

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 2020**

NATIONAL BIODIVERSITY NETWORK TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr A Wood
Dr R Fairley
Ms H Wilkinson
Ms M Rudd
Mrs W Harper
Mr N Hodges
Mr M Postles
Mrs E Proctor
Dr B Howell

Secretary

Dr J Judge

Charity number

1082163

Company number

03963387

Registered office

Unit F
14-18 St Mary's Gate
Lace Market
Nottingham
NG1 1PF

Independent examiner

Rogers Spencer
Newstead House
Pelham Rd
Nottingham
NG5 1AP

Bankers

National Westminster Bank Plc
51 Market Place
Long Eaton
Nottingham
NG10 1 JP

NATIONAL BIODIVERSITY NETWORK TRUST

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NATIONAL BIODIVERSITY NETWORK TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

The trustees present their report and financial statements for the year ended 31 March 2020.

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 or NBN Trust) is a membership organisation built on principles of collaboration and sharing.

The Trust was set up as an independent charity in 2000 to oversee and facilitate the development of the National Biodiversity Network (NBN). The Trust is supported by a wide range of biodiversity data contributors and users and through a membership scheme. It has a Board of Trustees selected via an interview process.

The Network is made up of a range of data providers and users including Government agencies, Local Environmental Record Centres, National Schemes and Societies, research and commercial organisations.

Our vision is that biological data collected and shared by the 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.

The NBN Atlas, the digital data sharing infrastructure developed and managed by the Trust, holds the UK's largest collection of biodiversity data. It is a collaborative project that aggregates biodiversity data from multiple sources and makes it available for use online.

In line with our current five-year strategy which runs from 2015-2020 the Trust has 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 the Network will grow its capacity and capability to record and collect high quality biological data. It will continue to collaborate to embed the Network's collective data and knowledge creation at the heart of biodiversity learning and environmental decision making. It will promote the natural world, the enjoyment and importance of observing nature and biological recording and the utility and power of the Network's shared data. The Trust will ensure stability, security and usability for an increasing mature data management infrastructure. The Trust will support and grow the Network as an indispensable partnership for nature and in the successful implementation of this strategy.

NATIONAL BIODIVERSITY NETWORK TRUST

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

FOR THE YEAR ENDED 31 MARCH 2020

Strategies for achieving aims and objectives

The NBN Action Plan 2016-2020 which runs alongside the five year strategy, sets out the commitment the NBN Trust, NBN members and data partners will make to deliver the NBN strategy. This plan describes the actions that the NBN Trust Secretariat and Network members have proposed are necessary to achieve the Network's vision, aims and objectives. Working groups have been created to oversee delivery of objectives and actions and a Stakeholder Advisory Group has been devised to provide an opportunity for Network members to present the opinions of their organisations and groups to the board and contribute to achieving the Trust's strategy.

Criteria the Trust uses to measure success

The Trust produces a work 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 work 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 strategy

Many of the activities detailed in the NBN Action Plan 2016 – 2020 were to be undertaken by members of the wider network, not the NBN Trust itself and are, therefore, not reported here.

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

A work plan was developed and implemented to capture ecosystem and habitat data to be uploaded onto the NBN Atlas.

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

a) The NBN Atlas holds over 226 million species records covering 46,181 species in 8,745 datasets provided by 150 data partners.

b) Just under 32.5 million records in 499 datasets are available on Open (CC0, CC-BY or OGL) licence and just over 194 million records in 374 datasets are available on a Shared (CC-BY-NC) licence.

c) Six monthly NBN Atlas Newsletters created to communicate latest developments to the NBN Atlas and examples of how data can be used, applied and visualised. Launched 17th April 2019.

Strategic Aim 3 - Captivate and engage people about wildlife

a) NBN Trust staff presented at numerous events around the UK to raise the profile of the NBN and NBN Atlas.

b) The monthly NBN newsletter, Network News, is issued to 1,080 subscribers. This includes information on the NBN Atlas, and other technical developments, NBN Trust activity and strategic work, stories from across the Network and information on upcoming events.

NATIONAL BIODIVERSITY NETWORK TRUST

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

FOR THE YEAR ENDED 31 MARCH 2020

Strategic Aim 4 - Provide the best biological information management infrastructure

We have continued to develop, enhance and refine the NBN Atlas over the course of this financial year. This included processes to provide enhanced access to sensitive species directly on the NBN Atlas, Users reporting issues directly on the NBN Atlas and the redesign of the occurrence records page providing improved user experience. There were 49 bugs fixed, some of which were large scale and complex, and 79 minor enhancements made to the user interface and functionality. Two larger scale pieces of work were also undertaken:

- a) Further work on a two-tier access system which allows for high resolution data to be held but only displayed at a lower resolution e.g. for sensitive species where displaying the exact location of the record could lead to harm to or disturbance of the species.
- b) The launch of Caring for God's Acre's Beautiful Burial Ground portal on 15 July 2019. This enables users to search for and find species associated with burial grounds in the UK. Further development and enhancement work has taken place through the year.

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

a) NBN Conference – On 13 and 14 November 2019, 160 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 Albert Hall, Nottingham for the 19th NBN Conference in order to bring together individuals and organisations from across the NBN partnership.

b) NBN Awards – The National Biodiversity Network wants to recognise significant achievement and celebrate success in wildlife recording and information sharing. To do this, the NBN Trust set up a national award scheme in 2015. These awards are made annually to individuals, groups of people or organisations that are making outstanding contributions to wildlife recording and improving our understanding of the natural world. In 2019 we received a total of 48 nominations across the five categories and the awards were presented at the NBN Conference.

We are in the process of recruiting for the Treasurer role since the previous Treasurer, Andrew Wood, stepped down from the role (but remains a Trustee) in June 2019. Thanks were given to Andrew Wood for his valuable time spent and commitment given to this role. The Treasurer role has been carried out by Dr R. Fairley in the interim.

Use of volunteers

The 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 are 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.

NATIONAL BIODIVERSITY NETWORK TRUST

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

FOR THE YEAR ENDED 31 MARCH 2020

Financial review

The Trust received unrestricted funds in the form of membership subscriptions, donations and NBN Conference ticket sales.

Restricted funds were received to fund the NBN Atlas running costs and the Scottish Biodiversity Information Framework Development Officer. Funding was also received from The National Heritage Lottery Fund to run a Resilience Project.

The Trust's net expenditure was greater than incoming resources resulting in a negative in year balance of (£47,879). This was mainly due to a funding payment of £95,250 from the National Heritage Lottery Fund received in 2018-2019 while the majority of the work associated with this funding did not commence until 2019-2020. The Trust's total funds balance at 31 March 2020 was £188,133, which will be carried forward into 2020-21.

The Trust anticipates that during 2020-2021 in-year expenditure will be higher than income again as we draw on the grant funding received in 2019/20. However, Trustees will balance the budgets where possible to avoid depleting reserves.

Trust reserves

The unrestricted funds not committed or invested in tangible fixed assets ('the free reserve') held by the charity is £137,114.

Annually the Finance and Management Committee (FMC) review the free reserve figure and the amount required to meet the reserve policy (i.e. three months running costs) to ensure that adequate reserves are met.

At the start of April 2020 the amount required in order to run the Trust for three months is £142,390. Therefore, there is a deficit of £5,276. The Trust will work towards ensuring that the reserve amount is met in full by monitoring spend.

Risk management

The FMC reviews the major risks to the Trust and to ensure the Trust has systems designed to manage them.

NATIONAL BIODIVERSITY NETWORK TRUST

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

FOR THE YEAR ENDED 31 MARCH 2020

The principal risks and uncertainties in 2019/20 were:

Financial – inadequate funding; funders withdraw; not enough subscribers; reduction in funding due to the effects of the Covid-19 pandemic

Staffing – loss of key staff members; staff unavailable for extended periods of time due to the Covid-19 pandemic

Diverging views within the Network – lack of consensus about access, visibility and usability of data supplied leading to withdrawal of data

Engagement – lack of popular support leading to disengagement; reduced membership and lack of sponsorship

- Strategy – Lack of engagement from the Network; strategy out of date or no longer reflecting current needs

Technology – Not keeping up with technological advances; insufficient investment in technology and development of the NBN Atlas

Wholeness of database and competition - NBN Atlas has an insufficiently comprehensive dataset to fulfil its objectives; transition to more open data results in less, or lower resolution, data on NBN Atlas; competing databases with access controls or niche initiatives may appear.

These risks are presented to each FMC meeting complete with a report on the areas of note. A Trust Risk Register is maintained to reflect an assessment by management of a risk's likelihood and potential impact and explains how risks are to be mitigated. The Trust Risk Register is then presented at the following Board meeting.

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 Trust's operations.

Plans for future periods

A work plan for 2020/21 setting out the priority activities for the year has been drafted. Development of a new five year strategy for the NBN Trust 2021–2025 has commenced. It is intended that the strategy and associated implementation plans will be launched by April 2021.

The Covid-19 pandemic has not had a significant direct effect on the NBN Trust to date. The majority of funding for the 2020/21 year is secure, however, we are expecting a possible reduction in membership fees from organisations and individuals who have been more affected. We will not be holding our usual two-day live NBN Conference in November, instead moving to a one-day virtual conference for 2020. The full impact of the pandemic is, of course, as yet unknown and it is possible that funding streams may be affected for the next few years. We will be monitoring the situation, and progressing with our plans to diversify our funding base to increase the Trust's future sustainability.

NATIONAL BIODIVERSITY NETWORK TRUST

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

FOR THE YEAR ENDED 31 MARCH 2020

Structure, governance and management

The 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 its objectives and powers, and is governed under its Articles of Association.

The current Board consists of nine Trustees who are appointed based on the mix of skills and experience required by the Trust. They meet three times a year, moving to four times a year from 2020/21. The AGM is held annually, usually at the NBN Conference in November.

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

The FMC, which includes the CEO, meet three times a year (four from 2020/21) in advance of the Board meetings. It is made up of a subset of Trustees and chaired by the Treasurer of the Trust. 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 A Wood
Dr R Fairley
Ms H Wilkinson
Ms M Rudd
Mrs W Harper
Mr N Hodges
Mr M Postles
Mrs E Proctor
Dr B Howell

Recruitment and appointment of Trustees

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.

NATIONAL BIODIVERSITY NETWORK TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Organisational structure

The organisational structure of the NBN Trust is as follows:

1. NBN Membership
2. Board of Trustees - Chair Neil Hodges
3. Finance and Management Committee (a committee of the Board) – Treasurer Andrew Wood (stepped down 4 June 2019) - interim Treasurer Roddy Fairley from 4 June 2019
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 and Company Secretary– Dr Jo Judge

Finance and Business Officer - Sarah Hyslop

Arrangements for setting pay and remuneration of key management personnel

All Trustees give their time freely and have not received remuneration in the year. Trustee expenses are detailed within the financial accounts.

Any staff pay increases are presented to FMC as part of the budget for approval.

Trustee induction and training

Any Trustees who feel they require training or where there are gaps in any 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 through the Trustee interview process should there be a gap on the Board.

Relationships with related parties and any other charities and organisations

Trustees and key members of staff such as the Chief Executive and the Finance and Business Officer annually update the declaration of interest form to notify the trust of any related parties.

Donated Services and Facilities

To calculate donated services the main consideration was whether the Trust would have paid for the work or services had it not been carried out by another party. Based on these criteria, donated services during 2019–2020 totalled £2,640 and included items such as room hire, provision of refreshments and claims not made by Trustees for travel.

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

Mr N Hodges

Dated: 17 August 2020

NATIONAL BIODIVERSITY NETWORK TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF NATIONAL BIODIVERSITY NETWORK TRUST

I report to the trustees on my examination of the financial statements of National Biodiversity Network Trust (the charity) for the year ended 31 March 2020.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Melvin Bailey FCCA DChA

For and on behalf of Rogers Spencer

Chartered Accountants
Newstead House
Pelham Rd
Nottingham
NG5 1AP

Dated: 18 September 2020

NATIONAL BIODIVERSITY NETWORK TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

Current financial year

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
<u>Income and endowments from:</u>					
Donations and legacies	3	210,797	197,982	408,779	445,047
Other trading activities	4	-	10,600	10,600	-
Investments	5	1,800	-	1,800	1,409
Other income	6	18,329	-	18,329	20,576
Total income		230,926	208,582	439,508	467,032
<u>Expenditure on:</u>					
Raising funds	7	332	10,600	10,932	392
Charitable activities	8	231,692	244,764	476,456	389,999
Total resources expended		232,024	255,364	487,388	390,391
Net (outgoing)/incoming resources before transfers		(1,098)	(46,782)	(47,880)	76,641
Gross transfers between funds		(908)	908	-	-
Net (expenditure)/income for the year/ Net movement in funds		(2,006)	(45,874)	(47,880)	76,641
Fund balances at 1 April 2019		141,458	94,554	236,012	159,371
Fund balances at 31 March 2020		139,452	48,680	188,132	236,012

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

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

Prior financial year

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
<u>Income and endowments from:</u>				
Donations and legacies	3	190,632	254,415	445,047
Investments	5	1,409	-	1,409
Other income	6	20,576	-	20,576
Total income		<u>212,617</u>	<u>254,415</u>	<u>467,032</u>
<u>Expenditure on:</u>				
Raising funds	7	392	-	392
Charitable activities	8	196,769	193,230	389,999
Total resources expended		<u>197,161</u>	<u>193,230</u>	<u>390,391</u>
Net (outgoing)/incoming resources before transfers		<u>15,456</u>	<u>61,185</u>	<u>76,641</u>
Net (expenditure)/income for the year/ Net movement in funds		15,456	61,185	76,641
Fund balances at 1 April 2018		<u>126,002</u>	<u>33,369</u>	<u>159,371</u>
Fund balances at 31 March 2019		<u><u>141,458</u></u>	<u><u>94,554</u></u>	<u><u>236,012</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 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	14		2,338		107
Investments	15		2		2
			<u>2,340</u>		<u>109</u>
Current assets					
Debtors	16	11,507		30,523	
Cash at bank and in hand		203,798		226,360	
		<u>215,305</u>		<u>256,883</u>	
Creditors: amounts falling due within one year	17	(29,513)		(20,980)	
Net current assets			185,792		235,903
Total assets less current liabilities			<u>188,132</u>		<u>236,012</u>
Income funds					
Restricted funds	19		48,680		94,554
Unrestricted funds			139,452		141,458
			<u>188,132</u>		<u>236,012</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 2020.

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.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 17 August 2020

Mr N Hodges
Trustee

Company Registration No. 03963387

NATIONAL BIODIVERSITY NETWORK TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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.

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 Income

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 2020

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 Expenditure

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).

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 2020

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 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these applied to its charitable objects.

1.12 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.

1.13 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 2020

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	Unrestricted funds	Restricted funds	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Donations and gifts	3,639	-	3,639	1,777	-	1,777
Grants receivable	41,450	197,982	239,432	-	254,415	254,415
Subscriptions	165,708	-	165,708	188,855	-	188,855
	<u>210,797</u>	<u>197,982</u>	<u>408,779</u>	<u>190,632</u>	<u>254,415</u>	<u>445,047</u>
Grants receivable for core activities						
Natural England	-	55,000	55,000	-	55,000	55,000
Scottish Natural Heritage	-	20,000	20,000	-	14,700	14,700
Natural Resources Wales & Welsh Government	-	4,990	4,990	-	23,990	23,990
National Museums Northern Ireland	-	15,000	15,000	-	26,250	26,250
Manx National Heritage	-	1,716	1,716	-	-	-
NBN Atlas - Other Portal Development	-	1,710	1,710	-	-	-
Heritage Lottery Fund	-	76,200	76,200	-	95,250	95,250
Esmee Fairbairn Foundation	41,450	-	41,450	-	-	-
Scottish Natural Heritage - Scottish Development Officer	-	23,366	23,366	-	22,515	22,515
Scottish Natural Heritage - Scottish Project Officer	-	-	-	-	16,710	16,710
	<u>41,450</u>	<u>197,982</u>	<u>239,432</u>	<u>-</u>	<u>254,415</u>	<u>254,415</u>

NATIONAL BIODIVERSITY NETWORK TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

4 Other trading activities

	Restricted funds	Total
	2020 £	2019 £
Trading activity income: Recorder 6	10,600	-

5 Investments

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Interest receivable	1,800	1,409

6 Other income

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Other income	1,491	2,856
Donated services and facilities	2,640	2,850
Conference income	14,198	14,870
	<u>18,329</u>	<u>20,576</u>

7 Raising funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2020 £	2020 £	2020 £	2019 £
<u>Fundraising and publicity</u>				
Weather lottery costs	248	-	248	-
Other fundraising costs	84	-	84	392
	<u>332</u>	<u>-</u>	<u>332</u>	<u>392</u>

NATIONAL BIODIVERSITY NETWORK TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

7 Raising funds (Continued)

Trading costs

Other trading activities: Recorder 6	-	10,600	10,600	-
	<u>332</u>	<u>10,600</u>	<u>10,932</u>	<u>392</u>

8 Charitable activities

	2020 £	2019 £
Donated services and facilities	2,640	2,850
Project costs	142,216	46,423
Website development	2,443	1,504
NBN Atlas Project	102,064	153,310
Bad debts	-	3,349
	<u>249,363</u>	<u>207,436</u>
Share of support costs (see note 9)	217,019	174,203
Share of governance costs (see note 9)	10,074	8,360
	<u>476,456</u>	<u>389,999</u>
Analysis by fund		
Unrestricted funds	231,692	196,769
Restricted funds	244,764	193,230
	<u>476,456</u>	<u>389,999</u>

NATIONAL BIODIVERSITY NETWORK TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

9 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Staff costs	166,940	-	166,940	147,481	-	147,481
Depreciation	2,446	-	2,446	1,784	-	1,784
Premises	9,385	-	9,385	11,321	-	11,321
Insurance	1,256	-	1,256	1,230	-	1,230
Travelling expenses	10,929	-	10,929	12,374	-	12,374
Communications & IT	8,008	-	8,008	7,455	-	7,455
Postage, printing & stationery	3,339	-	3,339	3,273	-	3,273
Meeting & conference costs	13,614	-	13,614	12,423	-	12,423
Finance costs	1,102	-	1,102	994	-	994
Management fees	-	-	-	(24,132)	-	(24,132)
Legal and professional	-	2,985	2,985	-	-	-
Accountancy	-	906	906	-	196	196
Auditors remuneration	-	3,642	3,642	-	3,588	3,588
Trustees expenses	-	2,049	2,049	-	3,943	3,943
Board meeting expenses	-	492	492	-	633	633
	<u>217,019</u>	<u>10,074</u>	<u>227,093</u>	<u>174,203</u>	<u>8,360</u>	<u>182,563</u>
Analysed between						
Charitable activities	<u>217,019</u>	<u>10,074</u>	<u>227,093</u>	<u>174,203</u>	<u>8,360</u>	<u>182,563</u>

Governance costs includes payments to the examiners of £2,100 (2019- £2,100) for examination fees.

10 Net movement in funds

	2020	2019
	£	£
Net movement in funds is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	<u>2,446</u>	<u>1,784</u>

11 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 £1,238 (2019: £2,791) were reimbursed to five trustees (2019: six trustees).

NATIONAL BIODIVERSITY NETWORK TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Management	2	1
Technical	2	1
Officers	7	7
	<u>11</u>	<u>9</u>

Employment costs

	2020 £	2019 £
Wages and salaries	269,797	209,430
Social security costs	24,426	18,784
Other pension costs	18,294	15,010
	<u>312,517</u>	<u>243,224</u>

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

Aggregate compensation	<u>85,558</u>	<u>75,880</u>
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There were no employees whose annual remuneration was £60,000 or more.

13 Donated services and facilities

The Trust currently receives donated services, mainly in the form of meeting rooms provided free of charge. Also included is the average cost for unclaimed Trustee travel in relation to attending Board of Trustee and Finance and Management Committee meetings along with attending the NBN conference and Annual General Meeting.

NATIONAL BIODIVERSITY NETWORK TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

14 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 April 2019	16,332
Additions	4,677
	<u> </u>
At 31 March 2020	21,009
	<u> </u>
Depreciation and impairment	
At 1 April 2019	16,225
Depreciation charged in the year	2,446
	<u> </u>
At 31 March 2020	18,671
	<u> </u>
Carrying amount	
At 31 March 2020	2,338
	<u> </u>
At 31 March 2019	107
	<u> </u>

15 Fixed asset investments

	Other investments
Cost or valuation	
At 1 April 2019 & 31 March 2020	2
	<u> </u>
Carrying amount	
At 31 March 2020	2
	<u> </u>
At 31 March 2019	2
	<u> </u>

	Notes	2020 £	2019 £
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 2020

16 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	7,486	21,798
Other debtors	45	-
Prepayments and accrued income	3,976	8,725
	<u>11,507</u>	<u>30,523</u>
	<u><u>11,507</u></u>	<u><u>30,523</u></u>

17 Creditors: amounts falling due within one year

	2020	2019
	£	£
Other taxation and social security	6,718	5,060
Trade creditors	1,087	1,341
Other creditors	3,136	3,990
Accruals and deferred income	18,572	10,589
	<u>29,513</u>	<u>20,980</u>
	<u><u>29,513</u></u>	<u><u>20,980</u></u>

18 Retirement benefit schemes

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 £18,294 (2019: £15,010).

NATIONAL BIODIVERSITY NETWORK TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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			Movement in funds				
	Balance at 1 April 2018 £	Incoming resources £	Resources expended £	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2020 £
NBN Atlas Project	33,369	119,940	(153,309)	-	98,416	(102,064)	3,648	-
SBIF Development Officer	-	22,515	(22,515)	-	23,366	(20,626)	(2,740)	-
Scottish Project Officer	-	16,710	(16,710)	-	-	-	-	-
Resilience Fund	-	95,250	(696)	94,554	76,200	(122,074)	-	48,680
Recorder 6	-	-	-	-	10,600	(10,600)	-	-
	<u>33,369</u>	<u>254,415</u>	<u>(193,230)</u>	<u>94,554</u>	<u>208,582</u>	<u>(255,364)</u>	<u>908</u>	<u>48,680</u>

NBN Atlas Project

These figures relate to contributions from the respective countries to the annual running costs of the NBN Atlas (see expanded list on page 15).

SBIF Development Officer

The SBIF Development Officer post was fully funded by SNH for the period from April 2019 to March 2020.

Resilience Fund

The NBN Trust was awarded a total of £190,500 from the Heritage Lottery fund in February 2019. This grant is to be used for building resilience and sustainability from the NBN Trust. A large proportion of the funding received in 18-19 was expended in 19-20. The carry over amount of £48,681 from 19-20 is included in the 20-21 budget.

Recorder 6

The NBN Trust is acting as a banker for the payment of fees in respect of the Recorder 6 product licence. This will result in a £nil overall position in the financial accounts as all funds will be transferred over to the Recorder 6 consortium when requested.

NATIONAL BIODIVERSITY NETWORK TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

20 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Fund balances at 31 March 2020 are represented by:						
Tangible assets	2,338	-	2,338	107	-	107
Investments	2	-	2	2	-	2
Current assets/ (liabilities)	137,111	48,681	185,792	141,349	94,554	235,903
	<u>139,451</u>	<u>48,681</u>	<u>188,132</u>	<u>141,458</u>	<u>94,554</u>	<u>236,012</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:

	2020	2019
	£	£
Between two and five years	<u>21,500</u>	<u>27,500</u>

Lease payments recognised as an expense during the year amounted to £6,000 (2019: £6,000).

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. It is a company limited by shares incorporated in England and Wales, company number 04178674.

During the year, company expenses were paid by BioD Services Limited amounting to £nil (2019: £nil). As at 31 March 2020 a balance of £4 (2019: £4) 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 9 members of the company at the year end (2019: 9 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.

NATIONAL BIODIVERSITY NETWORK TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

24 Subsidiaries

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

Details of the charity's subsidiaries at 31 March 2020 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	