



**Registered Charity No (England & Wales): 1004005**  
**Registered Charity No (Scotland): SC037480**  
**Registered Company No. 2550966**

# **REPORT**

And

# **FINANCIAL STATEMENTS**

## **Year ended 31<sup>st</sup> March 2016**

The Marine Conservation Society is the leading environmental charity in the UK dedicated solely to protecting our seas, shores and wildlife. It has worked successfully for over thirty years to highlight issues of concern and threats to both marine wildlife and to the wider marine and coastal environment, and bring them to the attention of the public, media, politicians and Government agencies alike.

Marine Conservation Society  
Overross House, Ross Park, Ross-on-Wye, HR9 7US  
Tel: 01989 566017      Website: [www.mcsuk.org](http://www.mcsuk.org)

**MCS – Protecting our Seas, Shores and Wildlife**

## Trustees' Report For the year ended 31<sup>st</sup> March 2016 - continued

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 March 2016 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities.

### Reference and Administrative Information

Charity Name: Marine Conservation Society

Charity registration number (England & Wales): 1004005  
 Charity registration number (Scotland): SC037480  
 Company registration number: 2550966

Registered Office and operational address: Overross House, Ross Park  
 Ross-on-Wye, HR9 7US

Scottish operational address from July 2015: Suite 7, CBC House, 24 Canning Street,  
 Edinburgh, EH3 8EG

### President

HRH The Prince of Wales KG, KT, GCB

### Honorary Vice Presidents

Professor David Bellamy OBE, PhD, FLS, FIBiol  
 Sir Frederick Holliday Kt, CBE, DL, FRSE  
 Mr Ian Irvine FCA, FRGS, CCMI (Deceased 28 January 2015)  
 Lord Peter Melchett  
 Baroness Nichol  
 Professor David Nichols

### Trustees

Mr Hugh Raven	Chair
Mr M Spray, CBE	Resigned 11 <sup>th</sup> November 2015
Miss T Aldwin, ACA	Treasurer
Mr S Gray	
Dr E P Green, PhD	
Mr P Hiam	
Dr D J Huggett, PhD	Resigned 11 <sup>th</sup> November 2015
Professor D Kipling	
Mr J Marsden	
Mr L Morris	
Mr G Robertson	
Mr A Wilson	

### Senior Management Team as at 31<sup>st</sup> March 2016

Samantha Fanshawe	Chief Executive
Clare Perez, ACCA	Director of Finance & Resources / Company Secretary
Carrie Hume	Director of Conservation & Campaigns
Mike Crossley	Director of Fundraising & Marketing

### Auditors

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

## **Trustees' Report For the year ended 31<sup>st</sup> March 2016 - continued**

<b>Bankers</b>	Barclays Bank, Leicester, LE87 2BB Lloyds Bank, 8 High Town, Hereford, HR1 2AE
<b>Investment Advisors</b>	HSBC Global Asset Management (UK) Ltd 78 St James's Street London SW1A 1HL

### **Structure, Governance and Management**

#### ***Governing Document***

The charity is a charitable company limited by guarantee, incorporated on 23<sup>rd</sup> October 1990 and registered as a charity on 1<sup>st</sup> February 1984. It is governed by Articles of Association, having been amended following approval by the members at an EGM on 21<sup>st</sup> April 2010. In the event of the company being wound up each member is required to contribute an amount not exceeding £1.

#### ***Recruitment and Appointment of Trustees***

The management of the Society is vested in the Trustees who are elected by the membership and act in a voluntary capacity. Qualifying third party indemnity provision is in place for the benefit of all Trustees who are directors of the company.

In compliance with the Articles of Association, Mr P Hiam and Mr Giles Robertson will be stepping down by rotation as they have reached the anniversary of their last election. They will be eligible to offer themselves for re-election at the forthcoming Annual General Meeting.

Business and conservation skills are well represented amongst the Trustees. In an effort to maintain this broad mix of skills, Trustees are requested to provide a list of their skills and in the event of particular skills being lost to retirements, new Trustees are sought by open advertisement or individuals are approached to offer themselves for election.

MCS Board of Trustees undertakes an annual review of its effectiveness and if skills gaps have been identified, new Trustees are sought to fill these gaps. There were 10 Trustees in post as at 31<sup>st</sup> March 2016 with a wide cross-functional skill base.

#### ***Trustee Induction and Training***

Prior to appointment, new Trustees attend a familiarisation day at the charity's office to introduce themselves to the work of the charity and the staff and in addition attend a Trustee meeting as an observer.

An induction pack has been prepared drawing information from various Charity Commission publications and this is distributed together with the Articles of Association and the latest financial statements.

A Trustee Handbook is provided to each Trustee which provides current good practice guidelines in order to give guidance to Trustees on how they can contribute most effectively to the governance of MCS. All Trustees are required to sign up to a Trustees' Code of Conduct.

#### ***Risk Management***

The Trustees actively review the major risks that the Charity faces when preparing and updating the strategic plan. The Charity has developed systems to monitor and control these risks to mitigate any impact that the risks may have in the future. A risk register has been established that is reviewed regularly and at least annually. The investment policy is to hold the majority of its investments in low risk interest-bearing cash deposits, with some additional long-term, managed investment in balanced return funds.

The Trustees exercise a careful control of costs by setting an annual budget and periodically reviewing progress against it. A key element in the management of financial risk is the setting of a reserves policy and its regular review by Trustees.

## Trustees' Report For the year ended 31<sup>st</sup> March 2016 - continued

During 2015/16 The Board of Trustees has worked effectively through the Finance and General Purposes Committee and the Conservation Committee to reduce the burden on the entire Board for issues which could be addressed by an effective quorum of Trustees. Terms of reference have been drawn up for these Committees and they have met regularly as required by the developments of MCS.

### Objectives and Activities

The Objects of the Company (the "Objects") are to undertake and promote for the benefit of the public the conservation, protection, improvement and ecologically sustainable management of the marine and freshwater environment including associated land, shoreline and structures.

Ecologically sustainable management means using, conserving and enhancing the community's resources so that ecological processes, on which life depends, are maintained, and the total quality of life, now and in the future, can be increased.

**The Marine Conservation Society (MCS) vision** is of seas fit for life – clean seas and coasts that support abundant marine wildlife, sustainable livelihoods and enjoyment for all.

MCS works towards a future when our seas are restored and full of life. Abundant natural resources will make fisheries productive and support thriving coastal communities. Beaches will be clean and free from sewage-related debris and litter, and effective Marine Protected Areas will protect important marine habitats and wildlife. People will feel a shared responsibility to cherish and respect the UK's seas, and will understand that with that responsibility the result is a right to enjoy a healthy, natural environment.

**MCS mission** is to drive changes in government policy, industry practice and individual behaviours that result in measurable improvements in the state of our seas - improved marine biodiversity, healthier fish stocks and less pollution on beaches and in the sea.

To achieve our aims MCS:

- **Inspires** people to value the marine environment and to enjoy all that the coast and seas provide, through awareness and education;
- **Involves** people in our work through practical volunteer projects, campaigns, partnerships and promotion of sustainable behaviour;
- **Informs** and engages the public, governments and industry on the development and promotion of best sustainable practice through effective communications and events; and
- **Influences** governments and industries to turn their commitments and policies into action and pursue solutions that improve the health of our seas, shores and wildlife.

To assess success in the reporting period, MCS uses trend and impact analysis against key performance indicators clearly identified within each of its charitable aims.

MCS has championed the protection of our seas and marine life for over 30 years and as a result marine conservation is increasingly in the public eye and in the minds of those in whose hands the future of our seas lie.

### Statement of 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.

MCS exists to protect and champion the marine and coastal environment. The charity's main work is in promoting protection for marine wildlife, sustainable fisheries and aquaculture and clean seas and beaches.

Each of these programmes is aimed at improving the condition of the marine environment. A healthy marine environment will supply benefits to the public, and these are sometimes called 'marine ecosystem services'.

The United Nations' Millennium Ecosystem Assessment recognised three types of ecosystem services called provisioning, regulating and cultural. Each of these is relevant to the marine environment.

## **Trustees' Report For the year ended 31<sup>st</sup> March 2016 - continued**

- Provisioning refers to society's needs for the seas to supply both the wild caught and farmed fish that are an important part of our diet.
- Regulating is important for climate – the Gulf Stream warms the United Kingdom and on a global scale the oceans have taken in roughly 50% of the manmade carbon dioxide that has been absorbed overall.
- Culturally the UK seas and coasts are well known for recreation, ecotourism and appreciation of natural heritage. When the marine ecosystem is healthy it supplies more of these benefits.

MCS works not only to increase the extent of these benefits, but also to promote them to the public. During 2015/16 the charity promoted interest and learning on the marine environment through its dedicated Cool Seas Explorers outreach and education programme and inspired action at the local level through delivery of its Sea Champions volunteer and community engagement programme.

In fisheries, the MCS consumer-focused campaign has reached many hundreds of thousands of customers interested in sustainability through mediums such as the Good Fish Guide website, apps and pocket guide. The flagship event of the clean seas and beaches programme, the 22<sup>nd</sup> annual Autumn Great British Beach Clean, attracted a record number of volunteers and the fourth Big Beach Clean Up with Marks & Spencer in Spring 2015 provided additional opportunities for public engagement. The Good Beach Guide website continued to be the information site of choice for thousands of beach goers concerned about the quality of the water around the UK coast.

### **Achievements and Performance**

MCS undertook a full strategic review in 2014 to assess the key current threats to our seas and set out a strategy and action plan to focus MCS efforts on addressing priority issues with maximum impact over the next 5 year period.

In November 2015, MCS published Our Seas Our Future – setting out MCS's five year strategy and plans focusing on six priority conservation aims.

The key aims for the period 2015-2020 are:

#### **Protecting marine life**

- Establish an ecologically coherent UK network of well-managed Marine Protected Areas (MPAs).

#### **Sustainable fisheries**

- Recovery of fish stocks and reduced impact of fishing and fish farming on habitats, non-target species and marine ecosystems.
- Increase availability of sustainably wild caught and responsibly farmed seafood.

#### **Clean seas and beaches**

- Reduce litter and bathing water pollution at UK beaches.

#### **Working Seas**

- Ecologically sustainable planning and management of major marine industries and our wider seas.

#### **Engaging our audiences**

- Increase public understanding, appreciation and enjoyment of UK seas and active involvement in marine conservation.

Delivery of these conservation aims will be underpinned by organisational priorities including maintaining sustainable income streams, increasing MCS profile, brand and supporter base, effectively influencing key political and industry stakeholders and supporting a high-performing, motivated team of staff.

## **Trustees' Report For the year ended 31<sup>st</sup> March 2016 - continued**

### **Key achievements in the period 2015/16**

The past year has seen continued significant levels of action and interest in support of MCS goals for marine wildlife protection, sustainable fisheries and aquaculture, and clean seas and beaches.

In the past year alone MCS:

#### **Inspired:**

- 5,630 children reached through Sea Champion staff and volunteers' delivery of interactive education workshops on pollution, fishing and biodiversity.
- 130 primary and secondary school pupils in Suffolk through a 6 week community action learning project focussed on marine litter.
- 845 people to take part in our Plastic Challenge and find ways to avoid using plastic for a week or a month.

#### **Informed:**

- The public of marine conservation issues with 3,887 features in print media, national and regional radio and TV – an estimated audience of 861 million.
- 200,000 beach users (600,000 web visits) on the water quality of over 700 beaches through the Good Beach Guide, allowing them to make informed choices on where to go.
- 266 young users of the Cool Seas Explorer Centre.
- Over 218,000 consumers on sustainable seafood choices via the MCS Pocket Good Fish Guide and smart phone apps.
- Over 44,000 users a month about sustainable seafood choices via the Good Fish Guide website.
- Consumers about the sustainable seafood credentials of 12 of the biggest high street food chains in partnership with Fish2fork.
- Major seafood buyers of the urgent action needed to prevent the UK seabass, Indian Ocean yellowfin tuna, and Farn Deeps Nephrops stocks from crashing.
- The industry and public of the best performing fish & chip shops for sustainable seafood through the Good Catch Award, part of the National Fish & Chip Awards.
- The global aquaculture industry on the importance of sourcing alternative sustainable feeds for farmed fish and European marine interest groups on the need to produce sustainable aquaculture products.
- 250 divers and snorkellers in subtidal recording techniques and advanced identification through 31 Seasearch courses.
- Naturalists, academics and conservation organisations about marine life and habitats by adding 1,400 site records and 50,000 species records to the 450,000 Seasearch records on the National Biodiversity Network website.
- Thousands of people about the Welsh Government's consultation to open up Cardigan Bay to scallop dredging, and Natural Resources Wales and Defra consultations on proposed new European Marine Sites (SACs and SPAs).
- Over 6,700 people of the proposed changes in whaling through the #endwhaling campaign.

## Trustees' Report For the year ended 31<sup>st</sup> March 2016 - continued

### Involved:

- A record 6,035 volunteers in the UK-wide annual MCS Great British Beach Clean collecting over 277,354 items of litter from 340 beaches over one weekend.
- 6,300 volunteers in the fourth annual Big Beach Clean Up in partnership with Marks & Spencer, clearing approximately 40 tonnes of beach litter from 129 beaches and waterways with a media reach of over 41.5 million.
- More than 200 staff from companies and other organisations in team beach cleans, including TSB, Lloyds, Blackrock and the University of West of England.
- His Royal Highness and MCS President, The Prince of Wales and the Duchess of Cornwall in an Oceans Plastic Awareness Day, highlighting the impacts and solutions to plastic pollution alongside over 20 NGOs and businesses.
- Over 70 organisations from retail, waste, industry and government sectors through the MCS-led Marine Litter Action Network (MLAN). MLAN has a potential reach of over 1.7 million individuals, 38,000 volunteers and over 11,000 companies, groups and organisations.
- Over 3,000 members of the public in pledging to buy only microplastic-free personal care products through the Scrub it Out campaign, potentially equating to more than 6 million fewer microbeads in the ocean every day.
- 845 people to take part in the Plastic Challenge and go plastic free for the whole month of June.
- 525 Sea Champion volunteers to gift 18,726 hours of their time including delivery of 291 beach cleans and 100 community talks and events.
- Hundreds of primary and secondary school pupils in Cool Seas Investigators projects seeking solutions to the challenge of marine litter.
- 300 volunteer divers in Seasearch surveys to gather habitat and species data from marine sites around the UK.
- The beach and sea-going public who submitted over 1,700 reports of jellyfish, basking sharks and turtles in UK waters – a record year for our sightings schemes.
- Cornwall IFCA and University of Exeter, Cornwall Campus in surveys to record the changes to seabed communities after the cessation of scallop dredging and trawling at the base of the Eddystone Lighthouse Reef SAC.
- 600 Turks and Caicos Islanders to wear MCS T-shirts promoting the new turtle fishery regulations designed by MCS.

### Influenced:

- All the main party manifestos to include commitments to Marine Protected Areas and sustainable fisheries.
- Designation of 23 further Marine Conservation Zones in English waters in January 2016, in addition to the 27 designated in 2014.
- Defra to confirm their commitment to complete the Marine Conservation Zone network through Tranche 3 designations by end 2018.
- Scottish Government to introduce progressive fisheries management measures to better protect 20 at-risk inshore sites (MPAs and SACs) from trawling (over 2,200km<sup>2</sup> protected) and dredging (over

## Trustees' Report For the year ended 31<sup>st</sup> March 2016 - continued

2,600km<sup>2</sup> protected), including sites supported by Seasearch data (e.g. South Arran, Loch Sunart and Lochs Duich, Long and Alsh).

- SNP manifesto to commit to the introduction of an Inshore Fisheries Bill in order to deliver better spatial management of fishing and address gear conflict.
- Welsh Government to make amends to the draft Environment Bill to ensure more robust duties for Natural Resources Wales and increase biodiversity protection within the Bill.
- Welsh and Scottish manifestos to commit to exploring the potential of introducing Deposit Return Systems.
- Introduction of a carrier bag levy in England in October 2015.
- The Litter Strategy being created by Defra and DCLG as an invited representative on the Strategy Advisory Group.
- Over 25 UK retailers and manufacturers to commit to phasing out microplastics in their personal care products through the 'Scrub it Out!' campaign including: Asda, Boots, Clarins, Co-op, Green People, Lush, Marks & Spencer, Morrisons, Neal's Yard Remedies, Proctor & Gamble, PZ Cussons, Sainsbury's, Superdrug, Tesco and Waitrose.
- Over 40 Local Authorities to ban balloon and sky lantern releases on council owned land.
- Cancellation of several mass balloon releases, Gibraltar National Day - no longer releasing 30,000 balloons each year.
- Kent and Essex IFCA to create the largest UK no-take zone in the Medway.
- The EU Commission to introduce strict management measures to try and reverse the overfishing of seabass.
- The North Sea Advisory Council (NSAC) and North Western Waters Advisory Council (NWWAC) (and therefore European Commission and Member State groups) and the UK Government on the implementation of the Landing Obligation 'Discard Ban', the development of multiannual management plans, and pulse trawl management measures.
- M&J Seafoods and their customers to source more sustainable seafood through the ongoing promotion of the Safely Sourced Seafood List.
- Brakes UK to stop buying seafood rated 4 and 5 by MCS in conjunction with Sustainable Fish City.
- Morrisons to stop sourcing wild seabass and commit to not sourcing any new seafood that is red rated by MCS.
- Compass to significantly improve the implementation and monitoring of their commitment to not source any MCS red rated seafood.
- Bella Italia, Café Rouge and JD Wetherspoon to improve and publish seafood sourcing policies via the joint initiative 'Point the Fish Finger' with Sustain and Fish2Fork.
- Many restaurants, schools, hospitals, caterers and Councils to not source any fish from the MCS Fish to Avoid list through our work with Sustainable Fish Cities, Fish2Fork, the Sustainable Restaurant Association and the Soil Association 'Food for Life' catering standard. Now, over a third of all UK schools avoid MCS red rated seafood.
- European policy makers and the wider aquaculture industry to source certified responsibly sourced feed by the development of a collaborative European NGO policy paper.

## **Trustees' Report For the year ended 31<sup>st</sup> March 2016 - continued**

- International Council for the Exploration of the Seas in the development of their aquaculture programme of work.
- The Global aquaculture industry to showcase emerging best practice through the Global Aquaculture Alliance Innovation and Leadership award.
- Certification of 45% of reduction fisheries for farmed fish meal and fish oil to internationally recognised responsible standards.
- Certification of over 800,000 tonnes of farmed fish as being responsibly farmed to internationally recognised standards.

Thanks to the dedication and commitment of the staff and the many volunteer supporters who give their time and energy all around the country and coast. The plight of our seas is being recognised and MCS is spurring action at all levels to protect our precious seas, shores and wildlife.

### **Protecting Marine Life**

2020 Aim:

- Establish an ecologically coherent UK network of well-managed Marine Protected Areas (MPAs).

The Marine Conservation Society continues to work hard to ensure that the provisions within the UK Marine and Coastal Access Act 2009 and Marine (Scotland) Act 2010 are properly implemented, having played a leading role in the campaigns to introduce these vital laws.

One of the most significant parts of this legislation is the commitment to establishing a network of Marine Protected Areas (MPAs) across the UK, which is an important way of helping Britain's marine wildlife to recover.

The term 'Marine Protected Areas' refers to many different types of site designation and includes European Marine Sites (EMS) such as Special Areas of Conservation (SACs) and Special Protection Areas (SPAs), and Marine Conservation Zones (MCZs) in England. Throughout the year, MCS has continued to work with Governments in England, Scotland and Wales to gain better protection for our seas through the MPA processes in these countries.

### **Establishing Marine Conservation Zones in England**

MCS continues to advocate the establishment of a network of Marine Conservation Zones (MCZs) in English waters. 27 MCZs were designated in 2014 and in January 2015 Defra consulted on a second tranche of 23 sites, much fewer than the 37 sites originally proposed for Tranche 2. Following detailed consultation responses from MCS and other stakeholders, all 23 MCZs were designated in January 2016, bringing the total to 50.

MCS is maintaining public awareness and proactive engagement with Defra and its agencies to ensure that the 3<sup>rd</sup> tranche of MCZs fulfils the commitment to establish an ecologically coherent network. Sites are being selected primarily from the original 127 and will be consulted on in 2017 and designated in 2018. Once designated, there is a need to establish management measures within each MCZ that will protect key features and site integrity. MCS is working with several regional Inshore Fisheries and Conservation Authorities (IFCA) to inform and influence MCZ management measures.

Following the successful implementation of the film-based Community Voice Method (CVM) project in Sussex in 2014/15, the Sussex IFCA has developed an exciting and progressive suite of management measures for Kingmere and Beachy Head West MCZs. The measures have been designed to meet the conservation objectives of these sites, but clearly reflect the perspectives of the stakeholders who engaged in the CVM process. The Kingmere regulations were consulted on in Autumn 2015 and bylaws should be in place in late 2016. The consultation on measures for Beachy Head West will take place in Summer 2016.

In early 2016 MCS embarked on a second CVM project in the Eastern IFCA District. This project builds on the learning from Sussex and tackles a larger District with many more MPAs and myriad competing ocean interests. 42 diverse stakeholders were interviewed and film production and workshop design and delivery will be

## Trustees' Report For the year ended 31<sup>st</sup> March 2016 - continued

undertaken in 2016. This Gulbenkian funded project also serves as a springboard for a larger piece of work to develop a business plan and funding model for rolling the approach out more widely across the UK.

MCS is a participant in the Kent and Essex IFCA MPA group and has influenced discussions for the management of the Folkestone Pomerania MCZ which is likely to result in a total exclusion of bottom-towed fishing from the site.

MCS is co-ordinating a collaborative project with Cornwall IFCA, and the University of Exeter (Cornwall Campus) to analyse seabed recovery in the area of the Eddystone reef Special Area of Conservation since the site has seen closures to bottom-towed fishing gears. The first surveys were reported in Winter 2014, showing a richer seabed community in the area closed to mobile fishing gears than those in both near and far controls that remain open to fishing. Further surveys were undertaken in 2015 and will be reported on in 2016.

MCS collaborated with the above partners and Seasearch to publish a scientific paper in January 2016 to show the distribution of UK southwest Pink Seafan populations in and around MPAs, in light of the bottom-towed fishing gear closures. The manuscript will be presented at the South West Marine Ecosystems conference in April 2016.

### Establishing Marine Protected Areas in Scotland

In Scotland, MCS continued to play a prominent role in the MPA project, as we have since it started in early 2011. Following our successful push to get 30 new Scottish MPAs designated in July 2014, securing effective management of both new MPAs and existing SACs was the next priority and MCS has led the Save Scottish Seas partnership to help achieve these management measures.

Following our successful collaborative #DontTakeTheP campaign, a tranche of progressive management measures to control trawling and dredging in the most vulnerable inshore sites (MPAs and SACs) was announced by Rural Affairs Secretary, Richard Lochhead, in June 2015. Over the course of several months, MCS led concerted advocacy to resist the watering down of the proposals tabled, responding to subsequent Marine Conservation Order consultations, commissioning socio-economic analysis by GRID Economics to counter claims in flawed work commissioned by SFF and briefing Rural Affairs Climate Change and Environment committee members. An annulment motion tabled at the behest of the SFF, which would have undone much of the good work achieved, was successfully overturned by RACCE amid protests from trawl and dredge skippers outside the Scottish Parliament, themselves countered by pro-MPA demonstrators including MCS supporters. Whilst there have been compromises for some sites, notably Luce Bay SAC, Upper Loch Fyne and Loch Goil MPA and Loch Sunart to the Sound of Jura MPA, over 2,200km<sup>2</sup> and over 2,600 km<sup>2</sup> of inshore waters are now respectively protected from bottom-towed mobile gear and mechanical dredging, including sites supported by Seasearch data (e.g. South Arran, Loch Sunart and Lochs Duich, Long and Alsh).

MCS in Scotland also contributed to stakeholder workshops establishing management options for offshore MPAs and SACs, lower risk inshore SACs and MPAs and potential forthcoming seabird SPAs, consultations for which are yet to start.

### Marine Protected Areas in Wales

There were several key consultations and legislative changes during the year. The most controversial was the consultation to open up further areas of Cardigan Bay SAC to scallop dredging, based on research by Mike Kaiser at Bangor University, which we question. The consultation was badly written and did not take into account other research. MCS launched a campaign to encourage people to respond to the consultation along with high profile celebrities such as George Monbiot and Iolo Williams. It featured on three MCS enews and generated a total of 7,241 clicks and 5,537 unique clicks. Over 6,000 responses were received by Welsh Government, but we have yet to hear the decision.

There was also consultation on extensions to existing SACs and SPAs, MCS promoted the SAC through one enews which resulted in a total of 4,867 clicks and 3,951 unique clicks. This resulted in a total of 2,079 template letters sent by supporters (England only = 1038, Wales only = 443, 598 sent to both).

Whilst progress on the Wales National Marine Plan was delayed (it was supposed to be delivered by the end of 2014), MCS is represented on the working group for the development and will continue to influence the process.

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MCS input to negotiations and suggested amendments on the draft Environment (Wales) Act. As a result of this and the Well-being of Future Generations Act, there are several new developments including developing the new National Indicators, the Sustainable Management of Natural Resources (SMNR), National Natural Resource Plan (NNRP), State of Natural Resources Report (SoNaRR) and Nature Recovery Plan (NRP).

### **Effective Protection for European Marine Sites (EMS)**

MCS, along with colleagues from ClientEarth, successfully challenged Defra to adopt a new approach to managing potentially damaging activities within European Marine Sites in 2012. This resulted in the formation of an Implementation Group on which MCS has a key seat alongside Defra, Marine Scotland, the Marine Management Organisation (MMO) and the Inshore Fisheries Conservation Authorities (IFCAs) in England.

Management measures for high risk 'red' sites (reefs and eelgrass beds) were introduced by May 2014. MCS produced a 'status report' with ClientEarth on the legal and scientific effectiveness of the 13 byelaws used to protect sites within 12nm of the coast (territorial seas). Discussions have progressed on protection for sandbanks in both inshore and predominantly offshore waters, which will conclude in late 2016.

Some IFCAs, MMO and Defra have been progressing 'amber' site and feature management measures to partially control potentially damaging fishing in inshore, midshore and offshore sites. This has led to considerable lobbying, scientific and legal analysis of proposals. MCS/ClientEarth have challenged the protection proposals in some of these amber sites, which have been based on terrestrial management techniques called 'adaptive management'. Unfortunately, such an approach is 'data heavy' on land and can't be applied at sea where we know so much less about the impact of human activity.

MCS influenced changes in the approach to precautionary management of sabellaria reef and reef crust in places such as Inner Dousing to Race Bank and Haisborough Hammond and Winterton SACs, leading to stronger conservation targets for these habitats. MCS also influenced a change in consideration of protection measures by Southern IFCA in Solent EMS because of the lack of maintenance dredging in areas that are able to be dredged for oysters.

MCS presented to Member State representatives at two EU specialist conferences concerning the management of EMS – firstly at St Malo in May 2015 (200 delegates), and secondly in Brussels in October 2015.

In collaboration with other eNGOS (RSPB, TWT, WWF) MCS introduced the first iteration of the 'MPA reality checker' to show where towed gear closures are currently in place within different IFCA districts. The aim is to launch a comprehensive website in Spring 2017 mapping the management measures in place for Tranche 1 English MCZs and the 'new' byelaws already in place to manage 'amber' EMS.

Following the successful #DontTakeTheP campaign by the MCS-led Save Scottish Seas coalition during the consultation on fisheries management measures for at-risk inshore MPAs and SACs, the use of mobile bottom-towed gear and mechanical dredging were excluded from East Mingulay SAC, Loch Creran SAC, Loch Laxford SAC, Loch Sunart SAC, Lochs Duich, Long and Alsh SAC, Sanday SAC, St Kilda SAC and Treshnish Isles SAC. However, Luce Bay SAC, closed to mobile bottom-towed gear from March-October, was more complicated owing to its complex mosaic of habitats and MCS contributed to a management workshop specific for that site and responded with LINK to a subsequent consultation, advocating closure of the site to this gear year-round. However, the management measures finally announced allowed for zonal access for mobile bottom-towed gear and mechanical dredging gear from November to February, but we remain concerned this could compromise site integrity and have written, along with the Scottish Sea Anglers Conservation Network (SSACN), to Marine Scotland to that effect.

In collaboration with ClientEarth and Whale and Dolphin Conservation, MCS sought reassurances from the Welsh Government and the Marine and Fisheries Division that Article 6 of the Habitats and Birds Directive is being effectively applied to ensure that European Marine Sites in Welsh waters are not damaged by fishing activities. This dialogue finally resulted in a 'draft' matrix of pressures and vulnerability of habitat from fishing gears (similar to the English model), in early 2016, but the process has since stalled.

One of the issues affecting marine life within and outside MPAs is electric pulse fishing, the impacts of which are largely unknown, and MCS raised awareness by advising a journalist about this relatively new fishing practice by the Netherlands beam trawl fleet in the southern North Sea via an article in the Guardian.

## **Trustees' Report For the year ended 31<sup>st</sup> March 2016 - continued**

MCS worked with Seas at Risk and ClientEarth to secure funding from the Adessium Foundation (Netherlands) for an 18 month project to undertake training and knowledge sharing amongst European NGOs on how to influence national regulators to apply Article 6 of the Nature Directives to adequately protect EMS from damaging fishing activities. The first year work programme will involve a stock take of management in marine EMS, a legal toolkit for applying campaigns in other countries and a workshop in Brussels in September 2016 to demonstrate the toolkit and current management measures.

### **Marine Wildlife Recording**

MCS continues to co-ordinate the Seasearch project to train volunteer divers to gather marine habitat and species data throughout the UK and 2015-16 was another active year, with over 1,400 site records and 50,000 species records made. Seasearch continued to target existing and proposed marine protected areas and data has been made available to partners, including the government conservation agencies and the general public through the National Biodiversity Network and Seasearch websites.

In 2015, MCS received another record number of jellyfish reports, with nearly 1,700 received through the year, driven largely by barrel jellyfish sightings. It was however, another poor year for basking shark sightings, with only 74 reports submitted to MCS. This is largely because locally based sightings schemes in Cornwall, Isle of Man and Scotland are now receiving these reports directly and following integration of this data, MCS will be able to provide a national picture.

MCS developed two new citizen science partnerships over the last year, including becoming a key delivery organisation for the national Capturing our Coast marine identification and recording initiative run by Newcastle University as well as partnering with the Natural History Museum on their redeveloped Big Seaweed Search to be launched in June 2016.

### **Sustainable Aquaculture & Fisheries**

2020 Aims:

- Recovery of depleted fisheries, and minimisation of impacts of wild capture fisheries and fish farming on habitats, non-target species and ecosystems.
- Increased availability, and consumption, of sustainably wild caught and responsibly farmed seafood in the UK.

In 2015, the European Commission reported a worrying increase in the proportion of assessed fish stocks that are overfished in the North East Atlantic - 48% (2014 = 41%) and in the Mediterranean – 96% (2014 = 91%). Approximately half of EU stocks are data deficient and have unknown status. Globally, approximately 29% of assessed stocks are overfished, with the number that are underexploited progressively reducing – now just 9% of global fisheries have any room for expansion. This, against a steadily growing world population and demand, and ongoing impacts on non-targeted wildlife and vulnerable habitats, means that both wild-capture and aquaculture production remained priorities for MCS action.

### **Developing Sustainable Aquaculture**

The way that farmed fish are fed and raised creates a number of conservation issues. Salmon and trout, which are both farmed in the UK, and warm-water prawn, seabass, bream and pangasius are all carnivorous species that are popular with UK consumers and depend on having fish oil and fishmeal in their diet, originally sourced from wild fish. Other ingredients used to make feed include vegetable oils and proteins such as soya, the production of which also comes with a host of environmental concerns. About a quarter of all fish caught at sea are used to make non-human food, a large proportion of which is used to feed farmed fish. Of particular concern is the approximate 5 million tonnes of “trash fish” that are caught in South East Asia to feed species such as warm-water prawns and pangasius, both very popular species eaten in the UK. These South East Asian fisheries have little or no management measures in place which is leading to fisheries collapse and serious ecosystem damage as well as having social impacts. In response, MCS has formed partnership programmes with international trade associations, fish farmers, feed manufacturers and retailers to promote and support development of both improvement in Asian fisheries and the promotion of alternative, non-marine feeds.

## **Trustees' Report For the year ended 31<sup>st</sup> March 2016 - continued**

During the past year, MCS continued to play a key influential role on the Governing Board of the International Fishmeal and Fish Oil Organisation Responsible Supply Standard (IFFO RS) which develops and administers an international standard to assess the responsible sourcing and production of fishmeal and fish oil. MCS was the only NGO on the IFFO Certification Committee, ensuring the application of this standard was rigorous and of environmental benefit. To date approximately 45% of reduction fisheries are certified as responsible by IFFO standards – a 5% increase since 2013.

MCS was invited to join the Aquaculture Stewardship Council Feed Steering Committee. It is through this platform that we can shape the development of the most important international feed standard to date. Not only including marine ingredients but also plant, animal and innovative materials, this opportunity allowed MCS to apply our feed research to drive improvements.

As the role of aquaculture in providing seafood increases and equals wild capture fisheries in terms of volume, global organisations are developing programmes of work with an aquaculture focus and in 2015 MCS advised the International Council for the Exploration of the Seas on the development of their aquaculture programme.

MCS engagement with the Global Aquaculture Alliance (GAA) Standards Oversight Committee allowed us to influence the development and application of new and existing production standards including the development of a mollusc production standard. A further 300,000 tonnes of farmed seafood was certified by GAA bringing the total certified tonnage to over 800,000 tonnes (up from 750,000 in 2014). MCS continues to judge the Aquaculture Innovation and Leadership of the Year award to encourage development of sustainable aquaculture production practices which attracts applicants from around the world.

In order to achieve the responsible development of aquaculture in Europe, the development of which is a key objective of the CFP, MCS led the development of a collaborative European NGO position paper on aquaculture feeds. This paper has been widely circulated and promoted to European policy makers and builds on the collaborative 'Priorities for Sustainable European Aquaculture' paper that MCS contributed to the year before.

### **Providing Sustainable Seafood Advice**

As overfishing and damaging fishing and farming practices continue, and public awareness grows, the MCS Good Fish Guide website and the MCS printed pocket Good Fish Guide and smart phone app - including the Fish to Eat and Fish to Avoid Lists - have remained the UK's key source of information on sustainable seafood for the public, chefs, suppliers and retailers. Over 1,500,000 Pocket Good Fish Guides have been distributed since its original launch in 2004, and in February 2016 nearly 500,000 were printed with the latest up to date seafood ratings in order to meet growing demand.

The Good Fish Guide website provides advice to UK consumers and industry on over 150 species of seafood, for over 650 different fisheries and farm types, giving a rating of 1 to 5 dependent on the relative sustainability of different stocks and fishing or farming methods used for each species. The website alone receives 44,000 views per month. This year saw a significant increase in the number of fisheries and farms being assessed to help inform major seafood companies we engage with. Through collaboration with the Cornwall Wildlife Trust (CWT), the MCS ratings methodology now underpins local Cornish ratings maintained by the CWT on their Cornwall Good Seafood Guide, which has further expanded the size of the MCS ratings database in 2015/16.

In 2015/16, MCS – with support from food service giants, Compass - was able to revamp its Good Fish Guide smart phone app to significantly increase functionality and improve the user experience. Along with seafood ratings which can be filtered, users can now also view recipes, information on seasonality and labelling and importantly, can view Fish2Fork rated restaurants in their vicinity. Only launched in February 2016, the new app has already proved popular and received glowing reviews from industry and consumer users alike, with over 2,000 downloads in the first weeks following its launch.

### **Influencing Seafood Businesses**

MCS' work with seafood businesses has been focussed on removing red rated sources from sale by supermarkets and suppliers. Marks & Spencer, the Co-op and for the most part Waitrose and Sainsbury's have already adopted such policies and in 2015 Morrison's also included commitments to not source new seafood that appears on the MCS red list. MCS continues regular dialogue with the largest seafood retailer, Tesco, as well as

## **Trustees' Report For the year ended 31<sup>st</sup> March 2016 - continued**

Iceland regarding their sourcing policies and sale of red rated seafood to further increase the market share of UK seafood sold that is from sustainable sources.

MCS has developed a new partnership with Compass, and has also developed a close working relationship with Brakes. Both companies have made impressive sustainable seafood commitments based on MCS ratings, and through working closely with them, MCS has improved the implementation and monitoring of these commitments. MCS also influenced Whitby Seafoods to write to the UK Fisheries Minister and EU Commission asking for urgent action to recover the Farn Deeps Nephrops stock from which they source.

MCS also continues to co-ordinate and judge the Good Catch Award for sustainable seafood as part of the National Fish & Chip Awards.

MCS advice influenced many restaurants, caterers, schools and Councils to not source any fish from the MCS Fish to Avoid list through our work with Sustainable Fish Cities, Fish2Fork, the Sustainable Restaurant Association and the Soil Association 'Food For Life' catering mark which now covers over a half of primary schools and over a third of all schools in the UK.

Through the collaborative 'Point the Fish Finger' initiative led by Sustain, MCS played a major role in influencing Bella Italia, Café Rouge and JD Wetherspoon to improve their seafood sourcing performance and to adopt the Sustainable Fish City pledge, underpinned by MCS ratings.

During the year, MCS commenced a partnership with the organisation campaigning for restaurants to use only sustainable seafood products, Fish2Fork. In a joint project funded by the Oak Foundation and Mava Foundation, 12 major high street restaurant chains were assessed and the ratings publically launched resulting in significant media interest and several restaurants improving their policies and practices. MCS and Fish2Fork are developing a joint strategy to make the UK the first sustainable seafood nation where seafood from all market sectors is sustainably sourced.

### **Influencing Sustainable European Fisheries Management**

The reform of the Common Fisheries Policy (CFP) has been one of the key opportunities so far this century to shape the future of fisheries and aquaculture around a new vision for sustainable ecosystem based fisheries management and blue growth. The reform began in earnest in 2011 and finally after three years of advocacy, campaigning, much debate and several thousand amendments, the European Parliament and Council reached agreement on 30<sup>th</sup> May 2013 and published a new Common Fisheries Policy which, whilst not perfect, presents a better deal for our seas, fish and fishers. It has an obligation to end overfishing by 2015 for most stocks, however where there is a requirement to safeguard social and economic sustainability of fleets, this will be extended to 2020. There is a commitment to rebuilding fish stocks to levels above Maximum Sustainable Yield (although with no deadline), and a legal requirement to significantly reduce discarding.

Since this landmark outcome, MCS continues to engage with UK and European government bodies to influence the crucial early stages of implementation of the CFP to ensure that the ambition achieved in the CFP text is translated into legislation on the water. MCS is a representative on both the North Sea Advisory Council (NSAC) and North Western Waters Advisory Council (NWWAC), where measures to implement the CFP are developed. MCS is a member of both AC Executive Committees and is the rapporteur for the West of Scotland working group of the NWWAC. In these capacities, MCS has contributed to several consultations on the implementation of the landing obligation to reduce discards, which, as of 2015, is in place for pelagic fisheries and has now commenced being phased in for demersal fisheries. MCS is also a representative on the communication group of the NWWAC.

MCS is also actively engaged in shaping the Multi-Annual Plans for fisheries which will shape the future of fishing in the EU and should incorporate control, management and the application of the Landings Obligation as well as many other aspects of multi-stock management. MCS provided consultation responses to Defra, and through the ACs to the European Commission for both the North Sea and North Western Waters Multi-Annual Plans.

Seabass is hugely important for both commercial and recreational fishermen. However, stocks are in serious decline because of fishing pressures and limited numbers of young seabass. MCS successfully lobbied for a package of measures for the recovery of seabass in 2015, working with fishermen, the government and EU contacts to highlight the stock's status and influence the UK government to push the European Commission for

## Trustees' Report For the year ended 31<sup>st</sup> March 2016 - continued

emergency measures to protect the spawning stock. These include vessel catch limits, an increase in the minimum conservation reference size and a three fish daily bag limit for recreational anglers in all affected Member States. MCS acts as rapporteur and Other Interests Group representative for the joint seabass workshops and meetings between the NWWAC and NSAC.

MCS continues to facilitate further discussions and meetings between all sectors in 2015 with the continuation of the reform through the Council of Ministers and informs the ongoing reform of the Deep Sea Access regime which has stalled during this period in Parliament, resulting in less focus on this area.

MCS remains a strong advocate for sustainable inshore fisheries management in Scotland, playing a continued prominent role in both the wider Celtic Seas Partnership (CSP) project and more targeted CSP fisheries mediation work, as well as advocating to the previous Rural Affairs, Food and Environment Secretary, Richard Lochhead, the environmental and socio-economic value of spatial management of fishing. MCS also contributed to the Clyde 2020 Steering Group and, in lead capacity for the LINK Save Scottish Seas project, commissioned the University of Glasgow to undertake a study of the status of seafloor integrity in Scotland's seas.

### Clean Seas and Beaches

2020 Aim:

- Reduced litter and bathing water pollution at UK beaches.

The MCS Beachwatch and Good Beach Guide campaigns are the authoritative voice on how litter and sewage affect Britain's seas and beaches and how individuals, Government and industry must act to reduce pollution around our coastline.

#### Reducing Litter at Source

MCS launched its Beachwatch beach litter survey and clean up programme in 1994, since when the flagship event, the Great British Beach Clean (previously known as Beachwatch Big Weekend) has continued to deliver staggering results. A record-breaking 6,035 volunteers supported events at 340 beaches around the UK, including a record 75 beaches in Scotland, over one weekend in September 2015. These volunteers collected 277,354 litter items with an average of 3,298 items of litter per km of beach, sadly a record high since surveys began. This indicates that even more must be done if we are to reverse the upward trend. The fourth Big Beach Clean Up (BBCU) with MCS partners, Marks & Spencer, involved a further 6,300 volunteers registering to clear 4,200 bags of litter from 129 beaches and waterways during one week in May 2015. There has been growing interest from companies in running corporate team beach cleans and in the year MCS involved over 200 staff from companies and other organisations in team beach cleans, including TSB, Lloyds, Blackrock and the University of West of England.

The data on litter quantities, types and sources gathered by MCS volunteers is used at national and international levels and MCS continued to lobby the UK Government and devolved administrations to take concerted, nationally led action on the issue. As a result of MCS campaigns and influence, marine litter is one of 11 descriptors in the European Marine Strategy Framework Directive. European governments must establish measures to address and reduce litter in EU waters. MCS advises the development of the descriptor targets through the EU Technical Working Group on Marine Litter and is also undertaking the UK's monitoring responsibility for litter under the Oslo/Paris Convention (OSPAR). As a testament to the robustness and value of MCS's long term litter dataset, Defra commissioned the charity to carry out monitoring of litter on selected beaches around the UK, using Beachwatch methodology, to measure compliance with the Marine Strategy Framework Directive litter target ("a visible reduction in litter on beaches"). MCS staff and volunteers will be submitting data directly to Defra from the selected beaches 4 times per year for 3 years. To maintain high data quality standards, the volunteers involved have received additional training and support. MCS has also been asked to be lead author on the UK intermediate assessment on beach litter for MSFD assessment purposes.

Funding from Defra has allowed the Beachwatch programme to make some changes to its recording forms, bringing in new litter categories and becoming closely aligned with OSPAR recording, which is used throughout Europe. These forms will be rolled out in May 2016.

## Trustees' Report For the year ended 31<sup>st</sup> March 2016 - continued

MCS has long called on the Government to provide leadership and co-ordination of litter reduction initiatives and in 2015, Defra and DCLG committed to produce a Litter Strategy for England. MCS is represented on the Litter Strategy Advisory Group and has successfully advocated for inclusion of aquatic litter (fresh water and marine).

In Scotland, following several years of MCS advocacy, a Marine Litter Strategy was launched in August 2014. MCS continues to sit on the Scottish Government's Marine Litter Strategy Steering Group and has helped develop a timeline for its implementation and to co-ordinate reporting among members.

The Marine Litter Action Network (MLAN) was launched in June 2014 and brought together over 60 organisations, individuals, industry and NGOs to collectively identify solutions to tackle marine litter over the course of a 'year to make a difference'. MLAN held a celebration of our first Year at M&S London offices on World Oceans Day 2015 launching our impact report covering "how a year can make a difference". Throughout the year MCS provided the communications hub for MLAN members, sharing information about new litter reduction initiatives and project developments.

MCS President, His Royal Highness The Prince of Wales has long been an advocate for innovative solutions to waste management and in July 2016, MCS together with Surfers against Sewage, organised an Oceans Plastic Awareness day at Fistral Beach in Cornwall. TRHs The Prince of Wales and the Duchess of Cornwall met with over 20 representatives from NGOs and businesses to hear about the impacts of plastic litter and see first-hand some of the initiatives underway to reduce litter at source and promote a circular economy.

MCS aims to tackle the most common or harmful items of litter through dedicated campaigns, currently focusing on plastic bags, plastic bottles, microbeads, sewage related debris, balloons and sky lanterns.

Plastic carrier bags have become a principal way of highlighting the issue of disposable single use plastic products and carrier bag charges are being widely acknowledged globally as an effective method of reduction. MCS has influenced the introduction of carrier bag charges in Wales (October 2012), Northern Ireland (April 2013) and Scotland (October 2014). MCS' joint campaign with NGO partners in the Break the Bag Habit coalition finally met with success in England, with the introduction of a carrier bag charge in October 2015. Unfortunately, there are a number of exemptions in England for small retailers which even the retail associations objected to alongside MCS and other eNGOs. The plastic bag charges have consistently resulted in a significant reduction in their use, with an 80% reduction in Scotland within six months and early indications that the same pattern will follow in England.

In almost every part of the UK the number of bottles our volunteers found in our 2015 Great British Beach Clean went up compared to 2014. 99 bottles were found, on average, per kilometre cleaned - an overall increase of 43%. MCS is supporting calls for a Deposit Return System (DRS) which would put in place a financial incentive to return plastic drinks bottles.

In Scotland, MCS is a founding partner in the Have You Got The Bottle campaign for a Deposit Return System (DRS) for drinks containers, and helped organise a Parliamentary event, including collecting and customising 129 bottles from Firth of Forth beaches that MSPs could use in a reverse vending machine at the event. MCS attended a fact-finding trip to Oslo on which we led social media with the 'Billy Bottle' character and a Zero Waste Scotland DRS stakeholder event at Heriot-Watt University – where a DRS has been successfully piloted - contributing a supportive voice amidst industry sceptics.

MCS responded to the Scottish Government's call for evidence on DRS with a detailed supportive response and as a result of Have You Got The Bottle input, support for a DRS was included in three party manifestos prior to the elections in May 2016.

Microplastics are of increasing concern, being invisible to the eye and used in a wide range of products. MCS has been a long-standing partner in the international Beat the Microbead campaign, and in 2014 launched *Scrub it Out!* - a UK focused campaign in partnership with Fauna and Flora International. Since the launch of the campaign, over 3,000 members of the public have pledged to buy only microplastic-free personal care products, potentially equating to more than 6 million fewer microbeads in the ocean every day. Since launching the *Scrub it out!* campaign we have succeeded in securing public commitments to phase out microplastic ingredients from over 25 UK retailers and manufacturers including: Asda, Boots, Clarins, Co-op, Green People, Lush, Marks & Spencer, Morrisons, Neal's Yard Remedies, Proctor & Gamble, PZ Cussons, Sainsbury's, Superdrug, Tesco and Waitrose which were published in the Good Scrub Guide's Brand Commitments guide in June 2015.

## **Trustees' Report For the year ended 31<sup>st</sup> March 2016 - continued**

In 2016 MCS joined forces with Greenpeace, Fauna and Flora International and the Environmental Investigation Agency to push for a ban on microbeads in all personal care products at either UK or EU level and this campaign will continue through 2016.

To raise awareness about sewage related debris which makes up over 6% of the litter found on UK beaches, MCS has worked with an advertising agency on a pro-bono basis to develop a new and creative campaign - 'Wet Wipes Turn Nasty When You Flush Them' - to raise awareness of the problems with wet wipes that are labelled as flushable, even though they do not pass water company flushability standards. We have liaised closely with water companies and WaterUK to develop a campaign to be launched in 2016.

MCS has run a long-standing awareness campaign to stop balloon and sky lantern releases, both of which can cause harm to wildlife. With the help of its supporters, MCS has encouraged many event organisers to change plans for balloon releases and celebrate in other ways instead. To date, over 40 Local Authorities have banned balloon and sky lantern releases on council owned land.

In Wales, MCS also gave evidence and supported a petition to ban polystyrene fast food wrappers and suggested that the Welsh Government should expand this to all single use fast food waste. MCS also contributed to the ecosystem based approach project on the Llyn and was contracted to complete a scoping study on the feasibility of a 'Fishing for Litter' project on the peninsular.

Engaging the public in positive actions that they can take as individuals is a key part of our programmes and the first MCS Plastic Challenge was launched in June 2015 with support from Brita, to encourage members of the public to go plastic free for the whole month of June, inspiring 845 people to take part.

### **Clean seas for all to enjoy**

MCS has published an annual Good Beach Guide since 1987 providing information (now online) on the water quality and sewage discharges at over 700 UK beaches. The 2015 Guide was launched in May and included a projection of the new revised bathing standards for the first time. This was a fantastic milestone which marked the end of the use of outdated and inadequate water quality standards. The new more stringent, health related standards are a big improvement and address many of our concerns about the old monitoring system. This means that going forward we will not be continuing our own MCS Recommended water quality standard. Instead we will be promoting the use of the revised bathing water standards, and those beaches which are of 'Excellent' or 'Good' quality, and advising people to use these, along with the daily pollution forecasts, when deciding where and when to go in the sea.

In the 2015 Guide we reported on the results from the previous summer with 93% of bathing waters meeting at least the new 'Sufficient' standard and 83% achieving the higher Excellent or Good standard. MCS has also played a key part in the Environment Agency's National Bathing Water Communications Group to develop consistent and user-friendly messaging and communications to help the public and local authorities understand the new standards.

As well as improving the information for water quality on the Guide we launched a brand new format which makes it easier for our users to find the information they need and included new information on wildlife sightings, beach cleans and daily water quality forecasts.

MCS has promoted the value of clean bathing waters through input on a number of initiatives to influence and support national and regional improvements in water quality, including the Cleaner Seas Forum in England; Dwr Cymru's Independent Environment Advisory Panel; the Bathing Water Review Panel in Scotland; and the European Bathing Water Directive Expert Group.

## Trustees' Report For the year ended 31<sup>st</sup> March 2016 - continued

### Working Seas

2020 Aim:

- Ecologically sustainable planning and management of marine industries.

MCS continued to work to ensure that the UK implements the EU Marine Strategy Framework Directive (MSFD) to achieve Good Environmental Status for our seas. We led on a comprehensive response to Government's MSFD Measures consultation by Wildlife & Countryside Link NGOs in May 2015 and also submitted an MCS response. We pulled together details of many new measures we believe are needed to achieve Good Environmental Status as well as implementing existing measures such as a network of Marine Protected Areas and sustainable fisheries. We have agreement from Government to keep their Measures report as a working document and to gradually add new measures where they are lacking – for litter and noise for example. We met with European Commissioners, Ministers, Defra, the Scottish and the Welsh Governments to advocate effective implementation of the Directive.

MCS continues to sit on the Marine Management Organisation's (MMO) Stakeholder Focus Group for marine planning and licensing and input to development of the South Marine Plan, the second marine plan for waters off England. We have attended workshops on the South Marine Plan and responded to MMO's South Marine Plan Vision and Objectives consultation. We also sit on Department for Energy and Climate Change Steering Group for their Strategic Environmental Assessment.

In Scotland, MCS gave oral evidence to the outgoing Rural Affairs, Climate Change and Environment Committee that informed the next programme of work of the Scottish Parliament's new Environment, Climate Change and Land Reform Committee and Rural Economy and Connectivity Committee. MCS has maintained regular contact with the Marine Scotland planning team, attended the Scottish Coastal Forum marine planning workshop and helped steer the LINK 'Living with the Seas' document (including the concept that ecosystem-based planning should map opportunities for ecosystem *enhancement*, not just map constraints on development). MCS is closely involved in steering the LINK Sea Scotland conference to take place in June 2016, which will focus on dialogue and knowledge exchange to support a progressive approach to marine planning.

### Engaging our audiences

2020 Aim:

- Increased public understanding, appreciation and enjoyment of UK seas and active involvement in their conservation.

The MCS public engagement programme focuses on activities that will help people have a clear understanding of the diversity and value of the marine environment and feel a lifelong connection with our seas, shores and wildlife. It inspires people to take action to safeguard our seas for their own benefit and for future generations, and make the most of opportunities to get out and enjoy the coast and sea. During 2015/16 our approach to engaging stakeholders has been developed and an MCS Stakeholder Engagement Manual is available to staff alongside a wealth of source material on tools and methods, which will be used to develop organisational and issues based stakeholder maps and engagement plans over the coming year.

### Inspiring the next generation

Following an exceptionally productive couple of years, the MCS Education Programme is in a more positive position than ever in MCS history. Our Cool Seas resources, both printed and digital, are current and relevant and have been freshly branded. We have a good understanding of the Environmental Education context in which we are operating and an agreed Education Strategy and Action Plan.

Alongside growth of the Cool Seas website, this year saw the development of the Cool Seas Investigators (CSI) project: our community-action learning initiative aimed at upper primary and secondary school pupils. CSI projects take a problem based learning approach to immerse students in issues related to the health and future resilience of our oceans enabling them to come to solutions through collaborative investigation. The Cool Seas Investigators Beachwatch pilot project involved over 100 secondary and primary pupils in Suffolk exploring the problem of marine litter. Feedback was overwhelmingly positive, with all the teachers interviewed saying they would like to take part in the project in the future. A short film was produced to showcase the project.

## **Trustees' Report For the year ended 31<sup>st</sup> March 2016 - continued**

We have also been actively exploring opportunities to amplify the impact of our resources through various channels and partners. Working with our Sea Champions network, we have been able to train 58 volunteers to deliver our educational resources in schools around the UK.

As a result, our resources are more widely available and we have additional opportunities to promote to wider education networks. Since the Cool Seas Explorers website went live in May 2014, the site has had 26,275 unique visitors.

### **Volunteer engagement**

Thanks to funding from Marks & Spencer through the Forever Fish partnership, the MCS Sea Champions volunteer engagement and community outreach programme continued to expand and grow during its fourth year.

MCS cannot thank its volunteers enough for their really valuable contributions in all operational aspects of MCS core activities to help achieve its conservation goals and add value to its marketing and fundraising initiatives. This included harnessing public support for MCZs, organising beach cleans, delivering educational talks and workshops, hosting donation boxes and selling pin badges.

Since its launch in 2012, by March 2016, 525 volunteers had become active ambassadors for marine conservation in their local area and the Sea Champions programme had delivered:

- 18,726 volunteer hours of support for MCS including 2,008 hours from office Sea Champions
- 672 beach cleans
- Public engagement with over 100,000 people through attendance at 579 community outreach events and talks
- Delivery of formal and informal learning sessions to over 5,630 young people from Primary to University age, including Brownies, Cubs and Scouts, in a range of activities from rock pool rambles to nature trails to pollution workshops
- A suite of professional materials to enable local engagement with key MCS activities, including how-to guides, activity sheets, presentations, video clips for training and promotional purposes and an interactive volunteer guide handbook

The South and South East, North West and Wales Local Groups continue to promote MCS activities and run a programme of local events to inspire interest and support for marine conservation.

In Wales, thanks to Environment Wales funding, MCS was able to attend 10 events reaching over 600 people; give 18 talks to a wide range of audiences reaching over 400 people; and undertake Beachwatch beach survey events.

### **Valuing our seas**

MCS plays an active role in the Calouste Gulbenkian Foundation Marine CoLABoration (LAB) which provides the 'space' and resources for a small group of organisations to meet regularly to explore existing marine conservation practice, as well as identifying and experimenting with new ideas, concepts and conservation methods. The LAB is developing thinking around the concept of a 'Values Based Approach' to marine conservation. The first year saw the development of the #oneless campaign to be launched in June 2016 in London which is experimenting with the idea of using an iconic item that links people to the sea, the single use plastic water bottle, as a bridge to reconnecting people and talking about value.

The values-based Community Voice Method uses film and participatory methods to develop a shared sense of the value and benefits of the coast and sea and we have collaborated with the Eastern IFCA to deliver this in North Norfolk and the Wash to engage diverse and traditionally disparate local stakeholders.

## **Trustees' Report For the year ended 31<sup>st</sup> March 2016 - continued**

### **Communications**

The MCS's reach to people throughout the UK has again been substantial, and the charity's activities were reported in 3,887 features in the press and broadcast media (2014-15 = 3,913, 2013-14 = 3,815, 2012-13 = 4,296, 2011-12 = 3,758), with an estimated audience of 861 million and an equivalent advertising value of over £11 million. This included 230 national newspaper reports. In particular, MCS enjoyed attention for a number of key work areas through appearances on BBC Countryfile, Springwatch, Big Blue Live and The One Show, BBC Breakfast News, Radio 4 Today and Farming Today programmes, along with contributions to other network news (Sky News, Al Jazeera), documentaries (ITV Britain's Sharks, Britain's Whales) and magazine programmes (Escape to the Country). Staff have given expert comment on many topics including North Sea cod stock recovery, beach litter surveys, microplastics and wildlife sightings; and staff have given informed interviews on contemporary events such as beaching sperm whales to reported sightings of invasive testicle-eating fish!

MCS ecomms channels have become increasingly important over the year. Nearly 80,000 people now receive news of MCS campaign actions and conservation work by e-newsletter (12,596 new email contacts added this year) and response rates to MCS calls for action are always very high. Facebook followers now number over 85,000, with 21,000 on Twitter. Many positive actions for the marine environment have been achieved directly through MCS ecomms networks, including balloon release cancellations, commitments to microbead reduction by cosmetics manufacturers, and various government consultation contributions. Events such as Blue Week, Turtle Day, Giving Tuesday have proved popular.

As well as producing the quarterly magazine for members and information in the form of leaflets, guides and reports, MCS communications are more widely being produced in digital formats. MCS websites continued to attract in excess of half a million users over the year and the sites have been optimized for mobile and other hand held device users. The Good Beach Guide website has been developed with exciting new features including wildlife reports and safety information.

The Plastic Challenge was launched to the public in June 2015 with the creation of a new website and promotion to MCS supporter networks and wider public, inspiring 845 people to take part. Media highlights included live interviews on national and local radio stations with several live phone-in sessions with the public. Plastic Challenger Emily Smith featured in the Independent on Sunday's "Happy List". The challenge raised £3,887: £2,287 from corporate sponsorship and £1,500 from 21 individual community fundraisers.

MCS now has a substantial photo and film library which has been developed to be keyworded and searchable for staff use, with material often provided through kind donations from supporters, and thanks to partners such as Arkive and Wildscreen Exchange, Marine Photobank, and members of the British Society of Underwater Photographers.

### **Marine Conservation beyond the UK and Europe**

The MCS 2015-2020 strategy is currently focused on conservation and sustainable use of the UK marine environment, including influencing European policies that affect UK waters and to reduce the impact that the UK has on overseas fisheries, marine habitats and species. Our current international work focuses on areas of conservation where UK interests are directly involved, in the Overseas Territories (UKOTs), through UK market influences, or where MCS is a key partner in a fully funded project.

MCS is one of five NGOs in the Marine Reserves Coalition GB Oceans campaign calling for at least 30% of UKOTs to be designated as fully protected Marine Reserves. MCS provided political and parliamentary backing to the campaign to gain support from MPs for the designation of these sites. In March 2015 the Coalition Government committed to designate Pitcairns as a marine reserve with Islanders' support and in January 2016 committed to designate a Marine Reserve off Ascension. The General Election manifesto of the Conservatives now commits Government to create a Blue Belt of Marine Protected Areas around the UKOTs.

MCS's Turks and Caicos Islands Turtle Project carried out a further two turtle satellite tag attachments when Dr Peter Richardson visited the Islands in April 2015. The tags were funded by project partner the Amanara Resort and their guests and add to the study of sub-adult green turtle behaviour MCS is leading in the TCI, with 13 sub-adult green turtles successfully tracked to date. During the trip Peter also distributed 600 bright and humorous T-shirts, emblazoned with the slogan 'Size Matters in the Turks and Caicos Islands', to fishing communities throughout the Islands. The T-shirts also listed the new turtle fishery regulations on the back, and are designed to

## **Trustees' Report For the year ended 31<sup>st</sup> March 2016 - continued**

reinforce the conservation messaging around the need to fish sustainably. To build on the outreach, MCS once again partnered with the Lempen Puppet Theatre and the Turks and Caicos Islands Friends of the Arts Foundation (TCFAF) to plan and organise a marine conservation puppet theatre workshop in TCI schools to be held in April 2016. The tour is funded by TCFAF, the Turks and Caicos Reef Fund and the British Chelonia Group.

MCS continues to undertake ReefCheck training and surveys in Oman and the Maldives with local scholarships available to train individuals involved in local tourism, NGOs and the diving industry. The expansion of the project in the Maldives has received nation-wide media coverage, including coverage of the first ever Maldives-only team, and further involvement of other islands and MPAs. Surveys were carried out in areas heavily affected by bleaching in 1998 as a result of El Nino to record recovery (in more exposed reefs), and declines (in more sheltered reefs), some of which have been catastrophically affected. We were involved in a launch and panel discussion on coral reef conservation at the Natural History Museum in summer 2015.

MCS has continued its collaboration with Sabah Parks to promote conservation of biodiversity and sustainable use of resources in the Tun Sakaran Marine Park in Sabah, Malaysia. Support for the programme has come from Save Our Seas Foundation, the Lighthouse Foundation and Shell Foundation Malaysia.

Our main area of work has been to address the on-going problem of fish bombing, that has caused so much destruction to coral reefs and marine life in the area. The University of St Andrews St Andrews Instrumentation Ltd (SAIL) have provided technical expertise for the development of an acoustic detection system and we have successfully deployed the hydrophones and been able to detect and locate the position of bombs. Work is continuing to make the system fully operational and in parallel we have also been collaborating with local marine engineers and NGOs to deploy bomb detectors that pick up changes in water pressure caused by underwater explosions. Together, these systems will monitor fish bombing activities, act as deterrents and strengthen the capacity of the Park Management authority to eliminate destructive fishing.

## **Trustees' Report For the year ended 31<sup>st</sup> March 2016 - continued**

### **Financial Review**

During the year the Charity raised £2,888,594 (2015 - £2,213,937) from the general public, government agencies, corporate and charitable trust donations and corporate sponsorship to carry out the programmes mentioned under Achievements and Performance. £2,630,708 (2015 - £2,406,916) was expended in the current year.

As shown in the restricted funds column in the Statement of Financial Activities note 15, £1,472,065 (2015 - £1,045,006) of income was restricted for specific projects and the expenditure on those projects was £1,976,645 (2015 - £1,865,403). MCS accounts continue to show the significant grant it received from the Tubney Charitable Trust in 2011 which was being expended across the delivery of the 5 year strategic plan. The fund continues to contribute to the core activities of MCS and support the significant development of activities in pursuit of its key objectives. Expenditure was restricted in order to ensure that MCS could sustain its current capacity in the delivery of its strategic plan.

£1,415,989 (2015 - £1,161,257) was raised with no restrictions through fund-raising activities and donations.

Unrestricted charitable expenditure of £807,598 (2015 - £667,095) was used to maintain restricted conservation programmes in the year across a range of projects as detailed in note 15 to the financial statements.

Thank you to all who generously gave their time and offered funds to the Charity during the year.

### **Investment Policy**

MCS held the majority of investments in low risk interest-bearing cash deposits where possible, having regard to the liquidity requirements of the Charity with the aim of achieving a better return than inflation. The average rate of return achieved in 2015/16 was 0.9% (2015 - 0.9%) and is due to the low base rate during the year.

In 2011 MCS Trustees invested £500,000 in a long term charity investment account with HSBC in order to make best use of the investment opportunities for the charity reserve. At 31 March 2016 the market value of this fund was £638,925 (2015 - £647,501).

MCS instructions to those managing the funds would be that there is a preference, although not absolute, to avoid investments in companies whose principal activities are in conflict with the aims and objectives of MCS. MCS will endeavour to maintain cohesion between its ethical considerations for its investments and all other activities at MCS.

### **Reserves Policy**

The reserves are required to meet the working capital requirements of the charity and to allow continued funding of a project in the event of grant funding not being immediately available, until further funding can be secured.

The Trustees aim to hold general reserves sufficient to cover four to six months' operating costs. Budgeted expenditure for 2016/17 is circa £3m and Trustees believe that Charity reserves of £800,000 to £1 million are sufficient to support the current scale of activities and provide a firm basis for the future. Unrestricted reserves held are marginally in excess of the reserves policy and are anticipated to be expended as part of the five year strategy. MCS has seen an increase in its restricted reserves in 2015/16 owing to the generous legacy from the Miles Blackwell Trust which is restricted to supporting our work on Marine Protected Areas. This work is planned over two years and in 2016/17 it is anticipated that the reserves will be reduced. This policy excludes those reserves represented by tangible fixed assets and the specific restricted funds on the balance sheet.

### **Organisational Development**

MCS has invested in the future growth and development of the charity to increase its effectiveness and ultimately its ability to deliver on its vision of abundant marine life, sustainable fisheries, and clean seas and beaches.

In November, we published our 2015-2020 strategic plan – Our Seas Our Future, which sets out our vision, mission, goals and actions to achieve six key conservation aims outlined above. Delivery of these conservation aims will be underpinned by organisational priorities including maintaining sustainable income streams, increasing

## Trustees' Report For the year ended 31<sup>st</sup> March 2016 - continued

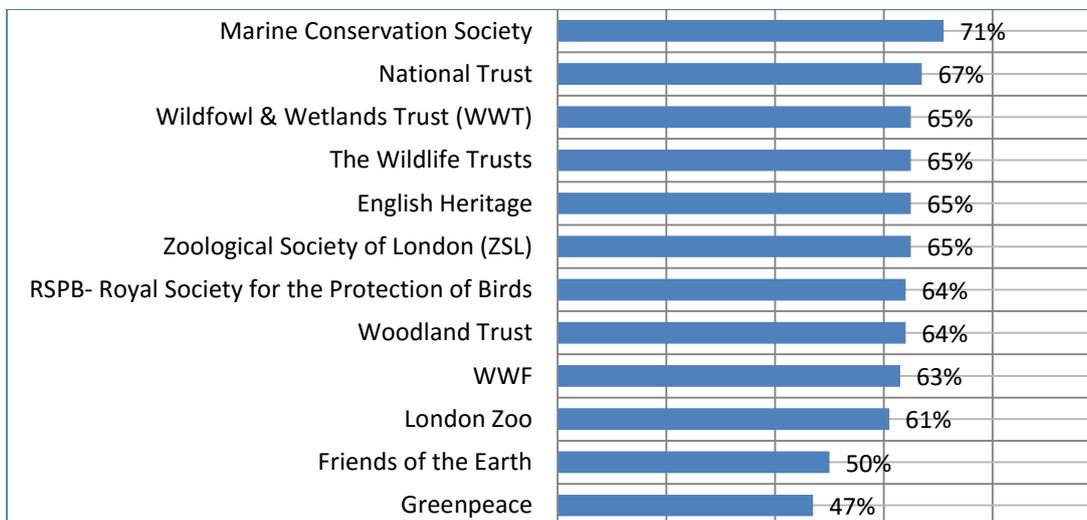
MCS profile, brand and supporter base, effectively influencing key political and industry stakeholders through advocacy and campaigning; and supporting a high-performing, motivated team of staff.

MCS has continued to test different recruitment channels to grow and develop membership. Overall, income from membership and adoptions continues to increase as shown in the Statement of Financial Activities. Work has concentrated on improving the quality of data held on supporters, ensuring maximum 'opt in' to receiving further communications, in anticipation of a tightening of data compliance under the new Fundraising Regulator. Given the current economic climate and impacts on charity giving, maintaining a return on investment is key and MCS will be focussing on areas where there is positive potential for growing the MCS membership and supporter base.

A new seahorse adoption product was introduced for Christmas 2015 to add to the portfolio, marketed in collaboration with The Seahorse Trust.

A decision was taken in Spring 2016 to upgrade all members to the new membership fee (minimum of £3.50 per month or £42 per year) that was agreed in 2014. Some members had not been uplifted for over 10 years and their fee was no longer covering the increased production and postage costs of sending out the Marine Conservation magazine. This fee adjustment will impact almost 50% of members and result in higher income receipts.

In light of the media coverage over the year concerning poor governance, highlighting CEO salaries and fundraising practices in third-party fundraising organisations in particular, the publication of an nfpSynergy benchmarking report on 'public trust in the charity sector' made interesting reading and offered some insight into how individual charities and sectors have been faring in light of recent events. This report was based on the results of asking respondents how much they trusted each charity tracked by nfpSynergy. MCS came out top in the Environment and Conservation sector:



The investment made to develop MCS unrestricted funding streams is making a welcome contribution to income generation; however, securing unrestricted funding remains a vital aspect of the MCS funding strategy in order to ensure its continued delivery of core conservation programmes.

With funding from People's Postcode Lottery, MCS is undertaking a comprehensive review of how we measure and report on our impact and piloting new approaches to ensure that we can confidently communicate the real impact of our work.

A legacy from the Miles Blackwell Trust to support our aim to establish a UK network of well managed Marine Protected Areas is being used over a two year period to develop our campaigning capacity and effectiveness.

## Trustees' Report For the year ended 31<sup>st</sup> March 2016 - continued

### Plans for Future Periods

#### Conservation Programmes

##### Protecting Marine Life

2020 Aim:

- Establish an ecologically coherent UK network of well-managed Marine Protected Areas (MPAs).

MCS will continue to focus on ensuring that legislation to protect our marine environment at both UK and European level is implemented effectively to provide the protection for marine wildlife and sustainable management of our seas that they promise. MCS work will focus on championing the establishment of an ecologically coherent network of marine protected areas and ensuring their effective management, in particular that damaging fisheries are halted within them. The charity will also continue to increase its knowledge and understanding of the diversity and range of species and habitats to inform effective protection measures.

In the period 2016-2017 MCS will:

- Advocate and campaign for the designation of a full network of Marine Conservation Zones around England including building extensive public support for the network and engagement with Tranche 3 consultation.
- Push for the designation of a further four nature conservation MPAs, including the large Sea of the Hebrides MPA for basking sharks and minke whales and support seabird SPAs and further harbour porpoise SACs in Scotland.
- Co-ordinate and lead the Scottish Environment LINK [www.savescottishseas.org](http://www.savescottishseas.org) coalition to advocate for well-managed MPAs, particularly to control damaging trawling and dredging, and for the delivery of ecosystem-based regional marine plans that integrate with improved inshore fisheries management and contribute to the enhancement in ecological health of Scottish Marine Regions.
- Train and co-ordinate the Seasearch network of recreational divers to gather data on sublittoral habitats and species throughout Britain and Ireland, and utilise this to support the designation and management of proposed and newly created MPAs.
- Plan and deliver more Seasearch dives in MPAs to collect new data, advocate MPAs as an important marine conservation tool, and support MCS campaigning.
- Promote the outcomes from the collaborative partnership project with the Sussex Inshore Fisheries and Conservation Authority (IFCA) to engage regional and local stakeholders in decision-making about management measures for the new MCZs at Beachy Head West and Kingmere in England.
- Work with Eastern IFCA to complete the current Community Voice Method project, and develop a business plan and funding model to roll out CVM as an engagement tool throughout the UK.
- Influence and advise Government on effective protection of European Marine Sites from damaging fishing activities through the EMS Implementation Group.
- Lead a pan-European project with Seas at Risk and ClientEarth to share knowledge and experience amongst European NGOs to influence more effective protection of European Marine Sites from damaging activities.
- Influence the European Commission, Government and the devolved administrations, the statutory nature conservation agencies and their regional projects to ensure MPA networks are 'ecologically coherent', apply an ecosystem based approach, and are effectively monitored and enforced.
- Support the Wildlife & Countryside Link campaign to defend the EU Habitats and Birds Directive from amendments by the European Commission as part of the re-fit process.
- Work with the UK Government and devolved administrations as they transpose and implement the Marine Strategy Framework Directive to ensure the targets and measures set for achieving 'Good Environmental Status' are fit for purpose.
- Gather, compile and publicly report on sightings of marine turtles, basking sharks and jellyfish, and participate in the Capturing Our Coast and Big Seaweed Search citizen science projects.

## Trustees' Report For the year ended 31<sup>st</sup> March 2016 - continued

### Sustainable fisheries and aquaculture

#### 2020 Aims:

- Recovery of depleted fisheries, and minimisation of impacts of wild capture fisheries and fish farming on habitats, non-target species and ecosystems.
- Increased availability, and consumption, of sustainably wild caught and responsibly farmed seafood in the UK.

MCS work to achieve sustainable fisheries and aquaculture will be delivered through initiatives focusing on a sustainable seafood programme for consumers and the commercial supply chain, influencing development of sustainable aquaculture standards and practices, particularly in relation to fish feed, and influencing European fisheries and aquaculture policy and management.

In the period 2016-2017 MCS will:

- Maintain and expand MCS sustainable seafood ratings published on the Good Fish Guide website, smart phone apps and hardcopy pocket guide to inform seafood businesses on the relative sustainability of fish available to UK consumers, including lists of Fish to Eat and Fish to Avoid.
- Partner with the Monterey Bay Aquarium to increase the range of fisheries from wild caught and farmed sources that are rated on the Good Fish Guide.
- Promote the Good Fish Guide through various platforms (such as Fish of the Month) and networks to increase market reach.
- Develop a seafood Wall of Fame to highlight the number of businesses using MCS seafood ratings and businesses that have made sourcing commitments based on these.
- Complete a review and adopt changes to the methodology for rating wild caught seafood to ensure it is robust and transparent.
- Work through our existing networks to ensure that MCS ratings continue to underpin initiatives such as Fish2Fork, the Sustainable Restaurant Association, Soil Association's 'Food for Life' Catering Mark, Sustainable Fish City and the Cornwall Wildlife Trust Good Seafood Guide.
- Partner with Fish2Fork to assess a further 15 major restaurant chains for their provision of sustainable seafood and inform diners through development and integration of the Diner Ratings scheme within the MCS Good Fish Guide app.
- Undertake focussed lobbying of businesses (to remove from sale) and managing authorities (to improve managing policies) of selected red rated species (likely seabass or eel).
- Pilot the MCS Good Fish Product Guide for a small range of processed seafood to highlight best and worst practices by retailers and brands.
- Promote MCS seafood consulting services to better service large businesses wanting sustainable seafood ratings and advice.
- Develop, review and update MCS fisheries policy documents.
- Develop simplified materials and infographics to better communicate our messages.
- Develop A' Level lesson plans and Cool Seas Investigators specifically on sustainable seafood.
- Service existing seafood business partnerships to improve businesses' sustainable seafood performance.
- Produce a range of communication tools including video clips and new webpage to raise awareness of aquaculture practices and impacts.
- Input into and influence the content of both the GAA standard and ASC International Feed Standard through representation on relevant steering committees and to moderate a panel session at the EU Fishmeal conference.
- Encourage business uptake of certified farmed seafood products.
- Work with business, governments and industry at the national and international level to ensure that the health of the marine environment is an integral part of aquaculture policy development.
- Encourage the development and adoption of rigorous production standards for all farmed fish available in the UK.
- Develop a local aquaculture planning guidance document and work to influence aquaculture planning in the UK in relation to MPAs.
- Influence the implementation of the reformed Common Fisheries Policy, to ensure that wild capture fisheries and aquaculture are managed within environmentally sustainable limits, with a focus on the implementation of the Discard Ban for demersal fisheries.

## Trustees' Report For the year ended 31<sup>st</sup> March 2016 - continued

- Actively participate on both the NWWAC and NSAC to achieving CFP commitments.
- Develop relevant policy documents and briefings to engage UK MPs and MEPs.

### Clean seas and beaches

2020 Aim:

- Reduced litter and bathing water pollution at UK beaches.

MCS work to achieve clean seas and beaches will be delivered through a UK-wide programme of litter surveys, public engagement, campaigns and advocacy and the provision of comprehensive information and advice on beaches and bathing waters through the Good Beach Guide website.

In the period 2016-2017 MCS will:

- Conduct the annual Great British Beach Clean volunteer litter survey and publish the results of the survey to inform all stakeholders of the actions needed to reduce litter at source and to provide a robust data base for beach litter.
- Conduct a series of beach cleans in partnership with Marks & Spencer as part of the Spark Something Good partnership.
- Support the 400+ beaches who take part in the quarterly Beachwatch beach litter survey scheme.
- Influence and advise Governments in Scotland, Wales and Northern Ireland to act on commitments to develop and implement their respective Marine Litter Strategies.
- Input to the England Litter Strategy to ensure that marine litter is considered and that the strategy is fit for purpose.
- Lobby manufacturers to remove microplastics from personal care products through the *Beat the Microbead* and *Scrub it Out!* campaigns.
- Campaign for a ban on microbeads at UK and EU level.
- Campaign for the introduction of Deposit Return Systems for single use drinks containers.
- Advocate changes in public behaviour to reduce the amount of sewage related debris on UK beaches including influencing manufacturers to correctly label bathroom products, public education initiatives, and working alongside water companies with a focus on wet wipes.
- Co-ordinate and disseminate information on litter reduction initiatives and campaigns through the Marine Litter Action Network.
- Influence the OSPAR and MSFD litter technical sub group to ensure that the NGO voice is considered at an EU and UK level.
- Publish information on water quality standards at all UK beaches through the Good Beach Guide website, highlighting those beaches with excellent and good water quality standards under the revised Bathing Water Directive.
- Develop the Good Beach Guide as a one-stop platform for 1 million users a year to access information on the quality of UK bathing waters and beaches; marine life onshore and offshore; and the actions they can take to support healthy seas and wildlife.
- Campaign for monitoring of combined sewer overflows at the coast and the improvement of all sewage outfalls found to be polluting beaches.

### Working seas

2020 Aim:

- Ecologically sustainable planning and management of marine industries.

UK seas are some of the busiest in the world. They provide oil and gas, marine renewable energy, over 90% of imports and exports through shipping, sand and gravel and even the main cables linking us to the internet. The coastal zone is particularly busy with recreation, ports, harbours, power stations, towns and cities. MCS will continue to focus on ensuring that legislation to protect our marine environment at both UK and European level is implemented effectively to provide the protection for marine wildlife and sustainable management of our seas that they promise.

## Trustees' Report For the year ended 31<sup>st</sup> March 2016 - continued

In the period 2016-2017 MCS will:

- Input and influence Government policies and National/Regional Marine Plans to ensure commitments on environmental limits, the ecosystem approach, biodiversity, cumulative and in-combination effects and sustainable development are implemented.
- Influence the EC and UK Government to encourage stronger marine strategies and measures that will achieve Good Environmental Status under the Marine Strategy Framework Directive.
- Work with Government and industry to ensure maritime industries do not adversely affect rare, threatened or protected habitats or species, or ecosystem integrity.
- Work with Government and the renewables industry to support sustainable marine renewables such as offshore wind, while challenging developments that may radically alter and adversely affect marine habitats and ecosystems.
- Broaden understanding of the full range of values (monetary and non-monetary) of the UK marine environment to generate stakeholder support and action and inform decision-making.
- Promote the recognition and inclusion of environmental and socio-economic benefits of the goods and services our seas provide in national policy, e.g. through the Natural Capital Committee.

### Engaging our audiences

2020 Aim:

- Increased public understanding, appreciation and enjoyment of UK seas and active involvement in their conservation.

MCS aims to reach a much wider audience over the coming year to inspire interest, understanding and active involvement in marine conservation initiatives and influence changes in Government policy, industry practice and individual behaviour in support of its conservation goals.

In the period 2016-2017 MCS will:

- Seek funding to implement the Cool Seas education strategy, to include further development of the CSI programme and Ocean Schools initiative.
- Develop, promote and continue to refresh the online, interactive Cool Seas Explorer Centre.
- Explore opportunities for partnership which will support dissemination of educational resources.
- Develop and regularly communicate with the network of schools regularly accessing Cool Seas resources.
- Re-develop, trial and promote the Cool Seas Investigators (CSI) 'Unflushables' community-action learning project for upper primary and secondary pupils for an English audience.
- Develop and deliver beach based family focused activities to enhance the experience of participants at beach cleans.
- Promote 'Teach on the Beach' as a learning package for schools.
- Encourage youth participation in MCS beach cleans and surveys.
- Collaborate with other organisations to produce educational resources in support of MCS core work areas.
- Work in partnership with other organisations to influence educational policy and improve levels of Ocean Literacy in the UK.
- Continue to develop and grow the volunteer-led education outreach team and service.
- Develop and implement a volunteer engagement and community outreach strategy focusing volunteer resource on delivery of priority goals and activities for maximum impact.
- Support the Sea Champions volunteer network and community outreach programme.
- Lead on delivery of the Capturing our Coast project in the South West and South Wales.
- Develop and deliver a programme of volunteer training both face-to-face and via webinars to build capacity, improve individual's skills and knowledge as well as participation in our citizen science programmes.
- Work closely with local groups to align activity with MCS' strategic goals.
- Complete and operationalise a stakeholder engagement strategy, which sets out how MCS can be more effective in its engagement and influence of key stakeholders in support of our conservation objectives.

## Trustees' Report For the year ended 31<sup>st</sup> March 2016 - continued

### 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 2015 (FRSSE);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in 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 report has 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:



T Aldwin  
Treasurer

H Raven  
Chairman



31<sup>st</sup> August 2016

## **Independent Auditor's Report to the Trustees and Members of Marine Conservation Society**

We have audited the financial statements of Marine Conservation Society for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's Trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's 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 charity, its members as a body and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 29, 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.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities); and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

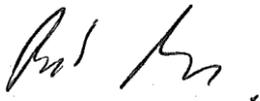
### **Matters on which we are required to report by exception**

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

- the charitable company has not kept proper and adequate accounting periods or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

### **Rob Richards FCA, CTA, FCCA (Senior Statutory Auditor)**

For and on behalf of The Richards Sandy Partnership Limited, Statutory Auditors  
Thorneloe House  
25 Barbourne Road  
Worcester  
WR1 1RU



Date: 20/9/16

**The Richards Sandy Partnership Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.**

**Marine Conservation Society**  
**Statement of Financial Activities (including Income and Expenditure Account)**  
**for the year ended 31<sup>st</sup> March 2016**

	Unrestricted Funds	Restricted Funds	Total Funds 2016	Prior Period Total Funds 2015	Further Details
	£	£	£	£	
<b>Income and endowments from:</b>					
Donations and legacies	1,364,072	1,016,973	2,381,045	1,758,005	Note 1
Charitable activities	963	455,632	456,595	404,384	Note 2
Other trading activities	7,298	-	7,298	13,952	Note 3
Investments before management fees	43,656	-	43,656	37,596	
<b>Total</b>	<b>1,415,989</b>	<b>1,472,605</b>	<b>2,888,594</b>	<b>2,213,937</b>	
<b>Expenditure on:</b>					
Raising funds	429,967	103,064	533,031	478,071	Note 4a
Charitable activities	224,096	1,873,581	2,097,677	1,928,845	Note 4b
<b>Total</b>	<b>654,063</b>	<b>1,976,645</b>	<b>2,630,708</b>	<b>2,406,916</b>	
Net gains /(losses) on investments	(28,060)	-	(28,060)	44,144	Note 11
<b>Net income / (expenditure)</b>	<b>733,866</b>	<b>(504,040)</b>	<b>229,826</b>	<b>(148,835)</b>	
<b>Transfers between funds</b>	<b>(807,598)</b>	<b>807,598</b>	<b>-</b>	<b>-</b>	Note 15
<b>Other recognised gains / (losses):</b>					
Other gains / (losses)	(350)	-	(350)	2,514	
<b>Net movement of funds</b>	<b>(74,082)</b>	<b>303,558</b>	<b>229,476</b>	<b>(146,321)</b>	
<b>Reconciliation of funds:</b>					
Total funds brought forward	1,234,922	1,116,321	2,351,243	2,497,564	
<b>Total funds carried forward</b>	<b>1,160,840</b>	<b>1,419,879</b>	<b>2,580,719</b>	<b>2,351,243</b>	

The statement of financial activities includes all gains and losses recognised in the year.  
All incoming resources and resources expended derive from continuing activities.

**Marine Conservation Society**  
**Balance Sheet**  
**as at 31<sup>st</sup> March 2016**

	Total Funds 2016	Prior Year Funds 2015	Further Details
	£	£	
<b>Fixed assets:</b>			
Tangible assets	16,593	25,690	Note 10
Investments	638,925	647,701	Note 11
<b>Total fixed assets</b>	<b>655,518</b>	<b>673,391</b>	
<b>Current assets:</b>			
Debtors	258,941	290,084	Note 12
Cash at bank and in hand	1,829,925	1,671,080	
<b>Total current assets</b>	<b>2,088,866</b>	<b>1,961,164</b>	
<b>Liabilities:</b>			
Creditors: amounts falling due within one year	(161,665)	(283,312)	Note 13
<b>Net current assets</b>	<b>1,927,201</b>	<b>1,677,852</b>	
<b>Total assets less current liabilities</b>	<b>2,582,719</b>	<b>2,351,243</b>	
Provisions for liabilities	(2,000)	-	Note 19
<b>Total net assets</b>	<b>2,580,719</b>	<b>2,351,243</b>	
<b>The funds of the charity::</b>			
Unrestricted funds – includes revaluation reserve of £32,642 (2015: £82,356)	1,160,840	1,234,922	Note 15
Restricted funds	1,419,879	1,116,321	Note 15
<b>Total Charity Funds</b>	<b>2,580,719</b>	<b>2,351,243</b>	

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 31<sup>st</sup> August 2016 and signed on its behalf by:

T Aldwin  
Treasurer

H Raven  
Chairman

Company Number: 2550966

# Marine Conservation Society

## 1. Principal accounting policies

### (a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16/07/14, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

### (b) Incoming resources

Income is recognised in the period in which the charitable company is entitled to receipt. Income is deferred only 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. Life subscriptions are accounted for in the year in which they are received.

#### I. Commercial Trading Activities

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

#### II. Donations and Grants

Income from donations and grants, including 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.

#### III. 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.

#### IV. 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 (FRSSE). Further detail is given in the Trustees' Annual Report.

### (c) 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.

## Marine Conservation Society

### (d) Fundraising costs of voluntary income

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.

### 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 a members' magazine.

### Educational and Promotional costs

These represent costs incurred in promoting the objects and activities of the charity to varied audiences for example through events, internet, and provision of information.

### Operational programme costs

These represent costs incurred in delivering the objects of the charity through a range of conservation programmes including costs of salaries and overhead costs of the staff who promote the charity's objectives.

### 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 have been allocated to activities on the basis of the number of full time equivalent staff employed within each activity.

### (e) 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:
  - Motor vehicles – 25% on cost
  - Fixtures and fittings – 15% to 20% on cost
  - Computer equipment – 33.3% on cost
  - Telephone equipment – 25% on cost

### (f) Investments

Listed investments are valued in the Balance Sheet at market value. The realised gain/loss in the year is the difference between the amount at which the investment was valued at the beginning of the year, or cost if purchased during the year, and sale proceeds. The net gain/loss on revaluation and disposal of investments is shown in the Statement of Financial Activities.

### (g) 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.

### (h) 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.

### (i) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

### (j) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

## Marine Conservation Society

**(k) Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**(l) Tax**

The charity is 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.

**(m) Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**(n) Stocks**

Stocks are valued at the lower of cost or net realisable value.

**(o) Irrecoverable VAT**

Irrecoverable VAT is written off against the costs to which it relates.

**(p) 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 15).

# Marine Conservation Society

## 1 Income from donations and legacies

	Unrestricted Funds	Restricted Funds	Total Funds 2016	Prior Period Total Funds 2015
	£	£	£	£
Subscriptions and fees receivable	376,926	-	376,926	272,941
Legacies	35,724	820,000	855,724	10,625
Donations - trusts and companies	335,835	175,391	511,226	433,412
Donations – individuals	105,049	1,426	106,475	85,829
Royalties, appeals and other fundraising income	510,538	20,156	530,694	955,198
<b>Total</b>	<b>1,364,072</b>	<b>1,016,973</b>	<b>2,381,045</b>	<b>1,758,005</b>

The restricted royalties and appeals income represents income received from individuals and organisations, including gift aid where appropriate:

Pollution Programme	£1,425
Fisheries & Aquaculture Programme	£17,390
Biodiversity Programme	£950
National Seasearch Programme	£150
Welsh Programme	£80
TCI Turtle Project	£161
	<b>£20,156</b>

## 2 Income from charitable activities

	Unrestricted Funds	Restricted Funds	Total Funds 2016	Prior Period Total Funds 2015
	£	£	£	£
Educational and promotional income	963	38,857	39,820	168,852
Grant Income	-	416,775	416,775	235,532
<b>Total</b>	<b>963</b>	<b>455,632</b>	<b>456,595</b>	<b>404,384</b>

## 3 Income from other trading activities

	Total Funds 2016	Prior Period Total Funds 2015
	£	£
Commercial trading	7,298	13,952

## 4a Expenditure on raising funds

	Unrestricted Funds	Restricted Funds	Total Funds 2016	Prior Period Total Funds 2015	Further Details
	£	£	£	£	
Fundraising costs of voluntary Income	235,612	25,503	261,114	241,468	Note 4ai
Commercial trading costs	10,937	-	10,937	8,174	Note 4a ii
Costs of generating and servicing membership subscriptions	175,662	77,561	253,223	220,755	Note 4a iii
Investment management fees	7,757	-	7,757	7,674	Note 11
<b>Total</b>	<b>429,967</b>	<b>103,064</b>	<b>533,031</b>	<b>478,071</b>	

## Marine Conservation Society

### 4ai Fundraising costs of voluntary income

	Total Funds 2016	Prior Period Total Funds 2015
	£	£
Staff costs	138,521	176,694
Expenses and travel	6,364	5,867
Other direct costs	53,860	12,945
Infrastructure costs	24,809	18,110
Support costs	32,111	24,480
Legal and professional	1,701	451
Unrecovered VAT	2,398	1,634
Depreciation	1,350	1,287
<b>Total</b>	<b>261,114</b>	<b>241,468</b>

Other direct costs have increased through the engagement of a consultant to assist in the development of a major donor fundraising programme  
Infrastructure and support costs includes staff and premises overheads

### 4aii Commercial trading costs

	Total Funds 2016	Prior Period Total Funds 2015
	£	£
Other direct costs	10,937	8,174

### 4aiii Costs of generating and servicing membership subscriptions

	Total Funds 2016	Prior Period Total Funds 2015
	£	£
Staff costs	139,889	121,208
Expenses and travel	6,607	-
Other direct costs	57,943	52,802
Infrastructure costs	19,430	18,487
Support costs	25,163	24,990
Legal and professional	1,308	347
Unrecovered VAT	1,844	1,634
Depreciation	1,039	1,287
<b>Total</b>	<b>253,223</b>	<b>220,755</b>

### 4b Expenditure on charitable activities

	Unrestricted Funds	Restricted Funds	Total Funds 2016	Prior Period Total Funds 2015	Further Details
	£	£	£	£	
Educational and promotional costs	148,258	46,001	194,259	240,458	Note 4bi
Operational programme costs	75,838	1,827,580	1,903,418	1,688,387	Note 4bii
<b>Total</b>	<b>224,096</b>	<b>1,873,581</b>	<b>2,097,677</b>	<b>1,928,845</b>	

## Marine Conservation Society

### 4bi Educational and promotional costs

	Total Funds 2016	Prior Period Total Funds 2015
	£	£
Staff costs	112,438	135,967
Expenses and travel	1,605	1,756
Other direct costs	51,584	49,482
Infrastructure costs	11,385	20,748
Support costs	14,733	28,050
Legal and professional	785	208
Unrecovered VAT	1,106	2,376
Depreciation	623	1,871
<b>Total</b>	<b>194,259</b>	<b>240,458</b>

### 4bii Operational programme costs

	Total Funds 2016	Prior Period Total Funds 2015
	£	£
Staff costs	1,200,008	1,088,931
Expenses and travel	87,133	85,388
Other direct costs	279,097	267,476
Infrastructure costs	134,016	100,701
Support costs	173,404	127,500
Legal and professional	9,292	2,465
Unrecovered VAT	13,093	8,910
Depreciation	7,375	7,016
<b>Total</b>	<b>1,903,418</b>	<b>1,688,387</b>

## 5 Net incoming resources for the year

This is stated after charging:

	Total Funds 2016	Prior Period Total Funds 2015
	£	£
Depreciation	10,387	11,694
Auditor's remuneration	6,500	6,500
Equipment rental	855	840
Trustees' Liability insurance	1,326	1,326
Property rental	44,490	44,490
Property rental included in restricted funds expenditure	7,520	12,500

## 6 Staff costs and Trustees' remuneration

	Total Funds 2016	Prior Period Total Funds 2015
	£	£
Salaries & Wages (gross)	1,600,261	1,482,900
National Insurance contributions (employer's only)	157,029	143,499
Other Pension Costs	90,292	82,174
	<b>1,847,582</b>	<b>1,708,573</b>

Salaries and wages are shown gross and national insurance contributions are employer only

## Marine Conservation Society

One employee received emoluments in the band £60,000 to £70,000 (2015 - one). This employee had benefits accruing under an auto-enrolment scheme and contributions paid during the year totalled £3,979 (2015 - £3,924)

9 Trustees claimed expenses during the year for travel and subsistence, amounting to £4,320 (2015 - £2,145)

No Trustee received remuneration during the year (2015 - nil)

### 7 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 £8,438 accrued at the year-end (2015 - £7,278) representing pension costs payable.

### 8 Taxation

The company is a registered charity and no provision is considered necessary for taxation.

### 9 Staff numbers

The average number of employees during the year was:

	2016	2015
	Number	Number
Project staff	47	43
Administration and support	7	7
	<b>54</b>	<b>50</b>

Project staff is made up of the following full time equivalent apportionment: fundraising (6), generating and servicing subscriptions (5) education and promotional (3), operational (32), governance (1)

### 10 Tangible Fixed Assets

	Fixtures, Fittings & Computer Equipment £
<b>Cost</b>	
At 1 April 2015	111,617
Additions at cost	1,289
At 31 March 2016	112,906
<b>Depreciation</b>	
At 1 April 2015	85,926
Charge for the year	10,387
At 31 March 2016	96,313
<b>Net Book Value</b>	
At 31 March 2016	<b>16,593</b>
At 31 March 2015	25,691

## Marine Conservation Society

### 11 Investments

#### 11a Investments in subsidiaries

Investments held by the charity represents the whole of the issued share capital of each of the following companies:

	2016	2015
	£	£
Marine Biological Consultants Limited	100	100
MCS Sales Limited	100	100
	<b>200</b>	<b>200</b>

Both Companies are registered in England and Wales and are dormant companies.

#### 11b Listed investments

	2016	2015
	£	£
Balance Brought Forward from 2015	647,501	591,440
Additions at cost	225,969	223,875
Disposals at Market Value	(206,685)	(211,958)
Realised Gains	21,084	22,021
Unrealised Gains / (Losses)	(49,144)	22,123
Market Value as at 31/03/2016	<b>638,725</b>	<b>647,501</b>

	2016	2015
	£	£
Management fees	<b>7,757</b>	<b>7,674</b>

The historical cost of investments held at 31st March 2016 was £606,083 (2015 - £565,145). None of the investments relate to restricted funds and all are managed by HSBC. The valuation of the investments, at market value, was performed by HSBC. The investments are held to provide an investment return to the charity.

As at 31 March 2016, the market value of investments listed in the UK amounted to £343,551 (2015 - £448,150). The remainder of £295,174 (2015 - £119,351) represented investments listed overseas. No individual investment comprised more than 9% of the total investments.

### 12 Debtors

	2016	2015
	£	£
Trade debtors	116,538	171,139
Prepayments and accrued Income	133,632	48,426
Amount due from subsidiary undertaking	1,000	1,000
Other debtors	7,771	69,519
	<b>258,941</b>	<b>290,084</b>

Other debtors include known royalty income due through contractual agreements with corporate sponsors.

## Marine Conservation Society

### 13 Creditors: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	78,649	75,780
Pension contributions owing	53	7,278
Other creditors and accruals	11,262	17,767
VAT liability	26,768	70,006
Subscriptions in advance	46,933	112,481
	<b>163,665</b>	<b>283,312</b>

All subscriptions in advance and grants received in advance at 31 March 2015 were released to income during the year.

### 14 Limited liability of guarantors

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1. The number of members at 31st March 2016 was 5824 (2015 – 5,110). Membership is expressed as defined by the Board of Trustees following adoption of the updated Articles of Association in April 2010.

### 15 Statement of funds

	At 1 April 2015	Income	Expenditure	Transfers	Gains and Losses	At 31 March 2016
	£	£	£	£	£	£
<b>General Reserves:</b>	1,234,922	1,415,989	(654,063)	(807,598)	(28,410)	1,160,840
Total Unrestricted Funds	1,234,922	1,415,989	(654,063)	(807,598)	(28,410)	<b>1,160,840</b>
<b>Restricted Funds:</b>						
General Conservation	-	57,000	(124,805)	89,805	-	22,000
Pollution Programme	8,000	60,927	(270,630)	232,625	-	30,922
Darwin Initiative	-	6,514	(6,514)	-	-	-
Fisheries Programme	-	187,712	(279,194)	186,269	-	94,787
Scottish Campaign	15,000	19,591	(111,036)	76,445	-	-
Marine Planning	-	-	(88,273)	88,273	-	-
Biodiversity Programme	40,164	97,873	(113,530)	24,812	-	49,319
National Seasearch	-	57,966	(96,793)	38,827	-	-
Conservation Education	71,194	33,741	(80,603)	-	-	24,332
Welsh Campaign	24,903	40,036	(109,081)	70,542	-	26,400
TCI Turtle Project	20,750	20,456	(25,244)	-	-	15,962
MPA Programme	-	840,000	(152,594)	-	-	687,406
Sea Champions Project	415,000	50,789	(294,736)	-	-	171,053
Restricted Donations	514,100	-	(222,565)	-	-	291,535
The Wakefield Fund	2,150	-	(500)	-	-	1,650
The MCS Trust Fund	5,060	-	(547)	-	-	4,513
Total Restricted Funds	<b>1,116,321</b>	<b>1,472,605</b>	<b>(1,976,645)</b>	<b>807,598</b>		<b>1,419,879</b>
Total Funds	2,351,243	2,888,594	(2,630,708)	-	(28,410)	2,580,719

Restricted Donations represent the continued utilisation of the legacy funds from the Tubney Charitable Trust  
The MPA Programme is funded by a generous legacy from the Miles Blackwell Trust

## Marine Conservation Society

### Restricted expenditure across the 2015 – 2020 Strategic Aims

	Total Funds 2016
	£
Protecting Marine Life	381,911
Sustainable Fisheries	377,527
Clean Seas and Beaches	319,797
Working Seas	137,440
Engaging our Audiences	498,916
Other activities supported by restricted funds to support the Aims	261,054
	<b>1,976,645</b>

### General Reserves

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

### Restricted Funds

All restricted funds are for specific conservation or educational projects in the UK and overseas, and are briefly described below with further details on recent activity described in the Trustees' Report. The transfers from the general reserve and designated funds relate to the costs of the programmes not covered by grant income.

*General Conservation:* MCS received funding that would benefit all programmes of work including towards the key work of the Director of Conservation and Campaigns to deliver the strategic aims and funding to develop impact reporting within the charity.

*Pollution Programme:* MCS Beachwatch project (launched in 1994) involved volunteers in regular surveys and clean up of litter on beaches. Data collected was used by MCS to identify the key sources of litter and develop initiatives to reduce litter at source. The Great British Beach Clean event takes place over one weekend every September and provides a UK-wide snapshot of the quantities and sources of beach litter. The Pollution programme works to reduce pollution from sewage, and other contaminants. The annual Good Beach Guide informed the public of the bathing water quality standards at UK beaches and promoted improvements to coastal sewage treatment.

*Darwin Initiative:* MCS received funding from The Lighthouse Foundation to continue its programme of work in Sabah.

*Fisheries Programme:* MCS works to promote the development of sustainable wild-capture and farmed seafood production, through influencing policy measures, promoting sustainable fishing and fish-farming practices and sustainable seafood consumption through the Pocket Good Fish Guide, Fishonline and partnerships with other organisations.

*Scottish Programme:* MCS established an office in Scotland in 2000, to promote and support MCS projects and conservation policies. The programme raises awareness through outreach activities, encourages participation in practical marine conservation projects such as Beachwatch and marine life surveys and provides input on national marine policy developments in Scotland.

*Marine Planning:* This programme covers work to promote and influence the sustainable and sensitive use of marine resources including the sensitive and strategic planning and operation of activities such as aggregate dredging, oil and gas development, marine renewables and coastal development. With the Marine Acts in place, focus is now on ensuring that the key laws and policies designed to protect our seas and ensure maritime industries do not adversely impact the marine environment are effectively implemented.

## Marine Conservation Society

*Biodiversity Programme:* This programme currently focuses on the establishment of a network of Marine Protected Areas and during 2015/16 MCS is very grateful to have received a substantial legacy from the Miles Blackwell Trust to continue this important campaign. The Biodiversity programme also includes work on identifying and studying important or rare marine species (e.g. basking shark, pink sea fan and fan shell) and habitats and promoting the protection of these and broader communities through species conservation measures.

*National Seasearch:* This is a partnership programme with a number of agencies and organisations to involve volunteer recreational divers in the survey of UK marine species and habitats through training and organisation of survey dives. Data collected contributes to the UK database of species and habitats.

*Conservation Education:* This educational programme was established from funding via the M&S Forever Fish campaign in 2013-15 and work has continued in schools and through the production of educational materials including dedicated Cool Seas webpages.

*Welsh Programme:* MCS established a dedicated Welsh programme in 2006 and with support from Environment Wales and funding from the Welsh Government now has a part time outreach Wales Projects Officer. In 2013/14 MCS received funding to support a WEL hosted Welsh policy officer, which is a 3 year position at the charity. The programme raises awareness through outreach activities, encourages participation in practical marine conservation projects such as Beachwatch and marine life surveys and provides input on national marine policy developments in Wales.

*TCI Turtle Project:* A project in the Caribbean Turks and Caicos Islands was established in 2008 in order to research and propose a fisheries management plan for the legal turtle harvest which takes place on the islands. During 2015/16 Defra funded a Darwin Fellowship via the University of Portsmouth to continue our work on this project.

*Sea Champions Programme:* MCS has received funding since 2011 from Marks & Spencer through the Forever Fish partnership, to develop and maintain its Sea Champions volunteer programme and run a series of beach cleans in conjunction with M&S staff and customers. MCS is really grateful to its dedicated Sea Champions team as it continues to engage the public in beach cleans and delivering education talks and workshops.

*Restricted Donations:* MCS received a grant in July 2011 from the Tubney Charitable Trust to support MCS capacity and resources to: develop free income generation streams including marketing and fundraising activities; increase MCS influence on stakeholders at the UK, national and local level in support of marine conservation objectives; and increase financial and administrative capacity to support the charity through a period of growth.

*The Wakefield Memorial Fund* was set up to make awards to deserving students studying the impacts or solutions to coastal pollution. MCS partnered with the P1 Marine Foundation National Student Award in 2015 to increase the profile and reach of the Award. One award of £500 was made in 2016 (2015 – £500).

*The MCS Trust Fund* was established to hold funds specifically donated to provide financial assistance to community-based organisations with marine environmental issues, subject to such financial assistance being limited to charitable purposes or purposes ancillary to charitable purposes.

### 16 Analysis of net assets between funds

	Restricted Funds	General Funds	Total
	£	£	£
Fund balances at 31 March 2016 are represented by:			
Fixed assets	-	655,518	655,518
Current assets	1,440,086	648,780	2,088,866
Current liabilities	(20,207)	(143,458)	(163,665)
<b>Total net assets</b>	<b>1,419,879</b>	<b>1,160,840</b>	<b>2,580,719</b>

## Marine Conservation Society

### 17 Operating lease commitments

As at 31<sup>st</sup> March 2016 the charity had annual commitments under non-cancellable operating leases as follows:

	2016	2015
	£	£
Leases expiring between two and five years	44,490	44,490
Leases expiring between two and five years	-	-

### 18 Provision for Liabilities

An annual provision is made for dilapidations at the Ross-on-Wye premises in relation to the lease requirements.

### 19 Related Party Transactions

There are no related party transactions during the period (2015: £nil)

### 20 Material Legacies

Legacy income is only included in incoming resources where the legacy has been received or both the receipt and the amount are known with sufficient certainty. As at 31<sup>st</sup> March 2016 the charity has been notified of no legacies of material value (2015 – nil).

## Acknowledgement of financial and other support

The Marine Conservation Society would like to thank all the individuals and organisations that have supported the Society's work in the period to 31<sup>st</sup> March 2016.

### Organisations, Companies, Charitable Trusts and Foundations giving grants of £1,000 or more towards specific conservation projects:

British Chelonia Group	People's Postcode Lottery
C R Hotel Ltd	Plastics Europe AISL
Calouste Gulbenian Foundation	Royal Society for the Protection of Birds
Compass Contract Services UK Ltd	Sabah Parks
DEFRA	Scottish Environment Link
DEFRA Darwin Initiative	Scottish Natural Heritage
Eccles Family Trust	Sea Life London Aquarium
Edinburgh Council	Seas at Risk
Environment Wales	Selfridges
Geraldine Kirkpatrick Charitable Trust	Suffolk County Council
Gwynedd Council	The Craignish Trust
Heritage Lottery Fund	The Gerald Micklem Trust
J & JR Wilson Trust	The Lighthouse Foundation
John Ellerman Foundation	The Michael Marks Charitable Trust
Keep Scotland Beautiful	The Pigshed Trust
Kestrelman Trust	Turcan Connell
MAVA Foundation	Turks & Caicos Reef Fund
Miles Blackwell Trust	Wales Council for Voluntary Action
Monterey Bay Aquarium	Whitley Animal Protection Trust
Natural England	Zoological Society London
Natural Resources Wales	

### Organisations and companies supporting MCS with contributions of £1,000 or more in unrestricted funds:

Able & Cole	Black Rock
Adnams Brewery	CSL Europe Ltd
Ark Syndicate Management Ltd	Debenhams plc

Fish4Dogs  
From the Notebook  
Grain Branding & Design Ltd  
Green Insurance Company  
Green People Ltd  
Haddenham Healthcare Ltd  
Harbour & Jones Ltd  
Haven Holidays  
Immediate Media  
M&J Seafood

Mad Ball Fund  
Marks & Spencer plc  
PwC UK  
Richard Bramble  
Rudding Gates  
Salt Water Sandals  
Simon Davenport Associates  
Supergroup plc  
The Glenmorangie Company Ltd  
Yo! Sushi

**Charitable and Company Trusts giving a donation of £500 or more:**

A&F Ruben's Charitable Trust  
Benham Charitable Settlement  
Calleva Foundation t  
Chapman Charitable Trust  
Christopher Laing Foundation  
David Uri Memorial Trust  
George A Moore Foundation  
Gilbert & Eileen Edgar Foundation  
Gordon Fraser Charitable Trust  
Henry C Hoare Charitable Trust  
Golden Bottle Trust  
Langdale Trust  
Lennox Hannay Charitable Trust  
Marsh Christian Trust  
Millichope Foundation  
Miss K M Harbinson's Charitable Trust  
N Smith Charitable Settlement  
Paul Bassham Charitable Trust  
Peacock Charitable Trust  
People's Postcode Lottery  
Percy Hedley 1990 Charitable trust  
Pilkington General Trust  
Postcode Animal Trust  
Schroder Charity Trust  
Simon Gibson Charitable Trust  
St Mary's Charity Trust

Tay Charitable Trust  
The Anson Charitable Trust  
The Anthony & NOR Daniel Trust  
The Barker Charitable Trust  
The Blair Foundation  
The Bryan Guinness Charity Trust Ltd  
The Dulverton Trust  
The Gamma Trust  
The Hawthorn Charitable Trust  
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**MCS expresses its gratitude to the many Trusts who granted other donations or wish to remain anonymous.**

**Legacies**

Donations were gratefully received in memory of:

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MCS would like to thank its members, Local Groups and Sea Champion volunteers for their support of our conservation activities and fundraising effort over the year. Thanks also to all the volunteers who supported MCS projects and/or gathered vital information through Beachwatch, Big Beach Clean Up, 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 the work of the Marine Conservation Society.



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Registered Charity No (England and Wales): 1004005  
Registered Charity No (Scotland): SC037480

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