

Company number: 09644797
Charity Number: 01162666

Nekton Foundation

Report and financial statements
For the year ended 31 December 2020

Nekton Foundation

Contents

For the year ended 31 December 2020

Reference and administrative information	1
Trustees' annual report	3
1. Objectives & Activities	
2. Achievements and performance:	
2.1 Protecting the Ocean	
2.2 Missions	
2.3. Applied Marine Conservation Science	
2.4. Public Engagement	
2.5. Ocean Data	
2.6. Additional Innovation Projects	
2.7. The Nekton Alliance	
3. Beneficiaries of our services	
4. Financial review	
5. Principal risks and uncertainties	
6. Plans for the future	
7. Structure, governance and management	
8. Auditors	
Independent auditors' report	22
Statement of financial activities (incorporating an income and expenditure account)	26
Balance sheet	27
Statement of cash flows	28
Notes to the financial statements	29

Reference and administrative information

For the year ended 31 December 2019

Company number 09644797

Charity number 01162666

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

Country of registration England & Wales

Country of incorporation The United Kingdom

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

Chair:	Rupert Grey
Trustees:	Juliet Burnett
	Paul Jardine
	Captain Paul Crowther (Vice Chair)
	Emily Penn
	Professor Callum Roberts
	Robert McCallum
	Vanessa Rice
	William Goodlad (appointed 13 February 2020)
	Angelique Pouponneau (appointed 27 July 2020)

Key management personnel

Chief Executive:	Oliver Steeds
Finance & Operations Controller:	Alex Murphy
Head of Communications	Lisa Hynes
Principal Scientist:	Dr. Lucy Woodall

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

Reference and administrative information

For the year ended 31 December 2019

Solicitors	Skadden, Arps, Slate, Meagher & Flom (UK) LLP (appointed July 2020) 40 Bank Street Canary Wharf London E14 5DS
	Bates Wells Braithwaite 10 Queen Street Place London EC4R 1B
	Blake Morgan Apex Plaza Forbury Road Reading RG1 1AX
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditors Invicta House 108-114 Golden Lane LONDON EC1Y 0TL

Nekton Foundation – Trustees’ Annual Report – For the year ended 31 December 2020

The trustees present their report and the audited financial statements for the year ended 31 December 2020.

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

1. Objectives and activities

1.1 Purpose and Aims

Nekton Foundation is a charitable organisation dedicated to accelerating the scientific exploration and protection of the ocean. To help ensure the resilient and prosperous ocean needed to improve the lives and livelihoods of billions around the world, Nekton is focused on three connected goals: accelerating deep-sea scientific research and exploration, inspiring education and outreach and galvanising progress towards greater ocean protection.

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

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

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

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

Funding & Business Model: We are funded through an Alliance of Mission, Strategic and Founding Partners and philanthropic grants and donations. We implement our operations with our partners who share a common purpose to explore and protect the ocean.

Nekton’s DNA

Our DNA is founded on:

- **Conservation Science:** We can’t protect what we don’t know. In collaboration with the University of Oxford, we create step changes in our scientific knowledge of the ocean to catalyse ocean protection.
- **First Descent Missions:** Working for and with large ocean nations committed to and implementing ambitious plans to protect 30% of their ocean by 2030
- **Democratising science:** Knowledge shared empowers ocean science and ocean protection. Host nation scientists, conservationists, even the Heads of State are at the heart of everything we do.

- **Inspirational story-telling:** We broadcast the journey of scientific discovery by our aquanauts in the ocean’s depths live to audiences globally galvanising public support for political action.
 - **Unique alliance:** Our strength comes from the sum of our parts – uniting 56 different organisations – from government, science, business, media, technology, and civil society – to work together for our shared client - the ocean.
-

1.2 Nekton Missions: working with Ocean Nations

Each project (or ‘Mission’) is co-developed and co-delivered with the Government, academic, civil society and media partners of each host nation. Each Mission combines applied research, knowledge exchange, ocean policy and inspirational public engagement activities to achieve maximum impact. All data and biological specimens are owned and vested by the host nation.

i. **Applied Research:**

To inform & catalyse ocean policy through:

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

ii. **Knowledge Exchange:**

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

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

iii. **Inspirational Public Engagement:**

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

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

1.3 Nekton Innovation Projects

In addition to Missions, we undertake specific, mutually supportive initiatives (*‘Innovation Projects’*) targeted to accelerate the process of scientific discovery and sustainable ocean governance.

Nekton Foundation – Trustees’ Annual Report – For the year ended 31 December 2020

In 2020, these include:

- **Ocean Data:** increasing marine data accessibility and usability through
 - OCTOPUS – the Ocean Tool for Public Understanding and Science, the global ocean data portal.
 - Field research data standardisation through *the General Ocean Survey and Sampling Iterative Protocol (GOSSIP)*
 - **Plastics:** drawdown of plastic usage, research into microplastics prevalence and distribution pathways with associated policy recommendations.
 - **Extreme E** – electric racing to highlight climate challenges faced by different ecosystems.
 - **Combatting parachute science**
 - **Yachts for Science:** matching scientists with vessels of opportunity.
 - **The Earthshot Prize** with the Royal Foundation
-

1.4 Indian Ocean Strategy 2018-2023

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

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

First Descent: Indian Ocean began in Comores in 2018 with a pathfinder mission with partners Wild Oceans and others before leading onto a larger, Nekton-led Mission at the invitation of the Government of Seychelles. The initial phase of activities are scheduled to complete in October 2023 with a regional Summit.

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

[Watch](#) launch film, narrated by Morgan Freeman.

1.4.1 Projected impact

First Descent achieves environmental, scientific, political and civil society impact through:

- **Building resilience to climate change:** Large ocean nations committed to and implementing ambitious plans to protect 30% of their ocean by 2030 - providing the economic, political and scientific case for a healthy, prosperous ocean and planet.
- **Political Leadership:** Western Indian Ocean Summit in 2023 - convened by UNEP, uniting Heads of States to implement a regional strategy for sustainable governance, underpinned with investment into blue natural capital - the first of its kind globally.

- **Empowering diversity & knowledge exchange:** A diverse cadre of Indian Ocean leaders with capacity, skills and knowledge across marine science, ocean conservation and management, to support the implementation of ocean protection and the sustainable development of the blue economy.
 - **Pioneering scientific knowledge:** Hundreds of new species, dozens of institutes participating and 60+ scientific papers incl. on climate change resilience and adaptation, biodiversity, fisheries and pollution to inform sustainable ocean management.
 - **Inspiring ocean conservation:** Increasing the public support for political action in support of the Global Ocean Alliance call for 30% global ocean protection by 2030.
 - **Build back better:** Pairing economic recovery with positive action, supporting economic growth, driving job creation, strengthening response to future shocks and creating a more equitable and sustainable future.
-

2. Achievements and performance

Since our first Mission and Nekton getting underway in 2016, we have achieved significant impact across marine science, ocean protection, knowledge exchange and public engagement (review: [The Nekton Story](#) – detailing our timeline and achievements). In 2020, we remain the only organisation globally undertaking co-produced deep ocean research with host nations at the heart of all activities and outcomes, including their ownership of all the data we generate.

The impact of the global pandemic has been significant for Nekton. Our next major mission in the Indian Ocean (First Descent: Midnight Zone), a collaboration between Nekton and the Governments of Seychelles and the Maldives, due to be in March-April 2020 was postponed.

During this challenging period, Nekton has performed well and we have remained financially robust, continued to keep the whole team together and sustained our high productivity and impact. We have continued to prioritise our strategic objectives for our operations and initiatives in the Indian Ocean, which due to the pandemic have been extended by a year, with the Western Indian Ocean Summit, now scheduled for October 2023. All major partners (the Nekton Alliance – see 2.7) have been retained during 2020 and some new partners added.

Recognising the need to strengthen the base of our core operations when not able to undertake field operations, we have developed, financed and launched a series of new marine science, knowledge exchange, ocean policy and public engagement initiatives.

2.1 Protecting the Ocean

2.1.1. Bermuda (Mission: 2016-2018)

Following our mission to Bermuda in 2016 (*XL Catlin Deep Ocean Survey*), the discovery of the Rariphotic Zone in Bermuda, and the publication of over 20 scientific papers about the discoveries, these critical datasets have been utilised throughout 2020 by the Government of Bermuda to inform marine spatial

planning and their commitment to protect at least 20% of their Exclusive Economic Zone along with the sustainable governance of the entire ocean territory. The Nekton team have continued to work with our Bermudian partners in 2020 to support these activities. Read more: “*Marine Sanctuary planned for island* - *BerNews*”

2.1.2 Seychelles (Mission: 2018-2022)

In April 2020, President Faure announced Seychelles had successfully protected 32% of their territorial waters, (over 400,000 km² – equivalent in size to twice the entire UK) – *Al Jazeera*.

2.1.3 Maldives (Mission: 2019-2023)

Following Seychelles’ Special Envoy and Nekton meeting with President Solih, in 2019, the Government of the Maldives committed to protect at least 20% of their EEZ. *President Solih announced the Maldives commitment at the United Nations.*

“How the Indian Ocean changes in the coming decades will profoundly affect the lives, livelihoods and wellbeing of the 2.7 billion of us living in the region. Nekton’s work in the Indian Ocean is critical to galvanising action to ensure we restore the resilience and prosperity of our ocean and our blue economies.”

**His Excellency, Danny Faure,
President of Seychelles**

2.1.4 Western Indian Ocean Summit 2023

We have continued to work with President Faure and the Government of Seychelles to co-develop a regional strategy for the sustainable governance of the Western Indian Ocean, including a target of at least 30% protected by 2030 (in EEZ and High Seas). During 2020, the scoping of the implementation strategy was developed in consultation with the UN’s Nairobi Convention and regional partners. Due to the delay to the Nairobi Convention’s COP from 2020 to 2021, the proposed Summit for the implementation strategy to be ratified by regional Heads of State, has been moved to October 2023.

2.2 Missions

2.2.1 First Descent: Seychelles 2018-2021

First Descent: Seychelles is first in Nekton’s series of missions with ocean nations in the Indian Ocean. *First Descent: Seychelles* is a joint programme between Nekton and the Government of Seychelles, supported by a dozen Seychelles partners and 30+ international partners. The mission combines applied research, knowledge exchange and public engagement activities to support the Government’s commitments to protect over 400,000km² - 30% of their ocean territory and the sustainable development of their Blue Economy.

Field research activities were conducted in 2019 to gather actionable data to support Seychelles’ Marine Spatial Plan, the designation of marine protected areas and the sustainable governance of their ocean. Data analysis and publication has continued through 2019 and 2020 to support these efforts.

2.2.1.1 Seychelles Partners

- **Government:** Office of the President; Ministries of i) Environment, Energy and Climate Change, ii) Education, iii) Blue Economy and iv) Tourism.
- **Academic:** National Institute for Science, Technology and Innovation (NISTI); University of Seychelles (UniSey).
- **Civil Society:** Island Conservation Society (ICS), Seychelles Island Foundation (SIF), Marine Conservation Society Seychelles (MCCS), The Nature Conservancy (TNC), Seychelles Conservation & Climate Change Adaptation Trust (SeyCATT).
- **Parastatal:** Seychelles Fishing Authority (SFA), Seychelles Broadcasting Corporation (SBC).

2.2.1.2 Applied Marine Conservation Research

Analysis of 1200+ biological samples and 20TB of environmental data has been conducted by Nekton, Seychellois partners and international scientific collaborators through 2020. The initial key discoveries were shared with Government partners to inform the Marine Spatial Plan Policy and the Coral Reef Policy and shared at the Seychelles Ocean Science Symposium (see below). Joint analysis and publication with Seychelles partners continues (see below) with 16 scientific papers in train for publication in 2021. Highlights of the discoveries announced in 2020 include:

- **The Rariphotic Zone** (130 to 300metres): the first documentation of this unique ecosystem in the Indian Ocean. Following our discovery of the Rariphotic Zone in Bermuda and other discoveries in the Caribbean, it is likely that this can now be considered one of the largest new ecosystems found on Earth in decades.
- **Aldabra, UNESCO Marine World Heritage Site:** first documentation of life below 30metres revealed significant diversity and abundance, showing the protected status is having an important impact in retaining a healthy and resilient marine environment.
- **Astove, Outer Islands:** almost 100% coral cover from shallow to depth. With at least a third of coral destroyed across the planet by bleaching and human impact, the team continue to investigate if these corals are genetically different, and if so, if they can provide clues to help protect or repopulate coral reefs elsewhere. (*Jacques Cousteau thought of Astove as ‘the greatest treasure of the sea’, 1956*).
- **Seagrass:** discoveries of dead sea grass leaves at depths of at least 400metres, a critical and previously undocumented carbon store who’s sequestration value needs greater management (and protection) and could be utilised by Seychelles NDC (UNFCCC’s Nationally Determined Contributions).
- **New species:** a diversity of new coral, sponge, fish and other species have been discovered, many that are new to science and many more that the first records of these species within Seychelles.

“This was an incredible and a very important expedition for Seychelles to gather vital data for to inform our policies for the marine spatial plan. Importantly, it’s not all about conservation but it’s also about usage of marine resources, sustainable use of marine resources such as fisheries. It was perfect timing to gather this data to decide and confirm on the different zones to protect 30% our EEZ (Exclusive Economic Zone)”.

Alain De Comarmond,
Principal Secretary, Ministry of Environment, Energy and Climate Change.

2.2.1.3 Knowledge Exchange: <https://nektonmission.org/knowledge-exchange/seychelles>

Nekton’s knowledge exchange programme continues to enable Seychellois scientists, marine managers, policy makers and their communities to have an integral role in the process of marine science and ocean management – from determining research priorities to data acquisition, field research, analysis and ultimately the publication of new knowledge to inform ocean management priorities. Our knowledge exchange programme is creating a collaborative and equitable process through three key areas of activity:

- i. Co-creation of science objectives and outcomes;
- ii. Joint research and skills exchange,
- iii. Joint analysis, publication and engagement.

Highlights of the programme in 2020 have included:

- **Seychelles Ocean Science Symposium:** November 2020. Nekton were a lead partner in the Seychelles Ocean Science Symposium held in November 2020 alongside the Government of Seychelles and the Seychelles, Conservation and Climate Adaptation Trust (SeyCATT). 31 presentations were given in total (9 by Nekton presenting findings and conservation / policy tools from the Mission) with 400 attendees both in person for Seychelles citizens and virtually for international collaborators.
- **Deep Blue Grants:** In partnership with SeyCCAT, Nekton funded 8 Seychellois to undertake research activities that have continued through 2020 (with some delays due to Covid-19 restrictions). These

include: (*full details* and read more: “Creating a legacy of marine science and ocean management (*with SeyCCAT*)”

- i. **Sheena Talma:** Spatio-temporal abundance and distribution of ichthyoplankton within the Seychelles waters.
- ii. **Clara Belmont, Stephanie Marie and Andrew Souffre:** Variability in trophic signatures of zooplankton and food web dynamics within Seychelles waters
- iii. **Jeanne Mortimer:** Marine Macrophytes — i.e. marine plants (seagrass and algae) large enough to be seen without a microscope - known as "Gomo" in Kreol.
- iv. **Jennifer Appoo:** marine predator community around Aldabra down to 500m.
- v. **Damien Labiche:** Identification and behavioural analysis of deep-sea sharks and rays
- vi. **Dr Jerome Harlay:** Ocean Acidification, Blue Carbon and coastal ecosystems metabolism

2.2.1.4 Public Engagement

The Mission continues to amplify ocean awareness, create a new cadre of Seychellois ocean leaders, strengthen public support for ocean policy and promote sustainable marine tourism. For 2020 Highlights see section 2.4 Public Engagement.

2.2.2 First Descent: Midnight Zone – Maldives 2019-2022

Watch launch film.

‘First Descent: Midnight Zone’ is a partnership between the Government of the Maldives, Nekton and Maldivian scientific and conservation organisations to support the sustainable governance of the Maldivian ocean including the protection of at least 20% of the Exclusive Economic Zone.

Research is focused on seamounts in the Midnight Zone. The Midnight Zone describes ocean depths between 1000metres and 4000metres. Whilst biomass peaks in surface waters, biodiversity peaks within the Midnight Zone. The Mission will undertake the first research of seamounts in this area of the Indian Ocean. With high levels of biological endemism, seamounts are often described as ‘undersea Galapagos’, home to species found nowhere else on the planet.

“The ocean is a key part of each Maldivian. 71% rely on the ocean for their primary source of income. We have committed to a 5-year initiative to advance ocean protection and sustainably develop the blue economy. This Mission will help us establish the long-term sustainability of our economic growth, livelihoods and jobs through establishing marine protected areas to build ocean resilience”
His Excellency, President Ibrahim Mohamid Solih of Maldives.

The objectives of the mission are:

- **Applied Research:** To contribute to establishing a baseline of marine life and the state of the ocean in the Maldives.
- **Ocean Governance:** To support the Maldives in successful implementation of improved ocean governance and Marine Spatial Planning (including an initial spatial target of conserving 20% of Maldivian territorial waters).
- **Public Engagement:** To inspire and engage Maldivian and international audiences with the scientific exploration of the Indian Ocean and promote the Maldives as beacons of leadership in ocean conservation, management and the sustainable blue economy.
- **Knowledge sharing:** To support the development of the leadership, tools, skills, knowledge and networks within the Maldives and regionally to empower long-term sustainable ocean governance.

Nekton Foundation – Trustees’ Annual Report – For the year ended 31 December 2020

The summary output from the Mission is projected to be:

ACTIVITY	OUTPUT
Science	Document changes in fauna from surface to 3000m-4000 m and identify environmental drivers, disseminated by peer-reviewed papers.
	Ground truth assumptions made by the spatial planning exercise
	Establish geographic patterns between island groups and determine impacts of human activities on the marine life
Knowledge Exchange	10 X Maldivian scientists participating in the Mission, including a visiting fellowships to Oxford University
	Co-authored papers, taxonomic guides and other tools meeting national needs
Ocean Governance	Tools and data to support the sustainable management and governance of at least 20% of Maldives EEZ (184,000km ² of 923,000km ²).
	OCTOPUS Indian Ocean node developed with a relevant case study to support regional and national ocean governance and research
Engagement & Ocean Literacy	750m Global Audience Reach
	15million: social media engagement
	10 Maldivians Ocean Ambassadors
	750,000 students engaged with Submarine STEM

Maldives Partners include Government Ministries (Fisheries, Environment, Tourism), Marine Research Institute, The Maldives National University; IPNLF, Maldives Whale Shark Research Programme, Manta Trust, Coral Research Institute, I.D.E.A.S.

Launch announcement: Highlights of media coverage of launch announcement (5th February 2020):

- [NY Times](#): Scientists Dive into ‘Midnight Zone’ to study Dark Ocean.
- [ITV](#): Scientists to dive 4000m into ‘Midnight Zone’ of Ocean to observe impact of climate change
- [Seychelles and Maldives President’s Joint Statement](#): announce a major joint marine research Mission to explore and conserve the Indian Ocean

Field Research Activities 2020

Nekton scientists joined forces with Maldivian and international scientists in January and February 2020 in the Maldives, to undertake initial biodiversity mapping and sampling. The Nekton team were focused on environmental DNA research to underpin marine spatial planning. Analysis is ongoing in partnership with scientists from the University of Copenhagen. Due to the pandemic, all further research activities, including the major field operations focused on seamounts were postponed. Nekton, the Government of the Maldives, Maldivian partners and Nekton remain committed to undertaking this critical research with ambitions to be operating towards the end of 2021 or early 2022, subject to health and safety guidance.

2.3 Applied Marine Conservation Science

2.3.1 Nekton Research Group: Zoology Department, University of Oxford

Throughout 2020, we have strengthened the Nekton Research Group at the Zoology Department, University of Oxford and includes a team of post-Doctorate researchers, geospatial modellers and PhD students. In addition, the team have been undertaking reviews of doctoral publications, supervising student courses, assignments, giving lectures and marking exams.

2.3.2 Turning the Tide on Parachute Science

A key area of work by the Nekton science team in 2020 has been to lead research, publication and public engagement in confronting parachute science (i.e., whereby scientists from high income nations conduct fieldwork in another, often low-income country without engaging local researchers). This work was born

from the team discussing the protests following the killing of George Floyd in the US and the Black Lives Matter movement and how marine science could be, and should be, far more inclusive and tackle inherent and historic marine research biases and activities and therefore seek to achieve far greater fairness and equality.

- [Read](#) scientific paper, ‘Turning the Tide on Parachute Science, Current Biology
- [Read](#) interview in The Scientist: with the lead authors: Paris Stefanoudis and Sheena Talma.

2.3.3 Weddell Sea, Antarctica: Deep Sea Ecology & Microplastics

Successful field operations to the Weddell Sea were completed in 2019 in partnership with the Flotilla Foundation, Scott Polar Research Institute, Nelson Mandela University, University of Cape Town and the University of Canterbury.

Research and analysis from the mission has revealed the impact of climate change on Antarctica including how a series of seafloor ridges are retreating kilometres every year. Nekton’s primary research activities - focused on the ecology of the deep sea system in Antarctica – have continued with the analysis of biological imagery. In addition, the Nekton team collected a unique dataset of samples of sediment from the seabed, water and ice



from the water from different depths, and filtration from air from remote locations. Funding has been secured to now undertake analysis on microplastic prevalence in remote regions of the Weddell Sea and their global distribution pathways. All related publications are due at the end of 2021.

2.3.4 Plastic Drawdown

We have provided scientific expertise and leadership for partners Commons Seas on their Plastic Drawdown Programme – a rapid, user-friendly tool to help decision-makers identify and deliver effective pollution mitigation strategies. With research and publications led by Nekton’s Principal Scientist, Dr. Woodall, the tool is designed to be highly adaptable and cost-effective, to work within a country’s available resources to create and deliver the most effective mitigation strategy. The Drawdown model has been developed and implemented in UK, Greece, Indonesia and Maldives and informed Common Seas’ work with 27 Commonwealth governments. [Read more.](#)

2.3.5 Publications

The Nekton team will have authored or co-author nine published papers in 2020, making it our most productive year for research outputs. A further 20 papers are in the pipeline for publication in 2021. The 2020 papers include:

- Woodall LC et al (2020) Co-development, co-production and co-dissemination of scientific research: a case study to demonstrate mutual benefits, Biology Letters.
- Stefanoudis PV, Licuanan WY, Morrison TH, Talma S, Veitayaki J, Woodall LC (2020) Turning the tide of parachute science, Ecology Letters.
- Stefanoudis PS, Talma S, Samimi-Namin K, Woodall LC (2020) Deep reef ecosystems of the Western Indian Ocean: addressing the great unknown. Research Ideas and Outcomes 6: e53913.
- Howell KL, et al (Stefanoudis PV) (2020) A blueprint for an inclusive, global deep-sea Ocean Decade field programme. Frontiers of Marine Science, in press.
- Howell KL et al (Stefanoudis PV) (2020) A decade to study deep-sea life. Nature Ecology and Evolution, in press.

- vi. Canals M et al (2020) The quest for seafloor macrolitter: a critical review of background knowledge, current methods and future prospects. Environmental Research Letters, in press
 - vii. Laffoley D et al, (2020) Evolving the narrative for protecting a rapidly changing ocean, post COVID-19. Aquatic Conservation: Marine and Freshwater Ecosystems, in press.
 - viii. Laffoley D et al, (2020) Eight urgent fundamental steps to recover ocean sustainability, and the consequences for humanity and the planet of inaction or delay. Aquatic Conservation: Marine and Freshwater Ecosystems, 30: 194-208.
 - ix. Impact of the global human health crisis on the ocean, Nature
-

2.4 Public Engagement

Finding innovative ways to tell the story about ocean issues, marine science and conservation is a core aspect of our work and in 2020, we continued to receive critical acclaim including from:

- 2020 Royal Television Society: Technology & Broadcast Award
- Ocean Awards 2020: Public Engagement (Read [Feature Article](#): How Nekton is helping to save the Indian Ocean)
- BETT: Best Educational Resource (Submarine STEM).

2.4.1 Seychelles

Without major marine operations being undertaken in 2020, we have focused on bringing the stories of Seychelles conservation leadership to global audiences through a wide range on virtual events, webinars, broadcasts, social media content, short documentaries and published articles. 2020 highlights include:

- **Documentary:** to coincide with the Ocean Science Symposium a 17 minute [documentary](#) and a [shorter film](#) were produced by Nekton with the Seychelles Broadcasting Corporation (SBC) to highlight the discoveries made during the Mission. documentary was premiered on Seychelles TV in early November.
- **International Press coverage:** Associated Press, Nekton’s news agency partner, Associated Press reporting on the scientific discoveries (the press release can be accessed through the Nekton newsroom [here](#).)
- **Installations:** The Nekton partnership with Seychelles was promoted in a dedicated installation at an Exhibition in Seychelles combining videos, photographs and corals from the mission on display. 400+ visitors attended (Gender: 41.3% Male / 58.7% Female - Above 30: 37% Below 30: 63%) including new Ministers of Fisheries, Blue Economy, Finance, Agriculture, Environment and Climate Change.
- **Articles & Features** including *First Descent: Seychelles* Eco Magazine Global Deep Sea Issue, read [here](#).
- **On the global stage:** the team have presented at global events (mainly virtually) throughout 2020 showcasing the Seychelles mission including with the Marine Technology Society, Explorers Club, Global Biodiversity Festival, the Royal Geographical Society and the UK National Maritime Museum

2.4.2 On the global stage

In addition, we have continued to provide inspiration and leadership on the global (virtual) stage with a series of major keynotes addresses at Oceanology, MIT Open Ocean, Oxplore, Global Leadership Summit (*Ocean Research & Technology: the next years*), Bio Divers Symposium, Mission Blue, Extreme E, and key presentations at Virtual Ocean Dialogues (UN High Level Panel, Blue Paper, Plastics), Biodiversity beyond

National Jurisdiction (with IUCN), Deep Sea Exploration & Stewardship, Oceanswell (*Talking Ichthyology and STEM*), Deep sea mining an African perspective (*with Sustainable Oceans Alliance*).

2.4.3 Education: Submarine STEM Live

With many schools closed at times across the UK and globally due to the pandemic, we relaunched Submarine STEM to provide free educational programming and learning resources to help meet the need for remote schooling. Supported by Inmarsat, Submarine STEM Live engaged 12,000 students directly across 22 countries in 10 live lessons. Resources have been downloaded globally with digital and social media engagement estimated at 2million+.

2.5 Ocean Data

2.5.1 Octopus: The Global Ocean Data Portal

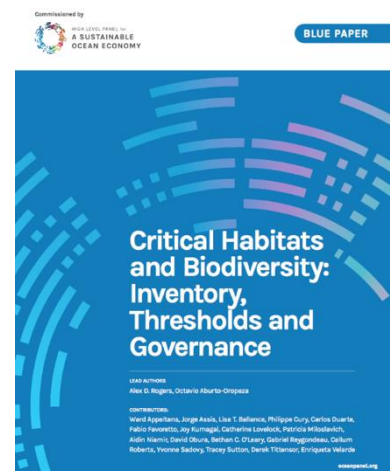
Launched in 2018 by Nekton at the Ocean Risk Summit, the Ocean Tool for Public Understanding and Science (OcToPUS) provides a single source to freely access the latest global marine data including on oceanographic observations, biodiversity and human stressors on the ocean. It is a critical contribution to a global infrastructure for data-driven ocean governance, OCTOPUS is constantly updated and is accessible to scientists, policy makers, businesses and the general public and aims to catalyse a new era of collaborative marine research, the sustainable development of the blue economy and sustainable ocean governance.

Throughout 2020, technical upgrades and development have been completed to provide ongoing improvements to the user interface, to meet GDPR regulations, and to strengthen web analytics system.

2.5.1.1 Events: The team have contributed to major ocean data events including Ocean Data Summit (NYC), Ocean Data Conference (Ditchley Park, Oxford, UK) and technical scientific and data conferences including the International Marine Conservation Congress and the application of open ocean data to inform conservation.

2.5.1.2 Critical Habitats and Biodiversity: Inventory, Thresholds and Governance

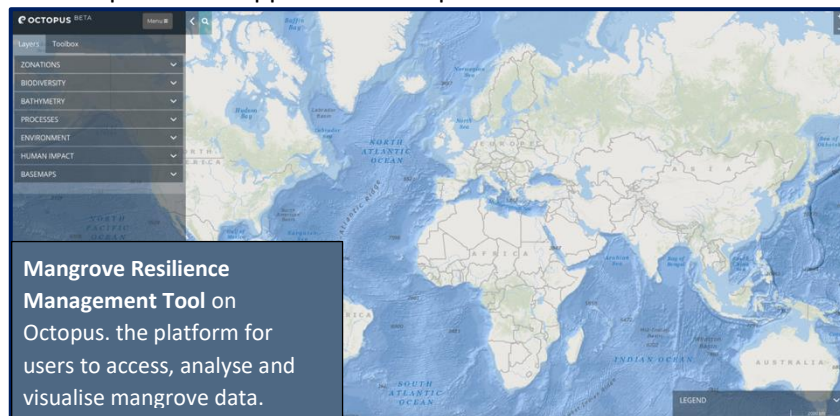
Octopus provided essential data and analysis to inform the United Nations Blue Paper, published in May 2020 (image, right). The goal was to examine the distribution of species and critical marine habitats across the world’s oceans; analyse trends in drivers, pressures, impacts and response; and established thresholds for protecting biodiversity hotspots, and indicators to monitor change.



From this scientific base, the team assessed the current legal framework and available tools for biodiversity protection, current gaps in ocean governance and management and the implications for achieving a sustainable ocean economy tailored to individual coastal states grouped by social indicators. The results were announced by the United Nations on 7th May 2020 and provided the basis to inform global policies on the sustainable management and protection of marine biodiversity.

2.5.1.3 Mangrove health, resilience, carbon sequestration and impact

Based on Octopus’ data infrastructure, we have developed a new application with partners at the World Wildlife Fund (WWF) and the global Mangrove Alliance to model mangrove health, resilience, the value of carbon storage and where mangroves are at risk, particularly from dams being constructed upstream. The Mangrove Resilience Management Tool enables policy makers and conservationists to more effectively manage development needs alongside the value of ecosystem services from mangroves. In part, this specifically includes geographic positioning of proposed dam projects and being able to determine the sediment flow to the river mouth and visualise the most at risk areas.



2.5.2 Data Standardisation: GOSSIP

From 2016 to 2018, Nekton brought together leading marine scientists from each of the major disciplines - to create a new multi-disciplinary standard protocol, the General Ocean Survey and Sampling Iterative Protocol (GOSSIP). Nekton field-tested the protocol, deploying 13 different research tools and engaging over 100 scientists from 15 different marine institutes subsequently published in the journal Oceanography.

During 2020, GOSSIP has been promoted, cited and utilised globally and is now recognised as an important pillar of improving the standardisation of marine research, including with the United States National Oceanic and Atmospheric Administration (NOAA), presentations at the International Marine Conservation Congress, the Deep-Sea Biology Symposium and important scientific publications [online](#). As a measure of the adoption of GOSSIP and the value and impact to the scientific community, it has been cited in 19 scientific papers to date (including Nature and Frontiers in Marine Science), with 12 further papers to be published throughout 2021. GOSSIP has also been utilised by marine scientists globally undertaking field research and more and more scientists are utilising the framework including as part of the Challenger 150, a decade-long programme of deep-sea research ([read more](#)). The team have led specific training workshops pre, during and post field research operations with international teams operating in Comoros, Seychelles and the Maldives. Over 100 marine scientists from over 20 different marine research institutes and related civil society organisations participated.

2.6. Additional Innovation Projects

2.6.1 Yachts for Science - <https://yachtsforscience.com>

In partnership with Boat International, in 2019, we launched Yachts for Science to match marine scientists with private vessels to undertake field research.

Following the success of the pilot year, we added new partners (EYOS and Arksen Foundation) and launched a new platform – <https://yachtsforscience.com>. We continue to promote to the scientific community and select scientific research projects to match with vessels. Read Article: ‘How to turn your Superyacht into a marine research vessel’.

2.6.2 Extreme E - <https://www.extreme-e.com>

Extreme E is a new international off-road racing series in some of the most remote corners of the planet to highlight the climate change challenges faced by different ecosystems and deliver a "Legacy Programme" to provide social and environmental support for those locations. The series also promotes gender equality in motorsport by mandating that all teams consist of a female and a male driver who share equal driving duties. From the Arctic to the Amazon, from the Sahara to Greenland, the race is transported globally by the vessel the St. Helena.

Nekton have partnered with Extreme-E to lead on all marine research aspects of the programme, selecting researchers to participate aboard the vessel and identify legacy projects and in-country partners, particularly focused on the ocean race in Senegal (highlighting the impacts of sea level rise).

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

Nekton was been chosen to be one of 100+ organisations to nominate individuals, organisations and businesses for this prestigious global prize which aims to help repair our planet. We’ve selected and undertaken extensive due diligence on a range of different ocean-related organisations to identify suitable nominations and submit applications (first award announced in autumn 2021). Nekton was also selected and nominated for the Earthshot Prize by the Commonwealth (another nominating organisation).

2.7. The Nekton Alliance

Nekton’s work in 2020 has been made possible through the generosity and support, financially and in-kind, of our Alliance partners and the efforts and dedication of our staff and advisors. We would like to take this opportunity to thank everyone who has supported our work throughout the year:

- **Mission Partners (2):** Omega, Kensington Tours
- **Strategic Partners (6):** The Commonwealth; Teledyne Marine, Sonardyne (Official Subsea Technology Partners), Associated Press (Official News Agency Partner), Inmarsat (Official Satellite Communications Partner), Helly Hansen (Official Apparel Partner),
- **Collaborating Partners (25):** CEFAS (Subsea Research Equipment); Deep Sea Power and Light, Paralenz, Bowtech (Subsea Camera & Light Partners); Triton (Submersible Partners); Priavo Security (Maritime Security); Technicolor, AXA-XL & Encounter EDU (Education); University of Oxford; Institute of Marine Engineering, Science & Technology – IMarEST; EYOS Missions (Logistics); Great Campaign (UK Government, Foreign & Commonwealth Office); Ocean Unite; IUCN; Project Zero; Caladan Oceanic (Midnight Zone Mission Partner), Blue Nature Alliance; Arksen Foundation, BOAT International, Ocean Family Foundation (Yachts for Science); Royal Foundation (Earthshot); Formula-E (Extreme-E); Flotilla Foundation (Microplastics Research)
- **Seychelles Partners (13):** **Government:** Ministries of 1) Environment, Energy and Climate Change, 2) Education, 3) Blue Economy and 4) Tourism. National Institute for Science, Technology and Innovation (NISTI); **NGOs:** University of Seychelles (UniSey), Island Conservation Society (ICS), Seychelles Island Foundation (SIF), Marine Conservation Society Seychelles (MCCS), The Nature Conservancy (TNC), SeyCATT, **Parastatal:** Seychelles Fishing Authority, Seychelles Broadcasting Corporation.
- **Maldives Partners (10):** Government Ministries (Fisheries, Environment, Tourism), Marine Research Institute, The Maldives National University; IPNLF, Maldives Whale Shark Research Programme, Manta Trust, Coral Research Institute, I.D.E.A.S.
- **Founding Partners of Nekton (3):** AXA-XL, Garfield Weston Foundation, Kensington Tours.

3. Beneficiaries of our services

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

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

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

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

4. Financial review

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

In its fifth year of operation, Nekton secured incoming resources of £1,968k and ended the year with a deficit of £699k, of which there was a restricted deficit of £909k and an unrestricted surplus of £210k, drawing down on brought forward restricted funds. Cash income generated related mainly to donation and grant funding from Kensington Tours and Omega and other philanthropic donations, along with some other smaller grants for specific initiatives.

Of the total expenditure of £2,668k for the year, £1,871k was incurred on missions; £424k on Nekton’s science programme and initiatives; and £140k on Nekton’s communications and education programme and initiatives. The remaining expenditure related to raising funds for future missions and initiatives and overall management of the organisation.

Funds are being raised to activate and deliver future expeditions to the Indian Ocean to include activities such as field operations and scientific research and analysis. Efforts continue towards seeking new funding to undertake further expeditions for Mission II Indian Ocean, and innovation projects in support of sustainable ocean governance. For our expeditions to the Indian Ocean, we aim to raise funds through a structured partnership programme with a range of individual philanthropists, foundations and companies including media and broadcast sales and bespoke projects.

Charity’s Reserves

The charity held total funds at 31 December 2020 of £1,746k. £990k is restricted and £756k unrestricted. Of the restricted funds £791k is restricted to First Descent Midnight Zone Expedition, £77k is restricted to Deep Reefs innovation project, £60k is restricted to First Descent Seychelles Expedition, £33k is restricted to Ocean Podcasts (Catch Our Drift) and the remaining £29k restricted funds includes the remaining work on XL Catlin Deep Ocean Survey, Ocean Ark, Octopus and other innovation projects.

As at 31 December 2020 no specific reserves were designated.

Nekton’s reserves policy is to ensure that there are sufficient unrestricted reserves to underpin core operations to support the charity’s ability to provide appropriate expertise for its missions and initiatives. Whilst recognising the challenges in reaching a specific target for this, reviews include assessments of the risks of unplanned closure associated with the charity’s business model, spending commitments, potential liabilities, and financial forecasts.

5. Principal risks and uncertainties

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

A major area of risk management in 2020 and into 2021 remains around the Covid-19 global pandemic and the impact on Nekton’s personnel, financial surety, and field operations. Following the announcement by the UK Government of the first national lockdown in March 2020, all field operations were postponed.

In light of Covid-19, Nekton implemented a comprehensive evaluation of operational and financial planning, including reducing overhead costs and field operation costs, reduced resources along with participating in the UK Government’s furlough scheme. In addition, we undertook a strategic review of activities and successfully diversified funding sources to support non-field based operations including laboratory-based research, virtual knowledge exchange activities and a broader scope of engagement and educational activities.

The management of the team’s physical and mental health throughout the crisis has been paramount and has been well managed by all members of the team and with help of external and internal advisors. To mitigate personnel risks, all staff have largely been working from their homes with in-person meetings held as and when needed and in compliance with government regulations.

The Covid-19 pandemic, the resulting national and international travel restrictions, reduction in economic activity in some sectors and an expected global recession represents significant challenges to operations in the Indian Ocean and working with some partners. Throughout 2020, we have continued to support and engage our team and partners in the Indian Ocean region. To help address the impact and needs of the marine science community in the region, and build further resilience into their capabilities and capacities, we have developed a new knowledge exchange programme with the Western Indian Ocean Marine Science Association (WIOMSA).

Looking ahead to potential field operations towards the end of 2021 or into 2022, these will be evaluated at the time, based on information available. Positively, throughout much of the crisis in 2020, the Maldives remained one of the few countries on the UK FCO ‘safe list’ for travel, meaning UK travellers could visit

Nekton Foundation – Trustees’ Annual Report – For the year ended 31 December 2020

without having to worry about invalidating their travel insurance. At the time of writing, the Maldives has one of the most successful national vaccination programmes. A specialist Field Operations Sub Committee will be established by the Board to support decision making towards, and during the next period of field operations.

We have sufficient funds to complete the delivery of the Seychelles Mission into 2021. The Innovation projects (Octopus, Yachts for Science, GOSSIP, Plastic Drawdown, Extreme-E, Combatting Parachute Science, The Earthshot Prize) are funded by discreet grants for specific durations to achieve specific tasks. In addition, new discreet grants have been secured to additional projects in 2021 (see Section 6 below).

The majority of funds have been secured for our two further Missions (Maldives and High Seas) but there remains a risk that the shortfall cannot be closed. In this eventuality, we would look to scale back the ambitions of the Missions and deliver key activities with the funds secured.

We are managing this funding risk through sustained emphasis and efforts on partnership development (particularly related to offshore operations) and fundraising; the production of regular cash flow forecasts and scenario planning; ensuring an efficient cost base; and active ongoing management of expectations of partners, providing them with regular updates on our progress on deliverables and fundraising success. The trustee board has been further strengthened to assist with fundraising and a Fundraising Sub-Committee established.

Nekton holds all relevant insurance policies and legal and contractual agreements with service providers (suppliers) and partners, which cover all pertinent areas of risk including the rules of engagement with Nekton, expedition operations, intellectual property rights, ship and submersible charter, damage to and loss of equipment, personal injury and death, employers’ liability and public liability, and Trustees’ liability.

Nekton has assessed going concern in accordance with the updated ISA 570 requirements and has made appropriate assumptions in the assessment and considered whether there are any material uncertainties that might affect going concern. It is the trustees’ opinion that going concern basis is appropriate and there are no material uncertainties.

6. Plans for the future

2021 is billed as the Ocean Super Year with decisions being made that determine the future of the ocean for decades to come. It is a critical year for the ocean and for Nekton, on the 5-year anniversary since launch of our first Mission (Bermuda & NW Atlantic). A short-film has been made to mark this landmark which can be watched [here](#).

We started 2021 with the ‘2021: Ocean Super Year Briefing’ with President Faure and UN Ocean Ambassador Peter Thomson - watch highlight [film](#) here.

Recognising the impact of Covid-19 globally, on the ocean community and our work, 2021 will see Nekton continue to strength the core of our work, outside of field operations. This remains focused on applied conservation science, knowledge exchange, public engagement and policy impact. Funding for new projects have been secured in 2020 to launch in 2021 including:

- **Catch Our Drift:** the podcast for those who love the ocean (www.catchourdriift.org)
- **Ocean Ark:** Sequencing the ocean genome for the common good

Nekton Foundation – Trustees’ Annual Report – For the year ended 31 December 2020

- **Deep Reefs:** Establishing the scientific case for the inclusion of deeper reefs within marine conservation
- **Microplastics in air, water and ice** - Prevalence and global distribution pathways.

Indian Ocean

In 2021, we still remain committed and focused on our achieving our Indian Ocean strategy with:

- **Missions:** subject to the pandemic, to undertake field operations in the Maldives and the High Seas of the central and Western Indian Ocean (seamounts focus).
- **Knowledge Exchange:** Secure funding to launch and implement the Deep Ocean Knowledge Network in partnership with Western Indian Ocean Marine Sciences Association (WIOMSA).
- **Policy:** Secure the support of the Nairobi Convention at the 2021 COP to develop the Western Indian Ocean – Resilience and Prosperity Initiative for ratification at the 2023 Indian Ocean Summit (convened by the Government of Seychelles and Nekton).
- **Seychelles research:** publications from Seychelles First Descent and ongoing support of Seychellois scientists through the Deep Blue Grants programmes with SeyCATT.

Other Innovation Projects

In 2021, we will continue to respond to the needs of our client, the ocean, and developing existing projects and adding the following new initiatives:

- **Deep Blue Carbon** – creating a tool to measure the value of stored deep blue carbon at a national level Seychelles: Case Study for global utilisation.
- **Fisheries Traceability** – with Oxford Nanopore Technologies.
- **Ocean Data:** Octopus – ‘OcToSUM - Ocean Tool for Sustainable Management’ a new application to inform and catalyse the sustainable management of the ocean including the creation of new marine protected areas. It will enable governments, scientists and conservation groups to track the progress of each nation towards the targets of United Nation’s Sustainable Development Goals, particularly SDG14.
- **GOSSIP:** Standardised ocean data: a technical guide to utilise the field research protocol will be developed and published to also include recommendations for where the most applicable open access databases for storage and accessibility.

7. Structure, governance and management

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

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

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

Day-to-day management of the charity is delegated to the senior management team. Our approach to remuneration is to ensure we can attract and retain a talented and motivated team to achieve our mission

Nekton Foundation – Trustees’ Annual Report – For the year ended 31 December 2020

and deliver our strategic goals, whilst taking into account pay scales of similar and partner organisations and charity sector pay surveys.

7.1 Key management personnel for 2020

Chief Executive:	Oliver Steeds
Finance & Operations Controller:	Alex Murphy
Head of Communications	Lisa Hynes
Principal Scientist:	Dr. Lucy Woodall

7.2 Appointment of trustees

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

Additional trustees are co-opted by the board and management team to ensure the best mix of skills and experience attuned to the needs of the charity. Upon election new trustees meet the chair and chief executive and attend an induction meeting which includes a presentation on the organisation; the opportunity to meet key staff and a question-and-answer session. New trustees are also provided with the charity’s business plan, financial statements, and any other documents requested. Trustees collectively identify any governance training needs and who best to undertake the training identified. Nekton Foundation does not engage in public fundraising. Nekton Foundation nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and Nekton Foundation received no complaints relating to its fundraising practice

7.3 Related parties and relationships with other organisations

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

Nekton works closely with Encounter EDU to develop, produce and disseminate its Submarine STEM educational programme. Encounter EDU creates educational outreach programmes which bring expedition science and exploration into classrooms through collaborations between explorers, scientists, teachers and pupils. Nekton’s Chief Executive Oliver Steeds co-founded Digital Explorer (renamed in 2019 as Encounter EDU). He is not involved in the day-to-day running of the organisation and receives no remuneration from it.

7.4 Statement of responsibilities of the trustees

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

Nekton Foundation – Trustees’ Annual Report – For the year ended 31 December 2020

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

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

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

In so far as the trustees are aware:

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2020 was 10 (2019:9). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

8. Auditors

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

The trustees’ annual report has been approved by the trustees on 24 June 2021 and signed on their behalf by

Rupert Grey
Chair

Independent auditors' report

To the members of

Nekton Foundation

Opinion

We have audited the financial statements of Nekton Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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 of the parent charitable company's affairs as at 31 December 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and 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 group financial statements section of our report. We are independent of the group and parent 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

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

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

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

Other Information

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

Independent auditors' report

To the members of

Nekton Foundation

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report

To the members of

Nekton Foundation

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

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

Capability of the audit in detecting irregularities

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

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

Independent auditors' report

To the members of

Nekton Foundation

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

Jonathan Orchard (Senior statutory auditor)

30 July 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor

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

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Nekton Foundation

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

For the year ended 31 December 2020

	Note	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Income from:							
Donations and legacies	2	55,341	–	55,341	100,101	–	100,101
Charitable activities							
Missions	3	260,585	1,397,332	1,657,917	–	3,407,113	3,407,113
Other trading activities	4	254,868	–	254,868	553,670	–	553,670
Total income		570,794	1,397,332	1,968,126	653,771	3,407,113	4,060,884
Expenditure on:							
Raising funds	5	56,493	–	56,493	1,288	–	1,288
Charitable activities							
Missions	5	65,299	1,859,696	1,924,995	156,405	2,445,899	2,602,304
Science and Research	5	123,769	414,936	538,705	100,283	385,982	486,265
Communication and Education	5	115,485	31,875	147,360	54,806	465,466	520,272
Total expenditure		361,046	2,306,507	2,667,554	312,782	3,297,347	3,610,129
Net income / (expenditure) for the year		209,748	(909,175)	(699,428)	340,989	109,766	450,755
Transfers between funds		(102)	102	–	–	–	–
Net movement in funds		209,646	(909,073)	(699,426)	340,989	109,766	450,755
Reconciliation of funds:	18a						
Total funds brought forward		546,403	1,898,912	2,445,315	205,415	1,789,145	1,994,560
Total funds carried forward		756,049	989,839	1,745,888	546,403	1,898,912	2,445,315

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18a to the financial statements.

As at 31 December 2020

		The group		The charity	
	Note	2020	2019	2020	2019
		£	£	£	£
Fixed assets:					
Tangible assets	11	108,919	115,130	108,919	115,130
		<u>108,919</u>	<u>115,130</u>	<u>108,919</u>	<u>115,130</u>
Current assets:					
Debtors	13	64,555	36,480	20,600	156,846
Cash at bank and in hand		1,699,978	2,584,297	1,596,414	2,018,530
		<u>1,764,533</u>	<u>2,620,777</u>	<u>1,617,014</u>	<u>2,175,376</u>
Liabilities:					
Creditors: amounts falling due within one year	14	(127,563)	(290,592)	(98,796)	(276,101)
		<u>1,636,970</u>	<u>2,330,185</u>	<u>1,518,218</u>	<u>1,899,275</u>
Net current assets / (liabilities)					
		<u>1,745,888</u>	<u>2,445,315</u>	<u>1,627,137</u>	<u>2,014,405</u>
Total assets less current liabilities					
		<u>1,745,888</u>	<u>2,445,315</u>	<u>1,627,137</u>	<u>2,014,405</u>
Total net assets / (liabilities)					
		<u>1,745,888</u>	<u>2,445,315</u>	<u>1,627,137</u>	<u>2,014,405</u>
Funds:	18a				
Restricted income funds		989,839	1,898,911	989,838	1,898,910
Unrestricted income funds:					
General funds		756,049	546,404	637,298	115,495
		<u>756,049</u>	<u>546,404</u>	<u>637,298</u>	<u>115,495</u>
Total unrestricted funds		<u>756,049</u>	<u>546,404</u>	<u>637,298</u>	<u>115,495</u>
Total funds		<u>1,745,888</u>	<u>2,445,315</u>	<u>1,627,137</u>	<u>2,014,405</u>

Approved by the trustees on 24 June 2021 and signed on their behalf by

Rupert Grey
Chair

Nekton Foundation

Consolidated statement of cash flows

For the year ended 31 December 2020

	Note	2020 £	£	2019 £	£
Cash flows from operating activities	19				
Net cash provided by / (used in) operating activities		(871,390)		492,619	
Cash flows from investing activities:					
Purchase of fixed assets		(12,930)		(62,300)	
Net cash provided by / (used in) investing activities		(12,930)		(62,300)	
Change in cash and cash equivalents in the year		(884,320)		430,319	
Cash and cash equivalents at the beginning of the year		2,584,298		2,153,979	
Cash and cash equivalents at the end of the year	20	1,699,978		2,584,298	

1 Accounting policies

a) Statutory information

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

b) Basis of preparation

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

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

c) Consolidation

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

d) Public benefit entity

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

e) Going concern

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

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

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

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. They are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 December 2020, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets.

The trustees have specifically considered the impact of covid-19 on the charity and do not consider there to be a material uncertainty as a result. Further discussion on the impact of and response to covid-19 by the charity can be found in the trustees' annual report

1 Accounting policies (continued)

f) Income

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

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

g) Donations of gifts, services and facilities

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

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

h) Interest receivable

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

i) Fund accounting

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

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

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

j) Expenditure and irrecoverable VAT

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

Expenditure is classified under the following activity headings:

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

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

k) Government grants

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

1 Accounting policies (continued)

l) Grants payable

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

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

m) Allocation of support costs

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

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

● Cost of raising funds	4%
● Missions	30%
● Science and research	62%
● Communication and education	4%

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

n) Operating leases

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

o) Tangible fixed assets

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

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

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

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

1 Accounting policies (continued)

p) Investments in subsidiaries

Investments in subsidiaries are at cost.

q) Debtors

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

r) Short term deposits

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

s) Cash at bank and in hand

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

t) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
Donations	103	–	103	100,101
CJRS Grant	55,238	–	55,238	–
	<u>55,341</u>	<u>–</u>	<u>55,341</u>	<u>100,101</u>
Prior Year				
	Unrestricted £	Restricted £	2019 Total £	
Donations	100,101	–	100,101	
	<u>100,101</u>	<u>–</u>	<u>100,101</u>	

3 Income from charitable activities

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
First Descent: Seychelles	–	–	–	2,053,907
The Midnight Zone	–	1,386,654	1,386,654	1,353,207
Yachts for Science	–	5,000	5,000	–
Plastics Drawdown with Common Seas	–	5,250	5,250	–
Ocean Ark	–	428	428	–
Kensington Tours	260,585	–	260,585	–
Total income from charitable activities	260,585	1,397,332	1,657,917	3,407,113

Prior Year

	Unrestricted £	Restricted £	2019 Total £
First Descent: Seychelles	–	2,053,907	2,053,907
The Midnight Zone	–	1,353,207	1,353,207
Total income from charitable activities	–	3,407,113	3,407,113

4 Income from other trading activities

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
Kensington Tours	3,811	–	3,811	150,000
Other	251,057	–	251,057	403,671
Total income from other trading activities	254,868	–	254,868	553,671

5 Analysis of expenditure

	Charitable activities							
	Raising funds	Missions	Science and research	Communications and education	Governance costs	Support costs	2020	2019
	£	£	£	£	£	£	Total £	Total £
Staff costs (Note 7)	20,625	146,156	309,359	20,641	1,937	81,743	580,461	503,328
Consultant & staff related costs	28,198	28,288	45,318	26,050	438	-	128,291	169,391
Mission control / operations	-	1,232,331	24,375	59,397	-	20,671	1,336,775	1,969,000
Equipment and consumables	-	400,276	28,464	10,141	-	406	439,287	630,654
Science grants	-	-	2,400	-	-	-	2,400	33,869
Fundraising	-	80	151	9,013	690	530	10,465	11,072
Science costs	-	-	-	-	-	-	-	10,992
Travel and subsistence	34	22,897	12,568	7,937	53	291	43,780	151,193
Professional services	-	8,307	-	-	-	32,616	40,923	42,720
Insurance	-	18,864	-	-	-	19,258	38,122	36,717
Telephone, IT and office costs	-	46	283	5,020	-	3,105	8,454	33,580
Membership and subscriptions	-	13,563	1,157	1,504	26	282	16,532	2,733
Bank charges	-	60	133	12	-	1,057	1,262	1,329
Foreign exchange (gain)/ loss	-	12	(42)	-	-	3,337	3,307	(5,596)
Depreciation	-	-	-	-	-	17,493	17,493	19,146
	48,857	1,870,879	424,167	139,715	3,144	180,791	2,667,552	3,610,129
Support costs	7,506	53,192	112,581	7,512	-	(180,791)	-	-
Governance costs	130	924	1,957	133	(3,144)	-	-	-
Total expenditure 2020	56,493	1,924,995	538,705	147,360	-	-	2,667,552	3,610,129
Total expenditure 2019	1,288	2,602,304	486,265	520,272	-	-	3,610,129	

Of the total expenditure £361,045 was unrestricted (2019: £312,782) and £2,306,507 was restricted (2019: £3,297,347).

5 Analysis of expenditure (Prior Year)

	Charitable activities						
	Raising funds	Missions	Science and Research	Communications and Education	Governance costs	Support costs	2019 Total
	£	£	£	£	£	£	£
Staff costs (Note 7)	369	151,531	264,065	68,438	1,728	17,197	503,328
Consultant & Staff Related Costs	–	74,781	19,578	74,200	832	–	169,391
Mission control / operations	134	1,852,577	49,862	40,915	–	25,512	1,969,000
Equipment and Consumables	152	352,530	30,835	245,303	–	1,834	630,654
Science Grants	–	–	–	33,869	–	–	33,869
Fundraising	200	919	52	9,901	–	–	11,072
Science costs	–	–	8,592	2,400	–	–	10,992
Travel and subsistence	268	90,817	44,927	10,162	2,874	2,145	151,193
Professional Services	–	4,975	–	1,760	917	35,068	42,720
Insurance	–	24,680	–	–	–	12,037	36,717
Telephone, IT and Office Costs	72	4,387	1,804	20,810	1,607	4,900	33,580
Membership and subscriptions	–	1,607	122	937	13	54	2,733
Bank charges	–	29	45	–	–	1,255	1,329
Foreign exchange (gain)/ loss	–	(502)	–	250	–	(5,344)	(5,596)
Depreciation	–	–	–	–	–	19,146	19,146
	1,195	2,558,331	419,882	508,945	7,971	113,805	3,610,129
Support costs	87	41,095	62,037	10,586	–	(113,805)	–
Governance costs	6	2,878	4,346	741	(7,971)	–	–
Total expenditure 2019	1,288	2,602,304	486,265	520,272	–	–	3,610,129

Of the total expenditure, £312,585 was unrestricted (2018: £224,134) and £3,297,347 was restricted (2018: £302,231).

6 Net income for the year

This is stated after charging:

	2020 £	2019 £
Depreciation	17,493	19,146
Operating lease rentals:		
Property	15,120	25,484
Auditors' remuneration (excluding VAT):		
Audit	6,500	7,680
Foreign exchange gains or losses	3,307	(5,596)
	<u>3,307</u>	<u>(5,596)</u>

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

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	293,751	277,105
Social security costs	27,726	25,470
Pension costs	11,402	8,220
Consultants costs	247,582	192,533
	<u>580,461</u>	<u>503,328</u>

1 employee earned more than £60,000 during the year (2018: 1).

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

	2020 No.	2019 No.
£80,000 – £89,999	1	–
£90,000 – £99,999	–	1
	<u>–</u>	<u>1</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £207,986 (2019: £209,297).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £268 (2019: £908) incurred by 1 (2019: 2) members relating to attendance at meetings of the trustees.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 7 (2019: 7).

9 Related party transactions

Nekton Foundation owes £nil (2019: £nil) to its wholly owned subsidiary Nekton Enterprises Limited.

During the year Nekton paid £6,072 to Encounter Edu/Digital Explorer for support of Nekton Submarine STEM 2020. Oliver Steeds co-founded Digital Explorer with Jamie in 2008. He lends strategic support to Encounter Edu, with the rest of his time dedicated to running Nekton which he founded in 2015.

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

10 Taxation

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

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

	Scientific equipment £	Filming & Communica- tions equipment £	Computer equipment £	Office and lab furniture £	Total £
Cost					
At the start of the year	122,105	19,665	11,819	7,206	160,795
Additions in year	12,930	–	–	–	12,930
Disposals in year	–	–	–	(2,111)	(2,111)
At the end of the year	135,035	19,665	11,819	5,095	171,615
Depreciation					
At the start of the year	19,984	19,666	4,478	1,538	45,666
Charge for the year	13,433	–	3,448	615	17,495
Eliminated on disposal	–	–	–	(464)	(464)
At the end of the year	33,416	19,666	7,926	1,689	62,697
Net book value					
At the end of the year	101,619	0	3,894	3,406	108,919
At the start of the year	102,121	0	7,341	5,668	115,130

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31 December 2020

12 Subsidiary undertaking

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

	2020 £	2019 £
Turnover	254,868	553,670
Cost of sales	(65,702)	(16,527)
Gross profit	189,166	537,143
Management charge payable to parent undertaking	(77,890)	(113,712)
Operating profit / (loss)	111,276	423,431
Profit on ordinary activities before taxation	111,276	423,431
Taxation	-	-
Profit for the financial year	111,276	423,431
Retained earnings		
Retained earnings brought forward	430,913	195,017
Profit for the financial year	111,276	423,431
Profit distributed to parent under gift aid	(423,431)	(187,535)
Retained earnings carried forward	118,758	430,913
The aggregate of the assets, liabilities and funds was:		
Assets	690,822	584,254
Liabilities	(572,065)	(153,340)
Net Assets	118,757	430,914
Share Capital	1	1
Profit & Loss Account	118,758	430,913
Total Shareholders Funds	118,759	430,914

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

13 Debtors

	The group		The charity	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	58,985	-	3,242	-
Prepayments	5,570	36,480	5,570	36,480
Due from Subsidiary	-	-	11,788	120,366
	64,555	36,480	20,600	156,846

All of the group's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in note 16a below.

14 Creditors: amounts falling due within one year

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	28,351	82,334	4,594	82,223
Taxation and social security	9,502	11,572	7,832	11,572
Other creditors	3,013	12,607	3,013	12,607
Accruals	71,197	18,579	67,857	15,239
Due to subsidiary	–	–	–	138,960
Deferred income	–	150,000	–	–
Grant creditors	15,500	15,500	15,500	15,500
	127,563	290,592	98,796	276,101

15 Deferred income

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Balance at the beginning of the year	150,000	150,000	–	–
Amount released to income in the year	(150,000)	(150,000)	–	–
Amount deferred in the year	–	150,000	–	–
Balance at the end of the year	–	150,000	–	–

16 Pension scheme

Nekton Foundation operates a defined contribution pension scheme to which fixed contributions are made. The amount paid in the year was £ 11,402 (2019: £8,220).

17a Analysis of group net assets between funds (current year)

	General unrestricted £	Restricted funds £	Total funds £
The Charity			
Tangible fixed assets	–	108,919	108,919
Net current assets	637,298	880,919	1,518,218
Net assets at 31 December 2020	637,298	989,838	1,627,137
The Group			
Tangible fixed assets	–	108,919	108,919
Net current assets	756,050	880,920	1,636,970
Net assets at 31 December 2020	756,050	989,839	1,745,888

17b Analysis of group net assets between funds (prior year)

	General unrestricted £	Restricted funds £	Total funds £
The Charity			
Tangible fixed assets	–	115,130	115,130
Net current assets	115,494	1,783,780	1,899,275
Net assets at 31 December 2019	115,494	1,898,910	2,014,405
	General £	Restricted £	Total funds £
The Group			
Tangible fixed assets	–	115,130	115,130
Net current assets	546,403	1,783,782	2,330,185
Net assets at 31 December 2019	546,403	1,898,912	2,445,315

18a Movements in funds (current year)

The Charity	At 1 January 2020 £	Income & Gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
Restricted funds:					
XL Foundation	4,586	–	–	–	4,586
Octopus	216,103	–	(81,805)	(129,018)	5,279
Weddell Sea	7,663	–	(9,636)	1,973	–
Gossip	24,319	–	(9,073)	(15,246)	–
eDNA	857	–	(7,264)	6,407	–
First Descent: Seychelles	307,779	–	(248,093)	102	59,787
The Midnight Zone	1,337,604	1,386,654	(1,933,778)	–	790,479
Yachts for Science	–	5,000	(5,000)	–	–
Plastics Drawdown with Common Seas	–	5,250	–	–	5,250
Ocean Ark	–	428	(428)	13,850	13,850
Deep Reefs and MPAs	–	–	–	77,132	77,132
Ocean Podcasts	–	–	(11,428)	44,902	33,474
Total restricted funds	1,898,910	1,397,332	(2,306,507)	102	989,838
Unrestricted funds:					
General funds	115,495	745,511	(223,605)	(102)	637,298
Total unrestricted funds	115,495	745,511	(223,605)	(102)	637,298
Total funds	2,014,405	2,142,843	(2,530,112)	–	1,627,137

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

18a Movements in funds (current year) continued

The Group	At 1 January 2020	Income & Gains	Expenditure & losses	Transfers	At 31 December 2020
	£	£	£	£	£
Restricted funds:					
XL Foundation	4,586	–	–	–	4,586
Octopus	216,103	–	(81,805)	(129,018)	5,280
Weddell Sea	7,663	–	(9,636)	1,973	–
Gossip	24,319	–	(9,073)	(15,246)	–
eDNA	857	–	(7,264)	6,407	–
First Descent: Seychelles	307,779	–	(248,093)	102	59,787
The Midnight Zone	1,337,604	1,386,654	(1,933,778)	–	790,479
Yachts for Science	–	5,000	(5,000)	–	–
Plastics Drawdown with Common Seas	–	5,250	–	–	5,250
Ocean Ark	–	428	(428)	13,850	13,850
Deep Reefs and MPAs	–	–	–	77,132	77,132
Ocean Podcasts	–	–	(11,428)	44,902	33,474
Total restricted funds	1,898,911	1,397,332	(2,306,507)	102	989,839
Unrestricted funds:					
General funds	546,405	570,793	(361,047)	(102)	756,049
Total unrestricted funds	546,405	570,793	(361,047)	(102)	756,049
Total funds	2,445,316	1,968,125	(2,667,554)	–	1,745,888

Purposes of restricted funds

XL Foundation

Remaining funds from XL Foundation are restricted towards the 2016 Mission, producing the XL Catlin Deep Ocean Survey and further scientific research.

OcToPUS

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

Weddell Sea

Funds from the Flotilla Foundation for Nekton's costs to take part in the expedition to the Weddell Sea off Antarctica, and from the Garfield Weston Foundation for the publication of research from the expedition and development of a new tool.

GOSSIP and eDNA

Funds for development of General Ocean Survey and Sampling Iterative Protocol (GOSSIP) and initial analysis of environmental DNA (eDNA) to scope the development of Ocean Ark, from the Garfield Weston Foundation for the ongoing promotion and adoption across the marine science and ocean management communities.

First Descent: Seychelles

Funds for First Descent: Seychelles from Omega and Kensington Tours who are Mission Partners for the first Indian Ocean expedition to Seychelles, for the cost of the expedition.

The Midnight Zone

Funds for The Midnight Zone mission predominantly from Omega who is one of the Mission Partners for the second Indian Ocean expedition, for the cost of the expedition.

18a Movements in funds (current year) continued

Purposes of restricted funds

Yachts for Science

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

Plastics Drawdown with Common Seas

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

Ocean Ark

Funding from Garfield Weston Foundation for research into the development of Ocean Ark, a project that aims to sequence, catalogue and characterise the ocean genome.

Deep Reefs and MPAs

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

18b Movements in funds (prior year)

The Charity	At 1 January 2019 £	Income & Gains £	Expenditure & losses £	Transfers £	At 1 January 2020 £
Restricted funds:					
XL Foundation	48,161	–	(43,575)	–	4,586
Octopus	291,544	–	(75,441)	–	216,103
Weddell Sea	25,687	–	(18,024)	–	7,663
Gossip	24,319	–	–	–	24,319
eDNA	2,692	–	(1,835)	–	857
First Descent: Seychelles	1,396,742	2,053,907	(3,142,870)	–	307,779
The Midnight Zone	–	1,353,207	(15,603)	–	1,337,604
Total restricted funds	1,789,145	3,407,113	(3,297,348)	–	1,898,910
Unrestricted funds:					
General funds	10,398	294,293	(189,196)	–	115,495
Total unrestricted funds	10,398	294,293	(189,196)	–	115,495
Total funds	1,799,543	3,701,406	(3,486,544)	–	2,014,405

18b Movements in funds (prior year) continued

The Group	January 2019 £	Income & Gains £	Expenditure & losses £	Transfers £	At 1 January 2020 £
Restricted funds:					
XL Foundation	48,161	–	(43,575)	–	4,586
Octopus	291,544	–	(75,441)	–	216,103
Weddell Sea	25,687	–	(18,024)	–	7,663
Gossip	24,319	–	–	–	24,319
eDNA	2,692	–	(1,835)	–	857
First Descent: Seychelles	1,396,742	2,053,907	(3,142,870)	–	307,779
The Midnight Zone	–	1,353,207	(15,603)	–	1,337,604
Total restricted funds	1,789,145	3,407,113	(3,297,348)	–	1,898,911
Unrestricted funds:					
General funds	205,415	653,772	(312,782)	–	546,405
Total unrestricted funds	205,415	653,772	(312,782)	–	546,405
Total funds	1,994,560	4,060,885	(3,610,130)	–	2,445,315

Purposes of restricted funds

Funds from XL Foundation are restricted towards the 2016 Mission and producing the XL Catlin Deep Ocean Survey.

19 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)	(699,428)	450,755
Depreciation charges	17,495	19,146
Loss/Profit on the sale of fixed assets	1,647	–
Increase in debtors	(28,075)	41,286
Decrease in creditors	(163,029)	(18,568)
Net cash provided by / (used in) operating activities	(871,390)	492,619

20	Analysis of cash and cash equivalents	At 1 January	Cash flows	Other changes	At 31
		2020			December
		£	£	£	2020
					£
	Cash at bank and in hand	2,584,298	(884,320)	–	1,699,978
	Total cash and cash equivalents	2,584,298	(884,320)	–	1,699,978

21 Legal status of the charity

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