



MARINE
CONSERVATION
SOCIETY

Annual Impact Report
& Accounts

2020
/21





Contents

Introduction	3
A message from our Chair	3
A message from our Chief Executive	4
Our year in numbers	6
Ocean goals	8
1 For a better protected ocean	8
2 For a cleaner ocean	10
3 For a healthier ocean	12
4 For everyone	14
Operational goals	16
Delivering our conservation work	16
2020–2021 A year of challenges	20
2021–2022 A year to deliver even more for our ocean	20
Financial review	22
Structure, governance and management	26
Independent Auditor’s Report to the Trustees of Marine Conservation Society	28
Financial statements	30
Principal accounting policies	33
Notes to the financial statements	36
Acknowledgements of financial and other support	48
Reference and administrative information	50

What a year!

A message from our chair



The way that our staff and supporters have responded during the pandemic has been nothing short of inspirational. Everyone has been kind and respectful to one another, focusing on what we could do and finding new ways to carry out our work. These guiding principles were underpinned by our passion for restoring the health of our ocean.

It’s been a privilege to chair an organisation that is so rooted in its values yet so ready to adapt and focus on change for the better. When we suddenly switched to home-working last March, we didn’t just get on with the job, we took our ambitions to another level.

So, in this report we’re excited to be showcasing our refreshed strategy. All our activities are now much more focused on recovering the health of our ocean for the sake of our wildlife, our climate and our own wellbeing. How do we plan to achieve this? By 2030 we want to see:

- A third of our seas truly protected, allowing nature to recover
- Ocean pollution levels to be showing a clear downward trend
- Our fish stocks at sustainable levels

In April 2021, we revealed our new organisational branding and completely transformed website. The way we’re seen is crucial for inspiring the social, political and cultural change needed to turn around the health of our seas.

Despite the pandemic we were able to continue with the work made possible with our largest ever grant

– the total transformation of our Good Fish Guide, which was launched shortly after the end of this financial year.

Our work this year has grabbed many headlines, particularly our in-depth report exposing the inadequacy of marine protected areas and our focus on the role of our seas in managing climate change. If UK governments are truly serious about curbing carbon emissions, rewilding the UK’s blue habitats must be part of the solution. Oyster reefs in Scotland and seagrass meadows in England are every bit as important as trees when it comes to storing carbon.

All of these, and many more achievements, would not have been possible without the dedication of our talented staff, trustees and ambassadors, and the commitment of our volunteers and supporters who have stood by us in a turbulent year. This year also reinforced our commitment to being an inclusive organisation. Only by working with individuals from diverse backgrounds, reaching out to local communities, regional and national businesses, politicians and partner organisations, can we make change happen.

Our ocean and our planet need us to succeed.

Amanda Nobbs
Chair of Trustees

2020-2021

A message from our Chief Executive

Where it started and how it went

At the start of 2020, we set ourselves a series of exciting and ambitious goals for the coming year, planning for growth within a carefully calibrated budget. The Board agreed the goals in mid-March but by the end of April we were forced to re-plan and re-budget, both practically and financially, as Covid-19 impacted every aspect of our lives.



Incredibly, by the end of the financial year, we closed the year slightly ahead of our reforecast, having raised £4.3 million. We received emergency support from funders, which meant we were able to achieve so much more than we initially expected. We are incredibly grateful for their support.

Plans to launch a refreshed strategy, a new brand and a new website were a huge focus, launching successfully in April 2021, just after the end of the financial year covered in this report.

One of our key goals for 2020/21 was to campaign for the environment to be central to our recovery from the pandemic. We wanted to make sure that the role of the ocean for nature, climate change mitigation, and health and wellbeing was increasingly recognised by governments, parliaments, businesses and the public.

The emergency funding we received enabled us to keep our engagement and education programmes going strong by devising new and innovative digital ways of engaging with our supporters. These changes have permanently improved the way we work. Our digital programme to bring the ocean indoors during the pandemic was incredibly well received.

There was progress on our ocean recovery goals too. Improved management of some marine protected areas, new designations in Scotland, renewed focus on the introduction of Highly Protected Marine Areas and our work to improve the recognition of the importance of blue carbon have moved this area on significantly.

We published our research on bottom trawling. It shockingly revealed that this practice was taking place in 98% of the UK's offshore marine protected areas. We called on UK governments to ban bottom trawling in these areas. Alongside our ongoing research on blue carbon, it's clear banning this damaging activity will allow for ocean recovery and help combat climate change.

In February, the Marine Management Organisation launched a consultation on proposals to manage activity in four of England's offshore marine protected areas. The UK Government has promised to put measures in place to consider the creation of highly protected marine areas in England 'to ensure the most sensitive marine habitats are protected against human activity'.

Our goals on the Fisheries and Environment Bills took up a lot of our attention in our political advocacy. The Fisheries Act falls short of our key asks for binding commitments to sustainable fisheries and the introduction of remote electronic monitoring on vessels. Everything will now depend on whether the fisheries management frameworks to be agreed under the Act are able to deliver these key objectives.

In the Environment Bill, our main aim was to ensure that the marine environment was included. We worked hard to convince the UK Government and Westminster parliamentarians to do so. At the time of writing this report, the Bill is still going through Parliament and our work continues.

Our work to improve fairness, inclusion and representation was very much at the forefront of everything we did this year. Trustee Emily Cunningham was nominated as our Board Champion for Equity, Diversity and Inclusion (EDI). We launched a cross-organisational working group, with trustee and staff representation. We also published an organisational statement in relation to EDI, which explains the need for equal opportunities for all to benefit from the ocean, and for everyone to



play their part in protecting it, and sets out what our role is in helping to achieve this.

Crucially, our refreshed strategy now also includes a new, fourth Ocean Goal, 'One Ocean for Everyone', which commits us to promoting the value of the ocean for our health and wellbeing.

We're proud of the progress we've made in a difficult year. But, as ever, there remains much to be done!

Sandy Luk
Chief Executive

Our year in numbers

This report covers a year that will long remain in the memory for all the wrong reasons and, like many other organisations, we faced unprecedented challenges. At the end of March 2020, we had to regroup, reassess and go again. Despite everything, staff and volunteers working together have made great strides towards securing seas full of life.

We updated **430 Good Fish Guide ratings**, including **88 brand new ratings** that add to the comprehensiveness and relevance of the Guide to seafood bought, fished, farmed, or living in the UK & UK seas



88★

Our volunteers spent **35,108** hours cleaning beaches, removing a grand total of **284,451** items of litter, weighing **6,253 kg** and leaving **608** stretches of coastline cleaner



284,451



6,567

We were in the media (broadcast and online, newspapers and magazines) **6,567** times



We launched our autumn Good Fish Guide ratings in October and received **50,000** web visits on launch day

50,000



4,816

Our staff and volunteers reached **4,816** young people online



We prompted and influenced the GlobalGap feed mill standard by highlighting areas for improvement in our Good Fish Guide rating consultation process. GlobalGap certify **2.5 million** metric tonnes of farmed seafood and **70%** of current global salmon production



70%

We made **65** new connections with business and industry.

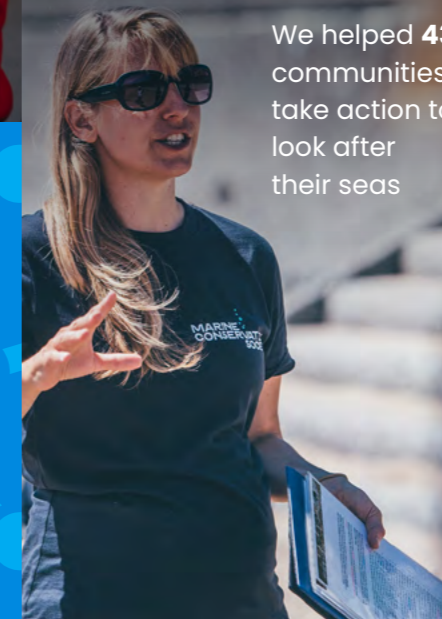


Our education team delivered **365** sessions across all age groups



43

We helped **43** communities take action to look after their seas



Our experts wrote and presented **23** scientific publications



1,171

We conducted **1,171** citizen science surveys



Our **189 Seasearch** divers spent over **10 weeks** under water, recording **2,248** habitats, **30,065** species and **787** dive sites, within **78** different marine protected areas



43,113

Our **26,647** Sea Champions and volunteers donated **43,113** hours of their time



Ocean goals

For a better protected ocean

We'll ensure our ocean is better protected and its value for biodiversity and climate change mitigation is recognised. We'll improve marine management and secure well-managed protected areas to recover, nurture and protect species and habitats. And we'll track the progress of ocean recovery.

By 2030, we're calling for a third of our ocean to be truly protected, so nature can recover.

Our achievements this year

- After extensive work by our Scotland team, four new Scottish marine protected areas were designated in December 2020: North East Lewis, Shiant East Bank, Southern Trench and, supported by our sightings data, the Sea of Hebrides - a world-first for basking sharks and minke whales in the same area.
- The biggest marine protected area in Europe, the West of Scotland Deep-sea Marine Reserve, was designated in Scotland in September 2020 to provide additional protections for deep-sea habitats. We had long advocated for this move.
- After extensive research and analysis, our Marine unProtected Areas report was published in January. The huge media coverage it received prompted Defra to issue a defensive statement. The report has given us a platform to push for better marine protected area management through 2021.
- At our Annual General Meeting, and in the Marine unProtected Areas report, we started to talk about our seas' ability to capture carbon. This paved the way for a joint report with Rewilding Britain later in 2021. We developed and published a blue carbon four-point plan for Wales.
- We worked extensively with the Welsh Government to identify the initial preferred areas for new Marine Conservation Zones in Wales, which should complete the network, especially in the offshore.
- Following long-running advocacy, and shortly after our Marine unProtected Areas report was published, the Marine Management Organisation began consulting on management measures for four offshore marine protected areas, including Dogger Bank.
- The independent review on Highly Protected Marine Areas (HPMAs) was published by Defra on World Oceans Day. It recognised the key importance of HPMAs in relation to climate change and habitats and ecosystem recovery that we had also highlighted in our public campaign. We'll continue to push for HPMAs to become reality in the short term.
- After we led the NGO lobby for express inclusion of 'marine' conservation within the new Environment Bill, Defra published a policy paper on the targets framework for the Bill that included a target for the marine environment.



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Years of hard work were finally rewarded with exciting new designations of five large marine protected areas (MPAs) in Scotland's seas, led by our Scotland team, and a promise of better offshore MPA management in English waters.

Our report on Marine unProtected Areas highlighted the fact that our MPAs are still regularly trawled by damaging bottom-towed gear – it called for exclusion of these methods from our offshore MPAs and Westminster heard us! A consultation on management of four offshore MPAs was published by the Marine Management Organisation just a month later. The protection and restoration of blue carbon is now a huge issue for us, and we completed our Blue Carbon report for publication in 2021. We also secured funding for a Blue Carbon Economist from the John Ellerman Foundation to help us build an evidence base for our campaigns leading up to the COP26 climate summit and beyond.

Due to Covid-19, our Seasearch dives were suspended, but the team perfected the art of online training courses. These are so good that they will now be our default Seasearch training method, with a new Seasearch website to be launched in 2021.

Despite being in lockdown and shackled to our laptops, we made great progress in a difficult situation, and look forward to getting our feet wet again in 2021 in the fight to save our ocean.

Dr Peter Richardson
Head of Ocean Recovery

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- Our successful bid for funding from the John Ellerman Foundation for work on blue carbon economics means we have been able to recruit a new role in this vital area.
- Following successful funding bids for Darwin Plus projects, we started leading a project in the British Virgin Islands to improve marine management. The £140,000, three-year project began in July. It's a very significant step in progressing our work in the Caribbean UK Overseas Territories.
- Following our support for the Help our Kelp campaign to restore a vast underwater kelp forest, Sussex became the first council to pass a bylaw which saw trawling excluded from a 117 square mile area of its coastline. The move followed a consultation period in which 2,500 people supported the campaign.

Ocean goals

For a cleaner ocean

We'll measure the health of our seas, identify and prevent the main sources of pollution, and work with businesses and governments towards a cleaner ocean.

By 2030, we're calling for ocean pollution levels to show a clear downward trend.

Our achievements this year

- In April, we held our first online chemical workshop with experts in chemical pollution in both marine and freshwater environments. We sent a report to Defra outlining our key findings to inform their work on a chemicals strategy.
- We've started work on ensuring companies and governments change their procurement policies and prohibit the purchasing of products for all non-essential uses, which contain PFAS 'forever chemicals' that don't break down in the environment.
- We responded to consultations on bans ('market restrictions') of certain single-use plastic items in Scotland and Wales. The Scottish Government produced draft legislation in March 2021 that went beyond banning the sale of these items within Scotland to also banning their production.
- We joined forces with ASH Wales and ASH Scotland calling for a ban on plastic cigarette filters and a review of other types of filters to help reduce the amount of litter found on our coasts and beaches.
- Legislation was passed in Scotland in May 2020 for a Deposit Return Scheme to be introduced in July 2022. In March 2021, the rest of the UK released a consultation repeating many of the same questions already asked in 2018 about the introduction of a Deposit Return Scheme in England, Wales and Northern Ireland. Wales has committed to including all sizes of containers, which is one of our main asks. England remains undecided.
- The 2020 Great British Beach Clean results showed a concerning but predictable presence of PPE litter. Face masks and gloves were found on almost 30% of beaches and our inland Source to Sea Litter Quest data showed PPE items on more than two thirds (69%) of our litter picks. In Scotland, we joined forces with Zero Waste Scotland and Keep Scotland Beautiful in a national campaign encouraging reusable face coverings and responsible disposal of single use ones.
- In Wales, during the 2020 Great British Beach Clean events, we were joined by the First Minister Mark Drakeford, as well as shadow environmental spokespeople from the Conservatives and Plaid Cymru.
- In January 2021, we released our supermarket survey looking at how companies label items commonly (and mistakenly) flushed down the toilet, whether they are meeting the 'fine to flush' standard, and asking for the removal of wet wipes containing plastic from supermarket shelves. After discussions with some retailers prior to publication, we saw a significant improvement in their commitments.

- Our work in addressing the sources of microfibres made great progress. Our public campaign, Stop Ocean Threads, led to over 30,000 people signing our microfibre petition. We spoke with washing machine manufacturers, trade organisations and MPs, and lobbied industry insiders to get filters fitted to new washing machines. We submitted evidence as a supporter of the All-Party Parliamentary Group on microplastics, which is calling for filters by 2025.
- Our collaboration with First Sentier Investors, to encourage washing machine manufacturers to stop microfibre pollution at source, progressed substantially. Financial assets supporting the initiative stood at \$5.5 trillion halfway through the year. Trustee Will Oulton was involved in the project, which is an incredibly exciting and innovative approach for us as investor-driven calls for change are often the turning point for maximum impact.

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This year we've started a number of exciting new projects on less obvious, but really significant sources of pollution of our seas, and we're trialling innovative ways to tackle these pollutants at source.

One key area of work we've developed is on treated sludge, which comes from waste water treatment. We highlighted that this sludge can include microplastics and PFAS, which when spread onto farmland are released into the environment. We're advocating controls at source to remove these contaminants from sludge.

"We've started exploring companies' and other organisations' procurement policies and how they can be utilised to reduce marine pollutants – including PFAS.

We've seen significant improvement in steps being taken to reduce the amount of 'unflushables,' with a number of retailers' own brand products passing the 'fine to flush' standard. There's been an improvement in labelling, making the 'do not flush' message clearer too, and Welsh Water announced it was supporting a ban on all plastic wet wipes.

Dr Laura Foster
Head of Clean Seas

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Ocean goals

For a healthier ocean

We'll aim for more fish in healthier seas, improve the way wild fisheries and seafood farms are managed, and help businesses and consumers to be more responsible in their buying choices.

By 2030, we're calling for our fish stocks to be at sustainable levels.

Our achievements this year

- We worked with key members of the House of Lords to gain support for our amendments to the Fisheries Bill. Support grew for our call to fit remote electronic monitoring (or REM) on fishing vessels. Based on our advocacy, members of the House of Lords supported two key amendments to the Fisheries Bill. Unfortunately, they were removed from the Bill by the Commons, before it received Royal Assent. Despite this set back, in October, Defra consulted on the use of REM for fishing vessels, and we are still pursuing further concessions.
- The Fisheries Act became law in November. We were central to the NGO influence, helping secure sustainability clauses in the Act. The commitments we secured from the UK Government through the parliamentary process are a good basis to secure action on sustainable fisheries as a newly independent coastal state.
- Along with RSPB and WWF, we secured funding from international funders' collaborative Oceans 5 to support our collaborative work to influence the delivery of the Fisheries Act. This will help fund our parliamentary officer role and our fisheries advocacy work over the next two years, including parliamentary scrutiny of the Joint Fisheries Statement.
- Despite different ways of working due to the pandemic, our new Good Fish Guide website and app progressed well including new features guided by user testing and feedback.
- The reach of the Good Fish Guide during the year was slightly down on the previous year at 468,030. However, with Covid-19 restrictions affecting our distribution of the Pocket Good Fish Guide, and 100,000 fewer copies distributed, these figures show usage is still high.
- Over the whole year we updated 430 Good Fish Guide ratings including 88 brand new ratings that add to the comprehensive nature and relevance of the guide to seafood bought, fished or farmed in the UK.
- We prompted and influenced the GlobalGap feed mill standard by highlighting areas for improvement in our Good Fish Guide rating consultation process. GlobalGap certify 2.5 million metric tonnes of farmed seafood and 70% of current global salmon production.
- Our Scotland team led the call for a future fisheries management strategy for Scotland, which was published in December with a commitment to deliver an ecosystem-based approach to management. This includes considering protection of important spawning and nursery areas and curtailing fishing for keystone species such as sandeels.

- Our Wales team continue to advocate strongly for sustainable fisheries. We promoted sustainable fisheries in our manifesto asks and a four-point blue carbon plan. We responded to the Welsh Government's review of whelk fisheries recommending reducing fishing during spawning season and additional research on maturation sizes.
- After 10 years, we concluded our work on the Steering Committee of the Aquaculture Stewardship Council feed mill standard following its international launch.
- We increased our engagement with catering colleges, delivering presentations on seafood sustainability to over 100 students. We sponsored two cookery competitions, expanding our outreach and engagement with the restaurant industry and early career chefs.

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This year has seen us take giant strides towards our vision for sustainable seafood. Our transformational work on the Good Fish Guide will allow us to engage far more consumers and businesses, empowering them to make vital changes to the sustainability of the seafood they buy.

Our aquaculture work has gone from strength to strength, with real progress on increasing the scrutiny over the sustainability of aquaculture feed. In Scotland, we are continuing to provide advice on the use of cleaner fish and regulation of salmon farming. Opportunities to expand the use of sustainable aquaculture throughout the UK exist within the new Fisheries Act, and we intend to use our considerable influence and expertise to ensure it is sustainable and world-leading.

The new Fisheries Act also contains the building blocks to deliver sustainable fisheries management in the UK and, for the first time, considers its impact on climate change. The development of the Joint Fisheries Statement and of legally binding fisheries management plans are where the real change needs to happen. Ensuring the four nations collaborate to “level up” fisheries management will be the focus of our efforts over the next two years.

Gareth Cunningham
Head of Fisheries and
Aquaculture

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Ocean goals

For everyone

We'll work hard to ensure everyone is able to enjoy the ocean and what it has to offer, while fulfilling their responsibility to protect it.

We'll promote the value of the ocean for our health and wellbeing.

Our achievements this year

- Due to pandemic travel restrictions, we launched our very first inland Source to Sea Litter Quest as part of the Great British Beach Clean. Developed to inspire local action, we ran 74 inland cleans to show how litter dropped in these environments is the start of its journey to the sea. 69% of the cleans found PPE, whilst 99% found drinks containers.
- Almost 9,000 people signed up to July's Plastic Challenge. Conscious of the impact of the pandemic on the public's ability to go completely plastic-free, we asked participants to set their own goals and challenges. The campaign focused on giving people inspiration for ways big and small to reduce their reliance on single-use plastic.
- When Covid-19 hit, our education team had just launched an online lesson pilot to deliver sessions remotely. The team turned these into a series of 18 new online webinars for primary and secondary learners, compressing three months of trials into three weeks. This allowed us to reach global learners and speak directly to people at home.
- In June, our one-day online festival for World Ocean Day for Schools saw school and home education sign-ups double from 2019.

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People will only protect what they care about, and they only care about what they've experienced. As it stands, not everyone is able to enjoy our shared ocean or play their part in protecting it and we've recognised that we must do more to change this. We've been listening, learning and taking action to make our work – and our workplace – more inclusive. It won't happen overnight, but we're making real progress towards a more diverse Marine Conservation Society and I look forward to the next year with great optimism.

Emily Cunningham

Trustee and Board Champion for Equity, Diversity and Inclusion

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- The second We are Ocean summit attracted around 150 people from across the UK and beyond to discuss key challenges for the ocean community. It is part of the work we do with the We are Ocean collective. We were among a group looking at the possibility of offering blue health and wellbeing experiences to key workers.
- We published a high impact paper bringing together key learning from a decade of Community Voice Method (CVM) work in the UK, US and Caribbean. CVM involves interviewing, qualitative analysis, film production, mapping and public meetings. The paper showed how we have pioneered and developed this approach and how working in this way can improve outcomes at local levels.
- We co-presented the first ever CVM project commissioned by the UK Government.
- We carried out a baseline diversity survey of our staff and trustees, having started reviewing our practices, strategies and plans in respect of equity, diversity and inclusion (EDI). We drew up plans that encompass both internal and external action on EDI. We decided to start reporting on EDI in our annual impact reports.
- Our Wild Coast Sussex project, to inspire 16- to 25-year-olds living near the coast to love and protect their local seas, was initially affected by Covid-19 restrictions. We took it online and managed to run three virtual workshops, with more planned.

Operational goals

Delivering our conservation work

An expert and professional organisation, we'll deliver first-class science and practical conservation that supports engaging, inclusive and effective campaigns, outreach and education. All this will be based on strong finances, professional IT and our valued team.

We'll be the UK marine conservation charity of choice for funders and supporters, with a high profile and a large, diverse and sustainable income base. We'll spend our money effectively, responsibly and transparently.

Fundraising

- Our re-forecast in light of the pandemic anticipated a 31% reduction in income, and we closed the year slightly ahead of this, having raised £4.3 million.
- We increased capacity in our fundraising team to develop multi-year bids and deliver high-level stewardship for our existing supporters. This investment at a critical time meant that donations from trusts, grants and companies remained strong at £2.42 million.
- We received Covid-19 response funds from existing and new funders, including National Lottery Heritage Fund, Fidra, Esmée Fairbairn Foundation and players of People's Postcode Lottery.
- A gift of £600,000, including a £100,000 Covid-19 recovery award from players of People's Postcode Lottery, means they have now contributed £3.2 million to our work since 2015.
- We secured new grants from Interreg 2 Seas, Garfield Weston Foundation and Darwin Plus. A three-year award from the John Ellerman Foundation will support a new Blue Carbon Economist who will shape our strategy for blue carbon restoration.
- Many corporate partners continued their support in the face of pandemic-related challenges, including Glenmorangie, Silentnight, Bunzl, Green People Ltd and Crew Clothing. However, a significant number of partnerships were put on hold.
- We welcomed new partners on board such as FatFace, Accrol Papers and Hawkins & Brimble, and became a beneficiary charity of the ICAP Charity Day.
- 41 supporters took part in the 'pandemic-inspired' 2.6 Challenge and raised over £8,000 – four times the amount we usually raise from the London Marathon! Our first online fundraising event, the Great British Beach Quiz, sponsored by Clarity Environmental, raised over £1,600 via the Crowdfunder platform.



- Thanks to support from a major donor, we introduced the Marine Conservation Society Young Fundraiser of the Year award and the first recipient was Earlsfield Primary School's 2019/20 Year 6 class.
- We received significant fundraising donations from two groups of Talisker Whisky Atlantic Challengers; Atlantic Ambition and Oceans 5.
- Our Legacy Fundraising income remained steady with significant gifts near the end of the year meaning we raised £227,919.
- Our Major Gift programme continued to grow as we welcomed new donors alongside our existing supporters. A third gift, this time of £50,000, was made by our major donor in Yorkshire in support of our Sea Champion programme in the northeast, taking the total donated to us to £250,000.



It's been a rollercoaster of a year, and I've been inspired by the commitment of our team and supporters. Our relevance to the pandemic quickly became apparent, with people reconnecting with nature and with the ocean and their amazing restorative power.

Katherine Stephenson-Hall
Director of Fundraising



IT

- We installed a new system that enables remote monitoring and updating of staff computers and servers. We also introduced a multi-factor authentication-enabled portal to prevent account takeovers and data breaches.
- We changed how we share files and communicate, with virtual meetings on Microsoft Teams and SharePoint now an integrated part of our daily working life.
- With the majority of our data in Office 365, we needed to back up this information. We now use a platform that continuously backs up the data to a local server at our main office.



As an IT team, we had to adjust our ways of working in response to the pandemic and the rapid switch from mainly office-based working to almost everyone working from home. We needed to find technological solutions quickly, to enable everyone to meet and share documents virtually. With remote working, we saw an increase in potential phishing attacks and we had to respond quickly to these data security risks.

"The key to our IT success during the last year was the development of systems with no one single point of failure, providing resilience and mobility in all possible areas.

Mark Holland
Head of IT



Engagement and Communications

- Despite the pandemic, over 400 events took place as part of our Great British Beach Clean, when family groups or bubbles gathered to collect litter and data.
- We produced a five-year education strategy and our first ever youth engagement strategy – which will enable us to reach out to young people in and beyond the formal education setting.
- Our Ocean Ambassadors were as busy as ever supporting our campaigns. Deborah Meaden fronted our life membership plan and Fernando Montaña presented a series of podcasts for us. This year wildlife filmmaker and underwater camera expert Inka Cresswell joined us as an Ocean Ambassador.
- We held our 2020 Annual Conference and AGM online, attracting nearly 1,000 viewers. Themed around the topic of ocean optimism, it was organised with the help of the Scottish Youth Parliament to help keep young people front and centre of the event. Staff, Ocean Ambassadors and special guests took part in the event that featured breakout rooms and film presentations. We also presented our new Young Ocean Optimist of the Year award to Georgie Bull. Following its success, we'll run our 2021 conference online as well.
- Our Save our Marine Meadows appeal resulted in over £20,000 of donations.
- Behind the scenes, a great deal of work was underway to launch our new brand and new website, which went live in April 2021. This will enable all our supporters to engage with us more easily.
- We wound down our plastic-free online shop, run by our own in-house team, to focus on selling through the Teemill circular fashion platform, which provides a far better return on investment.



- Our Stop Ocean Threads campaign, backed by Ocean Ambassador Deborah Meaden, collected over 30,000 signatures.
- This year's media reach was massive as we received a huge amount of press and broadcast coverage both nationally and locally. Highlights included TV pieces for the Great British Beach Clean and broad coverage for our Marine UnProtected Areas report.

- Support continued to grow among our social channels and via email sign-ups. By the end of the financial year, we had almost 290,000 followers across Facebook, LinkedIn, Twitter and Instagram.

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Where we would normally be in the classroom or out on the beach, 2020–21 looked a little different as we moved a lot of our outreach work online.

We also took the opportunity to work on some big back-room projects to ensure that when we finally came out of the pandemic, we'd come back stronger than when we went in.

Tamsin Betti
Director of Engagement
and Communications

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2020–2021

A year of challenges

There were no areas of our work that weren't affected by Covid-19 one way or another. We had to be light on our feet and make changes, literally, overnight. But among the negative aspects of the pandemic for the workplace, we've been able to take many positives.

The financial uncertainty made budgeting challenging

In April we re-budgeted, decreasing our expected income by 31%. We reduced or cancelled planned outputs and events. In some areas of work, progress slowed. But our income ultimately fared better than anticipated and we're now able to recruit for some roles we hoped to fill in the 2020/21 financial year.

The impact on our team was huge

The vast majority of our staff have worked from home since the start of the pandemic. Many had to get to know new online systems and processes whilst often juggling childcare and other caring arrangements. Some staff went on furlough, particularly during the early stages of the pandemic. This was difficult for many, and throughout we've done our utmost to support our team during these challenging times.

Face-to-face engagement – off the agenda

We had to find new ways to keep our supporter base engaged. We were unable to visit schools or hold large volunteering events like our big public beach cleans. But our teams found ways to work around many of these issues. We launched a series of webinars for schools, held virtual events and encouraged our volunteers to hold small, private and local beach cleans.

Customer service

Work on our customer relationship management (CRM) system continues to face challenges. Although progress has been made, it's a key area we continue to address in 2021/22 to ensure we utilise our data effectively, allowing us to keep in touch with the right supporters at the right time.

Political challenge

With Covid-19 (and Brexit) dominating all parliaments in the UK, finding appropriate opportunities to reach out politically was challenging. The pandemic slowed down the delivery of our political aims. We did, however, continue to focus on key opportunities such as the Fisheries Bill and actively engaged in advocacy around the Bill. Many areas of our work saw delays in the delivery of better policies, for example on the introduction of deposit return systems in all the home nations. The proposed launch of the Scottish Deposit Return Scheme was among the environmental casualties.

2021–2022

A year to deliver even more for our ocean

After a year that has been effectively on hold in many areas, we're delighted with what we achieved. But in the next financial year we're determined to not only get back on track and pick up where we left off pre-pandemic, but to achieve even more. We'll engage with new challenges and aim to leave the year with a cleaner, healthier ocean than when we went in.

Blue Carbon

As part of our work for a better-protected ocean, we'll increase our work on blue carbon – pushing for government policies to reflect the vital connection between climate change, ocean recovery and blue carbon by ensuring it's included in targets towards net zero.

Good Fish Guide

To give a boost to progress towards our goal on sustainable fish stocks, we'll use our new Good Fish Guide to accelerate understanding of and demand for sustainable seafood in businesses and the public.

Return to deposit return schemes

We'll continue to push for the introduction of all-inclusive deposit return schemes, which suffered lack of progress in the previous year. We'll focus on calls to progress legislation and business action on key sources of marine pollution, specifically microfibres and sewage sludge. All of these will be key to our central goal of reversing trends in ocean pollution levels.

Equity, diversity, inclusion

To help us ensure that everyone is able to enjoy the ocean and fulfil their responsibility to protect it, we'll ensure that our equity, diversity and inclusion objectives are embedded across the organisation and we will measure our progress.

Looking good, feeling supported

We'll build on our brand refresh and digital transformation project, to continue to improve supporter engagement and increase the number of active and engaged supporters giving time, money or influence to support our conservation goals.

Behind the scenes

To reach our operational goals, we will continue to build on the organisational infrastructure needed to deliver our goals, including completing our CRM project, launching a project management framework and reviewing our data protection policies.

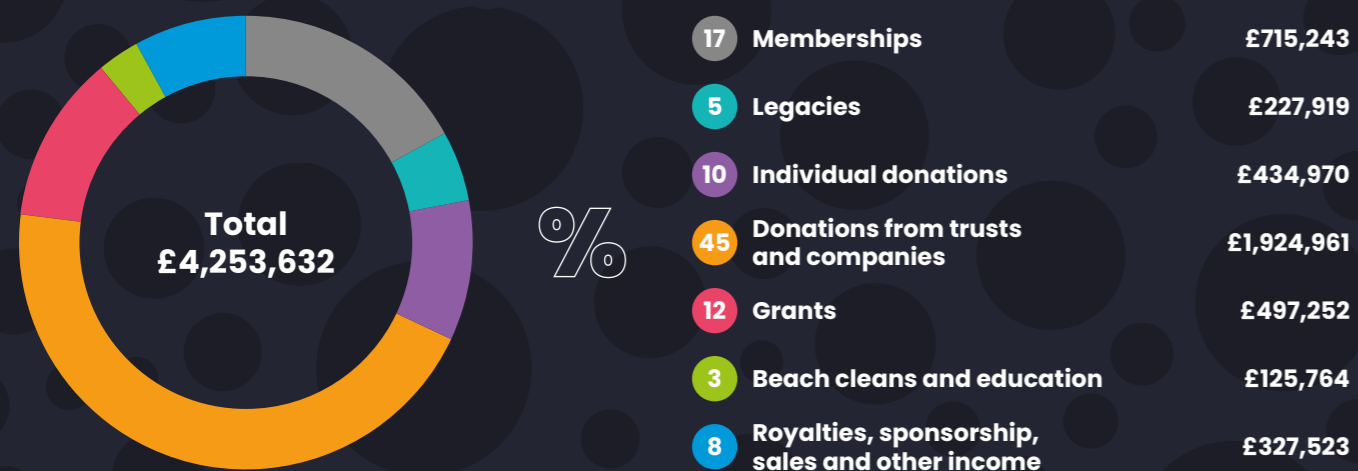
Financial review

“ Not surprisingly, the pandemic has affected our financial situation. Our income in 2020/21 was £4.3m, 18% less than the previous year, and 13% less than the budget we had set ourselves before Covid-19, but more than in 2018-19 and significantly more than we expected once the pandemic hit. It was generous emergency funding and the hugely appreciated continued support from our members and donors that meant that we were able to get through the crisis in a secure financial position. This enabled us to be more effective and have more impact, spending £3.3m on our marine conservation programmes, while investing £0.9m in raising income. The remaining £0.1m will be invested in expanding our conservation programmes as the pandemic restrictions are eased.”

Nicola Spencer Director of Finance and Resources

Income

Donations and legacies contributed a significant £3.4m



- ▷ We received generous donations from People’s Postcode Lottery for our core conservation work along with invaluable emergency funding from National Lottery Heritage Fund and other trusts.
- ▷ Membership subscriptions provided £0.7m, a decrease of 3% on last year.
- ▷ Legacy income rose threefold to £0.2m.
- ▷ Grants to fund specific conservation projects remained level at £0.3m, plus we received government funding from the Job Retention Scheme.
- ▷ Income from organised beach cleans and sponsorship of events fell to below £0.1m as Covid-19 restrictions affected activity.
- ▷ With other sales and investment revenue, our total income was £4.3m.

Expenditure

We spent £3.3m during the year on our charitable activities



- ▷ We used £1.0m on projects to create a cleaner ocean, up 28% on last year as we expanded our scientific research team and invested in the digital tools needed for ongoing campaigns, such as our work on microfibres, which aim to prevent further significant pollution of our seas.
- ▷ We spent £0.9m on our healthier ocean goal, a 46% increase owing to funding received last year. This is being used over three years to transform our Good Fish Guide, to influence consumers and companies to make more sustainable seafood sourcing and buying choices.
- ▷ We used £0.9m on working towards a better protected ocean, a 4% increase compared with the previous year. Funding for projects to improve marine conservation in the Caribbean UK Overseas Territories increased spend but this was countered by lower spend on our Seasearch volunteer diver programme, which was hampered by Covid-19 restrictions this year.
- ▷ We spent £0.5m on our education and engagement work promoting access to enjoying the ocean for everyone, an increase of a third. Despite significant challenges posed by Covid-19 restrictions, funding helped us innovate and reach new and wider audiences with the development of online engagement.

Supporting our income growth

- ▶ We spent just under £0.3m administering our membership scheme and producing our membership magazine.
- ▶ Our fundraising income has been growing significantly year on year and, despite a dip during the pandemic, we intend to maintain this growth. We spent £0.5m administering our group of individual donors and fundraisers, companies and other supporters.
- ▶ In total, the cost of raising funds decreased and represented 21% of income raised.

Funds

At the end of 2020/21, we had unrestricted funds of £1.5m

“It’s our policy to hold between three and four months’ unrestricted operating costs in a designated contingency fund to be able to maintain our conservation programmes in the event of a shortfall in income, until further funding can be secured. We review the level of this fund regularly. Currently, this fund holds £1.1m, representing four months’ worth of anticipated unrestricted expenditure. As the charity grows our budgeted expenditure is increasing, so the size of the fund has increased to cover both expected growth and continued uncertainty in income generation. We are committed to putting our remaining income and financial reserves to work as soon as possible. At the start of the year, we were cautious about the impact the pandemic would have on our income – expecting a 31% drop. We put on hold our plans for ambitious investment in our conservation programmes. As the year went on, we were fortunate to receive emergency funding to fill much of our funding gap and, with the continued generosity of all our supporters, our income was not impacted as much as we had feared and we were able to spend more than expected on our conservation work. We held £1.4m of restricted funds at the end of the year, as funds given for specific purposes could not be used as quickly as planned because of the pandemic. As restrictions ease, we’ll once again be putting our ambitious plans into action, using the surplus generated this year.”

Susan Ronaldson *Treasurer*

Approach to fundraising

“Our approach to fundraising is to connect with our supporters, and encourage motivated individuals and companies to raise voluntary funds to support our aims and activities. We ensure that our fundraising is not overly intrusive or persistent, and doesn’t put members of the public under undue pressure to donate. We recognise that everyone has the right to support their favourite causes and charities and that we have an obligation to protect those who may be in vulnerable circumstances. We do this in a way which seeks to protect each person and their dignity while also being respectful of any desire they express to support us.”

Katherine Stephenson-Hall *Director of Fundraising*

- ▶ We comply with UK data protection and are registered with the Fundraising Regulator.
- ▶ We comply with the Fundraising Regulator’s Code of Fundraising Practice.
- ▶ Complaints are monitored by senior management and are reported to Trustees, and we encourage any supporters with questions or enquiries about our fundraising to contact us at any time. We have not received any complaints in regard to our fundraising activities this year.
- ▶ We have worked with commercial participators this year, and have not engaged with a third-party professional fundraiser.

Investments

“In 2019–20, the charity divested its investment portfolio to guarantee sufficient cash levels given the uncertain economic forecast as Brexit approached. We’d planned to re-invest but with the Covid-19 pandemic resulting in further market volatility and uncertain income forecasts, we haven’t done so. Cash levels remained high throughout the year; we review the appropriate levels of cash and risk regularly and expect to reinvest next year when markets are less volatile.”

Nicola Spencer *Director of Finance and Resources*

Risk management

“The Trustees oversee a formal risk management process, regularly reviewing the risks the charity faces, prioritising them and, where possible, identifying means of mitigating them. We also consider external factors such as the impact of the pandemic, the economy and the impact of new regulations”.

Susan Ronaldson *Treasurer and Chair of the Finance, Resources and Risk Committee*

- ▶ During the early stages of the pandemic, Trustees met with the Senior Management Team weekly to assess the evolving situation and ensure the charity responded appropriately to the risks and new legislation.
- ▶ We ensure there’s a sound system of internal control to safeguard the charity’s assets and funds and make sure these assets and funds are used only in furtherance of the charity’s objectives.
- ▶ The systems of internal control are designed to provide reasonable, but not absolute, assurance against material loss or misuse, and include delegation of authority and segregation of duties.
- ▶ Trustees approve a five-year financial plan and an annual budget, then review progress regularly against the annual budget and relevant non-financial performance indicators.

Structure, governance and management

Governing document

The charity is a charitable company limited by guarantee, incorporated in England and Wales on 23 October 1990, having previously been registered with Charity Commission for England and Wales as an unincorporated charity in England and Wales on 1 February 1984. It also registered with the Office of the Scottish Charity Regulator on 18 September 2006. It is governed by its Articles of Association, having been amended following approval by the members on 6 November 2018. In the event of the company being wound up each member is required to contribute an amount not exceeding £1.

Subsidiary companies

The Marine Conservation Society has two wholly owned subsidiary companies, M C S Sales Limited and Marine Biological Consultants Limited. While Marine Biological Consultants is dormant, the purpose of M C S Sales is to raise funds for the charity through fundraising activities such as sponsorship and an online shop. All the profits of M C S Sales are donated to the Marine Conservation Society each year under the Gift Aid scheme.

For more detailed information about either of the subsidiary companies, the individual company accounts are filed annually with Companies House or they can be requested from the Company Secretary at the Marine Conservation Society's registered office (details at the back of this report). In this report, the accounts include the income, expenditure, assets and liabilities of the charity and both subsidiaries whenever the statements are referred to as 'consolidated' or 'group'.

Public benefit

The Trustees confirm that they have complied with the duty in Section 4, Charities Act 2011, to have due regard to the guidance issued by the Charity Commission concerning public benefit.

The objects of the charity per the governing document are "to undertake and promote for the benefit of the public: the conservation, protection, improvement and ecological sustainable management of the marine and freshwater environment, including associated land, shoreline and structures." We promote the protection of marine wildlife, sustainable fisheries and aquaculture and clean seas and beaches, through projects, scientific research, education and publication of scientific and educational works. Each of our programmes is aimed at improving the condition of the marine environment. A healthy marine environment will supply benefits to the public.

During 2020-21, the charity promoted interest and learning on the marine environment through its education outreach (both online and face to face) and inspired action at the local level through its volunteer and community engagement programme and online campaign opportunities. Our Good Fish Guide website and app have reached many hundreds of thousands of customers interested in sustainability. Despite the impact of Covid-19, our annual flagship Great British Beach Clean event had over 400 events across the country enabling us to continue to collect vital data on the litter plaguing our beaches.

Pay and remuneration of key management and personnel

We operate a salaries and benefits policy that applies equally to all employees of the charity. Tests are conducted for bias, fairness and equality and a moderation process is undertaken to ensure a consistent approach to performance ratings. Each year, remuneration awards are recommended by the Finance, Resources and Risk Committee to the Board for approval.

Recruitment and appointment of Trustees

Whilst the day-to-day management of the charity is delegated to the Senior Management Team, the Trustees are responsible for setting the charity's strategic policies and objectives and for ensuring they are fulfilled. Trustees are volunteers, give freely of their time and have no beneficial interest in the charity. As set out in our Articles of Association, Trustees step down by rotation every three years. They may offer themselves for re-election at the forthcoming Annual General Meeting, but the total duration of each Trustee's tenure is limited in order to ensure there are opportunities for new Trustees to join the Board. The Articles of Association state that, subject to the provisions of Companies Act 2006, every trustee, secretary or other official of the charitable company shall be indemnified out of the assets of the charitable company against all losses or liabilities incurred by them in or about the execution and discharge of the duties of his office. The Board of Trustees undertakes an annual review of its effectiveness. To ensure the Board is sufficiently skilled to carry out its responsibilities, we carry out skills analysis of existing members before seeking new Trustees with the appropriate skills by open advertisement or approaching individuals to suggest they might apply. Business and conservation skills are well represented amongst the Trustees.

Trustee induction and training

Prior to appointment, new Trustees receive an induction to introduce them to the work of the charity and attend a Board meeting as an observer. Each Trustee is given a Trustee Handbook, which provides current good practice guidance on how they can contribute most effectively to the charity. All Trustees are required to sign up to a Trustees' Code of Conduct.

Committees and subsidiary boards

To assist the Board with detailed scrutiny of particular topics and to make recommendations on those topics to the Board, we operate a number of Trustee subcommittees. During the year, the committees were as follows:

- ▷ Governance and Nominations Committee
- ▷ Finance, Resources and Risk Committee
- ▷ Environment Committee
- ▷ Income, Impact and Profile Committee

Towards the end of the year, the Board began a review of its governance, including committee structure, to ensure it is as effective as possible.

Each subsidiary company has its own Board of Directors consisting of some of the charity's Trustees and members of the Senior Management Team, which is responsible for the running of the company. The charity's Treasurer is the Chair of each subsidiary Board.

Trustees' responsibilities in relation to the financial statements

The Trustees (who are also directors of the Marine Conservation Society for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for 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 2019 (FRS 102);
- ▷ 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 charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose, with reasonable accuracy at any time, the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware there is no relevant audit information of which the charitable company's auditor is unaware, and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

This Trustees' Report and Strategic Impact Report have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the Board of Trustees.

Susan Ronaldson
Treasurer

Amanda Nobbs
Chair

22 September 2021

Independent Auditor's Report to the Trustees of Marine Conservation Society

Opinion

We have audited the financial statements of Marine Conservation Society (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise of The Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including *Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006, Charities Act 2011 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ▶ the information given in the report incorporating the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ▶ the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- ▶ adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- ▶ the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- ▶ certain disclosures of directors' 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 trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

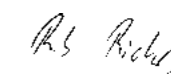
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, we have:

- ▶ obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework; and
- ▶ inquired of management, and those charged with governance, about their own identification and assessment of the risks and irregularities, including known actual, suspected or alleged instances of fraud;
- ▶ discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 (and related legislation, including relevant Scottish legislation), the Charities Act 2011 (and related legislation, including relevant Scottish legislation), and laws and regulations relating to the employment and payment of staff including, but not limited to, the Employment Rights Act 1996, the National Minimum Wage Act 1998 and the Pensions Act 2008. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements, which included reviewing the financial statement disclosures. This includes sample testing of monthly payroll records for the calculation of gross wages, payroll taxes and pension costs. We identified the areas of the financial statements most susceptible to fraud to be management's judgement in allocating expenditure to individual restricted and unrestricted funds, including the allocation of wage costs and general staff overheads. Audit procedures performed included, but were not limited to, reviewing management's reasoning and workings behind these allocations of expenditure. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Iestyn Richards Senior Statutory Auditor

For and on behalf of Richards Sandy Audit Services Limited
(Statutory Auditor)
Thorneloe House, 25 Barbourne Road, Worcester, WR1 1RU

Date: 14 October 2021

Richards Sandy Audit Services Ltd is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Marine Conservation Society

Consolidated statement of financial activities for the year ended 31 March 2021 (incorporating consolidated income and expenditure account)

Income and expenditure	Note	Unrestricted Funds (£)	Restricted Funds (£)	Total Funds 2021 (£)	Total Funds 2020 (£)
Income from					
Donations and legacies	1	2,842,688	568,569	3,411,257	4,175,024
Charitable activities	2	282,066	340,950	623,016	533,357
Other trading activities	3	28,671	-	28,671	370,790
Investments	4	2,859	-	2,859	7,472
Other	5	185,582	2,247	187,829	132,374
Total income		3,341,866	911,766	4,253,632	5,219,017
Expenditure on					
Raising funds	6	780,387	104,875	885,262	994,680
Charitable activities:					
Better protected	7	568,507	320,645	889,152	853,932
Cleaner ocean	7	726,308	282,509	1,008,817	790,763
Healthier ocean	7	503,981	378,101	882,082	603,724
For everyone	7	352,639	135,577	488,216	367,946
Total expenditure		2,931,822	1,221,707	4,153,529	3,611,045
Net income/(expenditure) and net movement in funds for the year		410,044	(309,941)	100,103	1,607,972
Funds at the start of the year	22	1,115,074	1,673,898	2,788,972	1,181,000
Funds at the end of the year	22	1,525,118	1,363,957	2,889,075	2,788,972

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities. Whilst there is no change in the total income or total expenditure figures of the prior year, expenditure on charitable activities has been re-categorised between ocean goals for more accurate comparison with this year's costs, and some income categorisation in the prior year figures has also been adjusted.

Marine Conservation Society

Statements of financial position at 31 March 2021

	Note	The group		The charity	
		Total Funds 2021 (£)	Total Funds 2020 (£)	Total Funds 2021 (£)	Total Funds 2020 (£)
Fixed assets					
Tangible fixed assets	14	13,880	12,483	13,880	12,483
Investments	15	-	-	200	200
		13,880	12,483	14,080	12,683
Current assets					
Stock	17	9,492	19,209	6,357	19,209
Debtors	18	770,332	477,979	1,124,557	892,047
Cash at bank and in hand		2,802,078	2,909,830	2,400,841	2,439,745
		3,581,902	3,407,018	3,531,755	3,351,001
Creditors falling due within one year	19	(695,087)	(605,944)	(658,505)	(576,353)
Net current assets		2,886,815	2,801,074	2,873,250	2,774,648
Total assets less current liabilities		2,900,695	2,813,557	2,887,330	2,787,331
Provisions for liabilities	21	(11,620)	(24,585)	(11,620)	(24,585)
Net assets		2,889,075	2,788,972	2,875,710	2,762,746
Funds					
Restricted funds	22	1,363,957	1,673,898	1,363,957	1,673,898
Unrestricted funds:					
Designated funds (contingency fund)	22	1,083,171	709,000	1,083,171	709,000
General funds	22	441,947	406,074	428,582	379,848
Total funds		2,889,075	2,788,972	2,875,710	2,762,746

Company Number: 2550966

The Trustees have prepared accounts in accordance with section 398 of the Companies Act 2006 and section 44 of the Charities and Trustee Investment (Scotland) Act 2005. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

Approved by the Board of Trustees on 22 September 2021 and signed on its behalf by:

Susan Ronaldson
Treasurer

Amanda Nobbs
Chair

Marine Conservation Society

Consolidated statement of cash flows for the year ended 31 March 2021

	Note	Total Funds 2021 (£)	Total Funds 2020 (£)
Cash flows from operating activities			
Net cash (used in) / provided by operations		(99,879)	1,589,391
Investing activities			
Purchase of tangible fixed assets	14	(7,873)	(1,583)
Net (decrease) / increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year		2,909,830	1,322,022
Cash and cash equivalents at end of year		2,802,078	2,909,830

Reconciliation of net income to net cash flow from operating activities	2021 (£)	2020 (£)
Net income per statement of financial activities	100,103	1,607,972
Adjustments for:		
Depreciation of tangible fixed assets	6,476	7,267
Decrease in stock	9,717	854
(Increase) / decrease in debtors	(292,353)	31,340
Increase / (decrease) in creditors	89,143	(62,914)
(Reduction) / increase in provision for liabilities	(12,965)	4,872
Net cash (used in) / provided by operations	(99,879)	1,589,391
Analysis of cash and cash equivalents		
Cash at bank and cash in hand	2,802,078	2,909,830
Total cash and cash equivalents	2,802,078	2,909,830

Analysis of changes in net debt	As at 1 April 2020 (£)	Cash flows in year (£)	As at 1 March 2021 (£)
Cash at bank and cash in hand	2,909,830	(107,752)	2,802,078

Basis of preparation

The Marine Conservation Society meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable in the UK and Republic of Ireland to charities preparing their accounts in accordance with the Financial Reporting Standard FRS 102, the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 and the Charities and Trustee Investment (Scotland) Act 2005. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The Trustees are confident that the level of unrestricted reserves and income means that there are no material uncertainties about the charity's ability to continue. The accounts have been prepared on a going concern basis.

Basis of consolidation

These financial statements consolidate the results of the charitable company and its wholly owned subsidiaries on a line-by-line basis. The financial performance of the charity is shown in note 24. The turnover and expenditure of the subsidiaries are included within the Consolidated Statement of Financial Activities. The assets and liabilities of each subsidiary is included on a line-by-line basis in the Consolidated Balance Sheet in accordance with FRS 102. Further details of the subsidiaries are given in notes 15 and 16. Accounting policies detailed in this note apply throughout the group and any surplus or deficit arising on intercompany transactions are eliminated in the Consolidated Statement of Financial Activities.

Incoming resources

Income is recognised in the period in which the charitable company is entitled to receipt, receipt is probable and the amount can be measured reliably. Income is deferred when the charity has to fulfil conditions before becoming entitled to use such income or where the donor has specified that the income is to be expended in a future period.

► Membership subscriptions

Annual memberships are recognised across the year of the membership. Life membership subscriptions are accounted for in the year in which they are received.

► Donations and grants

Donations from individuals and income from lotteries is recognised upon receipt. Income from donations and grants, including grants from the UK government and capital grants, is included in incoming resources when it is receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be qualified before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

► Legacies

Legacies are included when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified with reasonable certainty.

► Donated facilities and professional services

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity, for example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the Charities SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

► Commercial trading activities

Income from commercial activities is included in the period in which the charity is entitled to receipt.

Resources expended

Expenditure is included when incurred on an accruals basis. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of resources.

▷ **Costs of generating and servicing membership subscriptions**

These represent costs incurred in encouraging individuals to subscribe to the charity and the servicing of those individuals including provision of the members' magazine.

▷ **Costs of raising donations and legacies**

Fundraising expenditure comprises costs incurred in encouraging people and organisations to contribute financially to the charity's work through donations and grants. This includes a proportion of salaries and overhead costs of the staff who promote fundraising.

▷ **Commercial trading costs**

These represent costs incurred in raising funds through the online shop.

▷ **Expenditure on charitable activities**

These represent costs incurred in activities aimed at achieving the charity's four strategic outcomes of good governance, individual behaviour change, a sustainable and equitable economy and evidence base. The costs include the salary costs of those working directly on these activities, other direct costs such as equipment and travel costs and a share of support costs. Where an activity is aimed at achieving more than one outcome, the costs are allocated out between the relevant outcomes.

▷ **Support costs (including governance)**

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves constitute the output of the charitable activity. These include office costs, the cost of administration and governance such as the audit fee and insurance. These are allocated to all activities (charitable and raising funds) on the basis of the number of full time equivalent staff employed within each activity.

Tangible fixed assets

All assets costing more than £1,000 are capitalised. Depreciation is provided at the following rates in order to write off each asset over its estimated useful life:

- ▷ Fixtures and fittings 15% to 20% on cost
- ▷ Computers and equipment 25% to 33.3% on cost

Investments

In the charitable company's individual financial statements, investments in the charitable company's subsidiaries are included at cost less any provisions for impairment.

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments such as trade debtors and creditors with no stated interest rate and receivable or payable within one year, which are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Transactions in foreign currencies are translated into sterling at the exchange rate at the date of the transaction. Any assets and liabilities in a foreign currency are translated into sterling at the exchange rate on the date of reporting.

Debtors and cash

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value.

Creditors

Trade and other creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be

measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Provisions

Provisions are recognised when the charity has a present obligation as a result of a past event, it is probable that a transfer of economic benefits to a third party will be required to settle the obligation and the amount can be measured reliably. By their nature, provisions are often based on estimates, but they are recognised only when they can be estimated reasonably reliably.

Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pensions

Contributions in respect of the charity's defined contribution pension scheme are charged to the Statement of Financial Activities for the year in which they are payable to the scheme.

Tax

Where applicable, income is recognised net of any output Value Added Tax and the cost of irrecoverable input Value Added Tax is accounted for in the same period as the expenditure on which it was occurred.

In terms of corporation tax, the charity is usually an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Any corporation tax payable by the charity or one of its subsidiaries would be recognised in the period in which the taxable profit is generated. However, usually no corporation tax is payable because trading income is received by the subsidiary trading companies (not the charity) and the subsidiary companies distribute all the taxable profits to the charity in the following year as a Gift Aid donation.

Funds accounting

Funds held by the charity are

▷ **Unrestricted general funds**

These are funds that can be used in accordance with the charitable objects at the discretion of the Trustees.

▷ **Designated funds**

These are funds set aside by the Trustees out of unrestricted general funds for specific purposes or projects.

▷ **Restricted funds**

These are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements (note 22).

Foreign currencies

The consolidated financial statements are presented in pounds sterling (£), which is the charitable company's functional and presentational currency.

Transactions in foreign currencies are translated into sterling at the exchange rate at the date of the transaction. Any assets and liabilities in a foreign currency are translated into sterling at the exchange rate on the date of reporting. Foreign exchange gains and losses incurred in respect of monetary assets are shown within expenditure. Foreign exchange gains and losses in respect of non-monetary assets are shown between net income/ (expenditure) and net movement in funds before other recognised gains and transfers and net movement in funds.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make some judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure. However, the nature of estimation means that actual outcomes could differ from those estimates.

There were no significant judgements made by management in the preparation of these financial statements.

Notes to the financial statements

1 Income from donations and legacies

	Unrestricted funds (£)	Restricted funds (£)	Total Funds 2021 (£)	Total Funds 2020 (£)
Membership subscriptions and adoptions	715,243	-	715,243	735,775
Legacies	227,919	-	227,919	68,903
Donations - trusts and companies	1,395,757	529,204	1,924,961	2,728,606
Donations - individuals	395,605	39,365	434,970	509,569
Other fundraising income	108,164	-	108,164	132,171
	2,842,688	568,569	3,411,257	4,175,024
For the year ended 31 March 2020	2,419,872	1,755,152		4,175,024

Donations from trusts and companies include £183,074 (2020: £41,140) of donated services or goods. This includes £141,574 governance and contractual legal advice gifted by Mayer Brown LLP and £37,500 strategic data analyst consultancy given by IBM. Not included are donated services in the form of digital out-of-home advertising space from Ocean Outdoor. These donated services have not been included in the financial statements as we are unable to measure reliably the value of the services received in the year. We are very grateful for all this support, enabling us to benefit from advice and services that the charity might otherwise not be able to afford.

Some income classified as royalties, sponsorship and fundraising income within the 2019-20 financial statements has been reclassified as income from other trading activities and other income.

2 Income from charitable activities

	Unrestricted funds (£)	Restricted funds (£)	Total Funds 2021 (£)	Total Funds 2020 (£)
Grants	156,302	340,950	497,252	311,457
Beach cleans	79,803	-	79,803	191,000
Education and sales	45,961	-	45,961	30,900
	282,066	340,950	623,016	533,357
For the year ended 31 March 2020	221,871	311,486		533,357

3 Income from other trading activities

	Total Funds 2021 (£)	Total Funds 2020 (£)
Sales	12,838	60,790
Sponsorship	15,833	310,000
All income from other trading activities is unrestricted.	28,671	370,790

4 Income from investments

	Total Funds 2021 (£)	Total Funds 2020 (£)
Bank interest received	2,859	7,472
All income from investments is unrestricted.	2,859	7,472

5 Other Income

	Unrestricted funds (£)	Restricted funds (£)	Total Funds 2021 (£)	Total Funds 2020 (£)
Royalties and licences	185,582	2,247	187,829	132,374
	185,582	2,247	187,829	132,374
For the year ended 31 March 2020	132,374	-		132,374

6 Expenditure on raising funds

	Direct staff costs (£)	Other direct costs (£)	Support costs (£)	Total 2021 (£)	Total 2020 (£)
Costs of generating and servicing memberships	94,817	121,935	43,304	260,056	318,453
Costs of raising other donations and legacies	307,495	102,976	130,002	540,473	633,852
Commercial trading costs	67,056	3,677	14,000	84,733	42,375
	469,368	228,588	187,306	885,262	994,680
For the year ended 31 March 2020	529,079	285,389	180,212		994,680

7 Expenditure on charitable activities

	Direct staff costs (£)	Other direct costs (£)	Support costs (£)	Total 2021 (£)	Total 2020 (£)
Better protected	491,496	227,007	170,649	889,152	853,932
Cleaner ocean	581,333	242,474	185,010	1,008,817	790,763
Healthier ocean	534,090	213,905	134,087	882,082	603,724
For everyone	296,749	99,400	92,067	488,216	367,946
	1,903,668	782,786	581,813	3,268,267	2,616,365
For the year ended 31 March 2020	1,575,243	498,675	542,447		2,616,365

8 Support costs

	Property costs (£)	Admin staff costs (£)	Admin other costs (£)	Pro bono Governance costs (£)	Paid for Governance costs (£)	Total 2021 (£)	Total 2020 (£)
Costs of generating and servicing membership subscriptions	5,058	20,134	5,742	8,119	4,251	43,304	43,387
Costs of raising other donations and legacies	15,185	60,444	17,238	24,373	12,762	130,002	134,871
Commercial trading costs	-	-	12,000	-	2,000	14,000	1,954
Better protected	19,933	79,342	22,628	31,994	16,752	170,649	164,645
Cleaner ocean	21,611	86,021	24,533	34,687	18,158	185,010	191,702
Healthier ocean	15,663	62,344	17,780	25,140	13,160	134,087	117,235
For everyone	10,754	42,805	12,208	17,261	9,039	92,067	68,865
	88,204	351,090	112,129	141,574	76,122	769,119	722,659
Analysed between:							
Raising funds	20,243	80,578	34,980	32,492	19,013	187,306	180,212
Charitable activities	67,961	270,512	77,149	109,082	57,109	581,813	542,447
	88,204	351,090	112,129	141,574	76,122	769,119	722,659

Support costs are allocated to activities based on the FTE staff numbers working on those activities. Property costs include rent, rates and utility costs for all our offices. Admin staff costs are the staff costs of the Finance, Human Resources and IT teams. Other admin costs include postage, stationery, equipment and depreciation of fixed assets (note 14). Governance costs include insurance, audit and legal fees, the cost of trustee meetings and the proportion of management and finance staff costs spent on the governance of the charity. £142k of support costs were donated to the Marine Conservation Society in the form of pro bono legal advice. These donated costs are included within both income and support costs; such donations help to keep the use of our funds on admin and governance to a minimum.

9 Net incoming resources for the year

This is stated after charging:

	Total 2021 (£)	Total 2020 (£)
Depreciation	6,476	7,267
Auditor's remuneration:		
audit fees	7,500	8,426
other services	-	384
Equipment rental	2,131	1,760
Trustees' liability insurance	1,115	858
Property rental	82,849	92,420
Foreign exchange rate loss / (gains)	5,735	(3,402)

The property rental cost above relates to the lease of the head office at Ross-on-Wye as well as licences to occupy small offices in London and Edinburgh.

10 Staff costs and trustees' remuneration

	Total 2021 (£)	Total 2020 (£)
Salaries and wages	2,342,897	2,113,974
Employer's national insurance contributions	223,904	205,991
Pension costs	135,398	121,104
Trustees' remuneration	-	-
	2,702,199	2,441,069

One employee received emoluments in the band £70,000 to £80,000 (2020 - one). This employee had benefits accruing under an auto-enrolment scheme and contributions paid during the year totalled £4,622 (2020 - £4,604). One employee received emoluments in the band £60,000 to £70,000 (2020 - one). This employee had benefits accruing under an auto-enrolment scheme and contributions paid during the year totalled £3,636 (2020 - £3,618).

During the year key management received a combined total remuneration of £307,046 (2020 - £323,319).

No Trustees received any remuneration in the year (2020: nil) and no Trustees claimed expenses during the year for travel and subsistence as all meetings were held online during the pandemic (2020: eight claimed expenses), amounting to £nil (2020: £2,774).

11 Staff numbers

	2021 (average number)	2020 (average number)
Conservation programmes	49	44
Fundraising and servicing membership subscriptions	19	17
Administration and support	10	10
	78	71

12 Pension costs

The charity operates a defined contribution scheme for members of staff. The assets of the scheme are held separately from those of the charity, being invested with insurance companies. Pension costs charged in the Statement of Financial Activities represent the contributions payable by the charity in the year. There was £17,109 (2020 - £15,477) accrued at the end of the year representing pension costs payable. Where restricted income funds staff costs, the relevant proportion of pension costs is allocated to those funds.

13 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The group's tax liability is minimised by ensuring that any non-charitable income is received by the subsidiary company M C S Sales Limited, and the subsidiary donates the taxable profits from that income to the charity under the Gift Aid Scheme. Further details on M C S Sales Limited are provided in notes 15 and 16.

14 Tangible Fixed Assets (Group and charity)

	Fixtures & Fittings (£)	Computers & equipment (£)	Total (£)
Cost			
At 1 April 2020	29,750	95,214	124,964
Additions at cost	-	7,873	7,873
Disposals	-	(38,404)	(38,404)
At 31 March 2021	29,750	64,683	94,433
Depreciation			
At 1 April 2020	29,093	83,388	112,481
Charge for the year	657	5,819	6,476
Disposals	-	(38,404)	(38,404)
At 31 March 2021	29,750	50,803	80,553
Net book value			
At 31 March 2021	-	13,880	13,880
At 31 March 2020	657	11,826	12,483

15 Investments in subsidiaries (charity only)

	2021 (£)	2020 (£)
M C S Sales Limited (company number 1766795)	100	100
Marine Biological Consultants Limited (company number 1777391)	100	100
	200	200

Investments in subsidiaries held by the charity represent the whole of the issued share capital of each of the companies above. Both companies are registered in England and Wales, with the registered office of Overcross House, Ross Park, Ross-On-Wye, Herefordshire, United Kingdom, HR9 7US. The companies were established to carry out trades which were not in themselves charitable (and which could not, therefore, be conducted by the charity) but where all the profits were gifted to the charity, providing an additional income source to fund marine conservation.

Marine Biological Consultants Limited is not trading and is dormant.

M C S Sales Limited conducts corporate fundraising including sponsorship to raise money for the Marine Conservation Society and, from 2020-21, the Marine Conservation Society online retail sales have been conducted through the subsidiary. A summary of the results of M C S Sales Limited is shown in note 16 and full accounts are filed with Companies House each year.

16 Performance of M C S Sales Limited

	Year ended 31 March 2021 (£)	Year ended 31 March 2020 (£)
Statement of comprehensive income		
Turnover	188,812	440,955
Cost of sales	(81,527)	(99,745)
Gross profit	107,285	341,210
Administrative costs	(13,999)	(13,938)
Operative profit	93,286	327,272
Tax on operating profit	-	-
Total comprehensive income for the year	93,286	327,272
Gift aid donation to parent charity relating to profits from previous year	26,573	-
Gift aid donation to parent charity from profits in current year	79,576	300,699
The assets and liabilities of the company were		
Current assets	450,046	539,546
Current liabilities	(436,302)	(512,939)
Total net assets	13,744	26,607
Share capital	100	100
Retained profit (donated to parent charity in the following year)	13,644	26,507

The above subsidiary accounts are before consolidation adjustments. Because all the profits are donated to the charity within the Gift Aid Scheme, no tax is owing. Turnover was lower in 2020-21 because the charity's flagship beach cleaning event was not held in the normal way owing to Covid restrictions, so M C S Sales could not secure sponsorship for the event (2020: £300,000).

17 Stocks (group and charity)

	2021 (£)	2020 (£)
Stocks held for resale in online shop	9,492	19,209
	9,492	19,209

18 Debtors

	The group		The charity	
	2021 (£)	2020 (£)	2021 (£)	2020 (£)
Trade debtors	152,267	136,394	106,589	66,933
Amounts owed by subsidiary	-	-	399,907	483,533
Prepayments and accrued income	618,065	339,292	618,061	339,288
Other debtors	-	2,293	-	2,293
	770,332	477,979	1,124,557	892,047

	The group		The charity	
	2021 (£)	2020 (£)	2021 (£)	2020 (£)
19 Creditors: amounts falling due within one year				
Trade creditors	162,272	143,316	160,848	143,315
Tax and social security	99,642	85,297	84,421	68,559
Accruals	137,723	64,503	135,723	62,503
Deferred income	267,594	295,044	249,842	284,377
Other creditors	27,856	17,784	27,671	17,599
	695,087	605,944	658,505	576,353
Deferred income				
As at 1 April	295,044	249,941	284,377	249,941
Release of income into the statement of financial activities	(295,044)	(249,941)	(284,377)	(249,941)
Current year receipts deferred	267,594	295,044	249,842	284,377
As at 31 March	267,594	295,044	249,842	284,377

As at 31 March 2021, £205,439 (2020: £235,331) of deferred income was grant income where the donor specified it must be used in a future accounting period or corporate memberships or logo licensing agreements that related to a future accounting period. As at 31 March 2021 £62,155 (2020: £59,713) of deferred income was the proportion of annual membership subscriptions relating to the following financial year.

20 Operating lease commitments

As at 31 March 2021 the charity had total commitments under non-cancellable operating leases as below:

	2021 (£)	2020 (£)
Land and buildings		
Leases expiring within one year	65,208	81,460
Leases expiring within two to five years	57,802	40,574
	123,010	122,034

21 Provision for liabilities (group and charity)

	2021 (£)	2020 (£)
At the beginning of the year	24,585	19,713
(Reduction) / addition for dilapidations	(12,965)	4,872
At the end of the year	11,620	24,585

The provision relates to the lease of the office at Ross-on-Wye. During the year we negotiated a reduction in office space, hence the dilapidations provision has decreased.

22 Statement of group funds	At 1 April 2020 (£)	Income (£)	Expenditure (£)	Transfers (£)	At 31 March 2021 (£)
Unrestricted funds					
General reserves	406,074	3,341,866	(2,931,822)	(374,171)	441,947
Designated funds	709,000	-	-	374,171	1,083,171
	1,115,074	3,341,866	(2,931,822)	-	1,525,118
Restricted funds					
General conservation	17,019	80,000	(97,015)	-	4
Clean seas programme					
Microfibre campaign	-	30,000	(30,000)	-	-
Other clean seas funds	8,046	-	-	-	8,046
Fisheries programme					
Good Fish Guide Transformation	965,966	-	(302,611)	-	663,355
Other fisheries funds	6,638	5,833	(12,470)	-	1
Ocean recovery programme					
Agents of Change	6,312	86,375	(36,748)	-	55,939
Marine CoLab	18,300	76,050	(44,059)	-	50,291
ReMEDIES	(911)	11,721	(10,810)	-	-
Seagrass	17,871	18,301	(22,814)	-	13,358
Wildcoast Sussex	-	17,221	(17,221)	-	-
National Seasearch	20,370	27,312	(47,182)	-	500
UK Overseas Territories	6,159	103,257	(95,503)	-	13,913
Other ocean recovery funds	39,030	48,338	(41,473)	-	45,895
Engagement programme					
Sea Champions Bridlington	117,203	50,000	(36,946)	-	130,257
Volunteer & community engagement	69,499	21,000	-	-	90,499
Education general funds	56,804	83,678	(61,525)	-	78,957
Scottish education roadshow	-	26,000	-	-	26,000
Environmental behaviours	-	54,880	-	-	54,880
Engagement & communication emergency support	-	141,800	(141,800)	-	-
Other engagement funds	35,222	-	-	-	35,222
Wales Programme	-	30,000	(13,781)	-	16,219
Website Transformation	290,370	-	(209,749)	-	80,621
	1,673,898	911,766	(1,221,707)	-	1,363,957
	2,788,972	4,253,632	(4,153,529)	-	2,889,075

22 Continued
Comparative statement of group funds
for the year ended 31 March 2020

	At 1 April 2019 (£)	Income (£)	Expenditure (£)	Transfers (£)	At 31 March 2020 (£)
Unrestricted funds					
General reserves	72,347	3,152,379	(2,901,038)	82,386	406,074
Designated funds	784,679	-	-	(75,679)	709,000
	857,026	3,152,379	(2,901,038)	6,707	1,115,074
Restricted funds					
General conservation	-	104,998	(87,979)	-	17,019
Clean seas programme	8,046	-	-	-	8,046
Fisheries programme					
Good Fish Guide Transformation	-	1,000,000	(34,034)	-	965,966
Other fisheries funds	9,410	27,296	(30,068)	-	6,638
Ocean recovery programme					
Agents of Change	-	44,783	(38,471)	-	6,312
Marine CoLab	21,917	83,270	(86,887)	-	18,300
ReMEDIES	-	9,312	(10,223)	-	(911)
Seagrass	-	20,000	(2,129)	-	17,871
Wildcoast Sussex	-	17,385	(17,385)	-	-
National Seasearch	2,319	102,084	(84,033)	-	20,370
UK Overseas Territories	-	56,441	(50,282)	-	6,159
Other ocean recovery funds	32,234	58,584	(51,788)	-	39,030
Engagement programme					
Sea Champions Bridlington	76,573	100,050	(59,420)	-	117,203
Northumbrian Engagement	46,900	76,000	(53,401)	-	69,499
Education	91,100	36,881	(71,177)	-	56,804
Other engagement funds	35,475	24,184	(17,730)	(6,707)	35,222
Scotland Programme	-	15,000	(15,000)	-	-
Website Transformation	-	290,370	-	-	290,370
	323,974	2,066,638	(710,007)	(6,707)	1,673,898
Total funds	1,181,000	5,219,017	(3,611,045)	-	2,788,972

Unrestricted funds

General funds

The general reserve represents the free funds of the charity that are not designated for particular purposes.

Designated funds

The designated reserves are those funds set aside by Trustees as a contingency in the event of future income shortfalls. The Trustees aim to maintain this fund at a level that will support between three and four months' unrestricted expenditure, based on future plans.

Restricted funds

All restricted funds are for specific conservation or educational projects in the UK and overseas. These funds are recorded and managed individually by project but, for ease, the smaller projects are broadly categorised in these accounts by type of activity.

General conservation

This fund benefits all our conservation work and includes Esmee Fairbairn Foundation funding for the work of the Chief Executive and, in 2019-20, funding from the Waterloo Foundation to develop our policy and advocacy work on the implications of Brexit on marine conservation.

Clean seas programme

Funds within this programme support our work to create a cleaner ocean, reducing pollution from chemicals, sewage, plastics and other contaminants. Our work entails the collation of evidence, policy advocacy with governments across UK countries for legislation to reduce pollution at source and engagement with business to influence their supply chains and purchasing decisions. It also includes public campaigns on issues such as reducing the release of microfibres from clothing and the introduction of deposit return schemes for drinks containers.

Fisheries programme

Funds within this programme support our work to create a healthier ocean, by promoting the development of sustainable wild-capture and farmed seafood production. Included within this programme is the Good Fish Guide (GFG) Transformation fund, a three-year project funded by a £1 million donation from The Moondance Foundation, received in 2019-20. This funding is supporting the development of a completely new website and app for the GFG and the expansion of our seafood ratings so that information on how to buy sustainable seafood is much more readily available and widely used. Good Fish Guide funding received in 2019-20 also included funding from The Prince of Wales's Charitable Fund to promote the Guide.

Ocean recovery programme

Achieving a better protected ocean is the primary focus of funds within this programme, promoting the laws and policies designed to protect our seas. Included within this programme are the following funds:

- ▷ **Agents of Change** – The Calouste Gulbenkian Foundation is funding a staff post to work towards improving community understanding and support for local marine protected areas (MPAs). An initiative from the Marine CoLAB, the project aims to address the fact that communities know little about their MPAs and works with all stakeholders to help recover their marine environment.
- ▷ **Marine CoLAB** – Funded by the Calouste Gulbenkian Foundation, the Marine CoLABoration (CoLAB) group, provides time and resources for the marine conservation sector to build on what works, learn from other sectors and parts of the world, and develop tools and approaches with the potential to increase the scale and pace of beneficial change. This funding enables the Marine Conservation Society to provide a Marine CoLAB coordinator and other staff resources for the group.

- ▷ **ReMEDIES** – This project, funded by LIFE and in partnership with Natural England and others, aims to reduce and mitigate damage to seabed habitats at Natura 2000 sites (Special Areas of Conservation (SACs)) in southern England. The project is focusing on seagrass recovery, including reducing pressure from boat moorings. It also includes extensive engagement and education with communities and schools on the importance of protecting the seabed for biodiversity and to help tackle climate change.
- ▷ **Seagrass** – Working with Princess Yachts and The Ocean Conservation Trust, Advanced Mooring Systems are being installed into seagrass beds to enable re-growth of seagrass at the base of the mooring chains, making beds denser and blades longer.
- ▷ **Wildcoast Sussex** – In partnership with Sussex Wildlife Trust and others, and funded by the National Lottery Heritage Fund, this project (previously called Sussex by the Sea) aims to positively influence human behaviours that are contributing to the decline of marine life off the Sussex coast.
- ▷ **National Seasearch** – This is a scientific partnership programme with a number of agencies and organisations to involve volunteer recreational divers in the survey of marine species and habitats – part of our work to provide an evidence base. This programme includes funding from NatureScot, Natural Resources Wales, The Crown Estate and Natural England.
- ▷ **UK Overseas Territories** – The John Ellerman Foundation is funding the development of our collaborative programme in the UK Overseas Territories to help improve management of marine protected areas across five Caribbean Territories. This programme includes work to monitor turtle migration in the Turks and Caicos, which has attracted funding from the People's Trust for Endangered Species. In addition, in 2020-21 funding from Darwin is enabling the establishment of new projects in the British Virgin Islands and Montserrat where, working closely with local partners, we will engage with communities and governments to increase the understanding of and protection for their iconic marine species and the habitats on which they rely.
- ▷ **Other ocean recovery funds** – These include funds from Rampion, the Miles Blackwell Trust Fund, and others for various campaigns for specific MPAs.

Engagement programme

These funds are supporting a range of projects focussing on our 'for everyone' goal.

- ▶ **Sea Champions Bridlington** – A generous donor has funded an 18-month project to deliver marine conservation engagement with volunteers, communities and businesses in Bridlington and across the wider Yorkshire area.
- ▶ **Volunteer and community engagement** – Initially, these funds focussed on increasing our volunteer and community engagement in Northumbria to deliver more beach cleans and educate young people about their local marine environment; additional funds are now allowing this work to broaden to our work across the UK.
- ▶ **Education** – Funds supporting our Cool Seas education programme to increase the participation of young people in marine conservation and improving ocean literacy through education workshops, Cool Seas Investigator and other curriculum-linked resources and the creation of Ocean Schools.
- ▶ **Scottish education roadshow** – This tour of Scottish schools had to be delayed for a year due to Covid-19. Starting in August 2021 we will run face to face lessons and activities on marine conservation.
- ▶ **Environmental behaviours** – Funds will allow us to develop our social science strands of work; specifically to carry out research in to the health and wellbeing benefits of the coast and to explore how best we inspire action from a wider range of people.
- ▶ **Engagement and communications emergency support** – Generous funding from the National Lottery Heritage Fund supported two of our teams during the Covid-19 pandemic, allowing our work to evolve from face to face to digital engagement.
- ▶ **Other engagement funds** – These include community engagement projects around the UK, including Blue Heart, funded by the Calouste Gulbenkian Foundation. This Community Voice Method project took a storytelling approach to bring to life the relationship between people in the UK and the ocean.

Scotland programme

In 2020-21 the activities within our Scottish programme were supported by our unrestricted funds, but Seasearch in Scotland is included within National Seasearch funds, not under the Scottish programme and funding for a Scottish Education roadshow is included within the engagement programme.

Wales programme

In 2020-21, the Garfield Weston Foundation supported the expansion of our policy and public affairs work within Wales. This enabled engagement with parliamentarians in the Senedd on priorities for recovery of the marine environment in Wales, which was particularly timely in the lead up to the 2021 elections. Seasearch in Wales is included within National Seasearch funds, not under the Wales programme.

Website transformation

A foundation who would prefer to remain anonymous is funding a digital transformation, including the building of a new website. Built on the intuitive Wagtail content management system our new website will allow us to engage and inspire our supporters with our conservation work, improved donation journeys, better volunteer management systems and an integrated education section. The funds were received in the year 2019-20, the project started in April 2020 and was nearing completion by March 2021.

Transfers between funds

In 2019-20 a transfer was made from a restricted fund to general funds where the project had been successfully completed and the remaining funds could be utilised more generally. In 2020-21, a transfer was made from general to designated funds to increase the size of the contingency reserve. The charity's reserves policy is to hold a contingency of between three and four months' unrestricted expenditure, and Trustees decided to increase the size of the fund to the upper limit in response to economic uncertainty.

23 Analysis of net assets between funds

	Restricted Funds (£)	Designated Funds (£)	General Funds (£)	Total Funds 2021 (£)	Total Funds 2020 (£)
2021					
Tangible fixed assets	-	-	13,880	13,880	12,483
Net current assets	1,363,957	1,083,171	428,067	2,875,195	2,776,489
	1,363,957	1,083,171	441,947	2,889,075	2,788,972
2020					
Tangible fixed assets	-	-	12,483		12,483
Net current assets	1,673,898	709,000	393,591		2,776,489
	1,673,898	709,000	406,074		2,788,972

24 Financial performance of the charity

The consolidated statement of financial activities includes the results of the sponsorship, other corporate fundraising and online retail sales conducted by M C S Sales Limited.

The summary financial performance of the charity alone is:

	2021 (£)	2020 (£)
Income	4,064,819	4,783,061
Gift aid donation from subsidiary company	123,149	300,699
	4,187,968	5,083,760
Expenditure	(4,075,001)	(3,502,366)
Net income / (expenditure)	112,967	1,581,394
Total funds brought forward	2,762,745	1,181,351
Total funds carried forward	2,875,712	2,762,745
Represented by:		
Restricted funds	1,363,957	1,673,898
Unrestricted funds	1,511,755	1,088,846

25 Related party transactions

M C S Sales Limited received £18,000 (2020: £12,000) sponsorship and payment for staff beach clean kit and talk from Rakuten EMEA, for which Mark Haviland, a Marine Conservation Society Trustee, was EVP Global Development & Sustainability.

During 2019-20, a restricted grant of £51,000 was received from the John Ellerman Foundation, a charity of which Hugh Raven (Marine Conservation Society Chair until December 2019) is a Trustee.

Acknowledgements of financial and other support

We would like to thank all the individuals and organisations who made our work this year possible.

Charitable and company trusts and foundations giving grants of £1,000 or more:

The 29th May 1961 Charitable Trust
The Alan Greenaway Foundation
The Anson Charitable Trust
The Barratt Developments plc Charitable Foundation
Binks Trust
The Blair Foundation
The Britford Bridge Trust
The Bryan Guinness Charitable Trust Ltd
The Calleva Foundation
Calouste Gulbenkian Foundation Cardiff Council
Chaldon Charities Trust
Chapman Charitable Trust
The Constance Travis Charitable Trust
The Cox-Skuse Family Trust
Crown Estate Scotland
The Darwin Initiative
The Derek & Clare Stevens Trust
The Dulverton Trust
Edgar E. Lawley Foundation
Esmée Fairbairn Foundation
EU LIFE Recreation ReMEDIES
Fidra
Garfield Weston Foundation
Generations Foundation
Harris Freeman Foundation
Henhurst Charitable Trust
The Henry C Hoare Charitable Trust
Herefordshire Council
Huntly and Margery Sinclair Charitable Trust
Ian MacTaggart Trust
The John Cowan Foundation
John Ellerman Foundation
John Swire 1989 Charitable Trust
The Joseph Strong Frazer Trust

Keep Wales Tidy
Kilpatrick Fraser Charitable Trust
The Lady Hind Trust
Lady Yuen Peng McNeice Charitable Foundation
Langdale Trust
Marsh Christian Trust
Martin Wills Wildlife Maintenance Trust
Miss Mary D.M. Andrew Charitable Trust
Midcounties Co-operative Campaigns Fund
The Misses Barrie Charitable Trust
The Mitchell Trust
Mrs Maud Van Norden's Charitable Foundation
Nancie Massey Charitable Trust
The National Lottery Heritage Fund
Natural England
Natural Resources Wales
NatureScot
Norfolk Coast Partnership
Ocean Conservation Trust
Oceans 5
The Peacock Charitable Trust
People's Trust for Endangered Species
PF Charitable Trust
Postcode Animal Trust
Postcode Innovation Trust
The PwC Foundation
The Ratcliff Foundation
Sabina Sutherland Charitable Trust
Schroder Charity Trust
The Seafarers' Charity
Seas at Risk
The Simon Gibson Charitable Trust
Tabor Charitable Trust
Tay Charitable Trust
The Thistledown Trust
The Thriplow Charitable Trust
The Tyneholme Trust

The Valentine Charitable Trust
The William Haddon Charitable Trust
The WM Mann Foundation
Zero Waste Scotland

Organisations and companies contributing £1,000 or more towards our income and charitable objectives:

Abel & Cole Ltd
Accrol Papers Ltd (Oceans)
Advent of Change
Animal Friends Insurance
Aquatec Group Ltd
ATOS
Big Wild Thought Limited
BNP Paribas
Bower Collective
Bunzl plc
Cargill Global Trading (UK)
CH & Co Group
Charles Bentley & Son Ltd
Clarity Environmental Ltd
Coast Drinks
Crew Clothing Company
Dorset Tea
Earth Conscious
Edgeo Ltd
Enterprise RAC UK Ltd
EU Lotto Ltd
Excel Networking Solutions
Experienceco Ltd
FatFace Limited
The Glenmorangie Company Ltd
Green People Ltd
Haddenham Healthcare
The Happy Prawn Co
Haven Holidays
Hawkins & Brimble Ltd
ISS Facility Services

ISS Mediclean Ltd
KellyDeli
Marine Super Store
Marks & Spencer
Mayer Brown International LLP
Mindful Chef
Mint Velvet
Mocean Fitness Ltd
Ocean Tee Ltd
Optimum Medical / OVIO
Original Cottages
O'Three
Paper Round
Parlez Clothing
PAUA Trading
Rakuten
Rapesco Office Products PLC
Riz Boardshorts
Roja Parfums
Romo Ltd
Rudding Estate
Salt-Water Sandals UK Ltd
Schroders plc
Sea Lion Boards
SF Stefan Civil Engineering Ltd
Shibui Tea
Silentnight Group Ltd
Skechers USA Ltd
Sky UK
Sodexo UK
Soul Hippy
St Austell Brewery Company Ltd
Summit Outdoors & Leisure Plc
Sundeck Ltd t/a Indoeurope
Superdry Plc
Sweatco Ltd
Talomon Capital Ltd
Teemill Trading (Rapanui)
TP ICAP
The Travel Chapter Ltd
Turtle Bags Ltd
Waitrose & Partners
Westgate UK
Wolseley
Wrendale Designs

Individuals giving gifts of £5,000 or more:

Xavier Menguy
We would like to extend our thanks to our valued donors who wish to remain anonymous.

Legacies & in memoriam donations:

Alan Farnham
Andrew Hamilton
Clarice Rostron
David Moss
David Walter Hay
Dorothy Brown
Dr David Cecil Jones
Elizabeth Green
Emma Bender
George Costa
Gilly Oliver
Hadyn Tanner
Janet Chisholm
Jennifer Rice
Joan Chapman
Kathleen Smith
Kevin Gauntlett
Laura Corrigan
M Austin
Maria Hetherington
Marion Metcalfe
Patricia Ann Moss
Peter Nicholson
Rosemary Claire Maine
Sheila Fern Bronstrom
Valerie Nelson

Patrons, supporters, members and groups

Ocean Ambassadors

Doug Allan
Inka Cresswell
Lizzie Daly
Prof Ben Garrod
Tom 'The Blowfish' Hird
Miranda Krestovnikoff
Deborah Meaden
Fernando Montaña
Simon Reeve
Susie Rodgers MBE
Cyrus Todiwala OBE DL
Iolo Williams

We would like to thank our members, Local Groups, Sea Champion volunteers and rowing teams Atlantic Ambition and Oceans 5 for their support of our conservation activities and fundraising efforts over the year. Thanks also to all the volunteers who supported our projects and/or gathered vital information through Beachwatch, the Great British Beach Clean, Seasearch, Jellyfish, Basking Shark and Turtle Watch.

Also, to the many individual and community participants, dive clubs, sports clubs, youth and member organisations and school and college students who raised money to support our work.

Pro bono support:

We would like to thank the following firms for their pro bono support during the last year

IBM
LSP Leadership Ltd
Mayer Brown International LLP
Ocean Outdoor UK Ltd

Reference and administrative information

Charity Name

Marine Conservation Society

Charity Registration Number

1004005 (England & Wales)
SC037480 (Scotland)

Company Registration Number

02550966

Registered Office and Operational Address

Overross House, Ross Park,
Ross-on-Wye, HR9 7US

London Operational Address

Metal Box Factory, 30 Great
Guildford Street, Bankside, SE1 0HS

Scottish Operational Address

Suite 7, CBC House, 24 Canning
Street, Edinburgh, EH3 8EG

Principal Professional Advisors

Auditors

The Richards Sandy Partnership
Thorneloe House, 25 Barbourne
Road, Worcester, WR1 1RU

Bankers

Barclays Bank, Leicester, LE87 2BB
Lloyds Bank, 8 High Town, Hereford,
HR1 2AE

President

HRH The Prince of Wales KG,
KT, GCB

Trustees

The Trustees listed below were
Trustees for the whole of the year
ended 31 March 2021 and until the
date of this report unless stated
otherwise:

Amanda Nobbs
Chair

Susan Ronaldson
Treasurer

Emily Cunningham

Jonathan Hall

Mark Haviland

Joyce Lorigan

Will Oulton

Seth Richardson

Helena Thernstrom
(appointed 17 March 2021)

Stefano Tiratelli

Senior Management Team

The members of the Senior
Management Team were in post
for the whole of the year ended 31
March 2021 and until the date of
this report unless stated otherwise:

Sandy Luk Chief Executive

Tamsin Betti Director of
Communications & Engagement

Mike Crossley Director of
Fundraising & Marketing (until 30
June 2020)

Nicola Spencer Director of Finance
& Resources

Katherine Stephenson-Hall Acting
Director of Fundraising (from 1
July 2020), Director of Fundraising
(from 6 October 2020)

Chris Tuckett Director of
Programmes



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CONSERVATION
SOCIETY**

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