

Charity Registration No. 1082163

Company Registration No. 03963387 (England and Wales)

**NATIONAL BIODIVERSITY NETWORK TRUST**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

# NATIONAL BIODIVERSITY NETWORK TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr A Wood Prof. M Hassell CBE FRS Dr A Clements Dr R Fairley Ms H Wilkinson Ms M Rudd Mrs W Harper Mr N Hodges Mr M Postles Mrs E Proctor Dr B Howell	(Appointed 1 March 2018) (Appointed 1 March 2018) (Appointed 1 March 2018) (Appointed 1 March 2018) (Appointed 1 March 2018) (Appointed 1 March 2018)
<b>Secretary</b>	Dr J Judge	
<b>Charity number</b>	1082163	
<b>Company number</b>	03963387	
<b>Registered office</b>	Unit F 14-18 St Mary's Gate Lace Market Nottingham NG1 1PF	
<b>Independent examiner</b>	Rogers Spencer Newstead House Pelham Rd Nottingham NG5 1AP	
<b>Bankers</b>	National Westminster Bank Plc 51 Market Place Long Eaton Nottingham NG10 1 JP	

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# NATIONAL BIODIVERSITY NETWORK TRUST

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# NATIONAL BIODIVERSITY NETWORK TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

**FOR THE YEAR ENDED 31 MARCH 2018**

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The trustees present their report and financial statements for the year ended 31 March 2018.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

### Objectives and activities

#### Purpose of the charity

The purposes of the Charity are to advance, formally and informally, public participation in and public understanding and enjoyment of the conservation of biological resources, together with their sustainable and wise use by providing public access to biological records, data or information pertaining to the UK, the Channel Islands and the Isle of Man.

#### Aims of the charity

The National Biodiversity Network Trust (the Trust) is a membership organisation built on principles of collaboration and sharing.

Our vision is that; Biological data collected and shared openly by the Network (NBN) are central to the UK's learning and understanding of its biodiversity and are critical to all decision making about nature and the environment.

In line with our current five year strategy which runs from 2015-2020 we have the following five strategic aims:

1. Record, collect, diversify, enhance and mobilise biological data.
2. Make biological data and information available to everyone.
3. Captivate and engage people about wildlife.
4. Provide the best biological information management infrastructure.
5. Support the development of the NBN Trust, its Board and its members.

By achieving the above aims we will grow our capacity and capability to record and collect high quality biological data. We will continue to collaborate to embed our collective data and knowledge creation at the heart of biodiversity learning and environmental decision making. We will promote the natural world, the enjoyment and importance of observing nature and biological recording and the utility and power of our shared data. We will ensure stability, security and usability for an increasing mature data management infrastructure. We will support and grow the Network as an indispensable partnership for nature and in the successful implementation of this strategy.

#### Strategies for achieving aims and objectives

The NBN Action Plan 2016-2020 which runs alongside the five year strategy, sets out the commitment NBN Trust, NBN members and data partners will make to deliver the NBN Strategy. This plan describes 95 actions that the NBN Secretariat and Network members have proposed are necessary to achieve the Network's vision, aims and objectives.

A Stakeholder Group, chaired by an NBN Trustee, is due to be convened in 2018 to provide an opportunity for network members to present the opinions of their organisations and groups to the board. Working groups have been created to oversee delivery of objectives and actions. The NBN Secretariat coordinate regular meetings of these groups to bring together teams of people that have identified themselves as keen to play an active role. These groups will be led by Network members and feed back to the Board by a Trustee representative.

# NATIONAL BIODIVERSITY NETWORK TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

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Criteria the Trust uses to measure success

The National Biodiversity Network Trust produces a business plan for each financial year, which sets out the key activities for each strategic aim as detailed in the action plan. Key performance indicators, milestones and time frames for each activity are also set out in the business plan.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Significant activities undertaken and how they contribute to the achievement of the aims and objectives

The NBN Atlas, ([www.nbnatlas.org](http://www.nbnatlas.org)), our digital data sharing infrastructure was launched on the 1 April 2017. The over-riding focus for the year was the further development, enhancement and bug fixing of the NBN Atlas. The delay in recruiting a systems developer has had some impact on the planned activities for the other strategic aims.

Strategic Aim 1 - Record, collect, diversify, enhance and mobilise biological data

- a) Data Verification and Online Recording Working Groups – Groups convened throughout the year, decisions taken on showing verification status of records on the NBN Atlas;
- b) Scotland's Biodiversity Information Forum (SBIF) Review – NBN closely involved in the review of the biological recording infrastructure in Scotland in order to achieve the SBIF vision of "High quality species and habitat data will be collected and managed through a sustainable, co-ordinated and integrated local and national framework of organisations, partnerships and initiatives."

Strategic Aim 2 - Make biological data and information available to everyone

- a) The NBN Atlas currently holds over 219 million species records covering 71,327 species in 805 datasets provided by 128 data partners;
- b) Just under 27 million records in 462 datasets are available an Open (CC0, CC-BY or OGL) licence and 192 million records in 349 datasets are available on a Shared (CC-BY-NC) licence.

Strategic Aim 3 - Captivate and engage people about wildlife

- a) NBN staff presented at numerous events around the UK to raise the profile of the NBN and NBN Atlas
- b) The Captivating and Engaging working group has met throughout the year
- c) Media and social media – a new overarching communication strategy is being developed

Strategic Aim 4 - Provide the best biological information management infrastructure.

- a) the NBN Atlas and NBN Atlas Wales were launched on 1 April 2017
- b) the NBN Atlas Isle of Man was launched 31st March 2018
- c) Development of the NBN Atlas Northern Ireland was completed, however, on request by the National Museums Northern Ireland and Northern Ireland Environment Agency the site has not officially been launched yet.
- d) A technical and support officer was recruited.
- e) A NBN Atlas systems developer was recruited.

Strategic Aim 5 - Support the development of the NBN, its Board and its members

- a) Conference – On 16 and 17 November 2017, 183 delegates from biodiversity organisations, local environmental records centres, recording schemes, government bodies, students and individuals all concerned with biodiversity data and biological recording came together at the National Museums Wales in Cardiff for the 17th NBN Conference.
- b) NBN Awards – 59 nominations.
- c) A governance review was carried out by the Board of Trustees resulting in 10 trustees stepping down and five new trustees being recruited.

# NATIONAL BIODIVERSITY NETWORK TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2018**

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NBN Trust raises money through membership subscriptions and other funding from members; by entering into contracts for specific deliverables and through securing grant funding from government and charitable funders.

We rely on our Trustee volunteers who are not paid.

The Network also relies heavily on the volunteer recorders who collect and share their data and thanks is given to them for their time and contribution towards the Network.

### **Achievements and performance**

Please refer to the Significant Activities Undertaken section above for details of the Trust's main achievements.

### **Financial review**

The Trust has delivered a balanced budget, broadly on target, through use of reserves to supplement core income. This mirrors the situation in recent years. We anticipate a similar outcome for 2018-2019 but have asked executives to ensure that the budget for the coming year is balanced to avoid further drain on the reserves.

The Trust has a surplus of £9,855 this year compared to a deficit of £30,056 in the previous year. This has been achieved through a number of factors including appointment of in house development staff as well as securing sponsorship towards data hosting costs. Budget control has been a priority throughout the year.

A Medium Term Financial Strategy (MTFS) was drafted in 2017/18 to take this into consideration and included plans to diversify the funding received. The aim of the strategy was to bring together all the known factors affecting the financial position and financial stability of the National Biodiversity Network Trust over the period 2018-2020. The strategy balances the financial implications of fulfilling our strategic aims and objectives against constraints in resources and sets out the options for increasing and diversifying the funding for the Trust over the next two financial years. It is important that the Trust develops alternative funding to ensure its continued sustainability and in order to be able to grow the organisation and fulfil its strategic aims and action plan objectives. An internal sustainability review taking place in 2018 is highly likely to affect the MTFS, which will be revised following the review as appropriate.

### **Trust reserves**

The unrestricted funds not committed or invested in tangible fixed assets ('the free reserve') held by the charity will be the equivalent of three months running costs which at March 2018 is £70,000 plus staff redundancy costs. At this level, the management committee feels that they would be able to continue the current activities of the charity in the event of a significant drop in funding or loss of in-kind contribution for three months.

### **Risk management**

The Finance and Management Committee (FMC) has reviewed the major risks to the charity, and has systems designed to manage them.

# NATIONAL BIODIVERSITY NETWORK TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

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The principal risks and uncertainties are:

- Financial – inadequate funding; funders withdraw, not enough subscribers, reduction in government funding
- Staffing – loss of key staff members
- People cannot use the NBN Atlas – systems are not user-friendly, unreliable or unavailable
- Wholeness of database and competition – NBN Atlas has a less comprehensive dataset than was available on the NBN Gateway, transition to more open data may result in less, or lower resolution, data on NBN Atlas, competing databases(s) with access controls or niche initiatives appear
- Diverging views – lack of consensus about access, visibility and usability leading to withdrawal of data
- Engagement – lack of popular support leading to disengagement, reduced membership and lack of sponsorship and investment
- Strategy – lack of engagement in NBN strategy from the wider Network; the strategy is out of date or no longer reflects current climate

These risks are presented to the Finance and Management Committee at every meeting complete with a brief report on the areas of note. The Trust Risk Register reflects an assessment by management of their likelihood and potential impact and explains how these risks are to be mitigated.

The main internal financial risks are minimised through procedures for delegation and appropriate authorisation of all transactions and projects and by ensuring consistent quality for all the charity's operations. The FMC reviews the risks at every meeting The Risk Register is then presented at the following Board meeting for review and comment.

#### Plans for future periods

The current strategy runs from 2015-2020 and action plan runs from 2016-2020. Following the board governance review, an internal review is taking place in 2018. This may affect future planned work.

On completion of the internal review its results will be reflected in the 2018 – 2019 sustainability business plan for the coming financial year, including key activities within each wider strategic aim with associated Key Performance Indicators, milestones and deadlines, will be prepared.

Examples of some of the work planned include:

- Continue to implement a plan to digitise biodiversity data using crowd sourcing.
- Target of geographic and taxonomic gaps in NBN Atlas data holdings.
- Support NBN data providers to increase the openness and availability of their data holdings.
- Improve data flows between UK and GBIF.

# NATIONAL BIODIVERSITY NETWORK TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

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#### Structure, governance and management

The National Biodiversity Network Trust is a charitable company limited by guarantee, incorporated on 3 April 2000 and registered as a charity on 25 August 2000.

The company was set up under a Memorandum of Association, which established the objectives and powers of the charitable company and is governed under its Articles of Association.

Until February 2018 the Board of Trustees was made up of up to fourteen people primarily nominated from member organisation. Following the governance review, 10 trustees stepped down and five new trustees, with skills and experience relevant to the needs of the NBN Trust were appointed. They meet three times a year. The AGM is at the NBN Conference in November each year.

The terms of reference for the Board are laid out in the Rules and Standing Orders.

The Finance and Management Committee (FMC) meet three times a year in advance of the Board meetings. It is made up of a small group of Trustees and chaired by the Treasurer of the Board. The terms of reference for FMC are laid out in the Rules and Standing Orders.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr M Diamond	(Retired 1 March 2018)
Mr A Wood	
Mr P Rose	(Retired 1 March 2018)
Prof. M Hassell CBE FRS	
Prof. I Owens	(Retired 1 March 2018)
Dr A Clements	
Dr R Pywell	(Retired 1 March 2018)
Dr R Fairley	
Dr T Webb	(Retired 1 March 2018)
Mr J Davy-Bowker	(Retired 1 March 2018)
Ms H Wilkinson	
Dr J Ashworth	(Retired 1 March 2018)
Dr A Stewart	(Retired 1 March 2018)
Dr T Hill	(Retired 1 March 2018)
Ms M Rudd	(Appointed 1 March 2018)
Mrs W Harper	(Appointed 1 March 2018)
Mr N Hodges	(Appointed 1 March 2018)
Mr M Postles	(Appointed 1 March 2018)
Mrs E Proctor	(Appointed 1 March 2018)
Dr B Howell	(Appointed 1 March 2018)

#### Recruitment and appointment of Trustees

For the first 17 years of its existence, the Board of the Trust was filled by nominees from the full or founder members to ensure that they each had a strong voice in setting the overall direction of the NBN's evolution. Following the board governance review a new process for selecting trustees was implemented. Trustee vacancies are advertised and anyone is eligible to apply. A shortlist of applicants are invited to interview and appointed based on the skills and experience they can bring to the board.

Trustees may serve a three-year term, with the potential for a further three years at the discretion of the Chair and other Trustees.

The Trustees may at any time co-opt any personnel duly qualified to be appointed as a Trustee to fill a vacancy in their number or as an additional Trustee, but a co-opted Trustee holds office only until the next general meeting.

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# NATIONAL BIODIVERSITY NETWORK TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

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### Organisational structure

The organisational structure of the NBN Trust is as follows:

1. NBN Membership
2. Board of Trustees - chair Professor Michael Hassell
3. Finance and Management Committee (a committee of the Board) - Treasurer Andrew Wood
4. NBN Trust Secretariat - CEO Dr Jo Judge

The Board delegated day to day management and advice to the following people during the period:

- CEO – Dr Jo Judge
- Finance and Business Officers - Sarah Hyslop and Giselle Sterry

### Arrangements for setting pay and remuneration of key management personnel

All Trustees give their time freely and no director has received remuneration in the year. Details of all Trustee expenses are detailed within the financial accounts.

The pay of the NBN Trust staff is reviewed annually as part of the performance review and the Charity will endeavour to increase in line with annual inflation and average earnings.

### Trustee induction and training

All Trustees are asked to detail their current competencies using the Board competencies spreadsheet which identifies the skills needed to run the board effectively. This will then identify if there are any gaps. Using these competencies helps the Board select the best candidates for sitting on other management committees such as the Finance and Management Committee.

Any Trustees who feel they require training or where there are gaps in the required competencies will be invited to attend necessary training organised by the Trust.

The Board may co-opt members to meet particular gaps in representation or competencies. These co-opted members may be put up for election to the Board by the membership of the Trust at the next suitable AGM if space permits.

### Relationships with related parties and any other charities and organisations

The Trust received donated services and facilities, mainly in the form of staff, contributing to Trust objectives. The member organisations provided services costed by themselves, using criteria provided by the NBN Trust. This process was reviewed following the 2016 financial audit and we now only include figures for services that directly benefit the Trust and we wouldn't look to replicate this work if it was not carried out by members.

To calculate donated services the main consideration was whether the NBN would have paid for the work or services had it not been carried out by another party. Based on these criteria donated services during 2017 – 18 included items such as room hire, provision of refreshments, claims not made by Trustees for travel.

# NATIONAL BIODIVERSITY NETWORK TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2018*

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In previous years the majority of the donated services related to the support of the NBN Gateway by the Joint Nature Conservation Committee (JNCC). This included staff and infrastructure costs such as IT services and web hosting, data loading and website development. With the launch of the NBN Atlas on 01 April 2017 this donated service ceased leading to the significant drop in donated services provided to the NBN.

The trustees' report was approved by the Board of Trustees.

.....  
**Mr A Wood**

Dated: .....

# NATIONAL BIODIVERSITY NETWORK TRUST

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF NATIONAL BIODIVERSITY NETWORK TRUST

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I report on the financial statements of the charity for the year ended 31 March 2018, which are set out on pages 9 to 22.

#### **Respective responsibilities of trustees and examiner**

The charity's trustees, who are also the directors of National Biodiversity Network Trust for the purposes of company law, are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination being a qualified member of Chartered Association of Certified Accountants.

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

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

#### **Basis of independent examiner's report**

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

#### **Independent examiner's statement**

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

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
  - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
  - (ii) to prepare financial statements which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Rogers Spencer

Chartered Association of Certified Accountants  
Newstead House  
Pelham Rd  
Nottingham  
NG5 1AP

Dated: .....

# NATIONAL BIODIVERSITY NETWORK TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2017 £
<b><u>Income and endowments from:</u></b>					
Donations and legacies	3	201,875	188,706	390,581	346,368
Investments	4	846	-	846	568
Other income	5	24,791	-	24,791	442,317
<b>Total income</b>		<u>227,512</u>	<u>188,706</u>	<u>416,218</u>	<u>789,253</u>
<b><u>Expenditure on:</u></b>					
Raising funds	6	149	-	149	304
Charitable activities	7	196,945	209,268	406,213	819,005
<b>Total resources expended</b>		<u>197,094</u>	<u>209,268</u>	<u>406,362</u>	<u>819,309</u>
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		30,418	(20,562)	9,856	(30,056)
Fund balances at 1 April 2017		<u>95,584</u>	<u>53,931</u>	<u>149,515</u>	<u>179,571</u>
<b>Fund balances at 31 March 2018</b>		<u><u>126,002</u></u>	<u><u>33,369</u></u>	<u><u>159,371</u></u>	<u><u>149,515</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# NATIONAL BIODIVERSITY NETWORK TRUST

## BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	13		1,676		891
Investments	14		2		2
			<u>1,678</u>		<u>893</u>
<b>Current assets</b>					
Debtors	16	35,946		6,859	
Cash at bank and in hand		170,787		220,418	
		<u>206,733</u>		<u>227,277</u>	
<b>Creditors: amounts falling due within one year</b>	17	(49,040)		(78,655)	
Net current assets			157,693		148,622
<b>Total assets less current liabilities</b>			<u>159,371</u>		<u>149,515</u>
<b>Income funds</b>					
Restricted funds	19		33,369		53,931
Unrestricted funds			126,002		95,584
			<u>159,371</u>		<u>149,515</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2018. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on .....

.....  
Mr A Wood  
Trustee

Company Registration No. 03963387

# NATIONAL BIODIVERSITY NETWORK TRUST

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2018**

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### 1 Accounting policies

#### Charity information

National Biodiversity Network Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Unit F, 14-18 St Mary's Gate, Lace Market, Nottingham, NG1 1PF.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

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

#### 1.3 Charitable funds

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

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

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

#### 1.4 Incoming resources

All income is included in the statement of financial activities when the charity is entitled to the income, any performance related conditions attached have been met or are fully within the control of the charity, the income is considered probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Donations and legacy income is received by way of donations, grants and gifts and is included in full in the statement of financial activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity, being the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market.

# NATIONAL BIODIVERSITY NETWORK TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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### 1 Accounting policies

(Continued)

Investment income is included when receivable.

Income from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

#### 1.5 Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

All costs are allocated between the expenditure categories of the sofa on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, as set out in the notes to the accounts.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

#### 1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

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

#### 1.8 Impairment of fixed assets

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

#### 1.9 Cash and cash equivalents

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

# NATIONAL BIODIVERSITY NETWORK TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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### 1 Accounting policies

(Continued)

#### 1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

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

##### **Basic financial liabilities**

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

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.11 Employee benefits

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

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Pension costs

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charitable company. The annual contributions payable are charged to the statement of financial activities.



# NATIONAL BIODIVERSITY NETWORK TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Donations	400	-	400	163
Grants receivable	-	188,706	188,706	135,620
Subscriptions	201,475	-	201,475	210,585
	<u>201,875</u>	<u>188,706</u>	<u>390,581</u>	<u>346,368</u>
<b>For the year ended 31 March 2017</b>	<u>210,748</u>	<u>135,620</u>		<u>346,368</u>
<b>Grants receivable for core activities</b>				
Natural England	-	70,000	70,000	69,000
Scottish Natural Heritage	-	22,500	22,500	25,640
Manx Natural Heritage	-	1,716	1,716	17,000
Natural Resources Wales & Welsh Government	-	22,490	22,490	-
National Museums Northern Ireland	-	57,000	57,000	-
Sweden - Consultancy Services	-	-	-	2,700
SBIF Post	-	15,000	15,000	16,280
NHM - ID Trainers	-	-	-	5,000
	<u>-</u>	<u>188,706</u>	<u>188,706</u>	<u>135,620</u>

### 4 Investments

	Unrestricted funds	Total
	2018 £	2017 £
Interest receivable	846	568
	<u>846</u>	<u>568</u>

# NATIONAL BIODIVERSITY NETWORK TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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### 5 Other income

	Unrestricted funds	Total
	2018 £	2017 £
Other income	22,341	16,836
Donated services and facilities	2,450	425,481
	<u>24,791</u>	<u>442,317</u>

### 6 Raising funds

	2018 £	2017 £
<u>Fundraising and publicity</u>		
Subscriptions	149	304
	<u>149</u>	<u>304</u>
<b>For the year ended 31 March 2017</b>		
Fundraising and publicity		<u>304</u>

# NATIONAL BIODIVERSITY NETWORK TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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### 7 Charitable activities

	2018 £	2017 £
Donated services and facilities	2,449	425,481
Project costs	96,932	127,419
Website development	3,952	2,804
NBN Atlas	194,268	107,709
	<u>297,601</u>	<u>663,413</u>
Share of support costs (see note 8)	102,399	149,355
Share of governance costs (see note 8)	6,213	6,237
	<u>406,213</u>	<u>819,005</u>
<b>Analysis by fund</b>		
Unrestricted funds	196,945	
Restricted funds	209,268	
	<u>406,213</u>	
<b>For the year ended 31 March 2017</b>		
Unrestricted funds		687,316
Restricted funds		131,689
		<u>819,005</u>

# NATIONAL BIODIVERSITY NETWORK TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

8 Support costs	Support costs £	Governance costs £	2018 £	2017 £
Staff costs	84,546	-	84,546	84,562
Depreciation	2,567	-	2,567	2,360
Premises	14,968	-	14,968	9,620
Insurance	1,242	-	1,242	1,269
Travelling expenses	9,247	-	9,247	10,245
Legal & professional	2,398	-	2,398	4,760
Communications & IT	12,818	-	12,818	9,893
Postage, printing & stationery	2,804	-	2,804	6,892
Meeting & conference costs	15,674	-	15,674	18,818
Finance costs	1,135	-	1,135	936
Management fees	(45,000)	-	(45,000)	-
Accountancy	-	690	690	1,392
Auditors remuneration	-	2,100	2,100	2,100
Trustees expenses	-	2,923	2,923	1,989
Board meeting expenses	-	500	500	756
	<u>102,399</u>	<u>6,213</u>	<u>108,612</u>	<u>155,592</u>
Analysed between				
Charitable activities	<u>102,399</u>	<u>6,213</u>	<u>108,612</u>	<u>155,592</u>

Governance costs includes payments to the examiners of £2,100 (2017-£2,100) for examination fees.

9 Net movement in funds	2018 £	2017 £
Net movement in funds is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	<u>2,567</u>	<u>2,360</u>

### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration from the charity during the year.

During the year, expenses of £2,017 (2017: £1,710) were reimbursed to four trustees (2016: 2 trustees).

# NATIONAL BIODIVERSITY NETWORK TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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### 11 Employees

#### Number of employees

The average monthly number of employees during the year was:

	<b>2018</b>	<b>2017</b>
	<b>Number</b>	<b>Number</b>
Management	2	2
Administrative	7	6
	<hr/>	<hr/>
	9	8
	<hr/> <hr/>	<hr/> <hr/>

#### Employment costs

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	187,539	181,486
Social security costs	13,596	13,150
Other pension costs	17,604	16,320
	<hr/>	<hr/>
	218,739	210,956
	<hr/> <hr/>	<hr/> <hr/>

There were no employees whose annual remuneration was £60,000 or more.

### 12 Donated services and facilities

The Trust receives donated services and facilities, mainly in the form of staff resources and associated costs expended on NBN projects and contributing to Trust objectives. The member organisations provide services costed by themselves, using criteria provided by NBN.

The Network relies on the volunteer recorders who collect and share their data and thanks is given to them for their time and contribution towards the Network. We also rely heavily on our volunteer Trustees, particularly the Treasurer, Andrew Wood, and the Chairman, Michael Hassell, who are not paid but whom contribute significantly towards to the NBN Trust.

# NATIONAL BIODIVERSITY NETWORK TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 13 Tangible fixed assets

	Fixtures and fittings £
<b>Cost</b>	
At 1 April 2017	12,764
Additions	3,353
	<u>          </u>
At 31 March 2018	16,117
	<u>          </u>
<b>Depreciation and impairment</b>	
At 1 April 2017	11,874
Depreciation charged in the year	2,567
	<u>          </u>
At 31 March 2018	14,441
	<u>          </u>
<b>Carrying amount</b>	
At 31 March 2018	1,676
	<u>          </u>
At 31 March 2017	891
	<u>          </u>

### 14 Fixed asset investments

	Other investments
<b>Cost or valuation</b>	
At 1 April 2017 & 31 March 2018	2
	<u>          </u>
<b>Carrying amount</b>	
At 31 March 2018	2
	<u>          </u>
At 31 March 2017	2
	<u>          </u>

	Notes	2018 £	2017 £
Other investments comprise:			
Investments in subsidiaries	24	2	2
		<u>          </u>	<u>          </u>

# NATIONAL BIODIVERSITY NETWORK TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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<b>15</b>	<b>Financial instruments</b>	<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
	<b>Carrying amount of financial assets</b>		
	Debt instruments measured at amortised cost	33,781	4,562
		<u>          </u>	<u>          </u>
	<b>Carrying amount of financial liabilities</b>		
	Measured at amortised cost	45,954	75,754
		<u>          </u>	<u>          </u>
<b>16</b>	<b>Debtors</b>	<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
	<b>Amounts falling due within one year:</b>		
	Trade debtors	33,781	4,562
	Prepayments and accrued income	2,165	2,297
		<u>          </u>	<u>          </u>
		35,946	6,859
		<u>          </u>	<u>          </u>
<b>17</b>	<b>Creditors: amounts falling due within one year</b>	<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
	Other taxation and social security	3,086	2,901
	Trade creditors	554	2,458
	Other creditors	4,550	1,294
	Accruals and deferred income	40,850	72,002
		<u>          </u>	<u>          </u>
		49,040	78,655
		<u>          </u>	<u>          </u>
<b>18</b>	<b>Retirement benefit schemes</b>		

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £17,604 (2017: £16,320).

# NATIONAL BIODIVERSITY NETWORK TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 19 Restricted funds

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

	Movement in funds				Balance at 31 March 2018 £
	Balance at 1 April 2017 £	Incoming resources £	Resources expended £	Transfers £	
Natural England	20,947	70,000	(38,448)	(19,680)	32,819
Scottish Natural Heritage	821	22,500	(41,032)	17,711	-
Natural Resources Wales & Welsh Government	31,559	22,490	(53,500)	-	549
Manx Natural Heritage	17,000	1,716	(19,082)	366	-
Natural Museums Northern Ireland	(16,396)	57,000	(42,207)	1,603	-
SBIF Post	-	15,000	(15,000)	-	-
	<u>53,931</u>	<u>188,706</u>	<u>(209,269)</u>	<u>-</u>	<u>33,369</u>

These figures relate to contributions from the respective countries to the development of the core NBN Atlas and the respective country specific portals where applicable.

The SBIF post funding covers part of the Scottish Liaison Officer post within the NBN Trust.

#### 20 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2018 are represented by:			
Tangible assets	1,676	-	1,676
Investments	2	-	2
Current assets/(liabilities)	124,324	33,369	157,693
	<u>126,002</u>	<u>33,369</u>	<u>159,371</u>

#### 21 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	-	7,980
Between two and five years	33,500	-
	<u>33,500</u>	<u>7,980</u>



# NATIONAL BIODIVERSITY NETWORK TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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### 21 Operating lease commitments

(Continued)

Lease payments recognised as an expense during the year amounted to £8,904 (2017: £9,533).

### 22 Related party transactions

The Trustees believe there is no controlling party of the charitable company.

BioD Services Limited is a 100% subsidiary of National Biodiversity Network Trust.

During the year, company expenses were paid by BioD Services Limited amounting to £12,888 (2017: £761). As at 31 March 2018 a balance of £2,026 (2017: £761) remained outstanding to BioD Services Limited and is included within other creditors.

### 23 Company limited by guarantee

National Biodiversity Network Trust is a company limited by guarantee and accordingly does not have a share capital. There were 11 members of the company at the year end (2017: 14 members). Every member promises, if the charitable company is dissolved while he or she remains a member or within 12 months afterwards, to pay up to £10 towards the cost of dissolution and the liabilities incurred by the Charity while the contributor was a member.

### 24 Subsidiaries

These financial statements are separate charity financial statements for National Biodiversity Network Trust.

Details of the charity's subsidiaries at 31 March 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
BioD Services Limited	United Kingdom	Project management	Ordinary shares	100.00	