilities		<u>370,949</u>	<u>369,738</u>
Provisions for liabilities	20	(266)	(501)
Total net assets		<u><u>370,683</u></u>	<u><u>369,237</u></u>
Charity funds			
Restricted funds	21	218,668	223,019
Unrestricted funds	21	152,015	146,218
Total funds		<u><u>370,683</u></u>	<u><u>369,237</u></u>

The financial statements were approved and authorised for issue by the Trustees on 29 March 2023 and signed on their behalf by:



Peter Judge MBE
Chairman

The notes on pages 29 to 55 form part of these financial statements.

SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE

**CHARITY BALANCE SHEET
AS AT 30 JUNE 2022**

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	14	537	537
Tangible assets	15	138,704	113,634
Investments	16	1	1
		<hr/>	<hr/>
		139,242	114,172
Current assets			
Debtors	18	138,105	68,965
Cash at bank and in hand		232,770	232,460
		<hr/>	<hr/>
		370,875	301,425
Creditors: amounts falling due within one year	19	(176,928)	(81,612)
		<hr/>	<hr/>
Net current assets		193,947	219,813
Total assets less current liabilities		<hr/>	<hr/>
		333,189	333,985
Total net assets		<hr/>	<hr/>
		333,189	333,985
		<hr/>	<hr/>
Charity funds			
Restricted funds	21	218,668	223,019
Unrestricted funds	21	114,521	110,966
		<hr/>	<hr/>
Total funds		333,189	333,985
		<hr/>	<hr/>

The financial statements were approved and authorised for issue by the Trustees on 29 March 2023 and signed on their behalf by:



Peter Judge MBE

Chairman

The notes on pages 29 to 55 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	24	107,702	113,747
		<hr/>	<hr/>
Cash flows from investing activities			
Purchase of tangible fixed assets		(61,084)	(99,368)
		<hr/>	<hr/>
Net cash used in investing activities		(61,084)	(99,368)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		46,618	14,379
Cash and cash equivalents at the beginning of the year		262,716	248,337
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	25, 26	309,334	262,716
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 29 to 55 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1. General information

South Atlantic Environmental Research Institute is a Charitable Incorporated Organisation, registered with the Charity Commission in England & Wales with a registered number 1173105 on 17 May 2017. Its registered office is Falkland House, 14 Broadway, Westminster, London, SW1H 0BH.

The financial statements are presented in Sterling which is the functional currency of the Group and are rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

No separate SOFA has been presented for the Charity alone. The income and expenditure account for the year for the Parent Charity, South Atlantic Environmental Research Institute, was a deficit of £794 (2021: surplus of £73,297).

South Atlantic Environmental Research Institute meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

2. Accounting policies (continued)

2.2 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' Report for more information about their contribution.

On receipt, donated 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.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

2.4 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 institution with whom the funds are deposited.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

2. Accounting policies (continued)

2.5 Intangible assets and amortisation

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

2.6 Tangible fixed assets and depreciation

All assets costing more than £200 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Consolidated Statement of Financial Activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery	- Plant 10 years straight line, hi-tech equipment 3 years straight line
Motor vehicles	- 10% reducing balance
Office equipment	- 2 years straight line
Computer equipment	- Computer equipment 4 years straight line, lab/research equipment 10 years straight line

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 Debtors

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

2. Accounting policies (continued)

2.9 Cash at bank and in hand

Cash at bank and 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.

2.10 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.11 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

2.12 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

3. Income from donations and legacies

	Un- restricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Donations	100,000	2,971	102,971
Grants	31,204	624,972	656,176
	<u>131,204</u>	<u>627,943</u>	<u>759,147</u>

	Un- restricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations	122,000	-	122,000
Grants	58,292	499,966	558,258
	<u>180,292</u>	<u>499,966</u>	<u>680,258</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

4. Trading activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Subsidiary trading income			
SAERI (Falklands) Limited income	511,983	-	511,983
Subsidiary trading expenses			
Staff costs	45,635	-	45,635
Staff training	907	-	907
Transport	29,184	-	29,184
Bank fees	555	-	555
Consulting	23,172	-	23,172
Direct expenses	3,394	-	3,394
General expenses	648	-	648
Travel and subsistence	34,185	-	34,185
Telephone and internet	169	-	169
IT software and consumables	256	-	256
Legal expenses	335	-	335
Subscriptions	508	-	508
Insurance	10,160	-	10,160
Corporation tax	1,552	-	1,552
Accountancy	1,703	-	1,703
Specialist consultants	175,645	-	175,645
Project delivery cost	123,895	-	123,895
Currency gains	3,356	-	3,356
Depreciation of tangible fixed assets	7,975	-	7,975
	<u>463,243</u>	<u>-</u>	<u>463,243</u>
Net income from trading activities	<u>48,740</u>	<u>-</u>	<u>48,740</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Subsidiary trading income			
SAERI (Falklands) Limited income	399,295	-	399,295
Subsidiary trading expenses			
Staff costs	55,859	-	55,859
Advertising & marketing	86	-	86
Transport	950	-	950
Bank fees	776	-	776
Direct expenses	575	-	575
General expenses	263	-	263
Printing and stationery	565	-	565
Postage, freight and courier	722	-	722
Legal expenses	1,147	-	1,147
Subscriptions	283	-	283
Insurance	6,738	-	6,738
Corporation tax	5,889	-	5,889
Accountancy	5,621	-	5,621
Specialist consultants	171,186	-	171,186
Project delivery cost	81,415	-	81,415
Depreciation of tangible fixed assets	11,438	-	11,438
	<u>343,513</u>	<u>-</u>	<u>343,513</u>
Net income from trading activities	<u>45,986</u>	<u>-</u>	<u>45,986</u>

5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £
Charity trading income - Domestic	<u>511,983</u>	<u>511,983</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

5. Income from other trading activities (continued)

Income from non charitable trading activities (continued)

	Unrestricted funds 2021 £	Total funds 2021 £
Charity trading income - Domestic	399,295	399,295
	<u>399,295</u>	<u>399,295</u>

6. Other incoming resources

	Un- restricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Recharges	83,228	-	83,228
Other income	47,282	23,326	70,608
	<u>130,510</u>	<u>23,326</u>	<u>153,836</u>

	Un- restricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Recharges	53,359	12,619	65,978
Other income	40,868	7,510	48,378
	<u>94,227</u>	<u>20,129</u>	<u>114,356</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

7. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Activities	525,812	434,465	960,277

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Activities	353,346	404,267	757,613

Analysis of direct costs

	Activities 2022 £	Total funds 2022 £
Staff costs	214,262	214,262
Direct expenses	10,241	10,241
Project delivery costs	233,477	233,477
Specialist consultants	15,632	15,632
Travel and subsistence	32,781	32,781
IT costs	2,709	2,709
Medical insurance and staff costs	16,710	16,710
	<u>525,812</u>	<u>525,812</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

7. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Activities 2021 £	Total funds 2021 £
Staff costs	186,554	186,554
Direct expenses	3,501	3,501
Project delivery costs	127,263	127,263
Specialist consultants	10,857	10,857
Travel and subsistence	11,346	11,346
IT costs	2,813	2,813
Medical insurance and other staff costs	10,989	10,989
Employment/recruitment costs	23	23
	<hr/> 353,346 <hr/>	<hr/> 353,346 <hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2022 £	Total funds 2022 £
Staff costs	285,014	285,014
Depreciation	35,181	35,181
Advertising & marketing	3,535	3,535
Bank fees	856	856
Cleaning	2,528	2,528
Consulting	14,717	14,717
Entertainment	13	13
General expenses	3,662	3,662
Insurance	33,554	33,554
IT costs	3,248	3,248
Other staff costs	4,334	4,334
Motor vehicle expenses	982	982
Postage, freight & courier	17	17
Printing & stationery	616	616
Realised currency (gain)/loss	1,722	1,722
Repairs	2,987	2,987
Staff training	120	120
Subscriptions	6,684	6,684
Telephone & internet	7,639	7,639
Travel - air transport	5,323	5,323
Utilities	4,201	4,201
Asset disposals	834	834
Governance costs (Note 8)	16,698	16,698
	<hr/> 434,465 <hr/>	<hr/> 434,465 <hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

7. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Activities 2021 £	Total funds 2021 £
Staff costs	267,373	267,373
Depreciation	49,248	49,248
Advertising & marketing	13,507	13,507
Bank fees	685	685
Cleaning	2,269	2,269
General expenses	3,481	3,481
Insurance	16,407	16,407
IT costs	3,213	3,213
Other staff costs	3,184	3,184
Motor vehicle expenses	1,744	1,744
Postage, freight & courier	797	797
Printing & stationery	713	713
Realised currency (gain)/loss	3,865	3,865
Repairs	1,149	1,149
Subscriptions	3,510	3,510
Telephone & internet	6,192	6,192
Travel - air transport	1,401	1,401
Utilities	5,244	5,244
Asset disposals	994	994
Governance costs (Note 8)	19,291	19,291
	<hr/> 404,267 <hr/>	<hr/> 404,267 <hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

8. Governance costs

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Auditors' remuneration	6,760	3,500	10,260
Auditors' non audit costs	6,178	-	6,178
Board expenses	260	-	260
	<hr/>	<hr/>	<hr/>
	13,198	3,500	16,698
	<hr/>	<hr/>	<hr/>
	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Auditors' remuneration	4,818	4,860	9,678
Auditors' non audit costs	9,462	-	9,462
Board expenses	151	-	151
	<hr/>	<hr/>	<hr/>
	14,431	4,860	19,291
	<hr/>	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

9. Analysis of Expenditure by expenditure type

	Staff costs 2022 £	Depreciation 2022 £	Other costs 2022 £	Total 2022 £
Costs of raising funds				
Expenditure on fundraising trading	-	7,975	455,268	463,243
Costs of raising funds	-	7,975	455,268	463,243
Charitable activities				
Direct costs	544,912	35,181	360,486	940,579
Expenditure on governance	-	-	19,698	19,698
Total 2022	544,912	35,181	380,184	960,277

	Staff costs 2021 £	Depreciation 2021 £	Other costs 2021 £	Total 2021 £
Costs of raising funds				
Expenditure on fundraising trading	-	11,438	332,075	343,513
Costs of raising funds	-	11,438	332,075	343,513
Charitable activities				
Direct costs	509,786	49,248	179,288	738,322
Expenditure on governance	-	-	19,291	19,291
Total 2021	509,786	49,248	198,579	757,613

10. Net income/(expenditure)

This is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	43,155	60,686
Auditor's remuneration - audit	10,260	9,768

11. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £10,260 (2021 - £9,768), and other accounting, payroll and VAT services of £6,201 (2021 - £9,462).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

12. Staff costs

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Wages and salaries	508,331	462,864	462,940	418,106
Social security costs	12,705	24,603	12,705	8,062
Contribution to defined contribution pension schemes	23,876	22,319	23,632	20,510
	<u>544,912</u>	<u>509,786</u>	<u>499,277</u>	<u>446,678</u>

The average number of persons employed by the Charity during the year was as follows:

	Group 2022 No.	Group 2021 No.
Employees	<u>14</u>	<u>12</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	1	1

The Board considers that the Trustees, the Executive Director, the Deputy Director – Business & Programmes, Teresa Bowers, the Deputy Director - Innovation, Tara Pelembe, the Deputy Director Science, and Dr Al Baylis, are the key management personnel of the charity. During the year, the total remuneration of key management personnel, including employers' pension contributions, amounted to £225,511 (2021: £225,511).

No Trustees were paid for their role as a Trustee. However Paul Brickley, a Trustee, is remunerated in his capacity as Executive Director (Note 28).

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 30 June 2022, no Trustee expenses have been incurred (2021 - £NIL).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

14. Intangible assets

Group and Charity

	Patents £
Cost	
At 1 July 2021	537
At 30 June 2022	<u>537</u>
Net book value	
At 30 June 2022	<u>537</u>
At 30 June 2021	<u>537</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

15. Tangible fixed assets

Group

	Plant and machinery £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 July 2021	90,732	32,500	3,349	105,103	231,684
Additions	10,050	-	-	51,034	61,084
Disposals	-	-	-	(1,540)	(1,540)
At 30 June 2022	100,782	32,500	3,349	154,597	291,228
Depreciation					
At 1 July 2021	54,698	4,630	2,691	36,504	98,523
Charge for the year	22,802	3,250	384	16,719	43,155
On disposals	-	-	-	(706)	(706)
At 30 June 2022	77,500	7,880	3,075	52,517	140,972
Net book value					
At 30 June 2022	23,282	24,620	274	102,080	150,256
At 30 June 2021	36,034	27,870	658	68,599	133,161

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

15. Tangible fixed assets (continued)

Charity

	Plant and machinery £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 July 2021	65,731	32,500	3,349	93,504	195,084
Additions	10,051	-	-	51,034	61,085
Disposals	-	-	-	(1,540)	(1,540)
At 30 June 2022	<u>75,782</u>	<u>32,500</u>	<u>3,349</u>	<u>142,998</u>	<u>254,629</u>
Depreciation					
At 1 July 2021	40,685	4,630	2,691	33,444	81,450
Charge for the year	17,726	3,250	384	13,821	35,181
On disposals	-	-	-	(706)	(706)
At 30 June 2022	<u>58,411</u>	<u>7,880</u>	<u>3,075</u>	<u>46,559</u>	<u>115,925</u>
Net book value					
At 30 June 2022	<u>17,371</u>	<u>24,620</u>	<u>274</u>	<u>96,439</u>	<u>138,704</u>
At 30 June 2021	<u>25,046</u>	<u>27,870</u>	<u>658</u>	<u>60,060</u>	<u>113,634</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

16. Fixed asset investments

	Investments in subsidiary companies £
Charity	
Cost or valuation	
At 1 July 2021	1
At 30 June 2022	<u>1</u>

17. Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Registered office or principal place of business	Principal activity	Class of shares
SAERI (Falklands) Limited	P O Box 609, Stanley Cottage North, Ross Road, Falkland Islands, Stanley, FIQQ 1ZZ	Environmental consultancy and support	Ordinary

Holding

100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Surplus for the year £	Net assets £
SAERI (Falklands) Limited	511,983	(509,741)	2,242	37,494

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

18. Debtors

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Due within one year				
Trade debtors	108,263	61,175	108,038	836
Other debtors	128	66	127	-
Prepayments and accrued income	46,239	107,061	29,940	68,129
	<u>154,630</u>	<u>168,302</u>	<u>138,105</u>	<u>68,965</u>

19. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Other loans	-	-	-	1,000
Trade creditors	124,177	18,268	115,873	17,485
Corporation tax	993	5,388	-	-
Other taxation and social security	1,621	5,711	1,621	5,711
Other creditors	2,639	4,725	2,639	4,725
Accruals and deferred income	114,378	160,886	56,795	52,691
	<u>243,808</u>	<u>194,978</u>	<u>176,928</u>	<u>81,612</u>
	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Deferred income at 1 July 2021	109,358	88,868	15,000	59,805
Movement in the year	(54,983)	20,490	4,848	(44,805)
	<u>54,375</u>	<u>109,358</u>	<u>19,848</u>	<u>15,000</u>

Deferred income comprises monies received in advance for projects, where the costs have not yet been incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

20. Deferred taxation**Group**

	2022 £	2021 £
Opening balance	501	-
Movement in year	(235)	501
Closing balance	<u>266</u>	<u>501</u>

Charity

The deferred tax liability is made up as follows:

	Group 2022 £	Group 2021 £
Accelerated capital allowances	(266)	(501)
	<u>(266)</u>	<u>(501)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

21. Statement of funds

Statement of funds - current year

	Balance at 1 July 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 30 June 2022 £
Unrestricted funds					
General Funds	110,966	261,714	(307,018)	48,859	114,521
SAERI (Falklands) Limited	35,252	511,983	(509,741)	-	37,494
	<u>146,218</u>	<u>773,697</u>	<u>(816,759)</u>	<u>48,859</u>	<u>152,015</u>
Restricted funds					
VME Post-Doc	25,482	62,815	(48,706)	783	40,374
GAP	20,808	-	(11,684)	-	9,124
MSP	1,170	6,800	(3,686)	-	4,284
Coastal Mapping	2,166	-	-	-	2,166
Fur Seals Tracking	17,283	-	(19,949)	14,814	12,148
TCI	14,128	42,045	(29,003)	(26,440)	730
MOVE	6	-	(18)	12	-
Paul Angell	-	14,802	(5,286)	(3,604)	5,912
Ellerman	26,599	11,084	(44,825)	8,853	1,711
D+144 Durham	-	21,990	(6,749)	(9,066)	6,175
GSGSSI Invasives	13,421	11,475	(21,623)	(3,273)	-
D+153 TCI Marine Management	-	128,819	(112,177)	213	16,855
D+148 CC Fisheries FI	-	137,183	(67,431)	17	69,769
D+139 Falkland Higher Predators	-	56,253	(34,076)	(11,211)	10,966
D+149 GSGSSI - Winter Krill	-	5,040	(4,200)	(840)	-
D+168 Seal Bycatch	-	-	(12,569)	-	(12,569)
OOH Strathclyde	-	79,755	(61,855)	-	17,900
D+ Wetlands	59,189	61,445	(87,653)	(3,000)	29,981
PhD Students	7,775	11,763	(15,490)	(906)	3,142
Consolidated other funds	34,992	-	(19,781)	(15,211)	-
	<u>223,019</u>	<u>651,269</u>	<u>(606,761)</u>	<u>(48,859)</u>	<u>218,668</u>
Total of funds	<u>369,237</u>	<u>1,424,966</u>	<u>(1,423,520)</u>	<u>-</u>	<u>370,683</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

21. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 July 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 30 June 2021 £
Unrestricted funds					
General Funds	52,641	274,519	(295,473)	79,279	110,966
SAERI (Falklands) Limited	15,766	399,295	(379,809)	-	35,252
	<u>68,407</u>	<u>673,814</u>	<u>(675,282)</u>	<u>79,279</u>	<u>146,218</u>
Restricted funds					
VME Post-Doc	380	56,612	(30,997)	(513)	25,482
GAP	37,971	-	(17,163)	-	20,808
MSP	3,050	-	(1,880)	-	1,170
Coastal Mapping	10,268	-	-	(8,102)	2,166
Montserrat	14,644	-	-	-	14,644
Fur Seals Tracking	6,017	37,054	(22,804)	(2,984)	17,283
D+ MMA	26,472	54,035	(48,590)	(12,550)	19,367
TCI	7,950	103,957	(100,337)	2,557	14,127
MOVE	11,719	-	(12,206)	493	6
Natural Capital Assessment	150	-	-	(1)	149
D+ Soil Mapping	18,961	19,633	(19,280)	(19,314)	-
Best 2.0	10,340	-	(6,037)	(4,000)	303
Discovery 100	31,083	-	(29,259)	(1,337)	487
PhD Students	2,042	17,168	(10,834)	(600)	7,776
JNCC TCI	27,000	-	(13,000)	(14,000)	-
Ellerman	-	38,751	(10,764)	(1,388)	26,599
C-19 Wildlife Diseases	-	28,750	(7,210)	(21,498)	42
GSGSSI	-	23,513	(10,830)	738	13,421
D+ Wetlands	-	140,622	(84,653)	3,220	59,189
	<u>208,047</u>	<u>520,095</u>	<u>(425,844)</u>	<u>(79,279)</u>	<u>223,019</u>
Total of funds	<u>276,454</u>	<u>1,193,909</u>	<u>(1,101,126)</u>	<u>-</u>	<u>369,237</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

22. Summary of funds

Summary of funds - current year

	Balance at 1 July 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 30 June 2022 £
General funds	146,218	773,697	(816,759)	48,859	152,015
Restricted funds	223,019	651,269	(606,761)	(48,859)	218,668
	<u>369,237</u>	<u>1,424,966</u>	<u>(1,423,520)</u>	<u>-</u>	<u>370,683</u>

Summary of funds - prior year

	Balance at 1 July 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 30 June 2021 £
General funds	68,407	673,814	(675,282)	79,279	146,218
Restricted funds	208,047	520,095	(425,844)	(79,279)	223,019
	<u>276,454</u>	<u>1,193,909</u>	<u>(1,101,126)</u>	<u>-</u>	<u>369,237</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	11,552	138,704	150,256
Intangible fixed assets	537	-	537
Current assets	207,072	256,892	463,964
Creditors due within one year	(66,880)	(176,928)	(243,808)
Provisions for liabilities and charges	(266)	-	(266)
Total 2022	152,015	218,668	370,683

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	19,527	113,634	133,161
Intangible fixed assets	537	-	537
Current assets	240,021	190,997	431,018
Creditors due within one year	(113,366)	(81,612)	(194,978)
Provisions for liabilities and charges	(501)	-	(501)
Total 2021	146,218	223,019	369,237

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

24. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2022 £	Group 2021 £
Net income for the year (as per Statement of Financial Activities)	1,446	92,783
Adjustments for:		
Depreciation charges	43,155	60,686
Loss on disposal of fixed assets	834	994
Decrease/(increase) in debtors	13,672	(90,945)
Increase in creditors	48,830	49,728
(Decrease)/increase in provisions (deferred tax)	(235)	501
Net cash provided by operating activities	107,702	113,747

25. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	309,334	262,716
Total cash and cash equivalents	309,334	262,716

26. Analysis of changes in net debt

	At 1 July 2021 £	Cash flows £	At 30 June 2022 £
Cash at bank and in hand	262,716	46,618	309,334
	262,716	46,618	309,334

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

27. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £23,876 (2021: £22,319). Contributions totalling £718 (2021: £983) were payable to the fund at the balance sheet date and are included in creditors.

28. Related party transactions

During the year trustee Dr Paul Brickle was paid £62,106 (2021: £62,106) for his role as Executive Director rather than for being a trustee.

No other trustees were paid any remuneration nor reimbursed any expenses during the year (2021: nil).