

**Charity number: 1173105**

# **South Atlantic Environmental Research Institute**

**Trustees' report and  
financial statements**

**For the year ended 30 June 2019**

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# **SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE**

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## **SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE**

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### **REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 30 JUNE 2019**

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#### **Trustees**

C. Peter Judge MBE, Chair  
Dr Paul Brickle  
Prof Stuart Piertney (appointed 3 September 2018)  
Michael Poole (resigned 30 October 2018)  
Dr Teal Riley (appointed 11 April 2019)  
Prof Richard Sanders (appointed 10 December 2018)  
Stuart Wallace (appointed 4 April 2019)

#### **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

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# **SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE**

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## **TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2019**

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The Trustees present their annual report together with the audited financial statements of the Group and the Charity for the 1 July 2018 to 30 June 2019. 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 2015). The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements.

The Charity and the Group also trades under the name SAERI, and appears on the Register of Approved Charities in the Falkland Islands, under number C47.

### **Objectives and Activities**

#### **Policies and objectives**

2018-19 is SAERI's second full year of operation which has allowed us to focus more on development and consolidation after having successfully established the independent entity in the previous year.

Most importantly, we aimed to achieve:

1. A full Board of Trustees as was the mandate for the Founding Board;
2. A longer term strategic forward view;
3. Established performance management metrics throughout the organisation and the process embedded to monitor, review and assess;
4. A more structured approach to fundraising; and
5. Increased focus on the trading arm to continue to ensure unrestricted funding to cover core costs

In order to achieve these objectives, SAERI employed the following strategies and activities:

#### **1. SAERI's full Board**

Using our knowledge of individuals with suitable skills, knowledge and experience to provide oversight and scrutiny, individuals were approached who:

- Originated from solid partnership history with SAERI;
- Were associated with organisations with a strong partnership history with either SAERI or its staff or associates;
- Would be able to provide valuable inputs into both SAERI's strategy, the delivery of the strategy and the science it undertakes; and
- Would be able to fulfil a functional role on the Board.

To this end, individuals were approached, they happily accepted the appointment, and they now comprise the full board of the organisation.

#### **2. A longer-term strategic view**

This year the Executive and the Board held a strategic workshop with the aim of:

- Ensuring the vision, mission and values remained relevant;
- Helping the Executive define the way the strategy is framed for the organisation by providing valuable insights and guidance into size, performance and governance objectives; and
- Affirming the structure remains appropriate to deliver the strategy.

#### **3. Performance management**

A framework was agreed for performance management, and applied consistently across the organisation. Although it is not linked to any performance bonus, it is important to ensure that individuals are focusing on the right outcomes so that, collectively, SAERI moves forward, successfully.

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# **SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE**

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## **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2019**

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### **4. A more structured approach to fundraising**

The Senior Management Team (SMT) incorporated a structured approach to fundraising and grant applications, however, resources remained somewhat stretched. The utilisation of various market scanning applications was embraced this year, which assisted in the identification of various applicable grants. This will be further resolved in the 2019-20 financial year with the appointment of a Deputy Director for Science which will mean that all SMT members will be able to focus on their remit for raising funds, whether it be business development, grant applications or philanthropy.

### **5. Enhanced focus on SAERI (Falklands) Limited (SFL)**

2018-19 saw continued delivery of incumbent contracts within the trading arm, but also the development of other opportunities within the Falkland Islands. In addition, a pool of high-level quality consultants has been identified to deliver world-class consulting work. Systems were enhanced to ensure that all arms' length transactions are captured between the two entities. This focused activity saw a 20% increase in real donations over the previous year.

### **Main activities undertaken to further the charity's purposes for the public benefit**

SAERI continued to deliver high-level research, supervise PhD students and work closely with stakeholders – most importantly the Falkland Islands Government – to further establish the institute as a solid partner and delivery vehicle of world-class science.

### **Achievements and performance**

#### **Key financial performance indicators**

Measurement of success falls into broad categories:

1. Achievement of spend against forecast after mitigating factors within a reasonable margin to demonstrate solid financial planning
2. A reasonable success rate for the award of pipeline project proposals
3. Maintenance, as a minimum, of unrestricted reserves, with preferable growth
4. Solid and accurate management of restricted funds measured by successful audits and adherence to grant rules and financial reporting regulations

As SAERI has grown, additional financial performance indicators are:

5. Ensuring cash flow covers an expanding portfolio of projects through annual cash flow lags;
6. Maximised recoveries of overheads from projects;
7. Operating at least an annual break-even budget; and
8. Maintaining and increasing levels of reserves in the Main Account (unrestricted).

### **Review of activities**

#### **Unrestricted funds**

SAERI's two unrestricted funds, its Main Account for core funding and overheads, as well as the IMS-GIS Data Centre. The Unrestricted funds maintained and increased its levels of reserves by approximately 6%.

Relationships continue to be consolidated and built upon at the higher levels of the organisation with a view to expanding our footprint internationally through sister institutes and project partnerships. We expect these to begin to gain traction in the 2019-20 financial year with the appointment of the Deputy Director – Science, allowing for more innovation and scope.

The IMS-GIS Data Centre entered into a 12-month agreement with the University of Dundee (UoD) this financial year, where a member of staff was seconded from SAERI to the University. The secondment

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# **SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE**

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## **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2019**

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focussed on consolidating the SAERI relationship with UoD and developing the IMS-GIS Data Centre tools and services. Key outputs from this period included the development of a data portal for the Government of Montserrat (with funding from, and in partnership with, the Joint Nature Conservation Committee) as well as for the Falkland Islands Government. The development of OMERO (Open Microscopy Environment) as a tool for cataloguing images was also undertaken. SAERI recruited a new member of staff to undertake the Falklands-based IMS-GIS Data Centre activities for the duration of the secondment.

### **Restricted funds**

#### **1. Natural Capital Assessment project**

The Natural Capital Assessment project was funded up-front. The Project is due to close in May 2019. The PM has visited Ascension, St. Helena and Tristan spending c. 1 month on each island to undertake consultations and be at hand to explain and develop thinking around the application of NCA concepts to the islands so that the work undertaken by the project can focus on the most meaningful areas for the island governments. The project wrap-up conference was launched, and took place in March 2019. It was a regional conference hosted on St. Helena, and had participation from a political and technical level from all of the South Atlantic Islands

#### **2. Best 2.0 project**

The Best 2.0 project, due to end December 2020, continued to support its grants throughout the territories. We are unsure whether there will be an extension to this project or whether it will end. Brexit uncertainties affect this EU-funded project. The final Best 2.0 project that is still being implemented is 'nurseries for nature' on St. Helena. This is a partnership between 3 organisations on island who are developing new or expanding existing endemic plant nurseries on the island. The project is going well and important progress has been made.

#### **3. Darwin Plus 'Dolphins of the Kelp: Data priorities for Falkland's inshore cetaceans' project (DPLUS 042)**

The project came to a close 30 September 2018. Darwin set an outside date of 3 months after closure, and the deliverables went through their final internal review. The project had a clean audit and came to a success conclusion.

The key outputs were:

- A species Action Plan for cetaceans for the Falkland Islands
- A research plan for future cetacean research for the Falkland Islands
- A draft paper on new findings on abundance to be published shortly in scientific journal.

#### **4. Darwin Plus 'Mapping Falklands and South Georgia coastal margins for Spatial Planning' project (DPLUS065)**

The Project has gone from strength to strength this financial year. In addition to the core deliverables, contributions have been successfully gained through Falkland Islands Government Environmental Studies Budget and the Shackleton Scholarship Fund. This year has also included an intensive field period capturing drone footage of priority coastal areas. The PM became a certified drone pilot, and the process of capturing, storing and analysing drone imagery has generated a great deal of interest on island and other organisations (such as the Department of Agriculture) are in touch to explore how to utilise these skills that SAERI has for their work.

#### **5. MOVE**

The MOVE project saw extensive progress in work package 2 which surveyed stakeholders in the territories, and a stakeholder map was developed by one of the partners. The next phase of the project sees the enhancement of ecosystem services in the territories of the consortium. SAERI will be developing further work on the carbon sequestration of the kelp forests of the Falkland Islands.

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## **SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE**

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### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2019**

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#### **6. GAP II project**

The GAP project is in its final stretch. This has been a hugely successful project. The LTMP workshops report is being drafted. A paper on marine higher predator utilisation of the Patagonian shelf is just about complete. The project still has to complete a Loligo egg survey and also Environmental Impact Assessment risk assessment methodology.

#### **7. Fur Seal project**

The Fur Seal project was undertaken as there was perceived risk to the Falkland Islands population through fisheries by-catch and lack of base line to assess population impacts. The project integrates a population census, which was undertaken in January 2018, and the deployment of biologging tags at Bird Island, which was undertaken between July and September 2018. Photographs from the census have been counted and report writing is underway. The draft census report will be ready to be circulated by the end of the calendar year (2018). In terms of fur seal telemetry data, satellite tags will continue to provide location data until the end of October. This will allow SAERI research and FIG undertake an empirical risk assessment with fur seal foraging behaviour and fisheries overlap. This project has progressed extremely well and will also result in the first census since in the 1930s providing much needed data on fur seal dynamics on the southern Patagonian Shelf.

#### **8. DISCOVERY100 project**

The DISCOVERY100 project was occupied with stakeholder engagement and fine-tuning the proposal to the donor of the implementation plan. The plan was reframed into phases, allowing for a staged-approach to fundraising and delivery. This was circulated to the wider stakeholder group for consultation and delivered latterly to the funder. It is envisaged that fundraising and staffing will commence in earnest during the next financial year.

#### **9. Marine Spatial Planning MSP project**

The Marine Spatial Planning Project has come to an end and has transitioned into 'Fine scaling the design of Falkland Islands Marine Management Areas' funded through the Darwin Plus Initiative. The MSP project delivered three work packages:

- i) Work Package 1: AFCAS Case Study (Assessment of Fishing Closure Areas as Sites for wider marine management)
- ii) Work Package 2: A Review current legislation needed for MSP implementation
- iii) Work Package 3: Draft and submit for approval a long term strategy for the future of MSP on the Falklands, formalising the recommended policy statement and implementation plan developed in MSP Phase I (output a draft strategy).

#### **10. Darwin Plus 'Fine scaling the design of Falkland Islands Marine Management Areas' project (DPLUS071)**

This project started in October of 2018 and represents Phase II of the Marine Spatial Planning (MSP) Project included an Assessment of Fishing Closure Areas (as potential MPAs) against international criteria. Three areas were identified amounting to *circa* 16 % of Falkland Islands waters. Key baseline work is required for their effective design and management. Five steps have been identified for FIG approval; development of 1) economic consequences of the design (present and future), 2) Policy formulation, 3) Site Management Plans, 4) Suggested legislative framework and 5) Legacy Planning (resourcing, financial, human). Dr Ander de Lecea (PM) and Dr Marina Costa (PO) have been recruited to the project. The project has made a great start and both Project Officers are on the Burdwood Bank on the JCR conducted surveys.

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## **SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE**

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### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2019**

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11. Darwin Plus 'Soil map and online database as climate change mitigation tools' project (DPLUS083)

This project started in August 2018 and has been progressing well. The start of the project focussed on getting the first field season off the ground. A visiting researcher from UMAG accompanied the programme's Project Manager, Dr Steffi Carter, in the field. There has been great support from landowners who have given permission for the sampling to be undertaken on their farms.

12. Darwin Plus 'Developing Marine Spatial Planning (MSP) tools for Turks and Caicos' project (DPLUS094)

SAERI was awarded this grant and began recruiting for the delivery phase. This project is delivered with the Turks and Caicos Islands Government (TCIG) as an integral project partner, and aims to create the opportunity to embed the work in TCIG after the project closes. An important element of the project roll-out will be to develop a Memorandum of Understanding between SAERI and the TCIG so that our staff are working in conditions as though they were in the SAERI offices, as part of our duty of care.

This project builds a Territory-to-Territory partnership between SAERI in the Falklands Islands and the Department of the Environment and Coastal Resources (DECR) in the Turks and Caicos Islands (TCI) to Develop Marine Spatial Planning (MSP) tools for TCI in order to feed into long-term planning and decision-making in the marine environment. MSP is a stakeholder-driven science-based approach to develop a strategic plan for managing and protecting the marine environment, addressing multiple and cumulative uses of the sea and achieving ecological, economic and social objectives.

13. SAERI's PhD students

**Tom Busbridge – Understanding the decline and recovery of one of the South Atlantic's largest fishery (Southern blue whiting)**

As Tom nears the end of his PhD he has made great progress. We obtained agreement to extend his deadline to early 2020 in order that he has the maximum opportunity to be successful. Tom has complete two papers (representing chapters) of his PhD.

**Katie Brigden – The reproductive ecology of Patagonian toothfish (*Dissostichus eleginoides*, Smitt 1898) around the sub-Antarctic island of South Georgia: Spatial and temporal patterns and processes spanning two decades of data**

Katie graduated in June 2019. Katie's PhD shed new light on spawning areas and reproductive dynamics of the Patagonian toothfish around South Georgia. Her work has resulted in a number of high impact peer reviewed papers.

**Jacob Hargreaves – Fungal Ecology of Falkland Islands and South Georgia soils and their role in habitat restoration.**

Jacob's PhD examined the fungal ecology of soils in South Georgia and the Falkland Islands with the impact of grazing by introduced herbivores. Jacob also found specific mycorrhizal communities associated with health tussock habitats. This has important implications for tussock restoration and conservation around the sub-Antarctic. Jacob is due to submit his PhD in October 2019.

**Emma Beaton – Falkland Islands' Shallow Benthic and Intertidal Ecology: The Effect of Spatial and Temporal Scales**

Emma is studying the subtidal and intertidal communities in spatial and temporal scales. Little is known about the coastal and shallow marine ecology of the Falkland Islands. What is coming to light is that the biological diversity in these habitats are higher than they are on mainland southern South America. This is because the Falkland Islands were not glaciated in the last ice age and offered refugia for shallow species during this time. Emma is due to submit her PhD in December 2019.



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## **SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE**

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### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2019**

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#### **Jess Jones – Population connectivity of a commercial loliginid squid (*Doryteuthis gahi*)**

The aim of Jess's research was to gain a better understanding of the population structure and connectivity of *Doryteuthis gahi* a commercially important loliginid squid species on the Patagonian shelf. Jess has progressed really well and submitted her PhD in May 2019. She passed her viva voce with no corrections.

#### **Amanda Kuepfer – Seabird-fisheries interactions – The importance of fisheries in shaping the feeding ecology of black-browed albatrosses in their breeding season**

Amanda is early in her research and is making good progress. Her studies will include: an inter colony comparison of chick diet; a quantification of fisheries discards; an assessment of fine scale foraging behaviour using GPS loggers; and Assessment of fine-scale foraging behaviour using camera tracking. Amanda is due to submit at the end of 2021.

#### **Jess Minett - Brown Trout in the Falkland Islands: invasion ecology, population structure and genetic diversity**

Jess's PhD focuses on the following: Distribution and abundance of brown trout and native galaxiids in the Falkland Islands; impacts of introduced brown trout on native galaxiids; population genetics of brown trout in the Falkland Islands; and movement ecology of brown trout around the Falkland Islands.

Jess has managed to use eDNA techniques ascertain the distribution of introduced trout and native fish in Falkland Islands rivers. Through this method she has also found a third species of fish not previously recorded in the Falkland Islands. Jess to due to submit her thesis in early 2021.

#### **Emma Harte - Dispersal of Patagonian toothfish (*Dissostichus eleginoides*) eggs and larvae on the Falkland Island Plateau**

Emma is a MSc student working on modelling the egg and larval dispersal of toothfish from the Drake Passage onto the Patagonian Shelf. Emma is also ascertaining the buoyancy of toothfish eggs collected from an aquaculture facility in the Falkland Islands in order to provide input parameters for the dispersal models. Emma is due to finish in June 2020.

#### **Factors relevant to achieve objectives**

The UK exit from the European Union has presented its challenges with respect of funding and seeking new opportunities. EU grants are caveated with post - 'Brexit' conditions, and UK funding is overburdened with opportunistic applications and proposals in the event that the funding landscape changes significantly.

#### **Financial review**

##### **Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

##### **Principal funding**

FIG continues to provide core funding support to SAERI however, SAERI is also committed to reducing this dependency on the government over time – but not to its detriment. This year saw a reduction of 8% in our subvention request, providing 28% of our Main Account income (new income and project recoveries), and a 30% contribution to core costs.

Recoveries for overheads from grants and arms' length transactions between SAERI and its trading subsidiary provided 40% of Main Account income, and covers 43% of core costs.

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# **SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE**

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## **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2019**

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### **Structure, governance and management**

#### **Constitution**

The objects of the Charity are, for the public benefit:

1. the advancement of education and research;
2. the advancement of environmental protection or improvement; and
3. the promotion of sustainable development, in particular (but not exclusively) by:
  - (a) the advancement of environmental protection or improvement; and
  - (b) the advancement of education and research;

particularly (but not exclusively) in relation the environment of the Falkland Islands and the South Atlantic region.

Sustainable development means "development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

#### **Method 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. A robust process for the application, assessment and appointment of Trustees is in place and individuals identified to complete the full board.

#### **Policies adopted for the induction and training of Trustees**

SAERI relies on the Charity Commission guidance 'The Essential Trustee' as well as provides for all Trustees an information pack containing financial information, the latest business plan, the constitution of the charity and information on the Board, its structure, the organisational structure and the policies of the organisation. It has a set of Terms of Reference for the Board as well as the Audit and Remuneration committees.

#### **Pay policy for senior staff**

The Board approved a salary scale for all staff permanent and casual. There are grades and steps within those grades. The senior staff are employed at the same levels which were applied when SAERI was part of the Falkland Islands Government. The Chairman of the Board is responsible for negotiating the salary package of the Executive Director, and the salaries of the Senior Management Team are recommended by the Executive Director to the Board and the Remuneration Committee.

An organisation-wide cost of living increase of 1% was approved by the Board, and no discretionary bonuses awarded.

#### **Organisational structure and decision making**

In the 2018-19 financial year, the founding Board of Trustees tasked to select and appoint a full Board, achieved this objective, and is now structured thus:

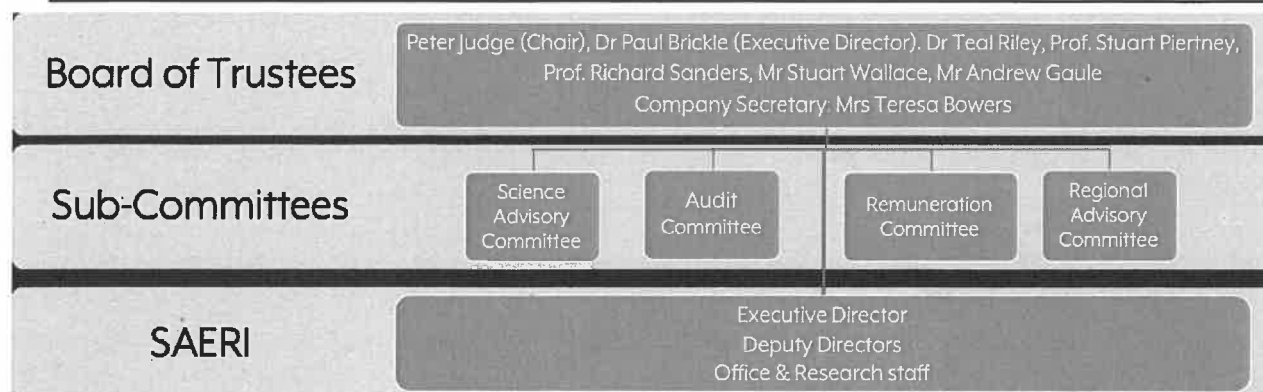
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## **SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE**

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### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2019**

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The Board has issued a Delegation of Authority which clearly lays out areas of decision-making and yet empowers the Executive Director to be flexible in his authority and nimble in his decision-making where necessary.

The structure of the organisation was reviewed at the strategic planning workshop with the Board and deemed fit-for-purpose. The next financial year will see further consolidation and the completion of the Senior Management Team.

#### **Risk management**

SAERI has developed a Risk Management Policy and a Risk Matrix which is reviewed annually by the Board along with all the Institute's Policies and Procedures.

The Trustees have assessed 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 exposure to the major risks.

There have been no instances of fraud.

#### **Plans for future periods**

##### **Future developments**

The plans identified in the last financial year continue to be key for the development of SAERI

1. SAERI will look to complete the staffing of the Senior Management Team through the appointment of a Deputy Director – Science. The funding was secured this financial year, and recruitment will begin in earnest in the 2019-20 financial year.
2. A 12-month secondment to University of Dundee for the development of the IMS-GIS Data Centre is outlined under Unrestricted Funds.

#### **Information on fundraising practices**

SAERI relies on relationships and market scanning to identify grant opportunities. Additionally, SAERI is developing a number of strategies for fund raising – these include but not limited to:

- Regular formalised grant meetings between SAERI Senior Management and relevant Board Members
- A Science Sub-Committee administered by the board of trustees. Its remit will include the formulation of science strategy with staff scientists, granting opportunities and funding generally
- A Donor/Philanthropy Strategy and Policy Development in collaborations with SAERI's Board.

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# **SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE**

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## **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 30 JUNE 2019**

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As SAERI continues to grow and mature as an organisation, it is cementing excellent relationships. Our track record with Defra through its Darwin Initiative, is proving a capable delivery partner who produces excellent work, on time and on budget. We do realise, however, that there is an important need to diversify funding sources and this will be a major focus for the 2019-20 financial year when the Deputy Director – Science is on board.

### **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.

### **Trustees' responsibilities statement**

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 Charity and the Group and of the incoming resources and application of resources of the Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charity and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group 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 Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees, on *25/2/20* and signed on their behalf by:



**C. Peter Judge MBE, Chair**

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# **SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE**

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

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### **Opinion**

We have audited the financial statements of South Atlantic Environmental Research Institute (the 'Charity') and its subsidiary (the 'Group') for the year ended 30 June 2019 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 Parent Charity's affairs as at 30 June 2019 and of the Group's 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 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.

### **The impact of uncertainties due to the United Kingdom exiting the European Union on our audit**

The United Kingdom withdrew from the European Union on 31 January 2020 and entered into an Implementation Period which is scheduled to end on 31 December 2020. However the terms of the future trade and other relationships with the European Union are not yet clear, and it is therefore not currently possible to evaluate all the potential implications to the Charity's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Charity as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Charity's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Charity and this is particularly the case in relation to Brexit.

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# **SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE**

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

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### **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 Group's and the Charity'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.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Group and the 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 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.

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## **SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE**

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

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#### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 10, 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 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 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 intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

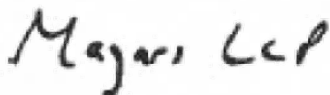
#### **Auditor's responsibilities for the audit of the financial statements**

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of the audit report**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and regulations made or having effect thereunder. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. 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 members as a body for our audit work, for this report, or for the opinions we have formed.



Mazars LLP  
Chartered Accountants and Statutory Auditor  
90 Victoria Street  
Bristol  
BS1 6DP

Date: 26 March 2020

# SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>					
Donations and legacies	2	128,847	653,615	782,462	1,699,350
Other trading activities	3	195,044	-	195,044	261,385
Other income		114,459	11,248	125,707	70,353
<b>Total income</b>		<b>438,350</b>	<b>664,863</b>	<b>1,103,213</b>	<b>2,031,088</b>
<b>Expenditure on:</b>					
Raising funds	3	146,045	-	146,045	204,263
Charitable activities	6,7	278,451	988,426	1,266,877	1,189,443
<b>Total expenditure</b>	<b>7</b>	<b>424,496</b>	<b>988,426</b>	<b>1,412,922</b>	<b>1,393,706</b>
<b>Net income</b>		<b>13,854</b>	<b>(323,563)</b>	<b>(309,709)</b>	<b>637,382</b>
Transfers between Funds	16	(5,365)	5,365	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>8,489</b>	<b>(318,198)</b>	<b>(309,709)</b>	<b>637,382</b>
<b>Net movement in funds</b>		<b>8,489</b>	<b>(318,198)</b>	<b>(309,709)</b>	<b>637,382</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		126,807	510,575	637,382	-
<b>Total funds carried forward</b>		<b>135,296</b>	<b>192,377</b>	<b>327,673</b>	<b>637,382</b>

The notes on pages 18 to 33 form part of these financial statements.



# SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE

## CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2019

	Note	£	2019 £	£	2018 £
<b>Fixed assets</b>					
Intangible assets	11		537		-
Tangible assets	12		57,961		45,341
			<u>58,498</u>		<u>45,341</u>
<b>Current assets</b>					
Debtors	14	53,667		98,726	
Cash at bank and in hand		416,809		576,118	
		<u>470,476</u>		<u>674,844</u>	
<b>Creditors: amounts falling due within one year</b>	15	(201,301)		(82,803)	
<b>Net current assets</b>			<u>269,175</u>		<u>592,041</u>
<b>Net assets</b>			<u>327,673</u>		<u>637,382</u>
<b>Charity Funds</b>					
Restricted funds	16		192,377		510,575
Unrestricted funds	16		135,296		126,807
<b>Total funds</b>			<u>327,673</u>		<u>637,382</u>

The financial statements were approved by the Trustees on

and signed on their behalf, by:



**C. Peter Judge MBE, Chair**

The notes on pages 18 to 33 form part of these financial statements.

# SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE

## CHARITY BALANCE SHEET AS AT 30 JUNE 2019

	Note	£	2019 £	£	2018 £
<b>Fixed assets</b>					
Intangible assets	11		537		-
Tangible assets	12		54,040		40,113
Investments	13		1		1
			<u>54,578</u>		<u>40,114</u>
<b>Current assets</b>					
Debtors	14	30,522		90,202	
Cash at bank		<u>414,093</u>		<u>572,891</u>	
		444,615		663,093	
<b>Creditors: amounts falling due within one year</b>	15	<u>(187,162)</u>		<u>(67,657)</u>	
<b>Net current assets</b>			<u>257,453</u>		<u>595,436</u>
<b>Net assets</b>			<u><u>312,031</u></u>		<u><u>635,550</u></u>
<b>Charity Funds</b>					
Restricted funds			192,377		516,258
Unrestricted funds			<u>119,654</u>		<u>119,292</u>
<b>Total funds</b>			<u><u>312,031</u></u>		<u><u>635,550</u></u>

The financial statements were approved by the Trustees on

and signed on their behalf, by:



**C. Peter Judge MBE, Chair**

The notes on pages 18 to 33 form part of these financial statements.

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## **SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE**

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### **CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019**

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	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	18	(131,511)	629,760
<b>Cash flows from investing activities:</b>			
Purchase of tangible/intangible fixed assets		(27,798)	(53,642)
<b>Net cash used in investing activities</b>		(27,798)	(53,642)
<b>Change in cash and cash equivalents in the year</b>		(159,309)	576,118
Cash and cash equivalents brought forward		576,118	-
<b>Cash and cash equivalents carried forward</b>	19	416,809	576,118

The notes on pages 18 to 33 form part of these financial statements.

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# **SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE**

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

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### **1. Accounting Policies**

#### **1.1 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 £.

#### **1.2 Basis of preparation of financial statements**

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 on 16 July 2014 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. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

South Atlantic Environmental Research Institute constitutes a public benefit entity as defined by FRS 102.

The Statement of Financial Activities (SOFA) and 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.

No separate SOFA has been presented for the Charity alone.

#### **1.3 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.

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# **SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE**

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

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### **1. Accounting Policies (continued)**

#### **1.4 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.

#### **1.5 Basis of consolidation**

The financial statements consolidate the accounts of South Atlantic Environmental Research Institute and all of its subsidiary undertakings ('subsidiaries').

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

The income and expenditure account for the year/period dealt with in the accounts of the Charity was £NIL (2018 - £673,555).

#### **1.6 Intangible fixed assets and amortisation**

Intangible assets costing £NIL or more 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.

#### **1.7 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 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 & machinery	-	10 years
Motor vehicles	-	10 years
Office equipment	-	2 years
Computer equipment	-	4 years

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# **SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE**

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

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### **1. Accounting Policies (continued)**

#### **1.8 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 fair 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 shown in the heading 'Gains/(losses) on investments' in the Consolidated Statement of Financial Activities.

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

#### **1.9 Interest receivable**

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

#### **1.10 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.

#### **1.11 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.

#### **1.12 Liabilities and provisions**

Liabilities 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.

#### **1.13 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.

#### **1.14 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.

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# **SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE**

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

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### **1. Accounting Policies (continued)**

#### **1.15 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.

### **2. Income from donations and legacies**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Donations	118,483	5,500	123,983	582,683
Grants	10,364	648,115	658,479	1,116,667
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	128,847	653,615	782,462	1,699,350
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2018	1,699,350	-	1,699,350	
	<hr/>	<hr/>	<hr/>	

# SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### 3. Trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Subsidiary trading income</b>				
SAERI (Falklands) Limited income	195,044	-	195,044	261,385
<b>Subsidiary trading expenses</b>				
Cost of goods sold	-	-	-	82,998
Advertising & marketing	-	-	-	306
Bank fees	102	-	102	221
Consulting	-	-	-	109,874
Charitable donations	-	-	-	3,000
Entertainment	130	-	130	-
General expenses	1,500	-	1,500	-
Legal expenses	132	-	132	3,087
Travel - national	-	-	-	250
Corporation tax	3,624	-	3,624	283
Accountancy	2,250	-	2,250	2,500
Specialist consultants	69,610	-	69,610	-
Project delivery cost	67,390	-	67,390	-
Depreciation of tangible fixed assets	1,307	-	1,307	1,744
	146,045	-	146,045	204,263
<b>Net income from trading activities</b>	48,999	-	48,999	57,122

### 4. Direct costs

	Activities £	Total 2019 £	Total 2018 £
Direct expenses	55,813	55,813	29,499
Project delivery costs	220,712	220,712	127,987
Specialist consultants	274,035	274,035	219,596
Travel and subsistence	60,892	60,892	141,138
IT costs	399	399	80
Medical insurance and other staff costs	12,520	12,520	9,203
Wages and salaries	254,779	254,779	263,268
National insurance	-	-	1,939
Pension cost	11,238	11,238	9,976
	890,388	890,388	802,686
<b>Total 2018</b>	802,686	802,686	



# SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### 5. Support costs

	Activities £	Total 2019 £	Total 2018 £
Advertising and marketing	1,454	1,454	3,000
Bank fees	363	363	507
Cleaning	2,228	2,228	2,342
Consulting	6,866	6,866	17,718
Entertainment	1,285	1,285	648
General expenses	6,981	6,981	(1,424)
Insurance	27,934	27,934	28,540
IT costs	5,579	5,579	7,119
Legal expenses	136	136	10,035
Medical insurance and other staff costs	237	237	816
Motor vehicle expenses	2,412	2,412	1,698
Postage, freight and courier	13	13	271
Printing and stationery	1,529	1,529	1,464
Realised currency (gain)/loss	408	408	342
Rent	21,704	21,704	24,688
Repairs and maintenance	354	354	88
Staff training	10	10	57
Subscriptions	1,490	1,490	530
Telephone and internet	9,415	9,415	5,355
Travel - air transport	6,281	6,281	24,830
Travel & subsistence	17,922	17,922	15,537
Utilities	11,546	11,546	9,600
Rates	134	134	-
Wages and salaries	199,275	199,275	189,870
National insurance	11,133	11,133	9,612
Pension cost	14,958	14,958	10,855
Depreciation	9,334	9,334	6,556
	<u>360,981</u>	<u>360,981</u>	<u>370,654</u>
<b>Total 2018</b>	<u>370,654</u>	<u>370,654</u>	

### 6. Governance costs

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Auditors' remuneration	7,375	-	7,375	6,600
Auditors' non audit costs	3,597	-	3,597	9,387
Board expenses	4,536	-	4,536	116
	<u>15,508</u>	<u>-</u>	<u>15,508</u>	<u>16,103</u>

# SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### 7. Analysis of Expenditure by expenditure type

	Staff costs 2019 £	Depreciation 2019 £	Other costs 2019 £	Total 2019 £	Total 2018 £
Expenditure on fundraising trading	-	1,307	144,738	146,045	205,714
<b>Costs of raising funds</b>	-	1,307	144,738	146,045	205,714
Direct costs	491,383	9,334	750,652	1,251,369	1,173,339
Expenditure on governance	-	-	15,508	15,508	16,103
	491,383	10,641	910,898	1,412,922	1,395,156
<b>Total 2018</b>	<b>485,520</b>	<b>7,225</b>	<b>902,411</b>	<b>1,395,156</b>	

### 8. Net income/(expenditure)

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	11,641	8,300
Auditor's remuneration - audit	7,375	6,600

### 9. Auditor's remuneration

The Auditor's remuneration amounts to an Audit fee of £7,375 and other accounting, payroll and VAT services of £3,597.

# SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### 10. Staff costs

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	454,054	453,138
Social security costs	11,133	11,551
Other pension costs	26,196	20,831
	<u>491,383</u>	<u>485,520</u>

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

	2019 No.	2018 No.
Employees	12	12

No employee received remuneration amounting to more than £60,000 in either year.

The Board considers that the Trustees, the Executive Director, the Deputy Director – Business & Programmes, Teresa Bowers, and the Deputy Director, Tara Pelembe, are the key management personnel of the charity. During the year, the total remuneration of key management personnel, including employers' pension contributions, amounted to £167,524 (2018 - £150,228).

No Trustees were paid for their role as a Trustee. However Paul Brickle, a Trustee, is remunerated in his capacity as Executive Director.

### 11. Intangible fixed assets

Group and Charity	Patents £
<b>Cost</b>	
At 1 July 2018	-
Additions	537
At 30 June 2019	<u>537</u>
<b>Carrying amount</b>	
At 30 June 2019	<u>537</u>
At 30 June 2018	<u>-</u>

## SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

#### 12. Tangible fixed assets

Group	Plant & machinery £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>					
At 1 July 2018	11,083	14,500	582	27,476	53,641
Additions	20,364	-	415	6,482	27,261
Impairment charge	-	-	-	(4,000)	(4,000)
At 30 June 2019	31,447	14,500	997	29,958	76,902
<b>Depreciation</b>					
At 1 July 2018	1,903	242	165	5,990	8,300
Charge for the year	2,759	1,450	427	7,005	11,641
Impairment charge	-	-	-	(1,000)	(1,000)
At 30 June 2019	4,662	1,692	592	11,995	18,941
<b>Net book value</b>					
At 30 June 2019	26,785	12,808	405	17,963	57,961
At 30 June 2018	9,180	14,258	417	21,486	45,341

# SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### 12 Tangible fixed assets (continued)

Charity	Plant & machinery £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>					
At 1 July 2018	4,111	14,500	582	27,476	46,669
Additions	20,364	-	415	6,482	27,261
Impairment charge	-	-	-	(4,000)	(4,000)
At 30 June 2019	24,475	14,500	997	29,958	69,930
<b>Depreciation</b>					
At 1 July 2018	159	242	165	5,990	6,556
Charge for the year	1,452	1,450	427	7,005	10,334
Impairment charge	-	-	-	(1,000)	(1,000)
At 30 June 2019	1,611	1,692	592	11,995	15,890
<b>Net book value</b>					
At 30 June 2019	22,864	12,808	405	17,963	54,040
At 30 June 2018	3,952	14,258	417	21,486	40,113

### 13. Fixed asset investments

Charity	Shares in group undertakings £	
<b>Market value</b>		
At 1 July 2018 and 30 June 2019		1
<b>Charity investments at market value comprise:</b>		
	<b>2019 £</b>	<b>2018 £</b>
Group	1	1

All the fixed asset investments are held overseas

# **SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

### **14. Debtors**

	<u>Group</u>		<u>Charity</u>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	£	£	£	£
Trade debtors	10,373	64,299	317	60,178
Other debtors	-	1	-	1
Prepayments and accrued income	43,294	34,426	30,205	30,023
	<u>53,667</u>	<u>98,726</u>	<u>30,522</u>	<u>90,202</u>

### **15. Creditors: Amounts falling due within one year**

	<u>Group</u>		<u>Charity</u>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	£	£	£	£
Trade creditors	13,368	15,008	13,368	10,386
Amounts owed to group undertakings	-	-	1	3,189
Corporation tax	3,907	283	-	-
Other creditors	81	397	81	397
Accruals and deferred income	183,945	67,115	173,712	53,685
	<u>201,301</u>	<u>82,803</u>	<u>187,162</u>	<u>67,657</u>

# SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### 16. Statement of funds

#### Statement of funds - current year

	Balance at 1 July 2018 (restated) £	Income £	Expenditure £	Transfers in/out £	Balance at 30 June 2019 £
<b>Unrestricted funds</b>					
General Funds	125,163	243,306	(243,450)	(5,365)	119,654
SAERI (Falklands) Limited	1,644	195,044	(181,046)	-	15,642
	<u>126,807</u>	<u>438,350</u>	<u>(424,496)</u>	<u>(5,365)</u>	<u>135,296</u>
<b>Restricted funds</b>					
D+ Cetaceans	17,127	20,614	(32,469)	(5,272)	-
GAP	60,686	-	(46,486)	14,545	28,745
MSP	8	6,800	(3,604)	25	3,229
Coastal Mapping	37,794	110,321	(141,263)	2,353	9,205
Montserrat	7,087	71,202	(56,435)	(7,010)	14,844
Fur Seals Tracking	5,563	15,286	(6,566)	1,117	15,400
D+ MMA	35,956	141,898	(152,869)	(2,599)	22,386
TCI	-	31,399	(8,782)	-	22,617
MOVE	17,695	-	(13,427)	1,897	6,165
Natural Capital Assessment	247,948	77,789	(298,202)	(16,281)	11,254
D+ Soil Mapping	24,022	116,963	(114,833)	1,929	28,081
Best 2.0	(4,092)	35,796	(32,596)	-	(892)
Discovery 100.	42,450	-	(8,067)	1,671	36,054
PHD Students	18,331	36,795	(72,827)	12,990	(4,711)
	<u>510,575</u>	<u>664,863</u>	<u>(988,426)</u>	<u>5,365</u>	<u>192,377</u>
<b>Total of funds</b>	<u>637,382</u>	<u>1,103,213</u>	<u>(1,412,922)</u>	<u>-</u>	<u>327,673</u>

# SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### 16. Statement of funds (continued)

#### Statement of funds - prior year

	Balance at 18 May 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 30 June 2018 £
<b>General funds</b>					
General Funds	-	349,926	(226,413)	1,650	125,163
SAERI (Falklands) Limited	-	261,385	(259,741)	-	1,644
<b>Restricted funds</b>					
D+ Cetaceans	-	129,918	(112,791)	-	17,127
GAP	-	216,366	(155,680)	-	60,686
MSP	-	34,177	(34,169)	-	8
Coastal Mapping	-	123,070	(85,276)	-	37,794
Montserrat	-	89,286	(82,199)	-	7,087
Fur Seals Tracking	-	37,148	(31,585)	-	5,563
D+ MMA	-	36,430	(474)	-	35,956
MOVE	-	18,782	(1,087)	-	17,695
Natural Capital Assessment	-	416,167	(168,219)	-	247,948
D+ Soil Mapping	-	25,908	(236)	(1,650)	24,022
Best 2.0	-	28,747	(32,839)	-	(4,092)
Discovery 100	-	180,510	(138,060)	-	42,450
PHD Students	-	83,268	(64,937)	-	18,331
	-	1,419,777	(907,552)	(1,650)	510,575
<b>Total of funds</b>	-	2,031,088	(1,393,706)	-	637,382

#### Summary of funds - current year

	Balance at 1 July 2018 (restated) £	Income £	Expenditure £	Transfers in/out £	Balance at 30 June 2019 £
General funds	126,807	438,350	(424,496)	(5,365)	135,296
Restricted funds	510,575	664,863	(988,426)	5,365	192,377
	637,382	1,103,213	(1,412,922)	-	327,673



# SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### 16. Statement of funds (continued)

#### Summary of funds - prior year

	Balance at 18 May 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 30 June 2018 £
General funds	-	611,311	(486,154)	1,650	126,807
Restricted funds	-	1,419,777	(907,552)	(1,650)	510,575
	-	2,031,088	(1,393,706)	-	637,382

### 17. Analysis of net assets between funds

#### Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Intangible fixed assets	537	-	537
Tangible fixed assets	20,037	37,926	57,963
Current assets	282,876	187,599	470,475
Creditors due within one year	(168,154)	(33,148)	(201,302)
	135,296	192,377	327,673

#### Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	23,659	21,683	45,342
Current assets	115,993	558,850	674,843
Creditors due within one year	(12,845)	(69,958)	(82,803)
	126,807	510,575	637,382

# SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(309,709)	637,382
<b>Adjustment for:</b>		
Depreciation charges	11,641	8,300
Decrease/(increase) in debtors	45,059	(98,726)
Increase in creditors	118,498	82,804
Impairment of fixed assets	3,000	-
<b>Net cash (used in)/provided by operating activities</b>	<b>(131,511)</b>	<b>629,760</b>

### 19. Analysis of cash and cash equivalents

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Cash in hand	416,809	576,118
<b>Total</b>	<b>416,809</b>	<b>576,118</b>

### 20. 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 £26,196 (2018 - £20,831). Contributions totalling £Nil (2018 - £396) were payable to the fund at the balance sheet date and are included in creditors.

### 21. Related party transactions

During the year trustee Dr Paul Brickle was paid £59,114 (2018 - £58,529) 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.

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## **SOUTH ATLANTIC ENVIRONMENTAL RESEARCH INSTITUTE**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

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#### **22. Principal subsidiaries**

##### **SAERI (Falklands) Limited**

Subsidiary name	SAERI (Falklands) Limited
Basis of control	Shareholding
Equity shareholding %	100%
 Total assets as at 30 June 2019	 £ 29,783
Total liabilities as at 30 June 2019	£ (14,140)
Total equity as at 30 June 2019	£ 15,643
 Turnover for the year ended 30 June 2019	 £ 195,044
Expenditure for the year ended 30 June 2019	£ (181,046)
Profit for the year ended 30 June 2019	£ 13,998

