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# **Foreword**

We have seen an extraordinary year of growth for Blue Ventures. Expansion of our work rebuilding tropical fisheries with coastal communities continues apace, and we are now collaborating with more than 30 partners to deliver a suite of innovative, community-centred models to sustain local fisheries and safeguard marine biodiversity. In the Indian Ocean, southeast Asia and Caribbean, we're demonstrating that effective marine conservation is in everyone's interest, driving forward our vision to reach at least three million people across the world's tropical coastal regions by 2020.

This year also saw us enter an exciting new partnership with the UK Government's International Climate Fund. This seven-year partnership will allow us to strengthen and scale up our mangrove conservation efforts in Madagascar, and explore the potential for future replication in southeast Asia. Blue Ventures' blue forests programme supports the development of community-led mangrove management initiatives, protecting unique biodiversity as well as the livelihoods of millions of coastal people who rely on mangrove habitats for financial and nutritional security. Mangroves are being lost faster than any other forest type on earth. Their precious goods and services will be gone forever if deforestation and degradation are not urgently addressed.

To ensure that we manage this period of growth effectively, we have established a new team dedicated to supporting international partners, and are poised to open new offices in east Africa and southeast Asia in the coming months. We have also made great strides reinforcing our monitoring, evaluation and learning capabilities, ensuring that our partners have the tools and information they need, and that our expansion continues to have tangible impacts for coastal communities.

This vital work has only been realised through the support of our friends, partner organisations, volunteers and funders who share our vision for empowering communities to become stewards for marine conservation.

We thank you for your interest so far and hope that you will join us as we continue our journey to build a global movement for marine protection.

Jonathan Katz, Chair of Board of Trustees

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# Introduction

A quarter of humanity lives near the coast, largely in the species-rich tropics, home to our planet's most important yet most threatened marine biodiversity.

Many of the people who live around tropical coasts depend intimately on this biodiversity. Tropical seas provide jobs and income for hundreds of millions of people, and food for many more.

Yet the globally important coral reefs, mangroves, seagrasses and lagoons that underpin the food security and traditional coastal livelihoods of many of our planet's most vulnerable populations are in steep decline.

As we strive to steer the planet towards a sustainable future, the coast is at the forefront of the pernicious impacts of climate change, where the loss of marine ecosystems and subsequent erosion of human wellbeing are escalating rapidly.

Time is not on our side. We have years – not decades – to quell the perfect storm now brewing in our tropical seas, and our movement has much work to do to identify solutions capable of driving change at the scale needed to safeguard these places. Now is the moment to take stock and see what's working on the ground to reconcile growing human needs with an environment under unprecedented stress.

In Madagascar, one of the poorest countries on earth, a growing number of coastal communities has declared locally managed marine areas (LMMAs) using customary local laws as a means of rebuilding local fisheries and protecting threatened marine biodiversity. This approach has proven to be a cost-effective, scalable and socially acceptable solution to

the challenges facing one of Africa's largest marine environments. These LMMAs are safeguarding food security, tackling coastal poverty, and strengthening resilience to climate change. Over the last decade alone, a grassroots network of 150 sites covering over 14% of the island's seabed has evolved, reaching more than 250,000 people and demonstrating the inherent scalability of approaches that are grounded in managing our seas at the local level.

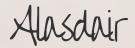
We need to take decisive steps to magnify these efforts: exchanging experiences across countries, markets and languages to empower communities to scale up those models that have delivered positive outcomes for people and nature.

Over the last year we've made encouraging progress doing just that. We're now working with over 30 partners across ten countries to replicate some of these approaches, and growth is accelerating every year.

Our greatest asset in these endeavours is our culture. BV has always been a small and nimble social enterprise able to respond quickly and effectively to the needs of the communities that are the heart of everything we do. By supporting partnerships in this way, we're able to retain our entrepreneurial culture and innovative approaches, all the while accelerating our reach and impact.

We understand the scale of the responsibility in our hands. At the same time, we are excited about the challenges that lie ahead on our journey to rebuild tropical fisheries.

We remain enormously grateful for your support.



Dr Alasdair Harris, Executive Director







# Trustees' Report

# Our values



# **Communities First**

Above all, we listen to community needs, responding in a sensitive and pragmatic way for lasting benefits.



# Innovation & Courage

We're resourceful and creative.
We're prepared to take risks and challenge broken paradigms.



# Passion & Belief

Our mission is urgent and critical, we believe that our models work, and we're determined to get the job done.



# Openness & Humility

We're an open source social enterprise. We work in a transparent and collaborative way to share what we learn.



# Valued People & Effective Teams

We work in diverse and inclusive teams where all members have a voice and influence.



# Grounded in Evidence

We have high standards and aren't afraid to be self-critical. If something doesn't work, we change tack until we're on the right course.



# 2016-2017

# **July 2016**

Developing a market for lionfish





Research from our Belize team, published in the journal Marine Policy in July 2016, suggests that the creation of a commercial fishery could help to curb numbers of invasive alien lionfish whilst offering an alternative livelihood solution to Belize's small-scale fishing communities. We are continuing our work with partners at NOAA, the Belize Fisheries Department, local fishing cooperatives and restaurants to drive forward the development of a lionfish market across the country.

# August 2016

New research reveals extent of shark fisheries





Over 450,000 sharks may be harvested by small-scale fishers in Madagascar each year, according to Blue Ventures research published in the journal Fisheries Research. The animals are primarily targeted for their fins, which are in high demand across Asian markets. To gather this information, we trained a network of community-based data collectors to collect data on shark landings along several hundred kilometres of Madagascar's remote and arid coastline. The results highlight an urgent need to protect sharks from overexploitation in Madagascar.

# September 2016

Accelerating our support for new partners





Our most ambitious fisher exchange to date brought over 20 friends and colleagues from partner communities and organisations in Zanzibar, Mozambique, Mayotte, Kenya and India to Madagascar to learn about community-based fisheries management. Accompanied by local fishermen and women, the representatives visited field sites in Madagascar and witnessed the increased catches harvested during the opening of several local temporary fisheries closures.

# October 2016

Exploring the potential for PHE in the coral triangle





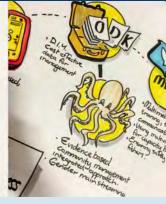
We travelled to Indonesia to explore the potential to replicate our Population–Health-Environment (PHE) partnerships model which supports collaboration between health service providers and community-based conservation and fisheries management initiatives. The visit paved the way for exciting new partnerships, and since October a PHE partner support officer has been recruited, based alongside local partners in Sulawesi.

# 2016-2017

# November 2016

Mobile phones for fisheries management







With our partner Abalobi we launched the ICT4Fisheries network to share best practice in the use of mobile technology in helping to tackle data deficiency in developing world small-scale fisheries. At the network's inaugural meeting in Cape Town, South Africa, 50 participants from 18 countries came together to showcase how mobile technology is empowering small-scale fishers with the information needed to improve management and sustainability.

# December 2016

Partnering to protect blue carbon





A new partnership with the UK government's Department for Environment Food & Rural Affairs (Defra) will see expansion of our blue forests mangrove conservation initiative in Madagascar and southeast Asia. Starting in 2017, the International Climate Fund will be supporting Blue Ventures' efforts to develop a replicable model to safeguard mangrove forests and fisheries through community-based conservation. This seven-year partnership provides an exciting opportunity for us to consolidate and expand our mangrove conservation work in Madagascar, Indonesia and elsewhere in southeast Asia.

# January 2017

Shrimp trawling closure brings new hope to fishers





After years of negotiations, commercial shrimp trawlers were banned from the sensitive corridor between the offshore Barren Isles archipelago – the western Indian Ocean's largest locally managed Marine Protected Area – and the shores of the Melaky region in western Madagascar. This is the first step in the implementation of a pioneering regional fisheries management plan, developed by Blue Ventures in partnership with Madagascar's Ministry of Fisheries, that will benefit small-scale fishers, help rebuild shrimp stocks and safeguard the wider marine environment alike.

# February 2017

Homestay exchange to Raja Ampat





Community members from Atauro Island, Timor-Leste, travelled to Raja Ampat, a remote province of West Papua, Indonesia, to take part in a community learning exchange. Supported by Blue Ventures, the Atauro community is setting up Timor-Leste's first homestay association. All our expedition volunteers visiting Timor-Leste now spend part of their time accommodated within homes in partner communities, delivering financial benefits to communities and providing a new opportunity for cultural exchange. Members of the 70-household-strong Raja Ampat Homestay Association, which has been operating since 2008, were eager to share their experiences with homestays with the visitors.

# 2016-2017

# March 2017

New research shows impact of integrated healthenvironment programme





We published new research in the journal Studies in Family Planning showing that incorporating family planning services within community conservation initiatives can address the unmet reproductive health needs of hard-to-reach populations, enabling couples to access contraception and avoid unintended pregnancies. The study reports on transformation in modern contraception use and general fertility rates between 2009 and 2013 in the Velondriake Locally Managed Marine Area of southwest Madagascar, where Blue Ventures began implementing an integrated Population-Health-Environment (PHE) programme in 2007.

# **April 2017**

Temporary octopus fishery closures in Mozambique





In August 2016, staff from WWF Mozambique and a member of a fishing community in the Quirimbas archipelago joined our learning exchange in southwest Madagascar, where they witnessed firsthand the increased catches and incomes that can come from temporary octopus fishery closures. Taking the lessons learned from this exchange, and a strong enthusiasm to manage their marine resources in a similar way, communities in the Ouirimbas archipelago, with support from WWF Mozambique, implemented two temporary octopus fishery closures. These closures are due to finish at the end of 2017, and their anticipated success will hopefully lead to this marine management strategy being a regular conservation model for Quirimbas in the future.

# May 2017

Homestays established throughout our expeditions





Building on our experience of developing and supporting community homestay associations in Belize and Timor-Leste, this year we celebrated the introduction of the model at our expeditions base in the village of Andavadoaka, southern Madagascar. All our volunteers now spend a portion of their expedition in homestays. In Andavadoaka our host families and volunteers alike report overwhelmingly positive experiences in feedback and the numbers of families offering homestay accommodation continues to grow.

# June 2017

New research highlights the value of mangroves in southwest Madagascar





Our blue forests mangrove conservation team published new research in the international journal Forests, revealing for the first time the carbon storage potential of mangroves in the arid southwest Madagascar, and highlighting the pressures facing these critically important marine forests. The results build on our research across other sites in Madagascar and will inform both national and international policy improvement and change.

# **Our Programmes**

PROVING SQLAMBILITY & SUSTAINABILITY & S

MANDOVER

Each of our conservation programmes comprises an innovative range of marine management 'models' that are being designed to transform the relationship between communities and conservation. With over 20 different models in development at any given time, our teams are pioneering new solutions to the challenges faced by coastal peoples. Whether helping communities keep bees in mangrove forests or farm sea cucumbers in coastal lagoons, all are intended to generate tangible economic benefits to communities from marine management, in turn mobilising broader grassroots support for conservation.

As each model develops, it progresses through a series of stages during which it is tested, evaluated and adapted. We liken this framework to the shell of a nautilus, each chamber representing a sequential stage of the model's development.

1. The **inception** stage is the starting point of all our models. Our crab fattening, and sea cucumber ranching models are currently in this phase as we explore their feasibility through pilot programmes in one or two villages.

2. During the **development** phase, the model is trialled, tested and adapted on a broader scale. Our lionfishery model in Belize and blue carbon credit models in Velondriake are currently here. We recognise that some models may never progress beyond this stage, while others may also return to this phase for re-evaluation as part of our regular review process.

3. If appropriate for replication, the model is then scaled across multiple locations to determine its longer term sustainability. For example, our homestay model which originated in Belize has now been replicated in Madagascar and Timor-Leste.

4. Once a model has become established in a given location, ownership is gradually transferred to the local community or other partners during the handover phase. Our seaweed farming model is in this phase as day-to-day management is

now handled directly by community farmers and commercial partner COPEFRITO.

PARTNERSUPOR

5. Increasingly, our established models are moving into the partner support phase during which they are implemented by other organisations, typically in other countries. Our short-term octopus fishery closure model is currently here, as we work with new partners in almost a dozen countries to replicate this approach.

# **Programme Updates**

# **Fisheries**

Our fisheries programme supports coastal communities to introduce fisheries management approaches that help rebuild fisheries, building local support for the establishment of locally managed marine areas (LMMAs), to sustain local fisheries and safeguard marine biodiversity.

Our support to communities starts with economic incentives – what we call the community catalyst (see boxed content below). This year saw continued enthusiasm at the community level for temporary octopus fishery closures, our most established catalyst model, with 28 communities in southwest Madagascar deciding to close part of their fishery for a period of two months. This was underpinned by new participatory outreach approaches led by Blue Ventures, such as a popular video promoting good octopus fishing practices, and sessions to share the conclusions of participatory octopus fishery monitoring. Mangrove fishery closures also continued in 13 villages surrounding Belo-sur-Mer, facilitated by our field team and this year directly coordinated with a mud-crab collection company for the first time.

We now support a network of nearly 100 community data collectors in Madagascar who are local fishers that we've trained to collect important data from daily fish landings in their villages. The results of this monitoring effort will help communities to design new management measures in the Barren Isles and the Ambanja area, as well as to improve the management measures in place at our more established sites.

In Belize, the fisheries catalyst model we developed is very different, focusing on developing a new fishery targeting the invasive lionfish. However, in a similar way to the octopus model, we have found that focusing on local fishers' economic interests has paved the way to much more ambitious fisheries management, and this year we were able to lead the development of a national lionfish management plan.

In the southwest of Madagascar – where octopus fisheries management is now well established amongst fishing communities, private sector buyers and local government – we made progress in developing our strategy for an octopus "Fisheries Improvement Project" with a goal to secure more value from a responsibly managed fishery to reward management efforts.

In places where community-led closures of specific fisheries have enabled progress on developing broader management efforts within LMMAs, our support has also focused on securing management and exclusive access rights for local fishers for these areas, and on systems for community based monitoring, control and surveillance of small scale fisheries. In Madagascar, this year we went beyond the zones already secured under co-managed marine protected areas, providing technical support to the government to put in place a fisheries management plan for the Melaky Region (which encompasses the Barren Isles LMMA). This is unprecedented in scale for Madagascar, and introduces a total ban of industrial shrimp fishing between the Barren Isles Marine Protected Area and the coast, one of many zones in Madagascar that is notorious for conflict between industrial and traditional fishers. The agreement was the result of a process of negotiation mediated by the Ministry of Fisheries, and is a significant step forward for human rights-based fisheries management in Madagascar. The ban came into force in February 2017 and will remain in place for a year initially, during which time Blue Ventures will support coastal communities to collect and evaluate data on the impacts of the ban.



# Model in focus: community catalyst model

Our journey to catalyse community conservation began more than a decade ago, in a remote corner of southwest Madagascar. Coastal communities in the region were concerned about the decline of their fisheries, so we supported one village to close a small part of their octopus fishing area for a few months, to see whether this might boost productivity.

When the fishing ground reopened, communities saw dramatic increases in both octopus landings and fisher incomes. As news of this remarkable fishery boom spread, neighbouring communities started adopting this approach. Crucially, this sparked interest in more ambitious coastal management efforts, leading to the creation of the country's first locally managed marine area (LMMA), governed by a small network of fishing villages.

This use of short-term fishing ground closures as a point of entry for conservation has since gone viral along hundreds of kilometres of Madagascar's coastline, inspiring a grassroots marine management movement that has seen 196 associations across Madagascar establishing over 70 LMMAs to date, covering 17.7% (over 17,000 km²) of seabed.

Key lessons about this model have been shared with NGOs and community fishery managers in new parts of the world through a series of international fisher exchange visits, while in Madagascar we have continued to apply the same periodic closure model to new species and ecosystems including mangrove crabs and fish.

# **Blue Forests**

Our blue forests programme links the conservation of mangrove, seagrass and coastal wetland habitats with international carbon markets, sustainable fisheries, and other incentives to catalyse community support for mangrove protection. This programme has pioneered new approaches to inspiring local protection of some of Africa's most threatened mangrove forests, strengthening current understanding of the role of Madagascar's mangroves in carbon storage, and working with communities on Madagascar's west coast to launch large-scale mangrove protection efforts.

Over the past year, blue forests staff have worked towards the transfer of management rights of more than 4500 hectares of mangroves to communities from regional government departments; a key step in enabling local community members to monitor and enforce good practices in the mangrove forests on which they depend. Almost 300 separate consultations with community leaders, association representatives and 21 villages at two sites were conducted, demanding over 700 Blue Ventures person-days of effort to reach this goal.

This year also saw a step-change in the ambition of our blue forests programme after securing a new partnership with the UK government's International Climate Fund. Over the next seven years, this exciting new partnership will allow us to strengthen our existing initiatives in Madagascar, launching the country's first accredited blue carbon projects, while also expanding this model into Indonesia and elsewhere in southeast Asia.



# Model in focus: Beekeeping as an alternative livelihood in Ambanja

Our partnership with honey producer and exporter T'Telo and Helvetas Swiss Intercooperation Madagascar saw 30 mangrove farmers receive training in beekeeping and honey production, eight of whom have started production in this first trial. In early 2017 over 150 kgs of honey were gathered from this first harvest. The producers were satisfied, and one of them plans to buy a zebu with the extra income. Over the next year, further hives will be provided to villages in the region and more farmers will be trained in apiculture techniques.





# Pragmatic Management of Madagascar's Mangroves

Much of our existing work in Madagascar focuses on equipping communities with skills and understanding to manage their mangrove forests sustainably.

Over the past year, we have consulted with ten communities in the Bay of Assassins, southwest Madagascar, to develop formal mangrove management plans which were subsequently approved during village meetings. The plans include setting of harvest quotas to ensure sustainable use, establishing reforestation zones and agreements to replant mangroves each year, creating protected zones from which no trees can be cut, and introducing locally led protocols for monitoring illegal cutting.

In the Tsimipaika Bay villages of northwest Madagascar, similar mangrove management plans and local regulations were agreed in 11 communities, ensuring the effective monitoring and management of approximately 2,200 hectares of mangroves. The plans will form the foundation of efforts to certify the Tsimipaika Bay mangroves as a carbon project under the Verified Carbon Standard, a global leading standard for voluntary carbon credit generation, which can be sold as offsets on the open market.

The community management plans were all grounded in evidence collected through our forest and community surveys, participative mapping and consultations about the zonation of protected and sustainable use areas. The plans are enshrined in customary regulations (dina) governing community use of natural resources, that have been approved by community leaders.

To address the demand for fuelwood and timber construction that currently drives mangrove deforestation, alternative wood plantations have been established in both the Bay of Assassins and Tsimipaika Bay villages. Seedlings of terrestrial species are being raised in nurseries to provide an alternative source of fuelwood, diverting pressure from mangroves. This year, fruit trees have been added to the plantations, further diversifying potential income sources.

# Mangrove Ecotourism

Elsewhere in the northwest, our blue forests team is supporting the Antsahampano community association to develop a mangrove ecotourism site. Interpretation boards featuring drawings and explanations of the forest's flora and fauna will be displayed in a new interpretation centre, and a new boardwalk is under construction to lead visitors on a raised trail safely through the dynamic mangrove environment.

# Aquaculture

Our aquaculture programme supports communities to diversify their livelihoods by developing lucrative sea cucumber and seaweed farms as a way of reducing fishing pressure and alleviating poverty.

Since our community-based aquaculture programmes were first established, more than 500 people have been trained to farm sea cucumbers and seaweed, over half of whom were women, for whom alternative income sources are limited.

Community-run sea cucumber farms in Tampolove, southern Madagascar, underwent major regeneration this year. A yearlong experimental trial, coupled with the evaluation of the past seven years of farming data, informed the development of an improved sea cucumber farming system. The new model aims to boost sea cucumber growth, survival and productivity, translating to improved farmer incomes. As well as guiding the development of our new community ranching model, the results of the research were presented at the World Aquaculture Society's Conference in Cape Town.

Having upgraded all community owned farms to an improved pen design and trained farmers in best practice management methods, the Tampolove farming site is set to fully reopen in September 2017. The 40 new farms, enhanced security infrastructure and a shore-based processing station will support at least 80 people from over 40 families, representing all clans within the Tampolove community. Plans are also underway to expand this community-based sea cucumber farming model to other regions of the Velondriake locally managed marine area, as well as to Ambanja on Madagascar's northwest coastline in the near future.

"The evolution of our aquaculture models over the past year has been a highly rewarding process. Excitement is high as we now look to greatly increase the reach and impact of our aquaculture livelihoods provision in 2018."



# Seaweed production exceeds targets

Elsewhere in Madagascar, community-run seaweed farms go from strength to strength. Seaweed farmers in Velondriake have seen dramatic increases in their productivity and profits, with the average income of the top 50% of farmers in the region now exceeding production targets, and some farmers now taking home over \$80 per month, matching the average adult income in the Velondriake region.

Having reached the handover phase in the Blue Ventures model lifecycle, our commercial partner COPEFRITO now handles day-to-day interactions with community seaweed farmers under its subsidiary Ocean Farmers and has developed a farmer contract to reflect the new company's relationship with producers. Our role has now evolved to be one of supervision in this transfer, acting as a watchdog for farmers' rights to ensure the equitability of their production agreements.



# Community health

The social and environmental challenges faced by isolated coastal communities are inextricably linked. Just as a lack of transport infrastructure can prevent access to seafood markets, it can also prevent community members accessing essential health and family planning services. To improve access we established a community health programme, known locally as Safidy, which means "choice" in Malagasy. Integrated with our marine conservation and coastal livelihoods initiatives, Safidy contributes to our holistic Population-Health-Environment (PHE) approach to conservation and development.

Over the past ten years, the Safidy programme has provided over 11,100 couple years of protection across three sites and has also averted over 3,825 unintended pregnancies.

This year, in partnership with Madagascar's Ministry of Health and other private health organisations like USAID Mikolo and Mahefa Miaraka, our community health team have collaborated in training and supporting community health workers across three regions in Madagascar (Atsimo Andrefana, Menabe, and Melaky) in order to provide family planning, maternal and child health, and water, sanitation and hygiene (WASH) health services. Community health workers are community members selected by their communities who work closely with partner organisations and the Ministry of Health to deliver these quality health services, while also referring clients to receive health services through public health centres.

We have also continued to work closely with our partner Marie Stopes International whose mobile outreach teams visit some of our remote sites to offer long-acting reversible contraceptives (implants and intra-uterine devices) on a quarterly basis.

The UN Sustainable Development Goals call for neonatal mortality rates to be less than 12 per 1,000 live births, yet in remote areas of Madagascar this figure is still at least 28 for every 1,000 born, with many dying soon after birth due to breathing difficulties. To address this issue, we recently began supporting neonatal health training in the Velondriake area. Using the Helping Babies Breathe curriculum, a programme that has demonstrated significant reductions in neonatal mortality and stillbirth rates in several countries, we invited doctors from the UK to deliver the training to six government health workers and a private midwife, with hopes of reducing the rates of neonatal mortality and also encouraging women to deliver in health centres.

Following the success of our community health work in southern and western Madagascar, we are set to expand into the Ambanja region in August. A new Safidy coordinator has been recruited to develop the programme in the region, which will continue our work in family planning, maternal and child health, and WASH activities.





# Education

Currently active only in southwestern Madagascar, our education programme supports community members to develop the skills they need to diversify their livelihoods and manage their marine resources sustainably, from school scholarships through to environmental education and technical training.

2017 marks the tenth year of our education programme. In southwest Madagascar, only one third of children attend school, primarily for financial reasons. Over the past ten years over 535 marginalised students have been supported through school by our scholarship programme, representing 12% of the youth population (those aged 5 to 25) in the area. Twelve students have continued on to university, an opportunity that few Malagasy students are afforded.

Former scholars continue to achieve great success. Over the past year, six new students have enrolled at university to study courses including nursing, biodiversity, geography, agriculture and management. Eight former scholars began teaching in elementary and middle schools throughout the region while Zanarison Bozilahy, a former scholar and elected member of the Velondriake locally managed marine area management committee, began teaching at a secondary school as well as providing environmental education classes to middle school students in Befandefa. Two other former scholars also became Blue Ventures interns this year, imparting their knowledge to the next generation. Two more became full time Blue Ventures employees.

Our education programme has renewed its collaboration with education authorities in the Velondriake area, giving us the opportunity to provide environmental education in all schools in the area.

Our educational outreach tour model was also redesigned this year to increase its effectiveness in engaging communities in Blue Ventures' work. The tours use a variety of approaches including in-class teaching, leader meetings, focus groups, theatre and cinema to raise awareness of health and environmental topics among children and adults. A region-wide theatre competition undertaken in the Velondriake LMMA saw participants from 15 villages write and perform a play highlighting the connectivity of human and environmental health. The prize given to the winning village of Belavenoke was used to help finish building the village school.

The programme has proved such a success in Velondriake that it is now set to expand into Belo-sur-Mer, an area characterised by high levels of illiteracy, and a lack of educational opportunities. Scoping visits due to be completed in 2017 will identify educational priorities for the region.

# Community-based tourism

We launched our acclaimed conservation tourism programme in the coastal village of Andavadoaka in southwest Madagascar in 2003. The initiative trains several hundred paying volunteers each year in tropical marine research and conservation as part of a structured educational research expedition managed through Blue Ventures (Expeditions) Ltd. No additional field or office-based volunteers are involved in the charity's work.

This initiative collects much-needed scientific data, while also providing reliable income to the community. Since its launch the programme has gone from strength-strength, expanding to Fiji and Malaysia in 2008, Belize in 2010, and Timor-Leste in 2015, and welcoming record-breaking volunteer numbers this year.

A central component of Blue Ventures' tourism activities is the community homestay, which offers a way for coastal communities to diversify and strengthen alternative livelihoods, ensuring the economic benefits of tourism go directly to local families, rather than resorts or international investors.

Many coastal communities that have suffered from a decline in local fisheries benefit from having alternative income streams. Homestays can provide a reliable alternative income for host families and help promote further conservation activities, as part of a holistic conservation and development strategy.

Our community-based tourism programme supports local families to host Blue Ventures expedition volunteers in their homes. Hosts introduce their guests to their culture, cuisine and customs, and earn a reliable income in return.

We have worked with the Sarteneja Homestay Group in Belize since 2010, and in 2017 applied lessons from Belize to expand our homestay model into expeditions in both Madagascar and Timor-Leste. All of our expedition volunteers now spend a portion of their expedition in homestays, with host families welcoming pairs of volunteers into their homes.

A learning exchange saw our Timor-Leste homestay hosts travel from the island of Ataúro to the remote Indonesian province of West Papua to learn from the experiences of the Raja Ampat Homestay Association. Running since 2008 the group now comprises over 70 homestay members from remote islands across the region, many of whom come from subsistence fishing backgrounds.



# Learning networks

We build and develop grassroots learning networks to share learning with partner communities and support replication of conservation and development models.

These networks bring together huge numbers of like-minded communities and partner organisations to share experiences and best practices, helping to drive and sustain improvements in practice. Increasingly these movements are helping to amplify community voices, empowering small-scale fishers to advocate for policy change.

Within Madagascar our core learning networks include the Madagascar Population-Health-Environment network and the MIHARI network.

# **MIHARI**

MIHARI is Madagascar's national locally managed marine area (LMMA) network, established in June 2012 to bring together local management associations and partner NGOs to share experiences. It currently represents 199 LMMAs, covering 14.5% of Madagascar's seabed (14,023 km²).

Following the success of MIHARI in the southwest of Madagascar, a regional MIHARI hub was this year created in northwest Madagascar. Three new members of staff have been recruited and an inaugural regional workshop took place in July to engage local LMMA leaders with the network.

This year, MIHARI coordinated a series of regional and national fora, each of which were attended by over 80 participants providing invaluable opportunities for LMMA managers to explore common issues and develop collaborative solutions face-to-face. Learning exchange visits between LMMA communities helped members travel to meet peers throughout

"I am really excited by the huge impact MIHARI has had this year. The network is now recognised at all levels from local to international. As well as supporting the country's small-scale fishers, it has become a national movement in the country, a referee among civil



societies in Madagascar and a key partner of the Government."

Vatosoa Rakotondrazafy, MIHARI Network National Coordinator

the island. The network was called upon to support coastal communities in environmental justice issues.

To ensure MIHARI retains its cohesion as it continues to grow, a committee comprising LMMA leaders and NGO partners was elected this year to coordinate the network's activities, and the network's charter, structure and values were defined. An LMMA database was also launched allowing almost 200 LMMA communities to share information about the LMMA they are supporting, providing an opportunity to share best practice over a far wider area.



# PHE network

The Madagascar Population-Health-Environment (PHE) network unites health and environmental NGOs, ministries and funders to develop collaborative initiatives that improve the health of both people and the environment. It does so by supporting collaborative partnerships that integrate family planning and other health services with community-based natural resource management efforts in some of the country's most underserved and biodiverse zones.

As of June 2017, 28 PHE partnerships were either active or in development across Madagascar, reaching more than 135,000 people, a figure that has more than doubled since June 2016. Altogether these partnerships have provided the equivalent of a year's protection from unintended pregnancy for 15,000 couples across the country since the network was established in mid 2014.

This year, the network held a series of regional and national workshops to build capacity among members, supporting the implementation of high quality PHE initiatives that uphold reproductive rights. It has also continued to engage with policy makers and funders to create an enabling institutional environment for further PHE uptake.

Drawing on the experiences of Blue Ventures and other PHE network members, a PHE partnerships guide and community outreach tool have been produced to support the development and implementation of effective new PHE partnerships. The guide will soon be accompanied by an online knowledge management portal which will allow partners to share the results of PHE initiatives and lessons learned across the network.



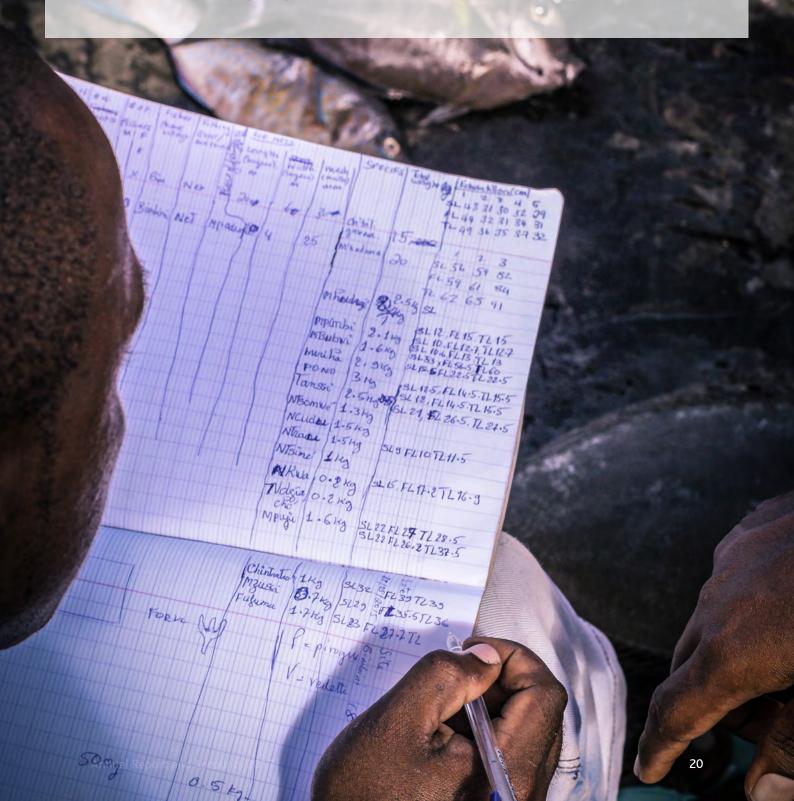


# Monitoring and evaluation

We aim to have lasting impacts on the fisheries and communities we support, inspiring and strengthening local engagement in marine conservation. Understanding the effectiveness and impact of our conservation models and interventions is central to this mission.

Our monitoring and evaluation systems allow us to learn from, adapt and improve the performance of our models, while generating evidence of our impact and effectiveness, and ensuring our accountability to the communities and partners we support. The results of our work are made available online, and Blue Ventures has so far published over 100 scientific reports and papers on the findings of our research.

From focus groups and storytelling to habitat surveys and fish catch records, we monitor the diverse ecological, fisheries and social impacts of our work, using integrated and participatory approaches wherever possible Our systems are designed to enable us to understand the outputs, outcomes and impacts of our work and demonstrate how we are progressing towards our mission.



# Supporting our international partners

Blue Ventures is implementing a new organisational strategy for developing and scaling adoption of its conservation models outside Madagascar. The models in the **partner support** chamber of the nautilus have demonstrated that they can catalyse and enhance community conservation. To scale them up, we collaborate with like-minded organisations to apply and adapt them in new geographies, offering toolkits, training, technical advice, mentoring and learning exchanges to guide them through every step of the process.

# Scaling success

The past year has seen encouraging progress in driving forward our vision to reach at least three million people across the world's tropical coastal regions by 2020. Our most ambitious fisher exchange to date saw over 20 friends and colleagues from communities and partner organisations in Zanzibar, Mozambique, Mayotte, Kenya and India visit Madagascar to learn about small-scale fisheries management. Equipped with the skills and understanding to implement octopus fishery closures in their home countries, many of the partners are now planning or holding octopus closures.

During this financial year Blue Ventures has piloted awarding small grants to assist partner organisations in the replication of fisheries and community health models. Granting has been carried out in line within a granting agreement tailored to an agreed work plan, and following an extensive period of due diligence, including field visits to partners to assess suitability to deliver intended outcomes, and alignment with Blue Ventures' core values.

# **East Africa**

Having successfully set up octopus fishery closures on the island of Pemba, Tanzania, the Mwambao coastal community network has this year supported local fisheries committees on Unguja (the main island of Zanzibar) to establish catch monitoring and organise octopus closures. The first series of closures re-opened in June and results were so promising that the communities have since decided to re-close their areas for another 2-3 months. Elsewhere in Zanzibar, the NGO Marinecultures.org is supporting the local fisheries committee to set up catch monitoring and plans to establish temporary octopus fishery closures later this year along a 10 km stretch of coast. On the mainland Oceans Alive has begun engaging communities in Kuruwitu, Kenya to establish participatory catch monitoring as a first step towards an octopus closure.

# Haji Machano - Partner Support Technician

To support our growing network of partners across the world, four new partner support technicians have been recruited over the past year. Living and working alongside partner organisations and communities, these technicians provide important on-the-ground support, guidance and capacity building to our international partners, and are helping them to replicate Blue Ventures models across the Indo Pacific.

One of our new technicians is Haji Machano (pictured) who this year began working with partners in Tanzania and Kenya to implement temporary octopus fishery closures. Haji guides partners through fishery profiling, leads community discussions, and supports partner organisations to establish catch monitoring systems, the results of which help build and refine fisheries management plans. Haji acts as a bridge between staff in Madagascar and local partners in coastal East Africa, linking new partners to those who have been through the process before them to facilitate regional learning.



# India

This year saw us join forces with partners in India for the first time. Our work with **Dakshin** and **Caress** aims to support octopus fishery closures and community monitoring systems in the Lakshadweep archipelago, specifically the islands of Minicoy, Kavaratti and Agatti.

# Indonesia

Also this year we've started supporting partners in Indonesia for the first time. Across the island of Sulawesi, our partner support technician has been working closely with partners, including **Forkani** on the island of Kaledupa, **LINI** in Banggai, and **Yapeka** in North Minahasa to establish catch monitoring systems and profile octopus fisheries with a view to introducing octopus closures later this year.

# International PHE Partnerships

Efforts to scale up our PHE model have also been gaining momentum. New PHE partner support officers have been recruited to drive forward the formation of health-environment partnerships between health care providers and community based marine conservation initiatives in Indonesia, Timor Leste, Tanzania, Kenya and Mozambique. This year, the **Peace Parks Foundation** in Mozambique became one of our first 'PHE graduates' having undergone the full cycle of support. It is now gearing up to launch its own PHE programme.



# Madagascar

We support conservation efforts across four regions of Madagascar's west coast; Atsimo Andrefana, Menabe, Melaky and Diana. Across all these sites we aim to work in a holistic way to support communities in their development, with the long-term aim of enabling lasting local management of marine and coastal resources. Each site has a different environmental and cultural context, and is at a different stage of its journey, with models developed and implemented in response to community priorities.

Our core base of staff in Madagascar grew substantially from 95 to 135 over the past year, with new team members recruited to support key health and aquaculture programmes and to scale up our work in Ambanja, northwest Madagascar, where our blue forests team is working closely with local communities to protect the country's largest and most threatened mangrove forest

Exciting plans are underway to establish a fifth site in Mahajamba, northwest Madagascar, from late 2017. The bay of Mahajamba is the last frontier of marine conservation in the country, with vast intact mangrove forests and other marine ecosystems still in a good ecological condition. We're now working to formalise partnerships with local communities and private sector partners to meet biodiversity conservation and sustainable development goals in the area.

In southwest Madagascar, home to our longest standing conservation programmes, we have developed a regional approach connecting our programmes between Menabe and Atsimo Andrefana regions, increasing our ability to influence policies and collaborate with partners at scale.

Ambanja

Mahajamba

The Barren Isles

Belo sur Mer

Velondriake LMMA



# UK

Our UK team plays a critical role supporting our international operations. From offices in London and Bristol, team members conduct vital research to evaluate the effectiveness of our conservation and health models, generate new partnership opportunities and share our story with community groups, research institutions, governments and conservation and development partners around the world.



This year, our UK team contributed to 20 research publications covering topics as diverse as the management of invasive lionfish, the interplay between family planning and marine conservation, and the role of mangroves in carbon sequestration. Our work was also presented at over 30 international conferences and workshops including the IUCN World Conservation Congress, simultaneous Earth Optimism Summits in London and Washington, and the International Marine Conservation Congress.

# **Belize**

This year, our Belize team spearheaded the development of Belize's National Lionfish Management Strategy. The strategy centres on approaches that benefit people and biodiversity alike and uses data collected by Blue Ventures volunteers since 2015. Participatory consultations with coastal communities ensure the strategy is designed to reflect community needs and interests while the Belize Fisheries Department has also played a key role in shaping its development. This is the most holistic approach taken to lionfish management for the region yet, with the US Virgin Islands and Aruba in the process of adopting similar management approaches. A knowledge exchange trip planned for late 2017 will welcome a delegation from Colombia to learn about our lionfish control efforts.

Our research into lionfish ecology and management has also contributed to the publication of three new scientific papers over the past year, whose lessons and findings have been shared through lionfish awareness-raising and social marketing activities across the country as well as at several international conferences. We have also supported the flourishing women's group and social enterprise Belioness — Belize Lionfish Jewelry. This group, owned and managed by its members, successfully held its second annual general meeting in January 2017, and has an active board of directors with growing management capacity.



Supporting all of this work is a growing team of dedicated staff, over 70% of whom are Belizean nationals working at all levels, including in senior management positions.



"A highlight of my work this year has been establishing our Community Officer programme, which provides training for Belize's future biologists, educators, protected area managers and decision-makers, and supports them in the early stages of their careers. Although the programme is still in its infancy, I can already see how the training is

building confidence and supporting alternative livelihoods among young people in coastal communities like Sarteneja, where few income-earning opportunities exist outside of fishing, and fewer still that are accessible to women."

Cecilia Guerrero, Community Programme Coordinator











# **Timor-Leste**

This year, the eleventh consecutive cohort of expedition volunteers passed through our new expedition base in Timor-Leste which lies in the heart of the coral triangle on the island of Ataúro. Eight homestay families in the local community of Beloi now host volunteers for up to three weeks every expedition, and a further five families are in the process of developing homestays in Uaro-ana, north of Beloi. The homestays have received extremely positive reviews, and are doubling and in some cases tripling household income, helping to reducing reliance on fishing as the community's primary income source.



In addition to the homestays, eighteen community members have now been trained in seagrass monitoring, eight of whom have started mapping Ataúro's seagrass meadows, a vital habitat for threatened dugongs. The community of Ilik-namu also requested support from Blue Ventures in its efforts to establish a new LMMA. Community consultations are now underway to drive forward plans for the MPA, which will be protected under Timorese customary law, tara bandu.

# Jemima Gomes -Dive and Science Assistant

Our conservation efforts in Timor-Leste are focused on mapping and monitoring habitats, establishing protected areas, and developing alternative livelihoods to relieve pressure on marine resources and restore fish populations. Jemima Gomes (pictured) comes from the town of Biqueli on Ataúro island, and is contributing to these efforts by assisting us in data collection, working with our volunteers, and helping to engage other community members.

Jemima is Ataúro's first female scuba diver, and thanks to regular training with Dive Manager Laura McGuire she is on the path to becoming Timor-Leste's first female Divemaster. She presents regularly to community meetings about marine conservation, speaking to community leaders and groups, and encouraging her friends to participate in marine monitoring efforts. Timorese women have not traditionally been seen as leaders outside of the home, but Jemima is helping to break the mould of women's roles in Timor-Leste.



# On the horizon

As we move forward working hand in hand with our partners across more than ten coastal states, we are privileged to have new opportunities to support more coastal communities in their efforts to rebuild tropical fisheries and safeguard marine biodiversity. In the year ahead, further expansion will see us formalise new partnerships in East Africa and Indonesia and will see our 'barefoot technicians' begin engaging with communities in these new geographies, sharing experiences and learning from our fisheries and community health programmes.

Next year will also see the further development of our value chain recovery efforts, through which we aim to incentivise coastal communities to engage with fisheries improvement projects. This work aims to leverage sustainable seafood supply chains to incentivise local marine management, ultimately creating new ways of ensuring that the benefits of local fisheries management are realised and sustained long into the future.

# **Trustee Profile**

# Vola Ratsifandrihamanana Parker

"London has been my home for over twenty years, but living overseas I still think of the beauty and plight of my homeland each day. Troubled by environmental degradation, political instability and increasing poverty, Madagascar's unique natural heritage and its people are teetering on the brink of disaster.

I believe passionately that all people should have access to essential health care and economic security whilst also safeguarding the natural world, and Blue Ventures is making this possible for communities in forgotten and impoverished regions of Madagascar. Inspired by BV's holistic approach



that combines sustainable development, community-focused health and conservation with robust scientific research, I am proud to be part of Blue Ventures' board. I hope to use my experience to help unlock my native country's potential."



# Governance and management

# Structure, governance and management

Blue Ventures Conservation (BVC) is a registered charity in the United Kingdom, number 1098893, and is constituted as a company limited by guarantee, registered number 4660959.

A Board of Trustees governs BVC. The Board is responsible for determining the policies and strategic direction of the charity. It meets regularly and delegates day-to-day running of the charity to a senior management team. The members of the Board who were in office on the date of this report are shown on the Legal and Administrative Information page [32]. Under the Articles of Association, ordinarily one third of Trustees retire by rotation. New Trustees are recruited based on terms of reference for specific vacancies, typically when certain skill sets and experiences are sought by the board. The chair of the board oversees all Trustee recruitment, with induction, orientation and training support provided by charity staff. The induction procedure aims to provide new Trustees with the information on their duties and liabilities necessary to be effective within the governing body. All major decisions are taken at Board level. BVC employs staff in the United Kingdom and overseas. The day-to-day operations of the charity are delegated to the senior management team based in London. The charity employs overseas staff directly, including from host countries, who are involved in locally based projects.

Blue Ventures' day-to-day activities, both for the charity and its subsidiary, are overseen by a senior management team comprising an Executive Director, Managing Director, Finance Director and Operations Director, along with a Heads of Digital and Head of Monitoring and Evaluation. This team manages the charity and company's operations internationally, and develops and monitors progress towards the group's strategic operating plan. The senior management team is directly accountable to the charity's Board of Trustees, which meets quarterly to review the group's activities, and track progress towards strategic targets.

A decision rights and responsibilities matrix guides decision making, consultation and escalation policies across the organisation. The Board of Trustees is consulted annually in the development of the charity's annual operating plan.

Staff remuneration follows a banding structure that is reviewed annually by the Finance Director and senior management team. Sectoral consultation and independent benchmarking are carried out periodically to ensure correspondence and competitiveness with similar-sized organisations and charities operating in the sector.

# Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives, and in implementing current and planning future activities. The Trustees have considered this matter and concluded:

- That the aims of the organisation continue to be charitable;
- That the aims and the work done give identifiable benefits to the charitable sector and both indirectly and directly to individuals in need;
- That the benefits are for the public, are not unreasonably restricted in any way and certainly not by ability to pay; and
- That there is no detriment or harm arising from the aims or activities.

# Related party

Blue Ventures Conservation wholly owns the subsidiary, Blue Ventures (Expeditions) Ltd (BVE), a private limited company registered in Scotland, SC233112. BVE uses paying volunteers to undertake research and monitoring of coral reefs and related ecosystems in Madagascar, Timor-Leste and Belize.

The operations of BVE are closely aligned with those of the charity, and the two organisations have shared offices, staff, website and brand identity. BVE donates its annual profits to the charity. For the year ended 30 June 2017, BVE made a charitable donation of £35,000 to BVC. (2016: £13,540).

# Risk management

Blue Ventures' approach to risk management is proactive and fully integrated into day-to-day working. The charity maintains a comprehensive register of risks (governance, operational, financial, regulatory, environmental & external risks), and maintains mitigation controls and contingency plans, with designated responsibilities for monitoring & managing risks. This register is reviewed and updated quarterly by the board. Field risk assessments are carried out annually for all centrally-managed programme operations, and policies are fully compliant with the highest standards of field operating protocols in Blue Ventures' diverse programmatic specialties. The main risks to Blue Ventures' work as identified by the board are as follows:

Political risk and instability. Blue Ventures maintains close communications with government authorities in partner countries and with security agencies where appropriate. The risk posed by, for example, political disturbance in one country, is mitigated by the charity's international operations, which can enable activities and resources to be redirected if required. Blue Ventures also maintains strong relations with government authorities in partner countries, both at a ministerial level, as well as with technical staff and operatives within government agencies. These relationships are key to maintaining momentum with partnership initiatives, ensuring the charity's operations are not interrupted by short term political changes.

Fraud risk. BV has a fraud policy in place, as well as robust financial and manual and procedures to reduce this risk.

Risk of natural disaster for example, tropical cyclones, flooding etc. Blue Ventures has well evolved and practiced emergency protocols to deal with tropical storms, cyclones and emergencies.

## **Trustees**

The Trustees who served during the reporting period were:

Dr Robert Conway (resigned 15 November 2017)

Mr Abbas Hasan

Mr Jonathan Katz Chair

Ms Anna Kydd

Mr Matthew Linnecar (resigned 15 November 2017)

Mr John Wareham

Ms Astrid Zweynert (resigned 11 January 2018)
Mrs Patricia Kreitman (resigned 15 November 2017)

Mr Tristram Lewis

Dr Dominic Hoar

Mr William Stephens (resigned 23rd February 2018)
Mrs Vola Parker (appointed 27 July 2017)

Trustees who were serving on the date this report was approved were:

Mr Abbas Hasan

Mr Jonathan Katz Chair

Ms Anna Kydd Mr John Wareham Mr Tristram Lewis Dr Dominic Hoar

Mr Robert Maclay (appointed 24 January 2018)
Mrs Vola Parker (appointed 27 July 2017)

The Board of Trustees is kept fully abreast of Blue Ventures' future plans, with regular participation in strategy meetings, and review of the charity's annual operating plan.

# **Service Providers**

Bankers Auditors

Co-operative Bank H W Fisher & Company

P.O. Box 250 Acre House

Delf House 11 - 15 William Road

Southway London
Skelmersdale NW1 3ER
WN8 6WT United Kingdom

United Kingdom

# **Registered Address**

Level 2 Annex
Omnibus Business Centre
39 - 41 North Road
London
N7 9DP
United Kingdom

# Financial review

Total income for the year amounted to £3,006,982 (2016: £2,237,554). Total expenditure for the year amounted to £2,285,124 (2016: £1,617,299). Of this expenditure, 96% is spent on carrying out charitable activities, with a further 3% spent on generating voluntary income and 1% on governance. 89% of the charity's staff are based overseas in our programme countries.

5 Year History (£)	2012/13	2013/14	2014/15	2015/16	2016/17
INCOME FROM:					
Donations and gifts	20,223	95,940	62,313	99,792	139,758
Grants for core activities	817,255	725,056	1,768,032	2,061,134	2,828,023
Interest and other income	85,807	112,595	69,769	76,628	39,201
Total income	923,285	933,591	1,900,114	2,237,554	3,006,982
EXPENDITURE ON:					
Raising funds	47,198	46,428	62,945	58,732	77,632
Charitable activities	867,701	940,657	1,185,536	1,538,798	2,180,588
Governance costs	18,363	16,538	20,003	19,769	26,904
Total expenditure	933,262	1,003,623	1,268,484	1,617,299	2,285,124
Increase/(decrease) in income (%)	(4)%	-	104%	18%	34%
Increase in expenditure on charitable activities (%)	26%	8%	26%	27%	42%

# **Taxation**

BVC is a registered charity within the definition of Section 505 of the Income and Corporation Taxes Act 1988, accordingly its income is exempt from taxation.

# Reserves

The Trustees regularly review the level of reserves, which is used to describe unrestricted funds excluding those

tied up in fixed assets or otherwise designated. BVC's reserves policy is to maintain sufficient working capital to cover six months core running costs. This equates to approximately £190,000.

As at 30 June 2017, free reserves amounted to £187,557.

# Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- · Select suitable accounting policies and then apply them consistently;
- · Observe the methods and principles in the Charities SORP;
- · Make judgments and 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 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 charity and to enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Disclosure of information to auditors

In accordance with company law, the Trustees who held office at the date of approval of this Trustees' Report certify that:

- So far as they are aware, there is no relevant audit information of which the charity's auditors are unaware;
- As the Trustees of the charity they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved and authorized for issue by the Board of Trustees on 20th March 2018

Mr J Katz

Chair of the Board of Trustees



# **Statutory Information**

# Legal and administrative information

Trustees Mr Abbas Hasan

Mr Jonathan Katz - Chair

Ms Anna Kydd Mr John Wareham Dr Dominic Hoar

Mrs Vola Parker (appointed 27 July 2017) Mr Robert Maclay (appointed 24 January 2018)

Mr Tristram Lewis

Senior management team Dr Alasdair Harris - Executive Director

Ms Xi Chen - Finance Director (resigned 31 March 2017)

Ms Rebecca Donnelly - Finance Director (appointed 10 April 2017)

Dr Frances Humber - Conservation Director

Secretary Lindsays WS

Charity number 1098893

Company number 4660959

Registered Office Level 2 Annex

Omnibus Business Centre 39 - 41 North Road

London N7 9DP

United Kingdom

Auditors H W Fisher & Company

Acre House

11 - 15 William Road

London NW1 3ER United Kingdom

Bankers Co-operative Bank

P.O.Box 250
Delf House
Southway
Skelmersdale
WN8 6WT
United Kingdom

# Independent Auditor's Report TO THE MEMBERS OF BLUE VENTURES CONSERVATION

# Opinion

We have audited the accounts of Blue Ventures Conservation (the 'parent charity') and its subsidiaries ('the group') for the year ended 30 June 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

# In our opinion the accounts

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2017 and of its 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; and
- 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 accounts section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

# Conclusions relating to going concern

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

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

# Other information

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

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the

audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Directors' Report included within the Trustees' 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 charity and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity's accounts 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.

# Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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.

Signed on 21st March 2018

Andrew Rich (Senior Statutory Auditor) for and on behalf of H W Fisher & Company Chartered Accountants

Statutory Auditor
Acre House
11-15 William Road
NW1 3ER
United Kingdom

HW Fisher & Company is eligible to act as an Auditor in terms of section 1212 of the Companies Act 2006

# **Group Statement of Financial Activities**

For the year ended 30 June 2017

	Notes	Unrestricted funds	Designated fund £	Restricted funds £	2017 Total £	2016 Total £
INCOME AND ENDOWMENTS FROM:						
Donations and legacies						
Donations and gifts	2a	78,711	-	61,047	139,758	99,792
Grants for core activities	2b	390,329	-	2,437,694	2,828,023	2,061,134
Charitable activities <sup>1</sup>	3	26,612	-	5,388	32,000	32,016
Other trading activities		3,904	-	-	3,904	13,051
Investments		3,274	-	11	3,285	2,317
Other Income		12	-	-	12	29,244
Total income and endowments	-	502,842	-	2,504,140	3,006,982	2,237,554
EXPENDITURE ON: Raising funds						
Costs of generating donations and legacies		74,281	1,624	1,727	77,632	58,732
Charitable activities <sup>1</sup>	_	325,013	252,783	1,629,696	2,207,492	1,558,567
Total expenditure	4	399,294	254,407	1,631,423	2,285,124	1,617,299
	_					
Net income/(expenditure)	_	103,548	(254,407)	872,717	721,858	620,255
Transfers between funds	_	-	_	_	_	
Net movement in funds	_	103,548	(254,407)	872,717	721,858	620,255
RECONCILATION OF FUNDS:						
Total funds brought forward	-	183,614	549,000	1,064,289	1,796,903	1,176,648
Total funds carried forward	=	287,162	294,593	1,937,006	2,518,761	1,796,903

All income and expenditure relate to continuing activities.

The acquisition of Blue Ventures (Expeditions) Limited occurred after the Company's trading had ceased for the year. As such, all income and expenditure relate only to the Charity, Blue Ventures Conservation.

There are no recognised gains or losses other than those included above and therefore no separate statement of total recognised gains and losses has been presented.

<sup>&</sup>lt;sup>1</sup>Charitable activities encompass working with coastal communities to rebuild tropical fisheries.

## Consolidated and Charity Statements of Financial Position

As at 30 June 2017

Company Registration No 4660959 (England and Wales)

	Notes	Group 2017 £	Charity 2017 £	Group and Charity 2016 £
Fixed Assets				
Tangible assets	11	181,813	129,776	89,103
Investment in subsidiary		-	50,000	-
Goodwill	12	34,101	-	_
Total Fixed Assets		215,914	179,776	89,103
Current Assets				
Debtors	16	27,971	46,878	50,560
Cash at bank and in hand		2,506,753	2,437,941	1,748,621
Total Current Assets		2,534,724	2,484,819	1,799,181
Liabilities				
Creditors: amounts falling due within one year	17	(228,422)	(145,834)	(91,381)
Net current assets		2,306,302	2,338,985	1,707,800
Total assets less current liabilities		2,522,216	2,518,761	1,796,903
Provision for liabilities	18	(3,455)	-	-
Net Assets		2,518,761	2,518,761	1,796,903
Income funds	_			
Restricted funds	19	1,937,006	1,937,006	1,064,289
Designated fund	20	294,593	294,593	549,000
Unrestricted funds		287,162	287,162	183,614
		2,518,761	2,518,761	1,796,903
	_	<del></del>		

Approved by the Board on 20th March 2018 and signed on their behalf by

Mr J Katz

Trustee (Chair)

# Statement of Cash Flows

For the year ended 30 June 2017

	Notes	Group 2017 £	Charity 2017 £	Group and Charity 2016 £
Cash flows from operating activities:				
Net cash provided by operating activities	23	777,689	777,689	659,790
Cash flows from investing activities:				
Interest from investments		3,285	3,285	2,317
Cash taken into group on purchase of subsidiary		68,812	-	-
Fixed asset purchases		(66,769)	(66,769)	(53,419)
Net cash provided by investing activities		5,328	(63,484)	(51,102)
Change in cash and cash equivalents in the reporting period		783,017	714,205	608,688
Cash and cash equivalents brought forward		1,748,621	1,748,621	1,105,022
Change in cash and cash equivalents due to exchange rate movements		(24,885)	(24,885)	34,911
Cash and cash equivalents carried forward		2,506,753	2,437,941	1,748,621

### Notes to the financial statements

For the year ended 30 June 2017

#### Accounting policies

#### Company information

Blue Ventures Conservation is a charitable company limited by guarantee incorporated in England and Wales. The registered office is Level 2 Annex, Omnibus Business Centre 39-41 North Road, London, N7 9DP.

#### 1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

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

The accounts are consolidated and reflect the results and combined financial position of Blue Ventures Conservation and Blue Ventures (Expeditions) Limited. As permitted by s408 of the Companies Act 2006, the parent charitable company has not presented its own income and expenditure account and related notes. The company's net income for the year was £721,858 (2016: £620,255).

#### 1.2 Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated by the trustees for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Designated funds are used to refine and drive adoption of Blue Ventures' conservation models with selected strategic partners.

#### 1.4 Incoming resources

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement.

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

### 1.5 Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

- Costs of generating funds are those costs incurred in attracting and securing voluntary income, and those incurred in trading and commercial activities that raise funds.
- Costs of charitable activities comprise all expenditure identified as wholly or mainly attributable to achieving the objectives of the charity. These costs include staff costs, wholly or mainly attributable support costs and an apportionment of general overheads.
- Governance costs include those incurred in the governance of the group and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories using the following method. Those costs relating to Governance and Generation of Funds are identified. The remaining costs that are shared between these functions and Charitable Activities are then apportioned based on the headcount of these functions.

## Notes to the financial statements (continued)

For the year ended 30 June 2017

#### 1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Items costing less than £750 are not capitalised. Depreciation is provided at rates calculated to write off the cost or valuation of assets less estimated residual value of each asset over its expected useful life, as follows:

Plant, machinery and motor vehicles 25% reducing balance Computer and other office equipment 33% reducing balance Long leasehold land and buildings 25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Intangible fixed asset - Goodwill

Goodwill represents the excess of the cost of the acquisition over the net fair value of assets acquired. Amortisation is provided at a rate calculated to write off the cost or valuation of the goodwill asset over its expected useful life, as follows:

Goodwill upon acquisition 5 years

#### 1.8 Investment in subsidiary

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the Statement of financial activity.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

### 1.9 Impairment of fixed assets

At each reporting end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

## Notes to the financial statements (continued)

For the year ended 30 June 2017

#### 1.11 Financial commitments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

#### 1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### 1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 1.14 Foreign exchange

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are recognised on the statement of financial activities.

#### 1.14 Taxation

The group is not liable to direct taxation on its income as it falls within the various exemptions available to registered charities.

In regard to the company, the tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# Notes to the financial statements (continued)

For the year ended 30 June 2017

Tor the y	cui chiaca 30 june 2017		
2	Voluntary income		
a)	Donations and gifts		
		2017	2016
	Restricted donations:	£	£
	Rasmussen Family Donation	44,509	40,103
	School Scholarships	12,822	18,970
	Other donations	3,716	5,107
	Unrestricted donations:		
	Blue Ventures (Expeditions) Ltd	35,000	13,540
	Elephant Software Solutions	20,000	-
	Other donations	23,711	22,072
		139,758	99,792
ь)	Grants receivable for core activities		
-,		2017	2016
	Restricted grants:	£	£
	Balcombe Charitable Trust	43,000	43,000
	Bohemian Foundation	40,177	-
	British Embassy, Antananarivo	-	4,838
	Chase (Africa)	-	5,000
	Conservation International	58,630	43,097
	Defra (Darwin)	926,508	114,267
	DFID (GPAF)	-	59,840
	European Outdoors Conservation Association (EOCA)	12,374	-
	FFEM	7,306	6,432
	Global Environment Fund	165,782	233,735
	GIZ	16,279	16,504
	John D. and Catherine T. MacArthur Foundation	285,940	517,978
	Leona M. and Harry B. Helmsley Charitable Trust	208,831	214,885
	Marine Stewardship Council	30,000	-
	NAMAC	3,873	-
	New England Biolabs	4,480	-
	Norges Vel	141,447	95,329
	Peace Parks Foundation	45,571	16,812
	Population Reference Bureau	16,788	6,483
	Rufford Foundation	60,496	5,000
	Sall Family Foundation	52,232	17,675
	Seacology	-	18,410

# Notes to the financial statements (continued)

For the year ended 30 June 2017

## 2 Voluntary income (continued):

voluntary income (continues).		
Restricted grants (continued):	2017 £	2016 £
Segal Family Foundation	40,893	17,525
Sundance Institute	13,660	-
The Allan & Nesta Ferguson Charitable Settlement	7,000	-
The Ernest Kleinwort Charitable Trust	40,000	40,000
The Summit Foundation	36,143	-
Turing Foundation	46,055	-
Tusk Trust	15,300	15,000
Waterloo Foundation	50,000	51,400
Wilhelmsen Foundation	50,382	49,146
WIOMSA	802	-
World Wildlife Fund	17,745	155
Zoological Society of London		20,631
	2,437,694	1,613,142
Unrestricted grants:		
Charities Aid Foundation	20,320	-
Earthwatch	-	500
Kinship	3,127	-
Mulago	160,214	138,040
Romeera Foundation	10,000	-
Rufford	43,500	
Synchronicity	-	5,000
Skoll Foundation	151,984	304,452
UNEP	1,184	
	390,329	447,992

## 3 Incoming resources from charitable activities

	2017 Unrestricted funds £	2017 Restricted funds £	2016 Restricted funds £
Other incoming resources comprise:			
Income from overseas projects	25,837	5,388	7,462
Contracts for programme activities	775	-	_
	26,612	5,388	7,462

# Notes to the financial statements (continued)

For the year ended 30 June 2017

### 4 Resources expended

nessen sos expenses					
	Other costs	Staff costs £	Support costs £	2017 Total £	2016 Total £
Raising funds					
Costs of generating donations and legacies	5,628	-	72,004	77,632	58,732
Charitable activities	998,595	783,949	424,948	2,207,492	1,558,567
Re-allocation of staff costs within support costs	1,004,223	783,949	496,952	2,285,124	1,617,299
	-	311,888	(311,888)	-	-
	1,004,223	1,095,837	185,064	2,285,124	1,617,299
Net income/(expenditure) is stated after chargi	ing:				
				2017 £	2016 £
Audit fees			_	12,618	9,630
				12,618	9,630

Non-audit fees paid to our auditors amounted to £2,484 (2016: £4,554).

### 5 Support costs

	Costs of generating funds	Charitable activities £	Governance £	2017 Total £	Costs of generating funds		Governance £	2016 Total £
Support costs comprise:								
Staff costs	48,522	249,079	14,287	311,888	28,562	138,393	10,000	176,955
Project audits	-	1,560	-	1,560	-	2,197	-	2,197
Bank charges	-	-	-	-	-	-	-	-
Administration fees	5,535	16,605	-	22,140	6,835	20,504	-	27,339
Conference and meetings	-	17,762	-	17,762	-	2,294	-	2,294
Depreciation	-	26,097	-	26,097	-	16,036	-	16,036
Telecommunications and IT	7,471	58,742	-	66,213	6,668	40,101	-	46,769
Postage, print and stationery	-	13,767	-	13,767	-	13,105	-	13,105
Other office costs	9,586	24,378	-	33,964	8,452	4,935	-	13,387
Insurance	890	2,671	-	3,561	650	1,950	-	2,600
	72,004	410,661	14,287	496,952	51,167	239,515	10,000	300,682

Support costs have been allocated to each of the above activities based on an estimate by management of the time spent by staff on each relevant activity.

## Notes to the financial statements (continued)

For the year ended 30 June 2017

### 6 Staff costs

	2017 £	2016 £
Staff costs comprise:		
Wages and salaries	984,928	718,351
Social security	109,123	75,902
Pensions	1,786	
	1,095,837	794,253
	2017 No.	2016 No.
Number of employees who earned from: £60,000 to £69,999	1	1
There were no employees with annual emoluments above £70,000 (2016: nil).		
The average number of employees during the year:		
	2017 No.	2016 No.
Staff	130	96

The key management personnel of the charity, the Trust, comprise the trustees, the Executive Director, Finance Director and Conservation Director. The total employee benefits of the key management personnel of the Trust were £192,293 (2016: £153,125).

## 7 Costs of generating donations and legacies

2017 £	2016 £
34	568
34	10
3,100	2,343
2,460	2,749
5,628	5,670
	34 34 3,100 2,460

# Notes to the financial statements (continued)

For the year ended 30 June 2017

### 8 Charitable activities

Chartage activities		
	2017 £	2016 £
Other costs relating to programme activities comprise:		
Community Outreach Projects	532,054	379,227
Site and technical	84,611	28,743
Travel	286,711	220,657
Office expenses	46,417	585
Bank charges	3,628	2,414
Conference and meetings	18,423	33,307
Legal and professional	-	-
Telecommunications and IT	428	453
Postage, print and stationery	1,162	510
Insurance	12,543	16,089
Governance	12,618	9,769
	998,595	691,754
Governance costs		
dovernance costs	2017	2016
	£	£
Other governance costs comprise:		
Audit fees	12,618	9,630
Conference and meetings	-	81
Directors and Officers Liability Insurance		58
	12,618	9,769

#### 10 Trustees' remuneration

Expenses reimbursed to Trustees, where claimed, amounted to £nil (2016: £nil).

The Charity does not remunerate Trustees for their normal duties as a Trustee. The Charities Act 2011 allows for payments to Trustees. In the best interest of the Charity, in certain cases Trustees have specific knowledge, skills and experience in the funding and project management of a particular area of the Charity's work, which the Charity utilises to advance its charitable activities.

# Notes to the financial statements (continued)

For the year ended 30 June 2017

## 11 Group tangible fixed assets

. •	Leasehold land and buildings £	Computer and other office equipment £	Plant, machinery and motor vehicles £	Total £
Cost				
At 1 July 2016	13,926	8,448	180,579	202,953
Additions	-	14,858	51,911	66,769
Total cost of assets purchased on acquisition of subsidiary	2,191	25,005	129,522	156,718
At 30 June 2017	16,117	48,311	362,012	426,440
Depreciation				
At 1 July 2016	6,160	4,317	103,373	113,850
Charge for the year	1,475	1,973	22,648	26,096
Cumulative depreciation of assets purchased on acquisition of subsidiary	1,787	21,762	81,132	104,681
At 30 June 2017	9,422	28,052	207,153	244,627
Net book value				
At 30 June 2017	6,695	20,259	154,859	181,813
At 30 June 2016	7,766	4,131	77,206	89,103
Charity tangible fixed assets	Leasehold land and buildings £	Computer and other office equipment £	Plant, machinery and motor vehicles £	Total £
Cost				
At 1 July 2016	13,926	8,448	180,579	202,953
Additions		14,858	51,911	66,769
At 30 June 2017	13,926	23,306	232,490	269,722
Depreciation				
At 1 July 2016	6,160	4,317	103,373	113,850
Charge for the year	1,475	1,973	22,648	26,096
At 30 June 2017	7,635	6,290	126,021	139,946
Net book value				
At 30 June 2017	6,291	17,016	106,469	129,776
At 30 June 2016	7,766	4,131	77,206	89,103

## Notes to the financial statements (continued)

For the year ended 30 June 2017

#### 12 Goodwill on purchase of Blue Ventures (Expeditions) Ltd

	Ľ
Purchase consideration	50,000
Net assets on date of purchase (30 June 2017)	(15,899)
Goodwill on purchase	34,101
The estimated useful life of Goodwill is five years.	
Fixed asset investments	

#### 13

	Charity 2017 £	Group and Charity 2016 £
Investment in subsidiaries	50,000	

#### 14 **Subsidiaries**

Details of the Charity's subsidiaries as 30 June 2017 are as follows:

Name of undertaking and country of incorporation and residency		Nature of Business	Class of Shareholding	% Held Direct
Blue Ventures (Expeditions) Limited	England and Wales	Conservation	Ordinary	100

The net assets of Blue Ventures (Expeditions) Limited at the end of the reporting period are £15,899. During the year, Blue Ventures (Expeditions) Limited made an operating profit of £4,119, incorporating turnover of £698,961 and expenditure of £694,842.

#### 15 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	27,590	47,945
Carrying amount of financial liabilities		
Measured at amortised cost	187,751	61,381

# Notes to the financial statements (continued)

For the year ended 30 June 2017

16	Debtors	Group 2017 £	Charity 2017 £	Group and Charity 2016 £
	Amounts owed by group undertakings	-	37,985	33,027
	Other debtors	27,590	8,512	4,918
	Accrued income and prepayments	381	381	12,615
		27,971	46,878	50,560
17	Creditors: amounts falling due within one year	Group 2017 £	Charity 2017 £	Group and Charity 2016 £
	Other creditors	29,846	28,861	15,296
	Accruals	155,430	116,973	46,085
	Corporation Tax	2,476	-	-
	Deferred income <sup>1</sup>	40,670		30,000
		228,422	145,834	91,381

 $<sup>\</sup>ensuremath{^{1}\text{Deferred}}$  income relates to prepaid fees for volunteer expeditions.

## 18 Provision for liabilities

	Group 2017 £
Deferred tax:	
At 1 July 2016	5,136
Arising during the year	(1,681)
At 30 June 2017	3,455

## Notes to the financial statements (continued)

For the year ended 30 June 2017

#### 19 Statement of restricted funds

The income funds of the Charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

		Movement in funds		
	Balance at 1 July 2016 £	Incoming resources £	Resources expended £	Balance at 30 June 2017 £
Aquaculture <sup>1</sup>	(10,538)	141,034	(92,179)	38,317
Supporting Partners	165,911	195,920	(191,592)	170,239
Other	6,224	37,493	(9,753)	33,964
Expansion	183,915	334,907	(263,645)	255,177
Blue Forests/Blue Carbon	146,215	1,141,778	(415,181)	872,812
LMMA/Octopus	313,945	470,157	(372,931)	411,171
People, Health and Education	145,455	176,756	(171,638)	150,573
Mihari	99,224	6,091	(100,575)	4,740
Sharks and Turtles	13,938	4	(13,929)	13
	1,064,289	2,504,140	(1,631,423)	1,937,006

<sup>&</sup>lt;sup>1</sup>Negative fund balances are receivable in arrears.

In accordance with the Charity's accounting policies, expenditure on tangible fixed assets is capitalised and depreciated over its expected useful life.

The following table summarises capital expenditure during the year under grants from official bodies:

Defra (Darwin) 26,610 26,610

Please refer to the Trustees' report for additional information on individual projects.

Balance 1 July 20

### 20 Designated fund

Balance at 30 June 2017 £	Transfer between funds £	Resources expended £	Designated Resources £	at 16 £
		/·		

Movement in fund

 Supporting Partners
 549,000
 - (254,407)
 - 294,593

 549,000
 - (254,407)
 - 294,593

This fund is set up to refine and drive adoption of Blue Ventures' conservation models with selected strategic partners. This will play a crucial role in driving progress towards our vision: reaching at least three million people across the world's tropical coastal regions by 2020.

## Notes to the financial statements (continued)

For the year ended 30 June 2017

#### 21 Analysis of net assets between funds

	Unrestricted funds	Designated fund £	Restricted funds £	Total £
Fund balances at 30 June 2017 are represented by:				
Tangible fixed assets	99,605	-	116,309	215,914
Current assets	303,150	294,593	1,936,981	2,534,724
Provision for liabilities	(3,455)	-	-	(3,455)
Creditors: amounts falling due within 1 year	(112,138)	-	(116,284)	(228,422)
_	287,162	294,593	1,937,006	2,518,761

### 22 Related party transactions

Blue Ventures Conservation has a wholly owned subsidiary, Blue Ventures (Expeditions) Ltd, a private limited company registered in Scotland, SC233112. Both organisations share a common senior management team which has authority and responsibility to direct and control activities on a day-to-day basis.

Blue Ventures (Expeditions) Ltd was acquired on 30 June 2017 for cash consideration of £50,000 from Richard Nimmo and Alasdair Harris, key management personnel of the charity.

Note 2a discloses charitable donations received from Blue Ventures (Expeditions) Ltd during the year. Notes 5 discloses administration fees paid to Blue Ventures (Expeditions) Ltd during the year. Note 12 discloses the amounts owed by Blue Ventures (Expeditions) Ltd as at 30 June 2017. Note 13 discloses the amounts owed to Blue Ventures (Expeditions) Ltd as at 30 June 2017.

During the year, £nil was payable to Wild Medic Ltd by Blue Ventures (Expeditions) Ltd for the provision of medical advice and support (2016: £500). Dr Robert Conway, a trustee of Blue Ventures Conservation, is a shareholder and Managing Director of Wild Medic Ltd.

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

	2017 £	2016 £
Net movement in funds (as per the statement of financial activities)	671,858	620,255
Adjustments for:		
Depreciation charges	26,096	16,194
Interest income shown in investing activities	(3,285)	(2,317)
Decrease/(increase) in debtors	3,682	5,727
Increase in creditors	54,453	54,842
Unrealised currency translation (gains)/losses	24,885	(34,911)
Net cash used in operating activities	777,689	659,790

