



Aeolian Islands Preservation Foundation

(A Company Limited by Guarantee)

Annual Report and Financial Statements
For the period ended 31 December 2018

Charity No: 1165884

Company Registration No: 09577130 (England and Wales)

Aeolian Islands Preservation Foundation

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Aeolian Islands Preservation Foundation

Reference and Administrative Details

Trustees/Directors:	Luca Del Bono Benjamin Goldsmith
Company Number:	09577130
Charity Number:	1165884
Registered and Principal Office:	The Shipping Building The Old Vinyl Factory Blyth Road Hayes, London United Kingdom UB3 1HA
Accountants	Kingston Smith LLP The Shipping Building The Old Vinyl Factory Blyth Road Hayes, London UB3 1HA
Bankers	Triodos Bank Deanery Road Bristol BS1 5AS
Solicitors	Withers LLP 16 Old Bailey London EC4M 7EG

Aeolian Islands Preservation Foundation

Trustees' Report

For the period ended 31 December 2018

The trustees are pleased to present their annual trustees' report together with the financial statements of the charitable company for the period ended 31 December 2018 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as updated by Bulletin 1 (2016).

Trustees

The trustees shown below have held office during the whole of the period from 1 June 2018 to the date of this report:

Luca Del Bono
Benjamin Goldsmith

The AIPF is an initiative started by the Friends of the Aeolian Islands, Ben Goldsmith and Luca del Bono, in order to protect the environment of this remarkable archipelago. A full time local coordinator (hired by the founders) runs the foundation. A Steering Committee (SC) comprising a small group of donors who wish to be actively involved in the AIPF's strategy, meet bi monthly on the phone to review and approve project and grant proposals put forward by the coordinator. New donors who wish to join the SC must be approved by the existing group. New donors are recruited through introductions from the existing SC, the coordinator's fund raising meetings and events.

Our purpose and objectives

The charity operates under the name Aeolian Islands Preservation Fund ("AIPF").

The purposes of the charity as set out in its governing document are to:

- Promote for the benefit of the public and especially of the Aeolian communities, the conservation, protection and improvement of the physical and natural environment of the Aeolian Islands, being a world heritage site and place of great natural beauty;
- Promote the preservation of the heritage, traditions and culture of the Aeolian Islands in particular by the support and teaching of local handicrafts, local farming traditions and local architecture;
- Advance the education of the public in conserving, protecting and improving the physical natural environment including waste, water and energy usage, and preserving traditional heritage, traditions and cultures to ensure skills and crafts continue to be supported and taught.
- Promote the establishment of Marine Protected Areas and programs to cross tradition and innovation, in particular to support local artisanal fishermen.

The trustees have referred to the guidance of the Charity Commission on public benefit including the guidance 'public benefit: running a charity (PB2)', in undertaking their activities and in the planning of their future initiatives.

Aeolian Islands Preservation Foundation

Trustees' Report (continued)

For the period ended 31 December 2018

Principal activities and achievements

The AIPF together with BLUE Marine Foundation, started to work to facilitate the process towards the creation of a Marine Protected Area (MPA) across the Aeolian Archipelago, to restore fish stocks, support sustainable-artisanal fishing, reduce pollution and protect rare marine habitats and species. Key activities this year included:

- Awareness raising campaigns were carried out among key stakeholders from the fishing, tourism and local business sectors stressing the importance of preserving our sea and promoting the sustainable use of marine resources. This included a recreational boating code of conduct, a guide to responsible local fish consumption, and a fish calendar of the Aeolian commercial species.
- A voluntary 'code of conduct' was developed with local fishermen to promote low-impact, sustainable and responsible fishing. We have already involved 22 fishermen from Salina and Stromboli and are now working to expand this network to other islands.
- As part of this project we are providing tangible infrastructure and equipment in the form of reusable insulated fish boxes to improve quality of fish and reduce polystyrene waste, and vastly improve the economics of artisanal fishing.
- We carried out two research projects to gain a deeper understanding of the Aeolian marine habitats, e.g. Posidonia, and the dynamics of the local fishery in collaboration with the Anthon Dohrn Zoological Station and Aquastudio research centre. This vulnerable habitat is particularly sensitive and protected by European rules and the research could be integral to a future MPA designation.
- A campaign was launched to make Salina the first island in Italy to be free from plastic shopping bags by distributing thousands of 'More FishLess Plastic' reusable bags. We intend to roll this out to additional islands in future.
- Working with local NGO, Filicudi Wildlife Conservation, we supported the renovation of a rescue and rehabilitation centre for sea turtles in Filicudi. The aim was to ensure the conservation of endangered loggerhead turtles. The centre also offers educational courses for local children and provide information about the Aeolian marine environment to visiting tourists.
- "The sea of time" workshop was hosted for children, focusing on sea pollution, and presented at the "Festa di Teatro EcoLogico" in Stromboli, dedicated to the children of the island, who collected plastic waste from the beach that has been used for the final performance. The aim of the project was to raise awareness of the problem of marine littering and to ensure future adults respect the place where we live, the environment and our islands.
- An International fishermen exchange event was organised: "Responsible, small-scale fishing: Win-win, low-impact, sustainable models that boost fish stocks and improve livelihoods". We held this in Salina where fishermen from five small-scale European fisheries met to discuss their experiences for the first time. Aeolian fishermen hosted their counterparts from the Italian marine protected areas (MPAs) of Egadi Islands, Punta Campanella, Torre Guaceto, and Lyme Bay, UK who presented various initiatives from their local regions, showing how responsible, small-scale fisheries are beneficial to the local fishing economy and the marine environment.
- A diving mission recovered more than four tons of ghost nets, in collaboration with Healthy Seas. The nets will be recycled and transformed into sustainable textiles for fashion houses across the globe.

Aeolian Islands Preservation Foundation

Trustees' Report (continued)

For the period ended 31 December 2018

- We supported EmergenSea educational campaign with Marevivo providing eco-compactors for plastic bottles in busy market areas and schools to reduce pollution and raise awareness of the benefits of recycling. In Lipari, 50,000 plastic bottles have been recycled in a period of three months thanks to the Marevivo initiative for providing the eco-compactor that we funded and thanks to the awareness of the local community. The bottles would cover the distance of 17 km, equal to the circumnavigation of Stromboli island.
- We funded Sea Shepherd's Operation SISO, which focused on tackling illegal, unreported and unregulated fishing. It was in collaboration with Lipari's Coast Guard, Milazzo's Revenue and Customs Authorities, and the artisanal fishermen and it collected 52 FADs (Fishing Aggregating Devices) and 100 kilometers of polypropylene line in the Aeolian Islands.
- For the second year running, we worked with local partner Fondo Ambiente Italiano to clear the ancient pathways in Panarea, enabling visitors to gain greater access to its remarkable mountain landscapes. Encouraging visitors to explore what our islands have to offer can lead to a higher level of respect, and a better quality of tourism.
- We funded a local course demonstrating how to build the dry stone walls that are typical of the Aeolian terraced landscape with Dotteolie and CNR-ISAC, involving theoretical and practical modules on construction on dry stone walls to help recover and protect the cultural and traditional landscape of the Aeolian Islands. The aim of the course was to raise awareness of the importance of dry stone walls and terraces to protect against hydrogeological risk and mitigation, but also for their role in the protection of biodiversity and in the improvement of soil fertility.
- For the second year running, we supported a project called 'Edible Gardens', carried out by international NGO Slow Food. It was an educational programme for schools to encourage children to take an interest in local produce and sustainable agriculture.

Financial review

The financial statements show income of £13,558 and expenditure of £55,991, which is in line with expectations due to the financial statements only covering a period of 7 months. The unrestricted funds carried forward was £28,379 at 31 December 2018.

Reserves policy

The donors we bring in verbally agree to support us for a minimum of three years, and we add to this group each year. Therefore, our 'leaders' group (donating approximately between €5,000 and €30,000 per year) will contribute to reserves for the charity.

Structure, Governance and Management

The charitable company is limited by guarantee and is governed by its memorandum and articles of association as amended by special resolution on 3 March 2016.

The number of Steering Committee members has grown to seven, in order to have a wider representation from our donor base and the different islands. A larger group of stakeholders from the local and the international Aeolian based community has been involved. This wider group strengthens the fund from a governance perspective as we have a broader skill set contributing to the decision making around grants and towards directing the overall strategy of the fund.

The AIPF'S general strategy, main decisions and grants are overseen by the Steering Committee, which has the following members: Ben Goldsmith, Luca Del Bono, Cyril Lefevre, Valerie Sadoun, Cinzia Rutson, Georgina Enthoven and Adelin Coigny.

An advisory council of local experts across our key topics assesses and advises on the grant proposals we receive. This group includes: Enrico Navarra, Mimma Iannello and Rosi Mollica.

Aeolian Islands Preservation Foundation

Trustees' Report (continued)

For the period ended 31 December 2018

Statement of Trustees' Responsibilities

The trustees (who are also directors of Aeolian Islands Preservation Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 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 charitable company will continue in business.

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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board:



Luca Del Bono
Trustee

6 May 2019

Date:

Aeolian Islands Preservation Foundation

Independent Examiner's Report to the Board of Trustees For the period ended 31 December 2018

I report on the accounts of the Aeolian Islands Preservation Foundation for the period ended 31 December 2018, which comprise the Statement of Financial Activities, Balance Sheet and related notes.

Respective Responsibilities of Trustees and Examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the company is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanation from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In accordance with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met: or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Kingston Smith WP

Jonathan Seymour
For and on behalf of Kingston Smith LLP
Chartered Accountants

7 May 2019

The Shipping Building
The Old Vinyl Factory
Blyth Road
Hayes, London
UB3 1HA

Aeolian Islands Preservation Foundation

Statement of Financial Activities For the period ended 31 December 2018

	Notes	Period ended 31 December 2018 Unrestricted Funds £	Year ended 31 May 2018 Unrestricted Funds £
Income and endowments from:			
Donations		13,536	177,308
Other income		-	1,414
Investments	1	22	18
Total		13,558	178,740
Expenditure on:			
Raising funds		1,898	15,817
Charitable activities	2	54,093	92,176
Total		55,991	107,993
		(42,433)	70,747
Net income and net movement in funds	5	(42,433)	70,747
Fund balance brought forward at 31 May 2018		70,812	65
Fund balance carried forward at 31 December 2018	5	28,379	70,812

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 9 to 11 form part of these financial statements.

Aeolian Islands Preservation Foundation

Balance Sheet

At 31 December 2018

	Notes	31 December 2018		31 May 2018	
		£	£	£	£
CURRENT ASSETS					
Cash at bank and in hand		36,365		85,068	
LIABILITIES					
Creditors: Amounts falling due within one year	3	(7,986)		(14,256)	
NET CURRENT ASSETS			28,379		70,812
TOTAL ASSETS LESS CURRENT LIABILITIES			28,379		70,812
FUNDS					
Unrestricted funds	5		28,379		70,812
TOTAL FUNDS			28,379		70,812

For the period ended 31 December 2018 the charitable company was entitled to exemption from audit under section 477 Companies Act 2006 relating to small companies. No member of the charitable company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The members acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements were approved by the members of the Trustee Board on 6 May 2019 and signed on their behalf by:


Luca Del Bono
Trustee

Company No. 09577130 (England and Wales)

The notes on pages 9 to 11 form part of these financial statements.

Aeolian Islands Preservation Foundation

Notes to the Financial Statements

For the period ended 31 December 2018

1 Accounting policies

1.1 Basis of Preparation

A summary of the principal accounting policies adopted, judgements and key sources of estimation uncertainty, is set out below.

The financial statements have been prepared in accordance with Section 1A of the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The company is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee and therefore has also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), as amended by the Update Bulletin 1 published in February 2016, the Companies Act 2006 and Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

1.2 Going concern

These financial statements are prepared on the going concern basis. The trustees have assessed the charity's ability to continue as a going concern and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements and have concluded that there are no material uncertainties about the charity's ability to continue in operational existence for the foreseeable future.

1.3 Reporting Period

During the period, the Trustees decided to change the accounting reference date of the Charity in order to be in line with the calendar year. Therefore prior year values are not entirely comparable.

1.4 Income

Voluntary income comprises donations received from individuals and institutions. All income is recognised when the charity is entitled to the income, there is certainty of receipt and the monetary value can be measured with reasonable accuracy.

1.5 Expenditure

Expenditure is accounted for on an accruals basis. Overhead and other costs not directly attributable to particular financial activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, either by reference to staff, time or space occupied, as appropriate.

Expenditure on raising funds comprise the costs incurred in inducing individuals and organisations to contribute financially to the charitable company's work. This includes the cost of running special fundraising events.

The irrecoverable element of VAT is included with the term of expense to which it relates. Governance costs comprise the costs associated with meeting the constitutional and strategic aims of the charity and the independent examination fees and costs linked to strategic management of the charity.

1.6 Allocation and apportionment of costs

All costs are allocated between the expenditure categories of the SOFA on a basis designated to reflect the use of the resources. Cost relating to a particular activity are allocated directly and others are apportioned on an appropriate staff basis.

Aeolian Islands Preservation Foundation

Notes to the Financial Statements

For the period ended 31 December 2018 (continued)

1 Accounting policies (continued)

1.7 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand, and short term deposits with a maturity date of three months or less.

1.9 Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.10 Fund accounting

All funds held are unrestricted funds, which can be used in accordance with the charitable objectives at the discretion of the trustees.

1.11 Critical accounting estimates and areas of judgement

In the view of the trustees, in their application of the charity's accounting policies, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

1 Income from Investments

	Dec-18 £	May-18 £
Bank Interest	22	18

2 Expenditure on charitable activities

	Dec-18 £	May-18 £
Direct costs		
Grants expenditure	43,276	78,716
	43,276	78,716
Support costs		
Printing, postage and stationery	723	1,304
Advertising	621	66
Telephone	214	-
Travel and subsistence	1,115	1,562
Legal and professional fees	(3,171)	312
Coordinator fees	-	1,175
Consultancy fees	6,239	-
Governance	3,534	7,150
Foreign exchange loss/(gain)	932	1,001
Bank charges	610	890
	10,817	13,460
Total expenditure on charitable activities	54,093	92,176

Aeolian Islands Preservation Foundation

Notes to the Financial Statements

For the period ended 31 December 2018 (continued)

2 Expenditure on charitable activities (continued)

	Dec-18 £	May-18 £
Net income is stated after charging:		
Independent Examiner's remuneration for:		
Independent Examination	1,860	1,860
Accountancy	1,674	2,280
Other services	312	312
	<u>3,846</u>	<u>4,452</u>

3 Creditors due within one year

	Dec-18 £	May-18 £
Trade creditors	-	10,116
Other creditors	7,986	4,140
	<u>7,986</u>	<u>14,256</u>

4 Trustees and employees

Key management personnel comprise the trustees, who received no remuneration nor expenses during the year.

No staff were employed by the charitable company during the year.

5 Reserves

	Brought Forward £	Income £	Expenditure £	Carried Forward £
Unrestricted general funds	<u>70,812</u>	<u>13,558</u>	<u>(55,991)</u>	<u>28,379</u>

6 Related party transactions

During the period, a total of £nil (May 2018: £7,800) was included within voluntary income from donations which were received from trustees or related parties without conditions.