

FALKLANDS CONSERVATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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 2020.

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

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, widely distributed to all members and supporters.

Supporting environmental education within Falkland Island schools

We continued to provide information and staff support to environmental education lessons, field trips and assemblies within schools and to support work experience students.

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 in 2019.

We run the Falkland Islands oiled seabird rehabilitation facility (recently refurbished with support from Detroit Zoological Society); this year a small number of penguins were received, treated and released. We also contribute information and advice as part of the Wildlife Disease Working Group that includes a number of organisations, individuals and Falkland Island Government departments.

Our Small Grants Scheme provides financial support to local community conservation initiatives. We continue to support community events including Stanley clean up, the Careers Fair and provide opportunities for volunteers to carry out practical conservation activities. The volunteer Curator works with us to ensure the National Herbarium is available to all on request.

Strengthening biosecurity policy and practice

We worked closely with the Environment Officer, Biosecurity Officers, Island Landcare, and the MoD to support and learn from their biosecurity work and to promote their biosecurity messages through social media and practical events.

Ensuring leading practice in onshore and offshore development

We helped shape the developing oil industry regulatory framework, and informed the public and FIG on their salmon farming fact finding for the benefit of the environment.

Land management, habitat restoration and outreach

Much of this work is to support and encourage landowners in their own restoration projects and to share learning, as well as to work as good custodians for our own landholdings including restoration work and invasive species management.

FALKLANDS CONSERVATION

Report of The Trustees

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Marine management

Our main activities on marine management this year were: a) continued work on a Darwin Plus supported project to advance understanding of the use of candidate Key Biodiversity Areas by sei whales and other baleen whale species to inform area management decisions; b) employment (supported by the RSPB) of a Marine Conservation Officer, to take forward findings on Key Biodiversity Areas, and inform the broader Marine Spatial Planning process in the islands c) continuation of the Falklands-wide Seabird Monitoring Programme, now in its 31st consecutive year.

New Island

During the year, Falklands Conservation Trustees, in collaboration with Trustees of the New Island Conservation Trust, developed plans for a merger of the two charitable organisations. This was approved by both Boards by June 2019 but the legal formalities were not completed until July 2020 and will be reported on in the 2020/21 Annual Report and Accounts. The merger, and thereby the responsibility for the management and operation of New Island, offers considerable opportunities and appropriate plans are under development; we are most grateful to all involved in the successful merger.

Impact of Covid

The immediate impact of Covid, essentially confined to the last quarter of the financial year, was primarily in implementing new working practices and in planning to mitigate its future financial and operational impacts. To this end: a) a drastically revised budget for 2020/21 was prepared for Trustee approval; b) IT systems and other services were modified to allow staff to work from home; c) project plans for 2020/21 were modified to take account of likely travel restrictions (internal and external) and delays in commencement and funding of new work. Overall, the impact this financial year was relatively modest but substantial impacts next year are inevitable. Trustees wish to thank all staff for their exceptional endeavours to adapt to (and deliver conservation work and outcomes) in the very challenging prevailing circumstances.

FINANCIAL REVIEW

The results for the year are detailed in the financial statements that follow. 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. 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 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, whose contribution varies from 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 to a number of ongoing projects. Hence, we are particularly grateful to FIG for their continued support.

Fundraising

We hosted 150 guests at our Charity Ball in 2019. 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 an investment adviser, Quilter Cheviot Ltd, which manages a portfolio of assets. The charity is in close contact with the investment adviser who produces quarterly reports for the Board.

FALKLANDS CONSERVATION

Report of The Trustees

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.

Risk Management

The Board reviews annually the main risks facing the charity and develops appropriate measures to mitigate those risks. Among the main risks identified at present are:

- 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 and 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.
- Worldwide COVID 19 pandemic. Comprehensive plans were developed to try to minimise current and future impact on our finances and operations.

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.

Partnerships and community

Falklands Conservation's defining principle is to deliver our mission by working closely with our members and partners. In order to achieve our charity objectives, our strategy must have a strong focus on the health of the organisation. This will include healthy finances, well-supported and trained staff, cutting edge communications and engagement. This will support an ambitious Conservation Programme.

Falklands Conservation will work to increase our financial stability with help from our partners, supporters and donors. We will invest in our staff to develop their skills. Furthermore, our planned new headquarters building, will ensure purpose-built facilities for our staff and operations. Our Trustees will ensure good governance and adherence to Charity Commission requirements. Without solid financial, governance and staff support – we would be unable to achieve all we plan to do on the ground.

The Falklands local community is not only dependent on Falkland's natural environment, but is also key to its successful management. Falklands Conservation will work to support ambitious community led initiatives that benefit nature. Our National Herbarium and citizen science activities will allow the community to gain a greater understanding of the natural world. We will work to inspire the next generation to be ambassadors for nature through our youth membership, known as the Watch Group. We will ensure that social and media communications on specific conservation topics inform and inspire our key audiences and work to underpin our fundraising.

Managing the Falklands natural environment

Falkland's habitats are amongst the finest in the world. Falklands Conservation will support private landowners to conserve and restore their natural habitats. We will encourage government to ensure public lands are well managed and restored. As a significant private landowner ourselves, we will show leadership through a coherent programme to preserve and restore our islands and reserves and share our learning. A unique future opportunity for doing this comes with the acquisition of New Island, one of the premier wildlife sites in the Falklands.

Falkland's waters are globally important for nature. While much good work has been done, our national practices do not yet ensure appropriate conservation of our marine natural heritage. Falklands Conservation will work to find positive solutions. The introduction of non-native species that become invasive is economically costly and very damaging. Falklands Conservation will work to ensure that Falkland's nature is safeguarded from new and existing introductions. The Falklands face critical decisions in onshore and offshore industries, including oil salmon farming and offshore oil development. These have the potential to alter the natural character of the islands forever. Falklands Conservation will be part of finding a sustainable solution to these challenges. The impacts of climate change will put further pressure on Falkland's nature. Falklands Conservation will work to address this challenge through community-based carbon storage and mitigation initiatives.

We are all part of the solution for achieving a bright future for Falkland's nature, and we look forward to continuing to work together.

FALKLANDS CONSERVATION

Report of The Trustees

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 Spink continued as our Chairman based in the Falkland Islands, while Henry Robinson remained Vice-Chairman based in the 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.

The Board of Trustees meets quarterly by conference telephone link UK-Falkland Islands. The Chief Executive Officer, Conservation Manager and Technical Administrative Officer are in attendance at Board meetings, but do not vote. Two Committees report to the main Board of Trustees: a UK Committee and a Falkland Islands Committee. These groups meet quarterly and oversee the operations of the charity in their respective countries. All Trustees give their time freely and do not receive any remuneration.

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 priorities, 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 were: the Chief Executive, the Conservation Manager and the Technical Administrative Officer. 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), and Dr Katherine Ross (Habitats Officer). Dr Caroline Weir (Cetaceans Project Officer). Peter Wessels (Marine Conservation Officer). Tracey Hellowell (Office Manager) was replaced by Pamela Quilodr n Jelbes in a restructured role (Technical Administrative Officer) in September 2019, Mike Ford as (Community Outreach Officer), Michelle Winnard (Communications and Marketing Officer), Rachel Sotomayor (Administrative Officer) until April 2020 when she was replaced by Shaani Stashinsky. In the UK, Alicia Boyer continued as the UK Administrative Officer. Helen Marsh very kindly continued to provide voluntary support as the Herbarium Curator. 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.

FALKLANDS CONSERVATION

Report of The Trustees

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, with a dedicated space for Watch Group activities, in Stanley.

THANKS AND ACKNOWLEDGEMENTS

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

Conservation Societies and other Organisations. The New Island Conservation Trust, 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, Oxford University, International Network for Seed-based Restoration, IUCN Peatland Program, Quark, Aiuká, South Atlantic Environmental Research Institute, Island LandCare, Elephant Seal Research Group, 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 Department for Environment, Food and Rural Affairs, including their Darwin Plus programmes, UK Foreign and Commonwealth Office RSPB, Standard Chartered Bank, Falkland Islands Development Corporation, UK Foreign and Commonwealth Office, Wild Planet Trust and the SeaLife Centre.

Supporters of Core Activities. Falkland Islands Government, 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 2019. We would like to thank our longest standing sponsor, Consolidated Fisheries Ltd, and additional sponsors: Falkland Islands Development Corporation, South American Atlantic Services, the Falkland Islands Company, Falkland Islands Tours and Travel and RBC Limited, for their generous contributions. Thanks also go to Lindblad 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 – resigned November 2019

VICE PRESIDENTS

Sir David Attenborough
Julian Fitter
Robert Gibbons
Mark Carwardine

Peter Harrison
Rebecca Ingham
Robin Woods – deceased August 2020
Mandy Shepherd

BOARD OF TRUSTEES

Roger Spink (FC Chairman)
Henry Robinson (UK Chair)
Matthew Bassford (UK Vice Chair)
Paul Brewin (FI Vice Chair)
Keith Biles (FI Hon Treasurer)
Thomas Blake
Ross James
Sally Blake

Tim Carr
Jan Cheek
Colin Clubbe
John Croxall
Sally-Ann Wilson
Ian Moncrieff
Duane Evans – resigned in November 2019
Nicola Granger (Hon Treasurer)

KEY MANAGEMENT

Chief Executive
Technical Administrative Officer
Conservation Manager

Dr Esther Bertram
Pamela Quilodrán Jelbes (from September 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

Azets 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.

Auditors

On 7 September 2020 Group Audit Services Limited trading as Wilkins Kennedy Audit Services changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

A resolution for the re-appointment of Azets Audit Services as auditors to the charitable company will be submitted to the Annual General Meeting.

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:



Roger Spink, FC Chairman
Board of Trustees

Date: 3/12/2020

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 2020 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 2020 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.

Azets Audit Services

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

Date 17 December 2020

FALKLANDS CONSERVATION

Statement of Financial Activities

For The Year Ended 30 June 2020

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	310,476	-	343,970	654,446	998,815
Other trading activities	3	30,002	-	-	30,002	28,415
Investments		3,280	-	-	3,280	3,334
Other income		20,454	-	-	20,454	5,848
Total income		364,212	-	343,970	708,182	1,036,412
EXPENDITURE ON						
Raising funds		203	-	2,630	2,833	58,028
Charitable activities:						
Conservation and research		185,610	2,351	128,936	316,897	306,020
Education and community		214,376	1,924	42,979	259,279	250,381
Total expenditure	4	400,189	4,275	174,545	579,009	614,429
NET (EXPENDITURE) /INCOME BEFORE NET GAINS		(35,977)	(4,275)	169,425	129,173	421,983
NET (LOSSES)/GAINS ON INVESTMENTS	8	(4,002)	-	-	(4,002)	(401)
NET (EXPENDITURE) /INCOME		(39,979)	(4,275)	169,425	125,171	421,582
Transfers between funds	12	72,352	31,580	(103,932)	-	-
NET MOVEMENT OF FUNDS		32,373	27,305	65,493	125,171	421,582
Total funds at 1 July 2019		186,936	317,024	814,130	1,318,090	896,508
Total funds at 30 June 2020	13	219,309	344,329	879,623	1,443,261	1,318,090

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes on pages 13 to 25 form part of these financial statements.

FALKLANDS CONSERVATION


Balance Sheet

As at 30 June 2020

	Notes	£	2020	£	£	2019	£
FIXED ASSETS							
Tangible assets	7			255,157			253,416
Investments	8			220,533			224,789
				<u>475,690</u>			<u>478,205</u>
CURRENT ASSETS							
Stock	9		31,915			22,980	
Debtors	10		22,898			10,179	
Cash and cash equivalents			944,274			869,261	
			<u>999,087</u>			<u>902,420</u>	
CREDITORS							
Amounts falling due within one year	11		(31,516)			(62,535)	
NET CURRENT ASSETS				967,571			839,885
NET ASSETS				<u>1,443,261</u>			<u>1,318,090</u>
FUNDS							
Endowment	12.4		32,408			32,408	
Restricted	12.3		879,623			814,130	
Unrestricted funds:							
Designated	12.2		344,329			317,024	
General	12.1		186,901			154,528	
TOTAL FUNDS				<u>1,443,261</u>			<u>1,318,090</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 3 Dec 2020 and were signed on its behalf by:


 Roger Spink
 Board of Trustees

The notes on pages 13 to 25 form part of these financial statements.

FALKLANDS CONSERVATION

Cash Flow Statement

As at 30 June 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Cash generated from operations	16	79,612	472,496
Cash flows from investing activities:			
Payments to acquire tangible fixed assets		(7,879)	-
Dividends and interest from investments		3,280	3,334
Net cash provided by investing activities		(4,599)	3,334
Change in cash and cash equivalents in the reporting period		75,013	475,830
Cash and cash equivalents at the beginning of the reporting period		869,261	393,431
Cash and cash equivalents at the end of the reporting period		944,274	869,261

The notes on pages 13 to 25 form part of these financial statements.

FALKLANDS CONSERVATION

Notes To The Financial Statements

For the Year Ended 30 June 2020

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 (including the COVID-19 pandemic) 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 re-assessed 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 2020

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.

1.8 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

1.9 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.

1.10 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 2020

1.10 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.

1.11 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.

1.12 Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

1.13 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.

1.14 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.

1.15 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.

1.16 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.

1.17 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.

1.18 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.

1.19 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 2020

2. DONATIONS AND LEGACIES

	Unrestricted £	Restricted £	2020 £	2019 £
Grants, donations and gifts (note 2.1)	297,149	300,306	597,455	979,219
Legacies	-	42,944	42,944	-
Subscriptions	13,327	720	14,047	19,596
	<u>310,476</u>	<u>343,970</u>	<u>654,446</u>	<u>998,815</u>

In 2019, £689,636 of the income received from grants, donations, legacies and subscriptions was attributable to the restricted fund, and the remaining £309,179 was attributable to the unrestricted fund.

Included with the unrestricted income is £210,000 (2019: £210,000) 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
b) The Darwin Initiative (UK Department for Environmental Affairs) Darwin Whale Project	135,844
c) The Royal Society for the Protection of Birds RSPB Marine Conservation Officer RSPB WWF Salmon Farming Visit	30,000 9,943
d) Springcreek Conservation Springcreek Habitats	36,229
e) Joanne Debra Heatlie Legacy Building for the Future Appeal	42,944
f) Non-project funds WATCH Group Site Management Support	7,840 26,000
g) Other less than £5,000	16,025
	<u>343,970</u>

3. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted £	Restricted £	2020 £	2019 £
Sale of goods and publications	30,002	-	30,002	28,415
	<u>30,002</u>	<u>-</u>	<u>30,002</u>	<u>28,415</u>

In 2019, £28,415 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 2020

4. ANALYSIS OF RESOURCES EXPENDED

	Staff costs £ (note 6)	Direct costs £	Support costs £ (note 4.1)	Total £	2019 £
Cost of generating funds:					
Costs of generating voluntary income	-	1,281	-	1,281	30,790
Cost of fundraising trading	-	1,500	52	1,552	27,238
Charitable activities:					
Conservation and research	184,226	11,291	121,380	316,897	306,020
Education and community	150,730	9,238	99,311	259,279	250,381
Total resources expended	334,956	23,310	220,743	579,009	614,429

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 2019 and 2020.

In 2019, £323,926 of the resources expended was attributable to staff costs, £56,312 to direct costs and the remaining £234,191 was attributable to support costs. Of the total £614,429; £191,315 was attributable to the restricted fund and the remaining £423,114 was attributable to the unrestricted fund.

4.1 SUPPORT COSTS

	Unrestricted	Restricted	2020 TOTAL	Unrestricted	Restricted	2019 TOTAL
	£	£	£	£	£	£
Subscriptions	1,269	-	1,269	1,262	480	1,742
Property & Maintenance	12,812	83	12,895	10,912	13,130	24,042
General	253	-	253	5,323	-	5,323
Recruitment	577	348	925	3,908	809	4,717
Training	1,277	-	1,277	-	-	-
Volunteer costs	-	-	-	68	-	68
Professional fees	11,349	54,769	66,118	2,259	29,708	31,967
Telephone costs	8,467	9	8,476	7,798	444	8,242
Postage & office consumables	11,253	100	11,353	6,039	1,277	7,316
Computer, website & hardware	12,675	330	13,005	10,665	399	11,064
Equipment & Furniture	1,526	13,141	14,667	1,784	44,097	45,881
Insurance	15,966	-	15,966	6,946	-	6,946
Travel costs	16,976	19,428	36,404	14,213	30,846	45,059
Motor vehicle costs	4,451	3,922	8,373	4,453	6,916	11,369
Subsistence	6,496	204	6,700	-	9,849	9,849
Meeting expenses	-	1,818	1,818	430	370	800
Depreciation	6,138	-	6,138	6,016	-	6,016
Governance costs:						
Audit & Accountancy costs	13,492	-	13,492	11,793	-	11,793
Bank charges	1,614	-	1,614	1,997	-	1,997
	<u>126,591</u>	<u>94,152</u>	<u>220,743</u>	<u>95,866</u>	<u>138,325</u>	<u>234,191</u>

Restricted support costs represent expenditure incurred on projects.

FALKLANDS CONSERVATION

Notes To The Financial Statements

For the Year Ended 30 June 2020

5 NET INCOME/(EXPENDITURE) FOR THE YEAR

	2020 £	2019 £
This is stated after charging:		
Auditors' remuneration:		
- for audit	6,300	6,500
- for other services	1,850	2,000
Depreciation	6,138	6,016

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

	2020 £	2019 £
Wages and salaries	316,819	305,103
Social security costs	9,956	16,755
Pension costs	8,181	2,068
	334,956	323,926

	2020 No.	2019 No.
The average number of employees during the year was as follows:		
Average number	11	10

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, Technical Administrative Officer (in a re-structured role that was previously the Office Manager) and Conservation Manager. The total employee benefits of the key management personnel for the year were £128,567 (2019: £165,118).

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 2020 none of the trustees were reimbursed travel and event costs expenses (2019: none).

7. TANGIBLE FIXED ASSETS

	Land and Buildings £	Plant and Equipment £	Motor Vehicles £	Total £
COST				
At 1 July 2019	238,367	104,473	25,185	368,025
Additions	-	7,879	-	7,879
Disposals	-	(3,375)	-	(3,375)
	238,367	108,977	25,185	372,529
DEPRECIATION				
At 1 July 2019	-	92,424	22,185	114,609
Charge for the year	-	4,138	2,000	6,138
Eliminated on disposal	-	(3,375)	-	(3,375)
	-	93,187	24,185	117,372
NET BOOK VALUE				
At 30 June 2020	238,367	15,790	1,000	255,157
At 30 June 2019	238,367	12,049	3,000	253,416

FALKLANDS CONSERVATION

Notes To The Financial Statements

For the Year Ended 30 June 2020

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	Sal 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

	2020 £	2019 £
At market value:		
Balance at 1 July 2019	224,789	225,190
Additions	-	-
Disposal	(12,606)	-
Revaluation	(4,002)	(401)
Cash held in investment portfolio	12,352	-
Market value at 30 June 2020	220,533	224,789
 Cost at 30 June 2020	 175,697	 173,998

The Charity's investment in the following represents more than 5% of the total investment portfolio as at 30 June 2020:

COIF Charities Deposit Funds	120,219
Fil Inv Svcs UK Fid Mb Income Ne Y Inc Sett 15/06/12	17,696
M&G Corporate Bond I Inc (Inst)	15,991
M&G Investment Man Global Dividend I Sett 02/12/13	12,712
Veritas Global Equity Inc (Inst) Sett 05/12/13	11,854

9. STOCKS

	2020 £	2019 £
Goods for resale	31,915	22,980

FALKLANDS CONSERVATION

Notes To The Financial Statements

For the Year Ended 30 June 2020

10. DEBTORS

	2020 £	2019 £
Trade debtors	32,887	2,799
Provision for bad debts	(12,397)	-
Other debtors	610	-
Prepayments and accrued income	1,798	7,380
	<u>22,898</u>	<u>10,179</u>

11. CREDITORS: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	4,030	16,479
Other creditors	2,078	18,300
Accruals and deferred income	25,408	27,756
	<u>31,516</u>	<u>62,535</u>

12. STATEMENT OF FUNDS

	Balance at 1 July 2019 £	Incoming Resources £	Resources Expended, Gains & (losses) £	Transfers £	Balance at 30 June 2020 £
Unrestricted Funds					
12.1 General Fund					
General Account	<u>154,528</u>	<u>364,212</u>	<u>(404,191)</u>	<u>72,352</u>	<u>186,901</u>
12.2 Designated Funds					
Fixed Asset reserve	227,024	-	(4,275)	-	222,749
New Building fund	70,000	-	-	-	70,000
Remote working	-	-	-	9,580	9,580
Small grants	-	-	-	2,000	2,000
Vehicle replacement fund	20,000	-	-	-	20,000
Whale Project support	-	-	-	20,000	20,000
	<u>317,024</u>	<u>-</u>	<u>(4,275)</u>	<u>31,580</u>	<u>344,329</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 £255,157 less endowments worth £32,408; see Note 7).

During the year, the trustees have agreed on the creation of the following designated funds:

Small grants

Trustees have agreed to designate £2K of funds received in the end of year 2019-20 from Antarctic Research Trust (ART) to continue funding Small Conservation Grants.

Whale Project support

Due to the lockdown the field season for the Darwin whale project has been seriously affected. Darwin Fund have agreed to roll over some of the funds to the 20-21 season, however the Trustees agreed to designate £20K from this year's surplus, to fully cover the costs to this important project.

Remote working

Due to the worldwide pandemic, the Falklands Conservation staff were forced to work remotely, with donations and general funding in question, the organisation benefited from a private donation to support and be prepared for "remote working". This donation has not been fully spent but it was an unrestricted donation. The Trustees are aware that the pandemic is still an issue and the designated fund will be spent in 20-21 to ensure the good work of Falklands Conservation is not interrupted should staff have to work from home again.

FALKLANDS CONSERVATION

Notes To The Financial Statements

For the Year Ended 30 June 2020

12.3 Restricted Funds

		<u>Balance at</u> <u>1 July</u> <u>2019</u> £	<u>Incoming</u> <u>Resources</u> <u>(note 2.1)</u> £	<u>Resources</u> <u>Expended</u> £	<u>Transfers</u> £	<u>Balance at</u> <u>30 June</u> <u>2020</u> £
	<u>PROJECT FUNDS</u>					
208	Biodiversity Action Planning in the Falkland Islands	6,807	-	-	-	6,807
210	ESB FISMP	16,173	39,145	(14,729)	(22,040)	18,549
212	An inventory of Falkland Islands Bryophytes and Lichens	3,962	-	-	-	3,962
217	RSPB Hydrocarbons Policy Frameworks	3,933	-	(2,500)	-	1,433
222	RSPB Site Management	11,547	2,000	(7,450)	(5,964)	133
223	ESB BBA Survey 2017	2,822	-	(2,822)	-	-
228	Darwin Whale Project	(27,076)	135,844	(69,543)	(22,664)	16,561
229	FCO Enabling Fund	3,500	-	-	-	3,500
234	Raptor Project	3,487	-	-	-	3,487
235	GSGSSI White-Chinned Petrel Tracking	214	-	-	(214)	-
271	Native Plants	9,841	-	-	-	9,841
287	RSPB Marine Conservation Officer	31,252	30,000	(36,622)	-	24,630
298	FC Reserve Management	21,492	5,000	(1,215)	-	25,277
302	FIDC Sea Lion Island	12	-	(12)	-	-
306	Ellerman Habitat Restoration & Outreach	17,840	-	(13,006)	(4,834)	-
308	Springcreek Habitats	36,404	36,229	(4,248)	(30,153)	38,232
362	HB Allen Conservation Fund	75,000	-	-	-	75,000
370	Penguin Rehab Centre	1,251	227	(108)	-	1,370
371	ESB Cetaceans Citizen Science	1,865	-	-	(1,865)	-
372	FCO Comms Funding	8,450	-	-	(4,204)	4,246
373	WPT Ship Island Restoration	-	2,000	(680)	(1,000)	320
374	ESB Seaweed Citizen Science	-	3,783	(200)	(2,983)	600
375	FCO Salmon Farming Equipment	-	3,015	(1,928)	-	1,087
376	RSPB WWF Salmon Farming visit	-	9,943	(5,932)	(4,011)	-
390	Site Management Support	-	26,000	-	-	26,000
		<u>228,776</u>	<u>293,186</u>	<u>(160,995)</u>	<u>(99,932)</u>	<u>261,035</u>
	<u>NON-PROJECT FUNDS</u>					
340	WATCH Group	4,906	7,840	(3,210)	(4,000)	5,536
361	Building for the Future Appeal	580,448	42,944	(10,340)	-	613,052
		<u>814,130</u>	<u>343,970</u>	<u>(174,545)</u>	<u>(103,932)</u>	<u>879,623</u>

FALKLANDS CONSERVATION

Notes To The Financial Statements

For the Year Ended 30 June 2020

12. STATEMENT OF FUNDS (continued)

The following restricted funds were held at 30 June 2020:

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.

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.

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.

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.

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.

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.

FALKLANDS CONSERVATION

Notes To The Financial Statements

For the Year Ended 30 June 2020

12. STATEMENT OF FUNDS (continued)

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.

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 financial year 2018-2019 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.

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.

FALKLANDS CONSERVATION

Notes To The Financial Statements

For the Year Ended 30 June 2020

12. STATEMENT OF FUNDS (continued)

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.

373 WPT Ship Island Restoration

Support from the Wild Planet Trust to continue our habitat restoration and management work on FC's own Ship Island.

374 ESB Seaweed Citizen Science

Funded by the FIG Environmental Science budget, this project aims to initiate a citizen science project that will engage community members in gathering more information on seaweeds that will feed baseline information, monitoring and conservation assessments, and support development of indicators to change.

375 FCO Salmon Farming Equipment

Funded by the FCO the aim of this project is to provide for equipment that will allow the Watch Group to learn about aquaculture and how they perceive it impacting the Falkland Islands

376 RSPB WWF Salmon Farming Visit

Funded by the RSPB to support FC in engaging our community to further the understanding of commercial salmon farming and its impacts on the environment, economy and community in the Falkland Islands.

390 Site Management Support

Funding from the RSPB to support improved management at FC site assets, including biosecurity and invasive inputs.

12.4 Capital Endowment Fund	Balance at 30 June 2020 £
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	-	-	879,623	879,623
Designated Funds	222,749	-	121,580	344,329
General Funds	-	220,533	(33,632)	186,901
	255,157	220,533	967,571	1,443,261

FALKLANDS CONSERVATION

Notes To The Financial Statements

For the Year Ended 30 June 2020

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

	2020 £	2019 £
Net income for the reporting period (as per the statement of financial activities)	125,171	421,582
Adjustments for:		
Depreciation charges	6,138	6,016
Dividends and interest from investments	(3,280)	(3,334)
Losses/(gains) on investments	4,002	401
Other losses/gains on financial assets	254	-
(Increase)/decrease in stocks	(8,935)	8,150
(Increase)/decrease in debtors	(12,719)	2,007
Increase/(decrease) in creditors	(31,019)	37,674
Net cash provided by operating activities	79,612	472,496

17. SUBSEQUENT EVENTS

The New Island Conservation Trust

During the year, Falklands Conservation Trustees, in collaboration with Trustees of The New Island Conservation Trust (UK Charity registration number 1047676), developed plans for a merger of the two charitable organisations. This merger occurred in July 2020 and merged finances will be reported from the 2020/21 Annual Report and Accounts.

