

FALKLANDS CONSERVATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Company Number: 03661322 (England and Wales)

Registered Charity Number: 1073859

FALKLANDS CONSERVATION

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FALKLANDS CONSERVATION

Report of The Trustees

The Trustees have pleasure in presenting their Annual Report together with the audited financial statements for the year ended 30 June 2019.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

In shaping our objectives and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit.

The company's objects and principal activities as set out in its Articles are to:

- a) to undertake scientific research in the wildlife and environment of the Falkland Islands and their surrounding seas and to publish the results of such research;
- b) to conserve the wildlife and environment of the Falkland Islands and its surrounding seas for the benefit of the public;
- c) to educate the public in the principles and practice of nature conservation;

The work we do reflects our mission to work in partnership with the local and international Falkland Islands community to conserve nature. This was achieved during the year through the work described below.

ACHIEVEMENTS AND PERFORMANCE

Highlights from 2018-19

- Helping shape the developing oil industry regulatory framework for the benefit of the natural environment, specifically through oil spill response, offsetting and funding structure advice.
- Undertaking ground breaking applied research on endangered sei whales to inform marine management.
Securing funding for new core roles to strengthen our community outreach and communications and marketing abilities.
- Improving our internal structures, procedures and strategic planning through a well-functioning Management Team.
- Developing our five new delivery strategies to help us achieve our vision and mission.
- Running a successful youth membership group for 20 years, which last year developed their own Islands plan and discussed it with decision makers for the first time.
- Successfully running the Government's seabird monitoring program into its 30th year.
- Actively supporting the start of landowners undertaking their own Private Protected Areas.
- Helped ensure over 4 hectares of tussac grass were planted last year.
- Undertaking our first visits and management planning for our own island land holdings.
- Funding and completing the rebuild and roll out of our new website including our webshop.
- Completing our fundraising for our new headquarters and Watch Group facility.

Education and outreach – the Watch Group

With support from **Standard Chartered Bank**, we maintained our programme of activities to build appreciation and understanding of wildlife for our Watch Group (our junior members). Their activities were recorded in the quarterly Rocky's News newsletter. This year, the group engaged the community about their own Watch Group Islands Action Plan including articles in Penguin News, an Infomercial at the new Cinema, and dialogue with the Islands' decision makers. Our work to incorporate an education centre for the Watch Group into our new building, continues. We contributed lessons and assemblies to the local schools and supported a work experience student. Our Small Grants Scheme supported: an information board at Elephant Beach Farm, a trip to Bleaker Island for the Girl Guides, improving a tussac plantation on Beaver Island, and a native plant area at Dunbar Farm. Our approach to communicate with volunteers and interested parties was enhanced, with a migration to a GDPR compliant system. We had a display at the Falkland Islands Farmers' Week Expo, held a talk about climate change and restoration, and took landowners out on research activities. We arranged volunteer weekends for planting native tussac grass, and took volunteers out on our sei whale survey in Berkeley and Falkland Sounds. We ran the National Clean Up Day, contributed to the Careers Fair, Ocean's Day, and held a number of public talks from visiting experts. Print and radio appearances were made. Our members received two issues of our magazine and newsletter.

Influencing, advising and engagement

We continued to provide environmental advice to government, industry and other stakeholders in the Falklands and abroad through the Falkland Islands Offshore Hydrocarbons Environmental Forum, the Seabird Bycatch Committee, the Environment Committee, the Forum for the Conservation of the Patagonian Sea, and ensured Falklands wildlife had a high profile at the UK's annual BirdFair.

FALKLANDS CONSERVATION

Report of The Trustees

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Strengthening Biosecurity policy and practice

We participated in the Biosecurity Horizon Scanning Workshop in the UK and in the Falklands. We worked closely with the Department of Agriculture and Biosecurity Officers to support their work. We worked with Island LandCare to carry out practical invasive control through thistle eradication visits to Saunders Island.

Ensuring leading practice in onshore and offshore development

We helped shape the developing oil industry regulatory framework, for the benefit of the environment. This included improving the islands preparedness to deal with an oiled wildlife event in the following two ways. Firstly by carrying out major improvements at the Seabird Rehabilitation Facility including a new roof and education boards for visiting school groups with funding from **BirdLife International**, **Royal Society for the Protection of Birds (RSPB)**, **Detroit Zoological Society (DZS)** and **Environmental Studies Budget (ESB)**. Secondly by hosting a workshop with *Aluká Consultoria em Soluções Ambientais* on oiled wildlife response planning.

Land management, habitat restoration and outreach

Our four main focus areas for terrestrial land management this year were: the final year of our three-year **John Ellerman Foundation** funded work focussed on supporting habitat restoration led by landowners, including youth education and tussac planting. We were also supported by **SpringCreek Conservation** to undertake multimedia promotion of planting efforts as well as provide opportunity for the Watch Group to get a greater understanding of habitat restoration through planting trips. This year saw another increase in the number of native planting trips with volunteers, including new trips to Head of the Bay Farm and the Neil Clark Nature Area at Port Howard Farm. With funding and support from the **RSPB** we were able to work with FIG to develop management plans for National Nature Reserves. The project enabled us to work with Port Howard Farm and the Fox Bay community to help develop new Nature Areas. Thanks to all farms across the Falklands for making this collaborative work possible. With support from **DZS**, we were able to monitor wildlife at our own island reserves in the west of the archipelago. Sites were in good condition, with fantastic wildlife (seabirds, fur seals and sea lions) and habitats (bluegrass and tussac). At sites previously cleared of rats, populations of smaller birds were responding positively.

Marine management

We had four main marine management focal areas this year. First a successful first season for our **Darwin Plus** funded project which furthers our work on the little understood sei whales and other baleen species within Falkland Sound and Berkeley Sound candidate Key Biodiversity Areas. Around 300 sightings were made of sei and southern right whales, tens of thousands of photo ID images were collected for future analysis. Two suction cup tags were recovered, informing us on how sei whales feed and underwater recording devices captured the first whale calls from Berkeley Sound. Secondly, this work was complemented by support from **RSPB** to employ a Marine Conservation Officer, to take forward findings on Key Biodiversity Areas, and to inform the broader Marine Spatial Planning process in the Islands. Thirdly, supported by **ESB**, we developed a Cetacean Shore Watch Observer programme to collect more information about sei whale visits, which was initiated by a training event for local volunteers. The Annual Seabird Monitoring Programme, also supported by **ESB**, continued into its 30th year. Overall, breeding numbers of gentoo and southern rockhopper penguins had not fully recovered since 2015, when a strong El Nino event affected their food supplies. Thus the current populations are probably now lower than 10 years ago, and a full archipelago census of these 2 species to confirm this is planned for 2020/21. The southern giant petrel population is stable at an island-wide scale, although population trends differ between local sites. Finally, **ESB** also supported a breeding population survey of black-browed albatrosses at 12 sites in October 2017. Over 3,000 photographic images were filtered and processed, resulting in more than 500,000 birds being counted. Initial results indicate good news - that black browed albatrosses have increased in numbers at all the sites since 2010. Thanks go to all staff, volunteers and landowners who helped with surveys and counts.

FALKLANDS CONSERVATION

Report of The Trustees

FINANCIAL REVIEW

Most of the charity's work consists of grant-aided projects with an agreed budget; the funding in each case counting as restricted as it cannot be used for any other purpose. Often, projects run over more than one financial year, but over the duration of a project, expenditure matches grant income. The funding for each project contains a percentage agreed with the donor which contributes to the charity's fixed overheads including building maintenance, office costs and core staff salaries which are otherwise funded from unrestricted funds. The results for the year are detailed in the financial statements that follow. It will be noted that, after adjustments, the unrestricted funds showed a deficit of £29,182 which is small in relation to the total unrestricted spend of £423,114. This deficit reflects an extremely busy year and is not considered a cause for concern. However, generating unrestricted income to cover fixed overheads continues to be a challenge in spite of the generous support of the Falkland Islands Government. Fundraising efforts such as the Charity Ball, donations and sales, together with membership and penguin adoption, ensured that essential costs were covered. The Trustees would like to place on record their thanks for the hard work of the management team, members and supporters for all these various fundraising activities.

Principal Funding Sources

Falklands Conservation has a diversity of funding partners that varies year to year based upon project interests. The Falkland Islands Government (FIG) provides us with an annual subvention, and this income contributes to our core organisational costs in the Falkland Islands and a number of ongoing projects. The subvention grant of £210,000 has given us the secure base from which to attract further £826,412 from elsewhere to bring the total income to £1,036,412. FIG also contributes the majority of funding for our annual seabird monitoring through its Environmental Studies Budget (ESB). Hence we are particularly grateful to FIG for their continued support.

Fundraising

We hosted 150 guests at our Charity Ball this year. A number of UK wildlife parks continued to display collection boxes for Falkland's wildlife. We continued to run our gift shop at Jubilee Villas in Stanley, and outsourced our products through local and international retailers and our webshop. Fundraising is a major preoccupation of the management team and is a constant challenge.

Investment Policy

The charity's foundation document states that the charity has the power to "invest any money which the Company does not immediately need in any investments, securities or properties." To that end, the charity has investment advisers, Quilter Cheviot Ltd, which manages a portfolio of assets. The charity is in close contact with the investment advisers who produce quarterly reports for the Board.

Reserves Policy

In line with best practice in the charity sector, it is the policy of the Trustees to maintain a reserve of unrestricted, undesignated funds to service cash flow requirements, to safeguard against potential fluctuations in revenue and to enable it to deal with an unexpected emergency or opportunity. This reserve should be sufficient to operate the charity for 6 months at the current rate of activity, about £210K. However, at the end of the year the unrestricted, undesignated reserve was £154K. The Trustees have a further £90K of designated funds readily available in the unlikely event of a sudden drop in income.

Risk Management

The Board considers the main risks facing the charity annually as well as measures taken to mitigate those risks. Among the main risks identified at present are the following:

- Over-reliance on particular sources of income. Efforts are continually made to diversify sources of income to avoid the difficulties which might arise if a key donor suddenly withheld support.
- Disaster through fire or flood at the main office in the Falkland Islands. Comprehensive insurance policies are in place against such an eventuality. IT systems are backed up and the backup copies held off site. Fire prevention arrangements are taken seriously and simple disaster recovery plans are in place.
- Injury or death of a member of staff or volunteer with the attendant reputational damage. A Health & Safety policy is in place which is reviewed by Trustees at least every 3 years. All members of staff and volunteers are regularly reminded of the need to work safely, particularly when working in remote areas.

Any safety-related incidents or personal injuries are carefully investigated and appropriate measures put in place to prevent a re-occurrence.

FALKLANDS CONSERVATION

Report of The Trustees

PLANS FOR THE FUTURE

We will continue working towards our vision of achieving a well-functioning natural environment managed by those living closest to it through our new Five-Year Plan and the goals and targets set out in our five new delivery strategies, which are: Operational, Fundraising, Community Outreach, Communications and Marketing and Conservation.

We will continue to improve our communications and marketing activities under the direction of our Communications and Marketing Officer, Michelle Winnard. With the oversight of our Administrative Team, Pamela Quilodrán Jelbes and Alicia Boyer we will ensure the offices and facilities, and the organisational financial management are working smoothly. To increase our abilities to work effectively with our Watch Group and the community, we will start work on our new FC Headquarters building. We will continue to benefit from strong governance with our committed Board of Trustees.

Under the direction of our new Community Outreach Officer, Michael Ford, we will continue our successful work with the Watch Group and our adult volunteer activities. Helen Marsh will continue as the voluntary Herbarium Curator maintaining the National Herbarium to increase knowledge of Falklands' species. Our Conservation Manager, Andy Stanworth, will continue managing our conservation team and leading our conservation activities. Our Conservation Officer, Sarah Crofts, will continue delivering our seabird focussed field-based work and our Habitats Officer, Frin Ross, will continue with habitat restoration. Our conservation priorities remain:

- Strengthening biosecurity and invasives policies procedures and management,
- ensuring best practice for onshore and offshore developments,
- terrestrial habitat restoration and
- enhanced marine management.

We will focus on the following organisational approaches:

- Encouraging environmental ambition and best practice with FIG and key stakeholders on practices that impact on the natural environment.
- Championing through our networks those taking positive action for nature.
- Building engagement and understanding of our members, particularly our Watch Group, and the local community, on key issues affecting the natural environment.

We have an exciting, and challenging year ahead of us, and much we want to achieve – none of which would be possible without the support of many organisations and agencies from around the world.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Falklands Conservation is a charitable company limited by guarantee (Company Number: 03661322), incorporated on 4 November 1998. The company took over the activities and assets of the Falkland Islands Foundation, a charitable trust founded in 1979 by Sir Peter Scott. The company was established under a Memorandum & Articles of Association. These were replaced in Dec 2016 by a new governing document which complies with recent changes in UK law.

Recruitment and Appointment of the Board

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Board of Trustees. The Board consists of not more than 10 elected members resident in the Falkland Islands and not more than nine elected members in the UK. It is responsible for the strategic direction and policy of the charity. Under the requirements of the Articles of Association one third of the number of places in each group of Trustees must be vacated at each Annual General Meeting. All are eligible for re-election.

Roger Splink continued as our Chairman based in the Falkland Islands, while Henry Robinson remained Vice-Chairman based in the UK. At the AGM in Stanley on 30 Nov 2018, the following Trustees were re-elected: Keith Biles (FI), Sally Blake (FI), Paul Brewin (FI), John Croxall (UK), Tym Marsh (UK).

Trustees have between them a variety of skills and experience in various fields including, for example: environmental and scientific expertise, in-depth knowledge of the Falkland Islands, charity finance and contacts with a variety of relevant stakeholders.

The Board's membership is reviewed periodically, with particular attention given to ensuring diversity of experience. All members are invited to nominate candidates for election.

FALKLANDS CONSERVATION

Report of The Trustees

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

The Board of Trustees meets quarterly by conference telephone link UK-Falkland Islands. The Chief Executive Officer and UK Director are in attendance at Board meetings, but do not vote. Two Sub-Committees report to the main Board of Trustees: a UK Committee and a Falkland Islands Committee. These groups meet quarterly and oversee the daily operations of the charity in their respective countries. All Trustees give their time freely and do not receive any remuneration. Details of expenses reimbursed to Trustees as permitted by the Articles of Association are set out at Note 6.

Trustee Induction and Training

All Trustees are well informed of the charity's mission, objectives, strategic priorities and the current conservation activities. An induction pack is provided for new Trustees which includes a role description, our strategic plan (2010-2019), our most recent financial statements and published accounts, and our Articles of Association. Information on governance and the annual work plan is distributed quarterly to Trustees.

Management

The key members of the management team are: the Chief Executive, the UK Director, the Conservation Manager and the Office Manager. The pay of the key management and the remaining staff salaries are reviewed and approved annually by the Board as part of the budgeting process. Account is taken of a number of factors, including salary levels in the local economy, changes to the cost of living and the need to recruit and retain suitable employees.

The members of staff who continued in their posts during the year were as follows: Dr Esther Bertram (Chief Executive Officer), Dr Andrew Stanworth (Conservation Manager), Sarah Crofts (Conservation Officer), Dr Katherine Ross (Habitats Officer), and Dr Caroline Weir (Cetaceans Project Officer). Peter Wessels (Marine Conservation Officer) joined us in March 2019. Farrah Peck (Office Manager) was replaced by Tracey Hellowell in February 2019, and Elizabeth Milston's (Community Engagement Manager) role, was restructured into new roles, with Mike Ford as (Community Outreach Officer) from August 2018 and Michelle Winnard (Communications and Marketing Officer) from January 2019. Michelle Winnard was previously our Administrative Officer and Pamela Quilodrán Jelbes returned to this role in April 2019. In the UK, David Spivack resigned as UK Director in June 2019 with Alicia Boyer joining us in the new role of UK Administrative Officer in June 2019. Helen Marsh very kindly continued to provide voluntary support as the Herbarium Curator, and Susan Thacker continued to provide voluntary administrative support to the UK office in Sandy until June 2019. With this group of people, together with the assistance of many dedicated volunteers both locally and overseas, we have had a successful year. We thank each and every one of them.

Members

We have over 500 members spread throughout the world and continued to expand our generous group of corporate supporters.

Premises

Our main office is at Jubilee Villas in Stanley, with a complementary office for our UK Administrative Officer, Alicia Boyer, at The RSPB Gatehouse in Sandy, Bedfordshire. We continued working towards our vision of a purpose-built headquarters in Stanley with a dedicated space for Watch Group activities.

FALKLANDS CONSERVATION

Report of The Trustees

THANKS AND ACKNOWLEDGEMENTS

We could not have achieved so much without everyone listed below.

Conservation Societies and other Organisations. Forum for the Conservation of the Patagonian Sea, Royal Botanic Gardens Kew and the Millennium Seed Bank, Wildlife Conservation Society, Royal Zoological Society of Scotland, Hawk Mountain Sanctuary, Detroit Zoological Society, British Antarctic Survey, Royal Zoological Society of Scotland, Oxford University, International Network for Seed-based Restoration, IUCN Peatland Program, One Ocean, Quark, Aluká, South Atlantic Environmental Research Institute, Island LandCare, Elephant Seal Research Group, New Island Conservation Trust, Falkland Islands Development Corporation, Rural Business Association, Department of Agriculture, Shallow Marine Surveys Group, UK Ministry of Defence, Air Tanker, NAAFI, Trant Construction, Stanley Nurseries, and Cape Dolphin Farm.

Corporate Supporters. Sea Lion Island (Wild Falklands Ltd), Pale Maiden B&B, Bleaker Island, International Tours & Travel, JD Robertson, Pebble Island Lodge, Morrison's Falklands Ltd, The Malvina House Hotel, Falkland Island Holidays, Darwin Lodge, Falkland Islands Tours & Travel, and Colonial Equipment. We are very grateful for your collaboration.

Supporters of Project Work. The Falkland Islands Government, UK's Department for Environment, Food and Rural Affairs, including their Darwin Plus programmes, RSPB, Standard Chartered Bank, Falkland Islands Development Corporation, Foreign and Commonwealth Office and the SeaLife Centre.

Supporters of Core Activities. Detroit Zoological Society, Birdlife International, Dingle Oceanworld Aquarium, Thrigby Hall Wildlife Gardens, Drusilla's Park, Cotswold Wildlife Park and Gardens, John Ellerman Foundation, Springcreek Conservation and Steve Spring. For substantial donations in kind, we thank Stanley Services Ltd.

Charity Ball 2018. We would like to thank our longest standing sponsor, Consolidated Fisheries Ltd, and additional sponsors: Falkland Islands Development Corporation, South American Atlantic Services, Interserve Defence Ltd and RBC Limited, for their generous contributions. Thanks also go to Lindblad Expeditions and One Ocean Expeditions for contributions to auction prizes and the raffle, and to Seafish Chandlery, The Malvina House Hotel, and many other individuals and volunteers for their support of this successful event.

Donations to the Building Fund. Standard Chartered Bank, Falkland Islands Government, Premier Oil, Noble Energy, JK Marine, Caribbean Alliance, John & Tracey Hellowell, Henry Kenner (Arrowgrass), Cotswold Wildlife Park and Gardens, Morrison's Construction, and Frits W Olivier. We would also like to thank the H.B. Allen Charitable Trust - long-term supporters of our core activities, who have now completed their funding to us with a generous donation to our proposed new headquarters. We are very grateful.

FALKLANDS CONSERVATION

Report of The Trustees

REFERENCE AND ADMINISTRATIVE DETAILS

PATRON

HRH The Duke of York

VICE PRESIDENTS

Sir David Attenborough
Julian Fitter
Robert Gibbons
Mark Carwardine

Peter Harrison
Rebecca Ingham
Robin Woods

BOARD OF TRUSTEES

Roger Spink (FC Chairman)
Henry Robinson (UK Chair)
Mandy Shepherd (UK Vice Chair) (resigned 23 October 2018)
Matthew Bassford (UK Vice Chair) – co-opted 29 November 2018
Paul Brewin (FI Vice Chair)
Tym Marsh (Hon Treasurer)
Keith Biles (FI Hon Treasurer)
Thomas Blake
Ross James

Sally Blake
Tim Carr
Jan Cheek
Colin Clubbe
Prof John Croxall
Sally-Ann Wilson
Steve Massam (resigned 3 December 2018)
Ian Moncrieff
Louise Taylor (resigned 3 December 2018)
Duane Evans – co-opted 29 November 2018
Nicola Granger – appointed 30 July 2019

KEY MANAGEMENT

Chief Executive
UK Director
Office Manager
Office Manager
Conservation Manager

Dr Esther Bertram
David Spivack (resigned 27 June 2019)
Farrah Peck (resigned 12 February 2019)
Tracey Hellowell (from 1 March 2019)
Dr Andrew Stanworth

PRINCIPAL ADDRESSES

United Kingdom:
The Gatehouse
The Lodge
Sandy
Bedfordshire
SG19 2DL

Falkland Islands:
Jubilee Villas,
41 Ross Road,
Stanley
Falkland Island
FIQQ 1ZZ

REGISTERED OFFICE

2nd Floor, Regis House
45 King William Street
London, EC4R 9AN

BANKERS

United Kingdom:
Barclays Bank Plc
King George Street, Yeovil,
Somerset, BA20 1PX

Falkland Islands:
Standard Chartered Bank
Ross Road,
Stanley
Falkland Island
FIQQ 1ZZ

SOLICITORS

United Kingdom:
Russell-Cooke
2 Putney Hill
London, SW15 6AB

Falkland Islands:
Pinsent Masons LLP
56 John Street,
Stanley,

INVESTMENT ADVISERS

Quilter Cheviot Limited
The Pinnacle, 73 King Street,
Manchester, M2 4NG

AUDITOR

Wilkins Kennedy Audit Services
2nd Floor, Regis House, 45 King William Street
London, EC4R 9AN

ACCOUNTANTS

Bluegrass Accounting
1 Barrack Street
PO Box 725, Stanley

FALKLANDS CONSERVATION

Report of The Trustees

Trustees' responsibilities in relation to the financial statements

The trustees (who are also directors of Falklands Conservation for the purposes of company law) 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).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.


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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the Statement of Recommended Practice: 'Accounting and Reporting by Charities' and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to smaller entities.

Signed on behalf of the Trustees:


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Roger Spink, FC Chairman
Board of Trustees

Date: 24/1/2020

FALKLANDS CONSERVATION

Independent Auditors' Report To The Members

Opinion

We have audited the financial statements of Falklands Conservation (the 'charitable company') for the year ended 30 June 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 Financial Reporting Standard 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 charitable company's affairs as at 30 June 2019 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have/has been prepared in accordance with applicable legal requirements.

FALKLANDS CONSERVATION

Independent Auditors' Report To The Members

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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.

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.

Use of our report

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

Wilks Kennedy Audit Services

John Howard (Senior Statutory Auditor)
For and on behalf of Wilks Kennedy Audit Services
Statutory Auditor
2nd Floor, Regis House
45 King William Street
London, EC4R 9AN

Date *20 February 2020*

FALKLANDS CONSERVATION

Statement of Financial Activities

For The Year Ended 30 June 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	309,179	689,636	998,815	539,346
Other trading activities	3	28,415	-	28,415	22,145
Investments		3,334	-	3,334	3,691
Other income		5,848	-	5,848	4,250
Total Income		346,776	689,636	1,036,412	569,432
EXPENDITURE ON					
Raising funds		56,932	1,096	58,028	40,869
Charitable activities:					
Conservation and research		163,518	142,503	306,020	315,835
Education and community		202,664	47,717	250,381	157,598
Total expenditure	4	423,114	191,315	614,429	514,302
NET (EXPENDITURE) /INCOME BEFORE NET GAINS		(76,338)	498,321	421,983	55,130
NET (LOSSES)/GAINS ON INVESTMENTS	8	(401)	-	(401)	(690)
NET (EXPENDITURE) /INCOME		(73,739)	498,321	421,582	54,440
Transfers between funds	12.3	47,557	(47,557)	-	-
NET MOVEMENT OF FUNDS		(29,182)	450,764	421,582	54,440
Total funds at 1 July 2018		533,142	363,366	896,508	842,068
Total funds at 30 June 2019	13	£503,960	£814,130	£1,318,090	£896,508

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes on pages 14 to 25 form part of these financial statements.

FALKLANDS CONSERVATION

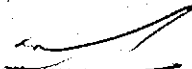
Balance Sheet

As at 30 June 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible assets	7	253,416	259,432
Investments	8	224,789	225,190
		<u>478,205</u>	<u>484,622</u>
CURRENT ASSETS			
Stock	9	22,980	31,130
Debtors	10	10,179	12,186
Cash and cash equivalents		869,261	393,431
		<u>902,420</u>	<u>436,747</u>
CREDITORS			
Amounts falling due within one year	11	(62,535)	(24,861)
NET CURRENT ASSETS		<u>839,885</u>	<u>411,886</u>
NET ASSETS		<u>£1,318,090</u>	<u>£896,508</u>
FUNDS			
Endowment	12.4	32,408	32,408
Restricted	12.3	814,130	363,366
Unrestricted funds:			
Designated	12.2	317,024	307,024
General	12.1	154,528	193,710
TOTAL FUNDS		<u>£1,318,090</u>	<u>£896,508</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees and Directors of the Association on 24/1/2020 and were signed on its behalf by:


 Roger Spink
 Board of Trustees

The notes on pages 14 to 25 form part of these financial statements.

FALKLANDS CONSERVATION**Cash Flow Statement****As at 30 June 2019**

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Cash generated from operations	16	472,496	48,168
		<hr/>	<hr/>
Cash flows from investing activities:			
Dividends and interest from investments		3,334	3,691
		<hr/>	<hr/>
Net cash provided by investing activities		3,334	3,691
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		475,830	51,859
		<hr/>	<hr/>
Cash and cash equivalents at the beginning of the reporting period		£393,431	£341,572
		<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period		£869,261	£393,431
		<hr/>	<hr/>

The notes on pages 14 to 25 form part of these financial statements.

FALKLANDS CONSERVATION

Notes To The Financial Statements

For the Year Ended 30 June 2019

1. ACCOUNTING POLICIES

1.1 Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006; and the requirements of the Statement of Recognised Practice, Accounting and Reporting by Charities (effective 1 January 2015).

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and the recognition of certain financial assets and liabilities at fair value.

The financial statements are presented in sterling (£) which is also the functional currency for the charity.

1.2 Going concern

After reviewing the charity's forecasts and projections and taking into account the economic conditions and possible changes in trading performance, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

1.3 Judgements and key sources of estimation uncertainty

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets. See note 7 for the carrying amount of the land and buildings, plant and equipment and motor vehicles, and note 1.10 for the useful economic lives for each class of assets.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

1.4 Legal status

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

1.5 Public Benefit

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

1.6 Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are unrestricted funds of the charity which the trustees have decided, at their discretion, to set aside to use for a specific purpose. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

FALKLANDS CONSERVATION

Notes To The Financial Statements

For the Year Ended 30 June 2019

1.7 Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from donations including grants, subscriptions and gifts is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Grants include amounts received from the Falkland Islands Government for core funding and other specific projects, together with grants from other bodies in response to applications or appeals.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity in circumstances in which it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. It is included when the amount can be measured reliably.

1.7 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds include those costs incurred in attracting voluntary income.
- Expenditure on charitable activities includes those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose

1.8 Allocation of support and governance costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative costs. They are incurred directly in support of expenditure on the objects of the charity.

Support and Governance costs have been allocated across the charitable activities using various percentage allocations.

1.9 Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Plant and Equipment	– 25% Straight line
Motor Vehicles	– 25% Straight line

It is the policy of the trustees to maintain freehold property, which is held for charitable use, in such condition that the useful economic life is considered to be in excess of fifty years from the balance sheet date. In the opinion of the trustees this policy results in the estimated residual value of the property being not less than its carrying value in the accounts. Consequently any depreciation charged on the buildings element of the property is deemed to be immaterial and no depreciation is charged on the property. The property is carried in the accounts at original cost to the charity.

FALKLANDS CONSERVATION

Notes To The Financial Statements

For the Year Ended 30 June 2019

- 1.9 **Fixed assets (continued)**
Equipment purchased as part of projects financed by restricted funds is to be expensed to the project until the completion of the project. Upon completion of the project, a decision is to be taken as to whether the equipment should be returned to the donor, stored for later use, sold or disposed of.
- 1.10 **Investments**
Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with movements recognised in 'net gains/(losses) on investments' in the SOFA, if the shares are publicly traded or their value can otherwise be measured reliably. Investments in unquoted equity instruments whose fair values cannot be measured reliably are measured at cost less impairment.
- 1.11 **Stocks**
Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.
- 1.12 **Debtors**
Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Accrued income is measured at the amount due to be received.
- 1.13 **Cash and cash equivalents**
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.
- 1.14 **Creditors**
Creditors are recognised when there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Other creditors and accruals are recognised at their settlement amount due.
- 1.15 **Employee benefits**
When employees have rendered service to the charity, short-term employee benefit to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.
- 1.16 **Financial instruments**
The charity only has 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.
- 1.17 **Foreign currency**
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. All exchange differences are reflected in the Statement of Financial Activities.
- 1.18 **Taxation**
The charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

FALKLANDS CONSERVATION

Notes To The Financial Statements

For the Year Ended 30 June 2019

2. DONATIONS AND LEGACIES

	Unrestricted £	Restricted £	2019 £	2018 £
Grants, donations and gifts (note 2.1)	290,398	688,821	979,219	517,605
Legacies	-	-	-	2,020
Subscriptions	18,781	815	19,596	19,721
	<u>£309,179</u>	<u>£689,636</u>	<u>£998,815</u>	<u>£539,346</u>

In 2018, £219,697 of the income received from grants, donations and legacies was attributable to the restricted fund, and the remaining £319,649 was attributable to the unrestricted fund.

Included with the unrestricted income is £210,000 (2018: £180,000) donated by the Falkland Islands Government for core funding.

2.1 RESTRICTED GRANTS, DONATIONS AND GIFTS

The following grants, donations and gifts in excess of £5,000 have been received in the year (note 12.3):

	£
a) Falkland Islands Government	
Falkland Islands Government Environmental Studies Budget	39,145
Falkland Islands Development Corporation	5,027
b) Foreign & Commonwealth Office	
FCO Enabling Fund	5,200
FCO Comms Funding	8,704
c) The Darwin Initiative (UK Department for Environmental Affairs)	
Darwin Whale Project	52,354
d) The Royal Society for the Prevention of Birds	
RSPB Marine Conservation Officer	30,000
e) Springcreek Conservation	
Springcreek Habitats	36,765
f) The H B Allen Charitable Trust	
HB Allen Conservation Fund	75,000
Building for the Future Appeal	375,000
g) John Ellerman Foundation	
Ellerman Habitat Restoration & Outreach	42,000
h) Other less than £5,000	20,441
	<u>£689,636</u>

3. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted £	Restricted £	2019 £	2018 £
Sale of goods and publications	28,415	-	28,415	22,145
	<u>£28,415</u>	<u>£ -</u>	<u>£28,415</u>	<u>£22,145</u>

In 2018, £22,145 of the income received from trading activities was attributable to the unrestricted fund.

FALKLANDS CONSERVATION

Notes To The Financial Statements

For the Year Ended 30 June 2019

4. ANALYSIS OF RESOURCES EXPENDED

	Staff costs £ (note 6)	Direct costs £	Support costs £ (note 4.1)	Total £	2018 £
Cost of generating funds:					
Costs of generating voluntary income	-	30,790	-	30,790	11,691
Cost of fundraising trading	-	25,496	1,742	27,238	29,178
Charitable activities:					
Conservation and research	178,159	14	127,847	306,020	315,835
Education and community	145,767	12	104,602	250,381	157,598
Total resources expended	£323,926	£56,312	£234,191	£614,429	£514,302

All costs are allocated between the expenditure categories noted above on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, for example, time spent, per capita or floor area. The method of apportionment has remained the same between 2018 and 2019.

In 2018, £278,091 of the resources expended was attributable to staff costs, £6,618 to direct costs and the remaining £229,593 was attributable to support costs. Of the total £514,302; £155,606 was attributable to the restricted fund and the remaining £358,696 was attributable to the unrestricted fund.

4.1 SUPPORT COSTS

	Unrestricted £	Restricted £	2019 TOTAL £	Unrestricted £	Restricted £	2018 TOTAL £
Subscriptions	1,262	480	1,742	1,318	595	1,913
Printing, Photography & Publishing	-	-	-	6,020	3,791	9,811
Rent	-	-	-	12	-	12
Property & Maintenance	10,912	13,130	24,042	8,557	6,105	14,662
General	5,323	-	5,323	4,486	-	4,486
Recruitment	3,908	809	4,717	135	-	135
Training	-	-	-	3,751	-	3,751
Volunteer costs	68	-	68	1,758	-	1,758
Professional fees	2,259	29,708	31,967	-	52,918	52,918
Telephone costs	7,798	444	8,242	8,145	200	8,345
Postage & office consumables	6,039	1,277	7,316	5,572	915	6,487
Computer, website & hardware	10,665	399	11,064	15,895	3,270	19,165
Equipment & Furniture	1,784	44,097	45,881	898	9,774	10,672
Insurance	6,946	-	6,946	11,165	-	11,165
Travel costs	14,213	30,846	45,059	15,081	40,516	55,597
Motor vehicle costs	4,453	6,916	11,369	1,413	4,959	6,372
Subsistence	-	9,849	9,849	-	-	-
Meeting expenses	430	370	800	1,015	926	1,941
Depreciation	6,016	-	6,016	6,048	-	6,048
Governance costs:						
Audit & Accountancy	11,793	-	11,793	12,008	-	12,008
Legal costs	-	-	-	76	-	76
Bank charges	1,997	-	1,997	2,271	-	2,271
	£95,866	£138,325	£234,191	£105,624	£123,969	£229,593

Restricted support costs represent expenditure incurred on projects.

FALKLANDS CONSERVATION

Notes To The Financial Statements

For the Year Ended 30 June 2019

5 NET INCOME/(EXPENDITURE) FOR THE YEAR

	2019 £	2018 £
This is stated after charging:		
Auditors' remuneration:		
- for audit	6,500	6,100
- for other services	2,000	1,800
Depreciation	6,016	6,048

6 ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

	2019 £	2018 £
Wages and salaries	305,103	265,331
Social security costs	16,755	10,355
Pension costs	2,068	2,405
	£323,926	£278,091

The average number of employees during the year was as follows:

	2019 No.	2018 No.
Average number	10	9

Employee time has been allocated to the charitable activity based on a percentage over all the costs.

No employees receive employee benefits (excluding employer pension costs) of more than £60,000 in either the current or prior year.

The key management of the charity comprises the Chief Executive, UK Director, Office Manager and Conservation Manager. The total employee benefits of the key management personnel for the year were £165,118 (2018: £152,902)

Trustees receive no regular remuneration. However, in accordance with the Articles, they may be remunerated under certain circumstances. No trustees were remunerated in either year.

During 2019 none of the trustees were reimbursed travel and event costs expenses (2018: 1); the cost was £Nil (2018: £45)

7. TANGIBLE FIXED ASSETS

	Land and Buildings £	Plant and Equipment £	Motor Vehicles £	Total £
COST				
At 1 July 2018	238,367	104,473	25,185	368,025
Additions	-	-	-	-
Disposals	-	-	-	-
	238,367	104,473	25,185	368,025
DEPRECIATION				
At 1 July 2018	-	88,408	20,185	108,593
Charge for the year	-	4,016	2,000	6,016
Eliminated on disposal	-	-	-	-
	-	92,424	22,185	114,609
NET BOOK VALUE				
At 30 June 2019	£238,367	£12,049	£3,000	£253,416
At 30 June 2018	£238,367	£16,065	£5,000	£259,432

FALKLANDS CONSERVATION

Notes To The Financial Statements

For the Year Ended 30 June 2019

7. TANGIBLE FIXED ASSETS - continued

Land and buildings includes land at a cost of £100,000.

Additionally, land and buildings includes £32,408 representing the following Islands and land holdings:

Cat Island	The Twins (North and South)	Hawks Nest Pond
Rookery	Motley Island	
Ship	The Mot	
Beef	Sai Island	
Coffin	Pyramid Island	
North	Centre Island	
Saddle	Outer Island	
Cliff Knob Island	Double Island	
Landsend Bluff	Middle Island	

The charity owns a piece of land to the rear of 44 Waverley Road, Reading as the result of a bequest from Mrs Joan Ann Kenneally (deceased). It is recorded by the Land Registry under number BK130021 and in 2011 was valued at £400-£500. However, the legal costs of disposal are likely to exceed the value of the land itself so it is noted in these accounts as of no value. (Note: This land was formerly held jointly together with the National Birds of Prey Trust. However, during 2016 the National Birds of Prey Trust was wound up and the land came into the exclusive ownership of Falklands Conservation, this change being effective from 17 August 2016.)

8. INVESTMENTS

	2019 £	2018 £
At market value:		
Balance at 1 July 2018	225,190	225,880
Additions	-	-
Disposal	-	-
Revaluation	(401)	(690)
Market value at 30 June 2019	£224,789	£225,190
 Cost at 30 June 2019	 £173,998	 £173,998

The Charity's investment in the following represents more than 5% of the total investment portfolio as at 30 June 2019:

COIF Charities Deposit Funds	£120,219
Fil Inv Svcs UK Fid Mb Income Ne Y Inc Sett 15/06/12	£17,374
M&G Corporate Bond I Inc (Inst)	£15,757
M&G Investment Man Global Dividend I Sett 02/12/13	£13,443
Veritas Global Equity Inc (Inst) Sett 05/12/13	£12,656
Invesco Perpetual Income Inc (Inst)	£12,472
Artemis Fd Mngrs Income I Inc	£11,530

9. STOCKS

	2019 £	2018 £
Goods for resale	£22,980	£31,130

FALKLANDS CONSERVATION

Notes To The Financial Statements

For the Year Ended 30 June 2019

10. DEBTORS

	2019 £	2018 £
Trade debtors	2,799	9,057
Prepayments and accrued income	7,380	3,129
	<u>£10,179</u>	<u>£12,186</u>

11. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	16,479	3,022
Other creditors	18,300	
Accruals and deferred income	27,756	21,839
	<u>£62,535</u>	<u>£24,861</u>

12. STATEMENT OF FUNDS

Unrestricted Funds	Balance at 1 July 2018 £	Incoming Resources £	Resources Expended, Gains & (losses) £	Transfers £	Balance at 30 June 2019 £
12.1 General Fund					
General Account	<u>£193,710</u>	<u>£346,776</u>	<u>(£423,515)</u>	<u>£37,557</u>	<u>£154,528</u>
12.2 Designated Funds					
Fixed Asset reserve	227,024				227,024
New Building fund	70,000				70,000
Sei Whale project	-				-
Vehicle replacement fund	10,000			10,000	20,000
	<u>£307,024</u>	<u>£ -</u>	<u>£-</u>	<u>£10,000</u>	<u>£317,024</u>

The Fixed Asset Reserve is equal to the net book value of the charitable company's non-endowed fixed assets (i.e. the net book value of £259,432 less endowments worth £32,408; see Note 7).

In the year to 30 June 2019, the trustees agreed to designate from general reserves £20,000 towards vehicle replacement which may become necessary in the near future.

FALKLANDS CONSERVATION

Notes To The Financial Statements

For the Year Ended 30 June 2019

12.3 Restricted Funds (note 2.1)

		<u>Balance at</u> <u>1 July</u> <u>2018</u> £	<u>Incoming</u> <u>Resources</u> £	<u>Resources</u> <u>Expended</u> £	<u>Transfers</u> £	<u>Balance at</u> <u>30 June</u> <u>2019</u> £
PROJECT FUNDS						
208	Biodiversity Action Planning in the Falkland Islands	6,807	-	-	-	6,807
210	ESB FISMP	15,941	39,145	(16,137)	(22,776)	16,173
212	An inventory of Falkland Islands Bryophytes and Lichens	3,962	-	-	-	3,962
216	Invasives Control	3,969	682	(4,239)	(412)	0
217	RSPB Hydrocarbons Policy Frameworks	6,540	-	(1,590)	(1,017)	3,933
220	OU Penguin Cameras	896	-	(82)	(814)	-
221	RSPB Sei Whale Genetics	5,277	1,172	(7,777)	1,328	-
222	RSPB Site Management	16,524	1,000	(3,939)	(2,038)	11,547
223	ESB BBA Survey 2017	5,663	-	(2,100)	(741)	2,822
227	RSPB Dolphin Gull	3,000	1,000	-	(4,000)	-
228	Darwin Whale Project	12,738	52,354	(80,595)	(11,573)	(27,076)
229	FCO Enabling Fund	-	5,200	(1,700)	-	3,500
234	Raptor Project	6,487	-	(3,000)	-	3,487
235	GSGSSI White-Chinned Petrel Tracking	214	-	-	-	214
271	Native Plants	9,841	-	-	-	9,841
278	Visick Conservation Fund	3,551	(83)	(3,551)	83	-
287	RSPB Marine Conservation Officer	-	30,000	(13,748)	15,000	31,252
298	FC Reserve Management	19,982	1,510	1,411	(1,411)	21,492
302	FIDC Sea Lion Island	-	5,027	(2,905)	(2,110)	12
306	Ellerman Habitat Restoration & Outreach	21,595	42,000	(31,339)	(14,416)	17,840
308	Springcreek Habitats	-	36,765	(361)	-	36,404
362	HB Allen Conservation Fund	-	75,000	-	-	75,000
370	Penguin Rehab Centre	6,294	5,011	(9,768)	(286)	1,251
371	ESB Cetaceans Citizen Science	-	1,865	-	-	1,865
372	FCO Comms Funding	-	8,704	(254)	-	8,450
		<u>149,281</u>	<u>306,352</u>	<u>(181,674)</u>	<u>(45,183)</u>	<u>228,776</u>
NON-PROJECT FUNDS						
340	WATCH Group	5,487	8,284	(6,491)	(2,374)	4,906
361	Building for the Future Appeal	208,598	375,000	(3,150)	-	580,448
		<u>£363,366</u>	<u>£689,636</u>	<u>(£191,315)</u>	<u>(£47,557)</u>	<u>£814,130</u>

FALKLANDS CONSERVATION

Notes To The Financial Statements

For the Year Ended 30 June 2019

12. STATEMENT OF FUNDS (continued)

The following restricted funds were held at 30 June 2019:

208 Biodiversity Action Planning in the Falkland Islands

Funded by Darwin Plus and in partnership with FIG and the Royal Botanic Gardens, Kew. A project to review current Biodiversity Action Planning in the Falkland Islands and to recommend methods for the future.

210 ESB FISMP

Funded by FIG's Environmental Studies Budget for biodiversity monitoring, this long-term project annually monitors the survival rates of southern rockhopper, gentoo and king penguin populations, together with black-browed albatrosses and southern giant petrels.

212 An Inventory of Falkland Islands Bryophytes and Lichens

Funds remaining from the Darwin Plus project to support legacy elements to address critical knowledge gaps of lower plants diversity in the Falkland Islands, and to provide conservation tools for local decision making.

216 Invasives Control

A fund to be used for practical management of invasive species in the Falkland Islands.

217 RSPB Hydrocarbons Policy Frameworks

Funds from the RSPB to provide additional resources to initiate policy processes to enable sustainable, positive hydrocarbon development in the Falkland Islands.

220 OU Penguin Cameras

Funded by the University of Oxford's Zoology Department and a collaborative project with Dr Thomas Hart, these funds are to cover the costs of maintaining the equipment collecting behavioural records from camera traps at penguin colonies around East Falkland.

221 RSPB Sei Whale Genetics

Funded by the RSPB, this short project will acquire genetic samples of sei whales in the Falkland Islands, primarily for molecular genetic analysis to assess stock structure and subspecies status of the whales in the Falkland Islands, and in the wider southern hemisphere region, with important implications for conservation and management of the species.

222 RSPB Site Management

Funds from the RSPB to advance terrestrial site protection designations in the Falkland Islands, by increasing work on producing and updating management plans for National Nature Reserves, and pursue additional designations of sites around the Islands.

223 ESB BBA Survey 2017

Funded by FIG's Environmental Studies Budget for biodiversity monitoring, this project aims to undertake an island-wide breeding population survey of black-browed albatrosses, to provide an updated population estimate for the Falkland Islands, and identify current global population trends.

227 RSPB Dolphin Gull

Funds from the RSPB to gather information on the current status of dolphin gulls in the Falkland Islands, which was previously estimated to hold the majority of the global population.

228 Darwin Whale Project

Funded by Darwin Plus, this project aims to advance the understanding of sei whales and other baleen species in candidate Key Biodiversity Areas, by expanding knowledge of site use, to explore long-term monitoring approaches and expand insight into underwater behaviour, all to feed into information made available to decision-makers and stakeholders regarding conservation and management considerations. The project was showing a negative balance of just over £27k on 30 Jun 19. This was largely redressed by the arrival of £26,253 shortly into the new financial year, this being an anticipated tranche of funds in a 3-year agreement.

229 FCO Enabling Fund

Funded by the FCO to gain a fuller understanding of the environmental implications of salmon farming, in order to develop an FC position and advise MLAs.

FALKLANDS CONSERVATION

Notes To The Financial Statements

For the Year Ended 30 June 2019

12. STATEMENT OF FUNDS (continued)

234 Raptor Project

Funds remaining from the Darwin Initiative project to support legacy elements to provide new scientific information that feeds into a basis for government policy regarding the management of conflicts between raptors and rural livelihoods in the Falkland Islands.

235 GSGSSI White-Chinned Petrel Tracking

Funded by the Government of South Georgia and South Sandwich Islands, and a collaborative project with the British Antarctic Survey and Paulo Catry, to better understand the movements of the small white-chinned petrel population in the Falklands and establish links with other populations through DNA analysis.

271 Native Plants

Funds remaining from the Overseas Territories Environmental Programme, in partnership with the Royal Botanic Gardens, Kew. The legacy element of the project aims to produce a comprehensive flora guide for native and threatened plant species in the Falkland Islands.

278 Visick Conservation Fund

A fund established by Strachan Visick Limited to support the conservation of species of national or global significance that occur at the Falkland Islands.

287 RSPB Marine Conservation Officer

Funded by the RSPB to support FC in marine management planning. This includes a Marine Officer for FC, technical consultancy costs to draw on legal or fisheries consultants, and time from FC's Communications Officer to develop a structured communications, engagement plan and materials.

298 FC Reserve Management

A fund to be used for the management of Falklands Conservation's nature reserves and for future reserve purchases.

302 FIDC Sea Lion Island

Funded by the Falkland Islands Development Corporation, to implement the practical management of the Sea Lion Island Nature Reserve.

306 Ellerman Habitat Restoration and Outreach

Funded by the John Ellerman Foundation, this three year project aims to work with local landowners to restore terrestrial habitats of the Falkland Islands, and will focus on the use of native plant seedlings, and to share the knowledge and learning of habitat restoration practices with the wider community.

308 Springcreek Habitats

Funded by Springcreek Conservation to undertake multimedia promotion of planting efforts as well as provide opportunity for the Watch Group to get a greater understanding of habitat restoration through planting trips.

340 WATCH Group

Supported by the Standard Chartered Bank, this environmental group for young Islanders allows them to experience and learn the value of their unique natural surroundings.

361 Building for the Future Appeal

The charity has an aspiration to build a new, fit-for-purpose office building in Stanley. Fundraising has been going on for several years and during the period there was a tremendous boost with a restricted gift of £375k from the H B Allen Foundation.

362 HB Allen Conservation Fund

During the period the charity received a donation of £75k from the H B Allen Foundation for use in conservation. This now sits as a ring-fenced item in restricted funds pending decisions on how to spend it.

370 Penguin Rehab Centre

A fund established with support from numerous sources both within and outside of the Falklands, to aid the construction, maintenance and running of a small scale oil-spill response centre for wildlife in the Islands.

FALKLANDS CONSERVATION

Notes To The Financial Statements

For the Year Ended 30 June 2019

12. STATEMENT OF FUNDS (continued)

371 ESB Cetaceans Citizen Science

Funded by the FIG Environmental Science budget this project aims to establish a system for collecting data on cetaceans moving in the Cape Pembroke area. The data will be collected by trained volunteers working from the shore.

372 FCO Comms Funding

Funded by the FCO this project aims to encourage the younger generation to engage Falkland Island decision makers about environmental governance, and in particular their plans for management of the natural environment.

12.4 Capital Endowment Fund	Balance 30 June 2019 £
Islands Nature Reserves	£32,408

The above capital fund was created in the old charity in 1995, from donations received and was utilised to purchase certain freehold land, and the Islands listed in Note 7 with the exception of Hawk's Nest Pond which was donated separately at a later date. The balance was transferred in 2001 from the old charity to the new charitable company, Falklands Conservation, following the transfer of legal title.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed Assets £	Investments £	Other Net Assets £	Total £
Endowment Funds	32,408	-	-	32,408
Restricted Funds	-	-	814,130	814,130
Designated Funds	227,024	-	90,000	317,024
General Funds	-	224,789	(70,261)	154,528
	£259,432	£224,789	£833,870	£1,318,090

14. RELATED PARTIES

There were no related party transactions in either the current or the prior year.

15. ULTIMATE CONTROLLING PARTY

The charitable company is considered to have no ultimate controlling party.

16. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net Income for the reporting period (as per the statement of financial activities)	421,582	54,440
Adjustments for:		
Depreciation charges	6,016	6,048
Dividends and interest from investments	(3,334)	(3,691)
Losses/(gains) on investments	401	690
(Gain)/loss on sale of fixed assets		(4,250)
(Increase)/decrease in stocks	8,150	(6,187)
Decrease in debtors	2,007	3,506
Increase/ (Decrease) in creditors	37,674	(2,388)
Net cash provided by operating activities	£472,496	£48,168

