Blue Ventures
2018-2019
Annual Report & Accounts

www.blueventures.org
Charity No. 1098893
Company No. 4660959 (England and Wales)

blue ventures
beyond conservation

We rebuild tropical fisheries with coastal communities

Our values

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

Innovation & courage
We are resourceful and creative. We are prepared to take risks and challenge broken paradigms.

Passion & belief
Our mission is urgent and critical, we believe that our models work, and we are determined to get the job done.

Openness & humility
We are an open source social enterprise. We work in a transparent and collaborative way to pass on what we learn to others who share our vision and passion.

Valued people & effective teams
We work in diverse and inclusive teams where all members have a voice and influence. We are effective because our work is integrated across teams and projects.

Grounded in evidence
We have high standards and are not afraid to be self critical. If we see something that doesn't work, we change tack until we're on the right course.

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Greetings from Blue Ventures

I'm delighted to share with you our 2018/19 Annual Report, which presents our progress over the past year and highlights some of the work we are most excited about.

As we have forged ahead with our conservation efforts, the global environmental crisis has been hitting the headlines and a number of countries have declared environmental and climate emergencies.

The message is bleak, but the passion it generates has brought hope. As Sir David Attenborough, the legendary broadcaster and naturalist, recently said: "*The most encouraging thing I see is that the electorate of tomorrow are making their voices very, very clear. It is their world we are playing with. It is their future in our hands*.".

We use the same passion to champion and support the locally led marine conservation movement. It is coastal communities, particularly in the tropics, that are on the front-line of this global crisis. As well as the threat from climate change, which is decimating coral reefs and driving sea level rise and stronger storms, these communities are also highly reliant on marine species which are dwindling due to overfishing.

Blue Ventures has been helping them to fight back. Our approach is designed to strengthen the resilience of tropical coastal communities, protecting their human rights in the face of climate breakdown. We have been sharing our learning through a growing number of partnerships with local community groups and organisations; furthering our commitment to locally led marine conservation and beginning important new projects that will scale up community management of marine ecosystems.

We have had a very busy year with exciting progress across all our programmes, and there is much to celebrate, including some notable firsts. Our work in Madagascar continues to grow apace with the formal launch of the Octopus Fisheries Improvement Project that comes after many years of painstaking preparation and stakeholder collaboration. The year has also proven successful for our aquaculture, mangrove mud crab fishery and Blue Carbon projects.

Beyond where our own teams are working with communities (Madagascar, Belize, Timor-Leste) we're now supporting twenty six partners working with thirty nine communities to implement marine conservation and fisheries management projects in eight countries. This support has reached more than 38,000 people.

On the other side of the Indian Ocean our reach in Southeast Asia is growing, starting with the expansion of the country programme in Timor-Leste to encompass the mainland. We have launched two new mangrove conservation programmes supporting our partners in Indonesia. In total, through our efforts, working both directly with coastal communities and through support for partners, our models have now reached more than 300,000 people in priority regions.

None of what we have achieved could have been done without the support of our partners, donors and networks, and for that we are extremely grateful. Thank you for helping us to amplify our work.

In this report, we set out some of the highlights from our work over the past year, representing crucial stepping stones on our journey to demonstrate effective, locally led marine conservation. Through innovation, collaboration and supporting knowledge exchange, we are empowering the communities on the front line of our planet's environmental crisis to safeguard their own futures.

Megan Elliott,
Chair of Board of Trustees

Introduction

The global marine environment is under assault like never before. Without rapid global action there is a very real possibility of ecological collapse. At this pivotal moment in history, no-one must stand back, including Blue Ventures.

We are three years into a five-year strategy that set out to test whether we could scale-up our reach and impact by sharing proven conservation models with community groups throughout the coastal tropics. In addition to working directly with coastal communities, we drive this change by partnering with community-based partners who confront a complex web of interconnected challenges related to their dependence on the ocean. These include environmental degradation, population growth, dwindling fisheries and climate change.

Marine conservation can reap dividends that go far beyond protecting nature; it can improve catches, drive waves of social change along entire coastlines, strengthen confidence, cooperation and the resilience of communities to face these challenges injustice of poverty and climate change.

Our work with coastal communities means that we are in a strong position to both understand and address the factors that are escalating their vulnerability. By taking an integrated approach to community-based conservation, we can provide education, family planning and other community health services, enabling coastal people to take ownership of their futures.

Our outreach efforts are thriving and at the end of this financial year, we have exceeded several of our key impact milestones. In the last year, we have supported partners to work with communities in eleven tropical coastal countries. They have developed local governance structures, led marine monitoring and assessment and exchanges between communities to inspire and share lessons in community-led marine conservation. We are proud to be part of thriving movements of community-based marine conservation around the world's tropical coasts.

As our partnerships and projects progress, we are seeing growing evidence that community-led fisheries management delivers a far broader array of benefits than simply improving catches. We are learning that short-term fisheries closures can have immensely positive impacts at both community and regional scales.

Gender equality is vital for the effective conservation and sustainable use of oceans and fisheries, and a concerted action towards the empowerment of women and girls is needed in all ocean-related sectors. We've recently launched a new feature presenting our work through a gender lens, and our Women in Fisheries series profiles the work of inspiring women working with our Indonesian partners.

Improving health and access to family planning can enable communities to thrive alongside the ecosystems on which their livelihoods depend. We support our health partners to reach the most isolated coastal communities, to ensure that nobody is left behind. Addressing unmet family planning needs is important from a human rights perspective and forms part of our broader approach towards 'Blue Justice' for fishing communities in the tropics.

We continue to innovate new models for community-led fisheries management and conservation. We've supported communities to build sustainable aquaculture businesses and developed transformative approaches for integrating community health services with marine conservation. Our models have guided fisheries policy and are being replicated by communities, NGOs, businesses, donors and governments worldwide.

In new areas where we do not have established multidisciplinary teams on the ground, we collaborate with partners who already have their roots in coastal communities. We believe that this approach will enable us to reach scale more quickly, effectively and equitably than could have been achieved by Blue Ventures alone.

It has been an inspiring and challenging year of work for Blue Ventures, filled with new partnerships, opportunities and the challenges of growth. This update provides an overview of the highlights of our financial year.

As this annual report shows, our work plays a critical role in rebuilding coastal fisheries, improving communities' food security and resilience to climate change. We will keep building momentum. There is not a moment to lose.

Dr Alasdair Harris,
Executive Director

Trustees' Report

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Where we work

Blue Ventures is headquartered in the UK and began its operations in Madagascar over 15years ago. We now operate in the Western Indian Ocean, Southeast Asia and the Coral Triangle, and Central America.

We work in places where the ocean is vital to local cultures and economies, and we are committed to ensuring that marine conservation makes sense for people who depend on the sea for their survival. We currently support coastal communities and partner organisations across eleven countries.

500 million people worldwide depend on small-scale fisheries for their livelihoods

90% of fish stocks are either over fished or fully fished

820,000+ football pitches of ocean and marine habitat are managed by communities working with Blue Ventures

200+ people involved in community exchange visits to share management experience

350+ temporary octopus and crab fishery closures held in Madagascar to date

How we work

We work with communities and local partners to design and develop practical measures to manage and monitor marine habitats and resources for the future.

These measures may include:

- Permanent no take zones
- Bans on destructive fishing gear
- Periodic fishery closures
- Restrictions on destructive industrial fishing

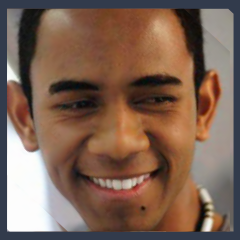
Together with communities, we support the development of decision-making structures such as locally managed marine areas (LMMAs) where local people plan, deliver and monitor conservation efforts for their marine area.

Community members identify challenges that represent barriers to managing their fisheries and oceans sustainably. These barriers to engagement may include the need for education, community health and alternative livelihoods. By listening to these needs and working together, we find holistic solutions to overcome these obstacles.

We are working towards a world where coastal communities are managing their natural resources effectively, enriching local livelihoods and sustaining healthy marine environments for generations to come.

Launch of a new action plan for the octopus fishery of southwest Madagascar

"The definite highlight for me was working with the many stakeholders committed to the responsible management of octopus fishing in the southwest region of Madagascar and organising the launch of a Fisheries Improvement Project in January 2019."



Lovasoa Cédrique Augustave, Fisheries Programme Coordinator, Andavadoaka, Madagascar.

The Fishery Improvement Project (FIP) sets out a long-term vision for improving the sustainability of one of Madagascar's largest small-scale fisheries. The FIP is designed to encourage responsible use of the octopus population to meet the requirements of the Marine Stewardship Council's (MSC) standard for sustainable fisheries.

It was fantastic to be at the launch with so many important stakeholders present, there were fishers, seafood buyers, conservationists, researchers and policy makers. The FIP is a highly collaborative plan that will help to secure long-term economic benefits for communities and businesses, and access global markets interested in high quality, responsibly sourced octopus. It will require all stakeholders to work together to deliver it, but I have high hopes for its future.

Impacts of FIP so far:

- 70-80% average increase in octopus caught per fisher per day during the month following an octopus fishery closure
- 48% of fishers in the Velondriake are female
- The FIP programme incorporates some 100 villages with a population of 50,000 encompassing the whole fishery, from Morombe to Ambohibola.
- Octopus gleaning is responsible for approximately 80% of Madagascar's total octopus catch (Indian Ocean Commission 2014).

Belize National Lionfish Management Strategy 2019-2023

"My highlight has been the launch, promotion and progress towards the implementation of the National Lionfish Management Strategy developed by Blue Ventures and the Belize Fisheries Department."

Darling Ortega, Operations Officer, Sarteneja, Belize.

Across the Caribbean, the invasion of red lionfish (*Pterois volitans*) poses a threat to marine ecosystems and coastal fishing economies. First recorded in Belize in 2008, lionfish have become well established across the country's entire marine environment.

In February 2019, we joined forces with the Belize Fisheries Department to launch Belize's National Lionfish Management Strategy 2019-2023, which provides a framework and recommendations for the management of lionfish in Belize.

Uncontrolled, invasive lionfish populations damage coral reef health and fisheries, and undermine the resilience of coral reefs to global climate change. Work to control populations is urgent and critical. It is important to be able to help provide and support solutions that offer an innovative market-based approach to conservation and invasive species management.

The community of Darawa Village begins to manage its octopus fishery

"It has been inspiring working with the community in Wakatobi as it begins to manage the octopus fishery, we are delighted to be supporting the discussions and plans for broader management of the site in the future."

La Beloro,
Head of FORKANI,
Wakatobi, Southeast Sulawesi,
Indonesia.

One of Blue Ventures' partners in Indonesia is FORKANI, an Indonesian community-based organisation working in the Wakatobi archipelago, to support community-led fishery management efforts and the strengthening of the customary management system.

On 5 July 2018, Darawa village in Wakatobi, Indonesia, held a ceremony to declare its management of a 50 hectare octopus fishing site. The community agreed to close the fishing site for three months, with all fishing activity prohibited.

The community decided the location and date of the temporary fishery closure based on data that they had collected over the last 15 months from participatory fisheries monitoring and fishing site mapping efforts. The final community declaration was the culmination of a series of efforts facilitated by FORKANI, the Darawa village government and the Wakatobi National Park.

Community led mangrove management in northwest Madagascar

"The critical moment for me this year was when, after two years of hard work, we saw the signing of natural resource management rights contracts by ten local communities and the Ministry of Environment and Sustainable Development."

Lalao Aigrette, National Blue Forests Programme Lead, Antananarivo, Madagascar.

Members of the ten local communities from Tsimipaika Bay, northwest Madagascar and the Ministry of Environment, Ecology and Forests came together, in July 2018, to sign contracts giving the communities natural resource management rights over 3,280 hectares of mangroves. They were joined by regional authorities, Blue Ventures staff, and representatives from partner organisations Aga Khan, the MIHARI Network and WWF Madagascar.

The signing of the management contracts was the end of a long road and the beginning of an exciting new one. We have spent many years ensuring that the community associations have the training and tools to prepare them for full management of their natural resources. We have continued to support them, as they have taken on this new role and put their plans into action. Blue Ventures now has a strong relationship with the communities and I am confident this new management system will bring long-lasting benefits for the region's mangrove-dependent populations.

34 communities are working with Blue Ventures on mangrove conservation and fisheries management initiatives

20% (3.6 million hectares) of mangroves were lost between 1980 and 2005

Mangroves are predicted to disappear altogether in the next 100 years

30-50% decline in global mangrove cover in the last 50 years

Timor-Leste community establishes a locally managed marine area through a customary law

"I have enjoyed spending time speaking with fishers in the community of Behau in Timor-Leste, explaining fisheries management ideas and training a fisheries monitoring team of six community women from the community."

Dedy Martins
Conservation Officer,
Timor-Leste.

The community of Behau, a coastal village about 40 km to the east of Timor-Leste's capital city of Dili have spent over a year in a broad consultation process to reach agreement for an official *Tara Bandu*. This is a customary law that regulates the relationship between people and the environment around them, and is increasingly being used by coastal communities to manage their marine resources.

In December 2018, the Behau community formalised its decision to extend full protection to the reef. People can still sail over the reef, but fishing, gleaning and anchoring is forbidden. They have also decided to test a temporary fishery closure to see if they can improve the yield of their cuttlefish fishery. The community is proud to finally have its own *Tara Bandu*, an official recognition of their commitment to managing their marine resources.

I have loved getting to know the community better, talking to and training them. *Tara Bandu* can only succeed with the whole community's backing, something that takes a lot of time and patience, but it has been truly worth it.

Presenting 10 years of progress implementing community health services

"My highlight of the year has to be addressing stakeholders at the fifth International Conference on Family Planning in Rwanda in November 2018. Representing Madagascar on an international stage and sharing ten years' experience of integrating family planning services into marine conservation efforts."

Njaka Raveloson
National Community Health Programme Lead, Antananarivo, Madagascar.

There were 3,700 other delegates from over 100 countries at the conference, and many inspiring talks, workshops, and animated discussions with other representatives of the family planning community. My presentation was well received and told the story of Blue Ventures' community health programme, and encouraged other organisations to seek out cross-sector partnerships that promote collaboration, learning, and sharing to meet community needs.

Much of the conference was focused on the integration of family planning within wider discussions on climate change, resilience, livelihoods, and conservation. We have understood for a while that better uptake of family planning services contributes to community resilience, and we were glad to see that organisations beyond the Madagascar PHE Network are also recognising the benefits of integrating family planning with conservation. These are important insights that confirm our belief in the multiple benefits of our holistic health-environment approach.

It was an enlightening conference and I came away even more convinced that collaboration is the key to achieving our aims, whatever sector we work in. Synergies created between conservation and reproductive health organisations can benefit communities, and contribute to overall health.

45,000+ people served by Blue Ventures' community health programme

4,500+ unintended pregnancies averted to date

Successful Sea Cucumber Farming in Southwest Madagascar

"I was immensely proud to witness the first community harvest of the redesigned and upgraded sea cucumber farms in Tampolove, Madagascar."

Feliny Bino, Aquaculture Technician, Andavadoaka, Madagascar.

It has been a long journey for both Blue Ventures and the aquaculture farmers of Tampolove, southern Madagascar. After setbacks from storms, disease and sea cucumbers being stolen, the community harvested its redesigned and restocked aquaculture pens in November 2018. In Ambolimoky, the pens were stocked for the first time in October 2018 and harvest started exactly a year later.

Our aim is to help the farmers to run a sustainable business where expenses are covered by the farming association before the farmers receive their incomes. The association has also developed a savings fund to be used for community development projects and thanks to the regular stocking of new juveniles, this new source of community income and investment should be regular and reliable, benefitting the whole community and not just the farmers.

It has been very rewarding to see the success of this innovative community project. We've organised learning exchanges to help other communities learn from this sustainable and flourishing community-run aquaculture farm and hopefully replicate its achievements.

700 people trained to farm sea cucumbers and seaweed

>50% of farmers are women

25,164 sea cucumbers harvested to date (June 2019)

$463 earned by the best seaweed farmer **last year**

Homestay Association Learning Exchange

"My highlight of the year was bringing people together to learn from each other and be inspired to create a better life for themselves, their families and communities during a homestay exchange I organised with the coastal communities in Indonesia and Malaysia"

Oldegar Massinga
Operations Manager, Timor-Leste.

The Atauro Homestay Association (AHA), hosted a homestay exchange for two coastal communities from Indonesia and Malaysia. The exchange took place in November 2018 and participants undertook training in gender roles, community engagement, participatory video making, and exchange sessions with Blue Ventures' seagrass and fisheries monitoring teams, as well as discussions on *Tara Bandu*, the customary law used by Timorese communities to develop and implement marine management.

The event was hosted by Blue Ventures and AHA, with support from WWF and 73ltd Timor-Leste. A best practice manual for establishing homestays and two videos are being produced and will be completed in early 2020. These will help share lessons learned during the exchange and support the replication of the homestay approach in the Coral Triangle.

Homestays offer the potential to diversify and strengthen alternative livelihoods for coastal fishing communities and ensure the economic benefits of tourism go directly to community families rather than resorts or international investors.

Inspiring students with environment lessons

"I collaborated with the education authorities to create conservation clubs in the primary schools of Velondriake, southwest Madagascar, 195 children are now attending these clubs and learning about the environment."

E-louise Velonirina
Education Technician,
Andavadoaka, Madagascar.

We are working with communities to create environmental conservation clubs for primary school students throughout the Velondriake Locally Managed Marine Area. Seven will be operating in 2019.

195 primary school students are currently attending these clubs. We have supported the students to set up fruit tree nurseries which they will nurture as a team. There have been youth-led beach cleans, and field trips to local sites of ecological importance such as baobab forests and mangroves, these are designed to encourage children to continue exploring and learning outside of the classroom.

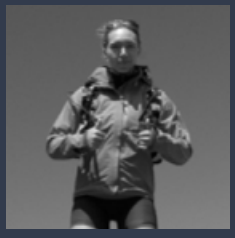
This year's work with the conservation clubs has been a learning experience for me too. One of the most successful projects was the clubs' involvement in the International Day of the Forest activities, run in collaboration with the mangrove conservation team. I am particularly proud of the short video we produced with the outreach team, starring the students talking about their reforestation efforts and showing them planting trees.

249 Madagascar school scholars supported in 2018-2019

£40 is enough to send a child to school for a year

Community management of mangroves in Indonesia

I'm really excited about the opportunity to help to support work in Taman Nasional Sembilang with the communities and our main partners -- Yayasan Hutan Biru and the park authorities -- to enable effective co-management of the largest expanse of intact mangroves in western Indonesia and restore areas of deforestation"



Leah Glass,
Global Strategic Lead - Mangrove Conservation, Ambanja, Madagascar.

With over 80,000 hectares of mangroves, Taman Nasional Sembilang in Sumatra Selatan holds the largest remaining area of intact mangroves in western Indonesia. Thanks to support from the UK government as part of their International Climate Finance initiative, Taman Nasional Sembilang will be one of two new sites in Indonesia where we will be working with partners to adapt and replicate our holistic approach to locally led mangrove management. Over the last year, Blue Ventures has been supporting our two main partners; *Yayasan Hutan Biru* a nd the park authorities. These efforts will support coastal communities who stand to lose the most from the loss of mangrove habitats and, as the primary users of mangroves, should be empowered to take part in conservation initiatives.

6x more carbon per unit area is sequestered by some mangroves than undisturbed Amazon rainforest

10% of global emissions from deforestation are caused by the loss of mangroves

Looking ahead

Blue Ventures continues to strengthen and develop operations that scale our impact and amplify our voice while ensuring that we maintain meaningful outcomes for the people we work with.

Madagascar continues to serve as a regional hub and legacy base. While we continue to work alongside coastal communities at core sites in Madagascar, our reach and impact has grown significantly in the country through partners and networks, notably the national LMMA network MIHARI, and the national community health network PHE Madagascar. We are thrilled to be able to provide, host, and incubate both these networks on their journey towards autonomy.

We are continuing to expand our operations in Madagascar and Comoros as well as east African countries including Mozambique, Tanzania and Kenya and in southeast Asia and the Coral Triangle. We will work with our partners to respond pragmatically and opportunistically, serving communities where we can deliver real impact.

New Target Regions

In the coming year we aim to establish further partnerships in Indonesia, and carry out evaluations for broader expansion. This will include establishing our first support partnership in Papua New Guinea, building on the results of three months of scoping work conducted in Melanesia earlier this year. We will also undertake further scoping for future expansion in both the Philippines and the Solomon Islands.

Supporting Partner Communities

Our partner support work will extend beyond fisheries management pilots to set up permanent marine conservation areas. To achieve this progress, we have recently signed a new 18-month funding agreement with our Zanzibar-based partner organisation Mwambao to expand our joint work both within Zanzibar and in the province of Tanga in northern Tanzania.

We also plan to continue working with partner organisations to support the integration of community reproductive health services alongside locally led marine protection efforts. In Mozambique, we are supporting Solidariedade Moçambique (Sold.Moz) to implement a Health-Environment programme with our health partner AMODEFA. This project will enable outreach volunteers to provide basic services and information on family planning and sexual and reproductive health to over 29,000 people across five communities in two provinces.

Over the next year we plan to reach 930,000 more people through our conservation and health projects and services, helping to strengthen sustainable foundations for resilient and thriving coastal communities across the tropics.

Statutory Information

Blue Ventures Conservation

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, and all major decisions are taken at Board level. It meets quarterly to review the group's activities and to track progress towards strategic targets. The Board delegates day-to-day running of the charity to a senior management team. The members of the Board who were in office during the year and up to the date of this report are shown on the Legal and Administrative Information page. 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 obligations necessary to be effective within the governing body. BVC employs staff in the United Kingdom and overseas. 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, Outreach Director and Conservation Director (further details are shown on the Legal and Administrative Information page), supported by a Head of Digital, a Head of HR, 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.

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 2019, BVE did not make a charitable donation to BVC. (2018: £nil).

Blue Ventures Conservation

Blue Ventures Conservation wholly owns the subsidiary, Blue Ventures Services Ltd (BVS), a private limited company registered in England, 12345451. BVS was established in December 2019 to house all non-BVE-related trading activity, as well as accommodating any shared non-staff costs to be allocated between Blue Ventures Conservation and BVE.

BVS will donate its annual profits to the charity.

Risk management

Blue Ventures' approach to risk management is proactive and fully integrated into the charity's day-to-day operations. 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 intentional 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.

Safeguarding. Following the serious safeguarding issues that have been exposed and investigated in the aid and development sector, in 2018 we conducted a thorough review of our internal policies and procedures. Our revised Protection Policy for Children and Vulnerable Adults has since been implemented, with training conducted for all staff in all countries of Blue Ventures' operations. A Safeguarding and Reporting committee, comprising senior staff, trustees, and an independent expert, meets quarterly. The committee is the first point of contact for any safeguarding or conduct reports and holds authority for safeguarding and reporting within the organisation The committee is also responsible for developing new policies and initiatives.

Trustees

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.

Financial review

Total income for the year amounted to £6,283,953 (2018: £4,029,286).

Total expenditure for the year amounted to £5,275,372 (2018: £4,125,033). Of this expenditure, 96% is spent on carrying out charitable and other activities, with a further 3% spent on generating voluntary income and 1% on governance. 82% of the charity's staff is based overseas in our programme countries.

Blue Ventures (Expeditions) Ltd was fully acquired on 30 June 2017 by Blue Ventures Conservation. Income earned by Blue Ventures (Expeditions) Ltd from the date of acquisition is included in the below table as part of Interest and other income, and expenditure incurred by Blue Ventures (Expeditions) Ltd from the date of acquisition is included in the below table as part of Charitable and Other Activities.

Financial review (continued)

5 Year History (£)	2014/15	2015/16	2016/17	2017/18	2018/19
INCOME FROM:					
Donations and gifts	62,313	99,792	139,758	98,477	110,806
Grants for core activities	1,768,032	2,061,134	2,828,023	3,487,950	5,697,397
Interest and other income	69,769	76,628	39,201	442,859	475,750
Total income	**1,900,114**	**2,237,554**	**3,006,982**	**4,029,286**	**6,283,953**
EXPENDITURE ON:					
Raising funds	62,945	58,732	77,632	161,338	173,521
Charitable activities	1,185,536	1,538,798	2,180,588	3,910,849	5,060,831
Governance costs	20,003	19,769	26,904	52,846	41,020
Total expenditure	**1,268,484**	**1,617,299**	**2,285,124**	**4,125,033**	**5,275,372**
Increase/(decrease) in income (%)	104%	18%	34%	34%	56%
Increase in expenditure on charitable activities (%)	26%	27%	41%	81%	29%

The Trustees have considered the effect of the Covid-19 outbreak that has been spreading throughout the world in early 2020 on the Charity's activities. Although the outbreak is likely to cause some disruption to the Charity's business, the Trustees do not believe that this will be significant. The reason is that the Trustees will take action in relation to expenditure to mitigate the risk. The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operation for twelve months from the date of approval of these financial statements.

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 free 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 £200,000.

As at 30 June 2019, free reserves amounted to £190,956.

Statement of 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 of the group and the incoming resources and the application of resources, including income and expenditure, for the group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;

- Make judgments and 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 group and the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

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 auditor is unaware; and
- 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 auditor is aware of that information.

Approved and authorized for issue by the Board of Trustees on 26 June 2020.

And signed on their behalf by:

Megan Elliott,
Chair of Board of Trustees

Blue Ventures Conservation

Legal and administrative information

Mr Abbas Hasan (resigned 19 June 2019)
Mr Jonathan Katz - Chair (resigned 29 January 2020)
Ms Anna Kydd
Mr John Wareham
Mr Tristram Lewis (resigned 14 April 2020)
Dr Dominic Hoar (resigned 6 January 2020)
Mrs Megan Elliott - Chair (appointed 26 February 2020)
Mrs Vola Parker (resigned 27 May 2020)
Mr Robert Maclay
Mr Gavin Starks
Mrs Mairi Fairley
Mr Oliver Gregson
Dr Frances Humber

Senior management team

Dr Alasdair Harris - Executive Director
Mr Max Glazer-Munck - Finance Director (appointed 2 July 2018)
Mr William Stephens - Conservation Director
Mr Rupert Quinlan - Outreach Director
Mr James Wallace - Operations Director (resigned 28 February 2019)

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

Bankers

National Westminster Bank Plc.
Western Avenue, Waterside Court
Chatham
ME4 4RT
United Kingdom

Blue Ventures Conservation

Independent Auditor's Report

TO THE MEMBERS OF BLUE VENTURES CONSERVATION

Opinion

We have audited the financial statements of Blue Ventures Conservation (the 'parent charity') and its subsidiary (the 'group') for the year ended 30 June 2019 which comprise the group statement of financial activities, the consolidated and charity statements of financial position, the group and charity statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 30 June 2019 and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 financial statements 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 financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 financial statements are prepared is consistent with the financial statements;
- 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 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the 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 financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Blue Ventures Conservation

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Andrew Rich (Senior Statutory Auditor)
for and on behalf of H W Fisher

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

Signed on 29 June 2020

Blue Ventures Conservation

Group Statement of Financial Activities (including consolidated income and expenditure account)

For the year ended 30 June 2019

	Notes	Unrestricted funds £	Designated fund £	Restricted funds £	2019 Total £	2018 Total £
INCOME FROM:						
Donations and legacies						
Donations and gifts	**2a**	83,095	-	27,711	110,806	98,477
Grants for core activities	**2b**	894,038	-	4,803,359	5,697,397	3,487,950
Charitable activities[1]	**3**	24,750	-	16,287	41,037	21,925
Commercial trading operations		434,249	-	-	434,249	417,131
Investments		379	-	80	459	1,271
Other Income		-	-	5	5	2,532
Total income and endowments		**1,436,511**	**-**	**4,847,442**	**6,283,953**	**4,029,286**
EXPENDITURE ON:						
Raising funds						
Costs of generating donations and legacies	**4**	162,696	2,079	8,746	173,521	161,338
Charitable activities[1]	**4**	336,142	423,369	3,733,402	4,492,913	3,416,916
Commercial trading operations		608,938	-	-	608,938	546,779
Total expenditure		**1,107,776**	**425,448**	**3,742,148**	**5,275,372**	**4,125,033**
Net income/(expenditure)		**328,735**	**(425,448)**	**1,105,294**	**1,008,581**	**(95,747)**
Transfers between funds		(435,000)	435,000	-	-	-
Other gains		63,284	-	-	63,284	-
Net movement in funds		**(42,981)**	**9,552**	**1,105,294**	**1,071,865**	**(95,747)**
RECONCILATION OF FUNDS:						
Total funds brought forward		359,915	239,368	1,823,731	2,423,014	2,518,761
Total funds carried forward		**316,934**	**248,920**	**2,929,025**	**3,494,879**	**2,423,014**

All income and expenditure relate to continuing activities.

[1]Charitable activities encompass working with coastal communities to rebuild tropical fisheries.

Blue Ventures Conservation

Group Statement of Financial Activities (including consolidated income and expenditure account)

For the year ended 30 June 2019

Comparative information	Notes	Unrestricted funds £	Designated fund £	Restricted funds £	**2018 Total £**
INCOME FROM:					
Donations and legacies					
Donations and gifts	**2a**	84,887	-	13,590	98,477
Grants for core activities	**2b**	706,004	-	2,781,946	3,487,950
Charitable activities[1]	**3**	18,719	-	3,206	21,925
Commercial trading operations		417,131	-	-	417,131
Investments		1,271	-	-	1,271
Other Income		2,532	-	-	2,532
Total income and endowments		**1,230,544**	**-**	**2,798,742**	**4,029,286**
EXPENDITURE ON:					
Raising funds					
Costs of generating donations and legacies	**4**	155,486	2,520	3,332	161,338
Charitable activities[1]	**4**	215,526	292,705	2,908,685	3,416,916
Commercial trading operations		546,779	-	-	546,779
Total expenditure		**917,791**	**295,225**	**2,912,017**	**4,125,033**
Net income/(expenditure)		**312,753**	**(295,225)**	**(113,275)**	**(95,747)**
Transfers between funds		(240,000)	240,000	-	-
Net movement in funds		**72,753**	**(55,225)**	**(113,275)**	**(95,747)**
RECONCILATION OF FUNDS:					
Total funds brought forward		287,162	294,593	1,937,006	2,518,761
Total funds carried forward		**359,915**	**239,368**	**1,823,731**	**2,423,014**

All income and expenditure relate to continuing activities.

[1]Charitable activities encompass working with coastal communities to rebuild tropical fisheries.

Blue Ventures Conservation

Consolidated and Charity Statements of Financial Position

As at 30 June 2019

	Notes	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Fixed Assets					
Goodwill	**12**	20,461	27,281	-	-
Tangible assets	**11**	427,997	321,320	377,457	271,631
Investment in subsidiary	**13**	-	-	50,000	50,000
Total Fixed Assets		**448,458**	**348,601**	**427,457**	**321,631**
Current Assets					
Debtors	**16**	68,818	38,484	37,915	100,519
Cash at bank and in hand		3,262,431	2,235,726	3,197,078	2,180,306
Total Current Assets		**3,331,249**	**2,274,210**	**3,234,993**	**2,280,825**
Liabilities					
Creditors: amounts falling due within one year	**17**	(284,828)	(199,291)	(178,285)	(148,046)
Net current assets		**3,046,421**	**2,074,919**	**3,056,708**	**2,132,779**
Total assets less current liabilities		**3,494,879**	**2,423,520**	**3,484,165**	**2,454,410**
Provision for liabilities	**18**	-	(506)	-	-
Net Assets		**3,494,879**	**2,423,014**	**3,484,165**	**2,454,410**
Income funds					
Restricted funds	**19**	2,929,025	1,823,731	2,929,025	1,823,731
Designated fund	**20**	248,920	239,368	248,920	239,368
Unrestricted funds		316,934	359,915	306,220	391,311
		3,494,879	**2,423,014**	**3,484,165**	**2,454,410**

The charity's net income/(loss) for the year was £1,029,755 (2018: (£64,351)).

Approved by the Board on 26 June 2020 and signed on their behalf by:

Mrs M Elliott
Trustee (Chair)

Blue Ventures Conservation

Group and Charity Statement of Cash Flows

For the year ended 30 June 2019

	Notes	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Cash flows from operating activities:					
Net cash provided by operating activities	**23**	**1,191,349**	**(54,780)**	**1,166,116**	**(56,366)**
Cash flows from investing activities:					
Interest from investments		459	1,272	459	1,271
Cash taken into group on purchase of subsidiary		-	-	-	-
Fixed asset purchases		(204,267)	(210,746)	(189,736)	(196,076)
Net cash provided by investing activities		**(203,808)**	**(209,474)**	**(189,277)**	**(194,805)**
Change in cash and cash equivalents in the reporting period		**987,541**	**(264,254)**	**976,839**	**(251,171)**
Cash and cash equivalents brought forward		2,235,726	2,506,753	2,180,306	2,437,941
Change in cash and cash equivalents due to exchange rate movements		39,164	(6,773)	39,933	(6,464)
Cash and cash equivalents carried forward		**3,262,431**	**2,235,726**	**3,197,078**	**2,180,306**

Blue Ventures Conservation

Notes to the financial statements

For the year ended 30 June 2019

1 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 in accordance with the Charity's Memorandum & Articles of Association, the Companies Act 2006, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102. The financial statements have been prepared under the historical cost convention. The principal accounting policies are set out below.

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 £.

The financial statements 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.

1.2 Going concern

As stated in note 24, the Trustees have considered the effect of the Covid-19 outbreak. The Trustees consider that the outbreak is likely to cause some disruption to the Charity's business but does not believe that this will be significant. The Trustees have a reasonable expectation that the Charity can continue as a going concern for a period of at least twelve months from the date of approval of these financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

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 financial statements.

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.

Unrealised foreign exchange rate gains are recognised as other gains.

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

Notes to the financial statements (continued)

For the year ended 30 June 2019

1 Accounting policies (continued)

1.5 Resources expended (continued)

shared between these functions and Charitable Activities are then apportioned based on the headcount of these functions.

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).

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.

Notes to the financial statements (continued)

For the year ended 30 June 2019

1 Accounting policies (continued)

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.

1.15 Taxation

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

In regard to the subsidiary, 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 subsidiary'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.

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 SOFA.

1.16 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. As the carrying amount of assets and liabilities are readily apparent from other sources, no judgements, estimates or assumptions are required.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are revision and future periods where the revision affects both current and future periods.

Blue Ventures Conservation

Notes to the financial statements (continued)

For the year ended 30 June 2019

2 **Donations and legacies**

a) **Donations and gifts**

	2019 £	2018 £
Restricted donations:		
School Scholarships	13,809	7,973
Other donations	13,902	5,617
Total restricted donations:	**27,711**	**13,590**
Unrestricted donations:		
CAF America	41,887	67,700
Graham Stratton	32,000	-
Other donations	9,208	17,187
Total unrestricted donations:	83,095	84,887
Total donations:	**110,806**	**98,477**

b) **Grants receivable for core activities**

	2019 £	2018 £
Restricted grants:		
Bohemian Foundation	39,160	-
Cartier Philanthropy	152,074	-
Conservation International Foundation	171,861	115,323
Department for Environmental Food & Rural Affairs	1,616,640	1,373,205
Full Circle Foundation	37,538	-
John D. and Catherine T. MacArthur Foundation	473,524	247,439
Leona M. and Harry B. Helmsley Charitable Trust	132,871	110,510
Madagascar National Parks	127,075	-
Marine Stewardship Council	16,680	7,797
Ocean Park Conservation Foundation	21,316	-
Plymouth Marine Laboratory	11,563	-
Segal Family[1]	29,011	37,324
Stiftelsen GRID-Arendal	21,429	-
SwedBio/Stockholm Resilience Centre	35,890	-
The Balcombe Charitable Trust	45,000	45,000
The Ernest Kleinwort Charitable Trust	40,000	40,000
Carried forward	2,971,632	1,976,598

[1] Negative amounts relate to grant awards repaid

Notes to the financial statements (continued)

For the year ended 30 June 2019

2 Voluntary income (continued):

b) Grants receivable for core activities (continued):

Restricted grants (continued):	**2019 £**	**2018 £**
Brought forward	2,971,632	1,976,598
The Innocent Foundation	15,505	12,875
The Lister Charitable Trust	58,000	-
The Lucille Foundation	150,000	-
The Mohamed bin Zayed Species Conservation Fund	76,771	188,959
The Sall Family Foundation	-	65,593
The Royal Norwegian Society for Development	99,889	117,154
The Rufford Foundation	181,941	50,000
The Summit Foundation	31,561	30,294
The Turing Foundation	37,796	46,661
The University of Edinburgh	100,651	-
Tusk	23,111	32,946
V. Kann Rasmussen Foundation	62,463	36,220
Vitol Foundation	306,397	153,599
Walton Family Foundation	578,604	-
Whitley Fund for Nature	41,291	-
Wilstar	-	50,054
Other	67,747	20,993
Total restricted grants:	**4,803,359**	**2,781,946**
Unrestricted grants:		
Charities Aid Foundation	228,111	-
Mulago Foundation	157,807	150,304
The Lucille Foundation	39,452	150,000
The Rufford Foundation	-	43,500
The Ray and Tye Noorda Foundation	385,185	362,200
The Sall Family Foundation	65,481	-
Other	18,002	-
Total unrestricted grants:	**894,038**	**706,004**

Donations and legacies include government grants from the governments of the United Kingdom and Madagascar. Both grants are programmatic and support the charity's work through a number of themes.

Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Incoming resources from charitable activities

	2019 Unrestricted funds £	2019 Restricted funds £	**2019 Total funds £**	2018 Unrestricted funds £	2018 Restricted funds £	**2018 Total funds £**
Other incoming resources comprise:						
Income from overseas projects	22,504	11,867	34,371	17,579	2,611	20,190
Contracts for programme activities	2,246	4,420	6,666	1,140	595	1,735
	24,750	**16,287**	**41,037**	**18,719**	**3,206**	**21,925**

4 Resources expended

	Other costs £	Staff costs £	Support costs £	**2019 Total £**
Raising funds				
Costs of generating donations and legacies	11,775	-	161,746	173,521
Charitable activities	2,089,467	1,712,023	691,423	4,492,913
	2,101,242	1,712,023	853,169	4,666,434
Re-allocation of staff costs within support costs	-	521,252	(521,252)	-
	2,101,242	2,233,275	331,917	4,666,434

	Other costs £	Staff costs £	Support costs £	**2018 Total £**
Raising funds				
Costs of generating donations and legacies	4,819	-	156,519	161,338
Charitable activities	1,677,503	1,233,526	505,887	3,416,916
	1,682,322	1,233,526	662,406	3,578,254
Re-allocation of staff costs within support costs	-	424,329	(424,329)	-
	1,682,322	1,657,855	238,077	3,578,254

Net income/(expenditure) is stated after charging:	£2019	£2018
Audit fees	19,350	18,948

Non-audit fees paid to our auditors amounted to £ 924 (2018: £ 4,362)

Notes to the financial statements (continued)

For the year ended 30 June 2019

5 Support costs

	Costs of generating funds £	Charitable activities £	Governance £	**2019 Total £**	Costs of generating funds £	Charitable activities £	Governance £	**2018 Total £**
Support costs comprise:								
Staff costs	149,110	355,975	16,167	**521,252**	148,295	245,950	30,084	**424,329**
Project audits	-	-	-	**-**	-	3,438	-	**3,438**
Bank charges	261	16,709	33	**17,003**	1,850	5,656	-	**7,506**
Administration fees	1,237	7,012	-	**8,249**	2,497	15,425	-	**17,922**
Conference and meetings	131	3,138	-	**3,269**	-	5,382	-	**5,382**
Depreciation	-	84,826	-	**84,826**	-	54,221	-	**54,221**
Telecommunications and IT	9,401	66,820	-	**76,221**	3,064	54,133	-	**57,197**
Postage, print and stationery	-	35,492	-	**35,492**	-	25,975	-	**25,975**
Other office costs	725	100,259	-	**100,984**	34	61,211	-	**61,245**
Insurance	881	4,992	-	**5,873**	779	4,412	-	**5,191**
	161,746	675,223	16,200	**853,169**	156,519	475,803	30,084	**662,406**

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.

6 Staff costs

	2019 £	**2018 £**
Staff costs comprise:		
Wages and salaries	1,971,225	1,482,888
Social security	235,997	164,016
Pensions	26,053	10,951
	2,233,275	1,657,855

Number of employees who earned from:	**2019**	**2018**
£60,000 to £69,999	3	-
£70,000 to £79,999	1	1

There were no employees with annual emoluments above £80,000 (2018: nil).

The average number of employees during the year:

	2019	**2018**
Staff	207	173

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 £306,200 (2018: £294,292).

Notes to the financial statements (continued)

For the year ended 30 June 2019

7 Costs of generating donations and legacies

	2019 £	2018 £
Other costs of generating donations and legacies comprise:		
Telecommunications and IT	-	305
Conference and meetings	601	1,963
Consultancy	1,348	-
Insurance	95	-
Travel	9,731	2,551
	11,775	**4,819**

8 Charitable activities

	2019 £	2018 £
Other costs relating to programme activities comprise:		
Community Outreach Projects	893,974	748,691
Site and technical	391,456	358,151
Travel	577,377	366,163
Office expenses	12,258	18,165
Bank charges	3,759	2,120
Conference and meetings	36,660	39,660
Legal and professional	-	-
Telecommunications and IT	108,571	95,310
Postage, print and stationery	1,179	1,538
Insurance	39,413	24,944
Governance	24,820	22,761
	2,089,467	**1,677,503**

9 Governance costs

	2019 £	2018 £
Other governance costs comprise:		
Audit fees	19,350	18,948
Conference and meetings	1,550	1,293
Consultancy	1,400	-
Staff costs	16,167	30,084
Bank charge	33	-
Directors and Officers Liability Insurance	2,520	2,520
	41,020	**52,845**

Notes to the financial statements (continued)

For the year ended 30 June 2019

10 Trustees' remuneration

Expenses reimbursed to Trustees, where claimed, amounted to £nil (2018: £1,047).

The Charity does not remunerate Trustees for their normal duties as a Trustee. The Charities Act 2011 allows for payments to Trustees.

11 Group tangible fixed assets

	Leasehold land and buildings £	Computer and other office equipment £	Plant, machinery and motor vehicles £	Total £
Cost				
At 1 July 2018	24,222	53,730	559,234	637,186
Additions	-	49,888	154,379	204,267
Reclassication of asset	-	1,040	(1,040)	-
At 30 June 2019	**24,222**	104,658	**712,573**	841,453
Depreciation				
At 1 July 2018	10,925	34,269	270,672	315,866
Charge for the year	1,514	6,380	89,696	97,590
Reclassication of asset	-	-	-	-
At 30 June 2019	**12,439**	**40,649**	**360,368**	**413,456**
Net book value				
At 30 June 2019	**11,783**	**64,009**	**352,205**	427,997
At 30 June 2018	13,297	19,461	288,562	**321,320**

Charity Tangible fixed assets

	Leasehold land and buildings £	Computer and other office equipment £	Plant, machinery and motor vehicles £	Total £
Cost				
At 1 July 2018	22,031	20,943	422,824	465,798
Additions	-	49,888	139,848	189,736
At 30 June 2019	**22,031**	70,831	562,672	655,534
Depreciation				
At 1 July 2018	9,023	11,129	174,015	194,167
Charge for the year	1,438	4,820	77,652	83,910
At 30 June 2019	**10,461**	15,949	251,667	278,077
Net book value				
At 30 June 2019	**11,570**	**54,882**	311,005	377,457
At 30 June 2018	13,008	9,814	248,809	271,631

Notes to the financial statements (continued)

For the year ended 30 June 2019

12 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 July 2018	34,101
Additions	-
At 30 June 2019	34,101
Amortisation	
At 1 July 2018	
Charge of the year	6,820
At 30 June 2019	6,820
	13,640
Net book value	
At 30 June 2019	20,461
At 30 June 2018	27,281

13 Fixed asset investments

	Charity 2018 £	Charity 2017 £
Investment in subsidiaries	50,000	50,000

14 Subsidiaries

Details of the Charity's subsidiaries as 30 June 2019 are as follows:

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

The net assets of Blue Ventures (Expeditions) Limited at the end of the reporting period are £74,464. During the year, Blue Ventures (Expeditions) Limited made an operating loss of £82,862, incorporating turnover of £533,331 and expenditure of £616,193.

15 Financial instruments

	2019 Group £	2018 Group £	2019 Charity £	2018 Charity £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	48,323	31,569	20,413	100,519
Carrying amount of financial liabilities				
Measured at amortised cost	207,099	159,957	178,285	148,046

Notes to the financial statements (continued)

For the year ended 30 June 2019

16	Debtors	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
	Amounts owed by group undertakings	-	-	-	86,969
	Other debtors	48,323	31,569	20,413	13,550
	Corporation tax	2,477	-	-	-
	Accrued income and prepayments	18,018	6,915	17,502	-
		68,818	**38,484**	**37,915**	**100,519**

17	Creditors: amounts falling due within one year	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
	Other creditors	60,446	45,996	53,980	40,536
	Accruals	146,653	113,961	124,305	107,510
	Deferred income[1]	77,729	39,334	-	-
		284,828	**199,291**	**178,285**	**148,046**

[1]Deferred income relates to prepaid fees for volunteer expeditions.

18 Provision for liabilities

	Group 2019 £
Deferred tax:	
At 1 July 2018	506
Arising during the year	(506)
At 30 June 2019	**-**

Notes to the financial statements (continued)

For the year ended 30 June 2019

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 2018 £	Incoming resources £	Resources expended £	Balance at 30 June 2019 £
Aquaculture[1]	(164)	127,202	(120,661)	6,377
Supporting Partners	114,067	426,713	(311,833)	228,947
Other	31,293	1,755,580	(1,514,036)	272,837
Expansion	170,612	313,526	(433,252)	50,886
Blue Forests/Blue Carbon	902,244	89,801	(112,012)	880,033
LMMA/Octopus	276,183	978,582	(589,847)	664,918
People, Health and Education	260,695	853,964	(540,026)	574,633
Mihari	68,801	302,074	(120,481)	250,394
	1,823,731	**4,847,442**	**(3,742,148)**	**2,929,025**

		Movement in funds		
	Balance at 1 July 2017 £	Incoming resources £	Resources expended £	Balance at 30 June 2018 £
Aquaculture[1]	38,317	117,153	(155,634)	(164)
Supporting Partners	170,239	205,018	(261,190)	114,067
Other	33,977	21,370	(24,054)	31,293
Expansion	255,177	341,739	(426,304)	170,612
Blue Forests/Blue Carbon	872,812	1,207,628	(1,178,196)	902,244
LMMA/Octopus	411,171	408,598	(543,586)	276,183
People, Health and Education	150,573	289,811	(179,689)	260,695
Mihari	4,740	207,425	(143,364)	68,801
	1,937,006	**2,798,742**	**(2,912,017)**	**1,823,731**

[1] 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:

	£
Department for Environmental Food & Rural Affairs	112,685

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

Notes to the financial statements (continued)

For the year ended 30 June 2019

20 Designated fund

	Balance at 1 July 2018 £	Movement in fund: Designated Resources £	Resources expended £	Transfer between funds £	Balance at 30 June 2019 £
Supporting Partners	239,368	-	(425,448)	435,000	248,920

	Balance at 1 July 2017 £	Movement in fund: Designated Resources £	Resources expended £	Transfer between funds £	Balance at 30 June 2018 £
Supporting Partners	294,593	-	(295,225)	240,000	239,368

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.

21 Analysis of net assets between funds

	Unrestricted funds Group £	Designated fund Group £	Restricted funds Group £	Total 2019 Group £
Fund balances at 30 June 2019 are represented by:				
Goodwill	20,461	-	-	20,461
Tangible fixed assets	105,516	-	322,481	427,997
Current assets	368,906	262,495	2,699,848	3,331,249
Creditors: amounts falling due within one year	(177,949)	(13,575)	(93,304)	(284,828)
	316,934	**248,920**	**2,929,025**	**3,494,879**

	Unrestricted funds Charity £	Designated fund Charity £	Restricted funds Charity £	Total 2019 Charity £
Fund balances at 30 June 2019 are represented by:				
Investment in subsidiary	50,000			50,000
Tangible fixed assets	54,976	-	322,481	377,457
Current assets	272,650	262,495	2,699,848	3,234,993
Creditors: amounts falling due within one year	(71,406)	(13,575)	(93,304)	(178,285)
	306,220	**248,920**	**2,929,025**	**3,484,165**

Notes to the financial statements (continued)

For the year ended 30 June 2019

21 Analysis of net assets between funds (continued)

	Unrestricted funds Group £	Designated fund Group £	Restricted funds Group £	Total 2018 Group £
Fund balances at 30 June 2018 are represented by:				
Goodwill	27,281	-	-	27,281
Tangible fixed assets	90,419	-	230,901	321,320
Current assets	361,573	245,289	1,667,349	2,274,210
Creditors: amounts falling due within one year	(118,851)	(5,921)	(74,519)	(199,291)
Provision for liabilities	(506)	-	-	(506)
	359,915	**239,368**	**1,823,731**	**2,423,014**

	Unrestricted funds Charity £	Designated fund Charity £	Restricted funds Charity £	Total 2018 Charity £
Fund balances at 30 June 2018 are represented by:				
Investment in subsidiary	50,000			50,000
Tangible fixed assets	40,730	-	230,901	271,631
Current assets	368,187	245,289	1,667,349	2,280,825
Creditors: amounts falling due within one year	(67,606)	(5,921)	(74,519)	(148,046)
	391,311	**239,368**	**1,823,731**	**2,454,410**

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.

Note 16 discloses the amounts owed to Blue Ventures (Expeditions) Ltd as at 30 June 2019.

Notes to the financial statements (continued)

For the year ended 30 June 2019

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

	Group 2019 £	Group 2018 £	Charity 2019 £	Charity 2018 £
Net movement in funds (as per the statement of financial activities)	1,071,865	(95,747)	1,029,755	(64,351)
Adjustments for:				
Depreciation charges	97,590	71,239	83,910	54,221
Amortisation charges	6,820	6,820	-	-
Interest income shown in investing activities	(459)	(1,272)	(459)	(1,271)
Decrease/(increase) in debtors	(30,334)	(10,513)	62,604	(53,641)
Increase/(decrease) in creditors	85,031	(32,080)	30,239	2,212
Unrealised currency translation (gains)/losses	(39,164)	6,773	(39,933)	6,464
Net cash used in operating activities	**1,191,349**	**(54,780)**	**1,166,116**	**(56,366)**

24 Post balance sheet event

The Trustees have considered the effect of the Covid-19 outbreak that has been spreading throughout the world in early 2020 on the Charity's activities. Although the outbreak is likely to cause some disruption to the Charity's business, the Trustees do not believe that this will be significant. The reason is that the Trustees will take action in relation to expenditure to mitigate the risk. The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operation for twelve months from the date of approval of these financial statements.

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beyond conservation

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