

NATURAL RESEARCH LIMITED

GROUP FINANCIAL STATEMENTS

Year to 28th February 2007

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NATURAL RESEARCH LIMITED
GROUP FINANCIAL STATEMENTS
Year to 28th February 2007

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NATURAL RESEARCH LIMITEDLEGAL AND ADMINISTRATIVE INFORMATION

CHARITY NAME:	Natural Research Limited
LEGAL STATUS	Company limited by guarantee
SCOTTISH CHARITY REF.	SC030363
COMPANY NUMBER	SC209393
OPERATIONAL ADDRESS	Banchory Business Centre, Burn O' Bennie Road, Banchory AB31 5ZU
REGISTERED OFFICE	8 Charlotte Street, Perth, PH1 5LL
TRUSTEES & DIRECTORS.	Dr M. Madders Dr M J McGrady P K Stirling-Aird MBE Dr Carole A Bainbridge
MANAGING DIRECTOR.	Dr M McGrady
COMPANY SECRETARY.	Elliot & Company, W S. 8 Charlotte Street, Perth, PH1 5LL
AUDITORS	Bird Simpson & Co, 144 Nethergate, Dundee, DD1 4EB
SOLICITORS:	Elliot & Company, W S. 8 Charlotte Street, Perth, PH1 5LL
BANKERS	The Royal Bank of Scotland, Bowmore, Isle of Islay, PA43 7JJ

NATURAL RESEARCH LIMITED

THE DIRECTORS' REPORT

The Directors submit their Report and Group Financial Statements for the year to 28th February 2007.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE PREPARATION OF FINANCIAL STATEMENTS

The Directors are required by law to prepare accounts which give a true and fair view of the state of affairs of the Company and Group as at the end of the financial period and of the surplus or deficit of the Company and Group for that period. In preparing those financial statements, they are required to,

- ensure that appropriate accounting policies have been used and applied consistently,
- ensure that reasonable and prudent judgements and estimates have been made,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

They are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for ensuring that the appropriate procedures have been followed to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The legal and administrative information set out on page 1 forms part of this report. The financial statements comply with current UK statutory requirements, the memorandum and articles of association, the Companies Act 1985 and the Statement of Recommended Practice - Accounting and Reporting by Charities 2005 (SORP 2005).

STRUCTURE, GOVERNANCE & MANAGEMENT

The Charity is constituted as a company limited by guarantee and is, therefore, governed by a Memorandum and Articles of Association.

The Directors of the charitable company are its trustees for the purposes of charity law. At 28th February 2007 there were 4 directors, all being members of the Company.

No person shall be admitted to membership of the Company unless he is approved by the directors. At 28th February 2007 there were four members, the liability of each being limited to £1.

NATURAL RESEARCH LIMITEDTHE DIRECTORS' REPORT (continued)Governance and Decision-making

The minimum number of directors is two, and there is no maximum number. This can be altered from time to time by ordinary resolution. One third of the directors are required to retire by rotation at each annual general meeting and as such are eligible for re-election. New directors are appointed by ordinary resolution.

The Board of Directors, who are in regular contact, administer the charity. Day to day management of the charitable company is delegated to the Managing Director, Dr M McGrady, and he reports to the Board on performance.

The company's directors are also directors of its trading subsidiary, Natural Research (Projects) Limited. In order to avoid any conflicts of interest with the subsidiary, the Board have agreed that Dr M Madders should undertake the day to day control of it.

Directors Induction and Training

The current directors have been involved with the company for several years and therefore induction training has not currently been an issue. Advice is taken on matters of a technical nature as and when required from the company's professional advisors.

Risk Management

During the year the directors have reviewed the group's activities looking at the opportunities available to the companies as well as establishing the risks to which each is exposed. Two key risk areas have been identified, People Issues and Data Issues. Within these areas there are a number of risks to the group and the directors are currently addressing these and establishing procedures to mitigate these risks.

OBJECTIVES OF THE CHARITY

The Charity conducts research into natural resources and wildlife internationally. It further endeavours to enhance the education of the public by disseminating the results of such research.

The company's trading subsidiary, Natural Research (Projects) Limited is also involved in natural resources and wildlife but on a commercial level. Its trade involves undertaking consultancy work and advising on the environmental and ecological impact of industrial and commercial developments.

NATURAL RESEARCH LIMITEDTHE DIRECTORS' REPORT (continued)OBJECTIVES (Continued)

Both companies provide high quality objective research capabilities. The funds generated by the subsidiary company are transferred to the charity to help fund its research projects. In addition to this internal group funding, outside funding is actively sought for specific projects to be undertaken.

The main purpose of the charity is to fund research projects whose results will support the wise management of wildlife resources. The projects are often carried out in conjunction with other research and conservation agencies, individuals and government departments. The projects are based both within the UK and abroad.

The charity currently has over thirty projects that it is supporting. The directors oversee them to ensure that each is making satisfactory progress towards its own specific outputs, which include the publication of research papers, production of reports, provision of training to researchers etc. However, the main aim of the charity is to produce peer-reviewed publications from the research so that the results can be widely accessible to other researchers and wildlife managers.

Detailed information on all the charity's projects is recorded in the Research Report which can be obtained on request from the registered office.

The charity has not yet issued any grants. A policy on this is currently being formulated for the future.

ACHIEVEMENT AND PERFORMANCE

Despite the fact that the charity is relatively new it has successfully built up an excellent reputation for producing high quality research. The charity's principal researchers are highly regarded by their peers as they have a strong foundation in practical and academic research and publication.

The directors are satisfied that the wide variety of projects undertaken are progressing well and achieving their chosen objectives.

NATURAL RESEARCH LIMITEDTHE DIRECTORS' REPORT (continued)FINANCIAL REVIEW

The Group generated a surplus of £206,397 (2006 surplus £279,916) in the year made up as follows,

	<u>2007</u>	<u>2006</u>
Natural Research Ltd	£ 88,166	£171,830
Natural Research (Projects) Ltd	<u>118,231</u>	<u>108,086</u>
	<u>206,397</u>	<u>279,916</u>

The directors acknowledge that for efficient running of the charity a level of reserves should be built up to assist in its cash flow. Reserves should also allow the charity to survive any failures in its earning capability or unforeseen costs which have not been identified by the above risk analysis.

The directors have agreed that reserves should be built up to a minimum level of between 6-12 months operating expenditure for this purpose.

Principal funding sources

A donation of £170,000 (2006 - £208,644) was received by the charity during the year from the subsidiary company, of which £170,000 (2006 - £205,644) was unrestricted. In addition to this £247,000 was received after the year-end from the subsidiary.

PLANS FOR THE FUTURE

Due to the nature of the charity's research, many of the projects run over several years. The charity therefore intends to continue with those projects already started, as well as endeavouring to add new projects.

The directors are aware that to sustain the charity and reduce the dependency upon its subsidiary company it will have to continue to obtain and increase the level of outside sources of funding.

GOING CONCERN

The Directors have a reasonable expectation that the Group will continue in operational existence for the foreseeable future and have, thereafter used the going concern basis in preparing the financial statements.

NATURAL RESEARCH LIMITEDTHE DIRECTORS' REPORT (continued)INVESTMENT POLICY

At present all the charity's funds are required for cash flow purposes and are therefore kept in bank accounts for immediate access. This policy will be reviewed once excess funds are available.

DIRECTORS

The Directors who served the company during the year are as follows:

Dr M Madders
Dr M J McGrady
P.K Stirling-Aird MBE
Dr. C Bainbridge

In accordance with the Articles of Association P K. Stirling-Aird MBE retires at the Annual General Meeting and is eligible for re-election.

Statement of Disclosure to the Auditor

a) so far as the Directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
b) they have taken all steps that they ought in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

A resolution for the re-appointment of Messrs Bird Simpson & Co, Chartered Accountants, as auditors, is to be proposed at the forthcoming Annual General Meeting in terms of Section 384 of the Companies Act 1985.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Board of Directors
and signed on its behalf by:



Elliot & Company, W.S, Secretaries

27 Feb 08

Date

NATURAL RESEARCH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATURAL RESEARCH LIMITED

We have audited the group financial statements on pages 9 to 22 of Natural Research Limited for the year ended 28th February 2007. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, or this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As described in the Statement of Directors' Responsibilities, the company's directors who are also the trustees of Natural Research Limited for the purposes of charity law, are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and the Charities Accounts (Scotland) Regulations 2006. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the group has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

We have conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's and the group's circumstances, consistently applied and adequately disclosed.

NATURAL RESEARCH LIMITEDINDEPENDENT AUDITORS' REPORT TO THE MEMBERS OFNATURAL RESEARCH LIMITED (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Smaller Entities, in the circumstances set out in note 16 to the financial statements.

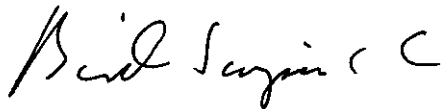
Opinion

In our opinion, the financial statements;

give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the group and the charitable company's affairs as at 28th February 2007 and of its incoming resources and application of resources, including its income and expenditure, in for the year then ended,

the information in the Directors Report is consistent with the financial statements, and

- have been properly prepared in accordance with the Companies Act 1985 and the Charities Accounts (Scotland) Regulations 2006



Bird Simpson & Co
Chartered Accountants
and Registered Auditors
Dundee

Date 27th February 2008.

NATURAL RESEARCH LIMITEDCONSOLIDATED INCOME & EXPENDITURE ACCOUNTFor the year ended 28th February 2007

	<u>Notes</u>	<u>2007</u>	<u>2006</u>
<u>INCOME</u>			
Donations, Grants & Sponsorship	3 1	105,739	43,378
Commercial trading operations	3 2	1,054,296	986,974
Interest	3 3	6,995	2,061
		<hr/>	<hr/>
		1,167,030	1,032,413
<u>EXPENDITURE</u>			
Research Expenses	4 1	171,089	77,409
Administrative Expenses	4 2	189,455	143,127
Commercial Trading Expenses	4 3	600,089	532,955
		<hr/>	<hr/>
		960,633	753,491
		<hr/>	<hr/>
Surplus/(Deficit) on ordinary activities before taxation	5	206,397	278,922
Tax on surplus on commercial activities	6	-	(994)
		<hr/>	<hr/>
Surplus/(Deficit) on ordinary activities after taxation		206,397	279,916
Transfer (to)/from reserves		(206,397)	(279,916)
		<hr/>	<hr/>
		-	-
		<hr/>	<hr/>

The group has no gains or losses other than the results shown for the year
The turnover and reported results are in respect of continuing operations.

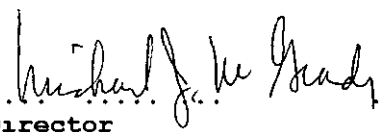
The notes on pages 11 to 22 form part of these financial statements.

NATURAL RESEARCH LIMITEDCONSOLIDATED & CHARITY BALANCE SHEETAs at 28th February 2007

	<u>Notes</u>	<u>2007</u>	<u>Group</u> <u>2006</u>	<u>Charity</u> <u>2007</u>	<u>2006</u> <u>£</u>
<u>FIXED ASSETS</u>					
Tangible Assets	7	30,707	32,907	-	-
Investment	8	-	-	1	1
		<u>30,707</u>	<u>32,907</u>	<u>1</u>	<u>1</u>
<u>CURRENT ASSETS</u>					
Debtors	9	402,413	368,383	33,003	30,822
Cash at bank		364,736	258,630	325,409	208,563
		<u>767,149</u>	<u>627,013</u>	<u>358,412</u>	<u>239,385</u>
<u>CURRENT LIABILITIES</u>					
Creditors due within one year	10	70,055	138,516	39,627	8,766
<u>NET CURRENT ASSETS/(LIABILITIES)</u>					
		<u>697,094</u>	<u>488,497</u>	<u>318,785</u>	<u>230,619</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>					
		<u>727,801</u>	<u>521,404</u>	<u>318,786</u>	<u>230,620</u>
Provisions for liabilities and charges	11	-	-	-	-
		<u>727,801</u>	<u>521,404</u>	<u>318,786</u>	<u>230,620</u>
<u>Represented by.</u>					
Restricted Funds	12	44,557	27,263	44,557	27,263
Unrestricted Funds		683,244	494,141	274,229	203,357
<u>TOTAL FUNDS</u>					
	13	<u>727,801</u>	<u>521,404</u>	<u>318,786</u>	<u>230,620</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities

Approved and authorised for issue by the Board of Directors
and signed on its behalf by


Director

27 Feb 2008.....
Date

NATURAL RESEARCH LIMITEDNOTES TO THE ACCOUNTSAt 28th February 20071 ACCOUNTING POLICIES1.1 Accounting Basis

The financial statements have been prepared under the historical cost convention and in accordance with Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005), the Financial Reporting Standard for Smaller Entities (effective January 2005), the Charities Accounts (Scotland) Regulations 2006 and the Companies Act 1985

1.2 Group Accounts

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Natural Research (Projects) Limited on a line by line basis. A separate Statement of Financial Activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by Section 230 of the Companies Act 1985 and paragraph 426 of SORP 2005

1 3 Going Concern

The going concern concept has been used in preparing these accounts

1 4 Incoming Resources

All income is recognised when the conditions for receipt have been met, and there is a reasonable assurance of receipt. In particular the following policies are used;

Donations are included in the year in which they are receivable, which is when the charity becomes entitled to the resource with reasonable certainty and it can be measured reliably.

Grants are credited in the year to which they relate

Sponsorship and other forms of assistance towards running a particular event are credited to the period in which the event occurred

Investment income and rental income is included in the year in which it is receivable

Gifts and donated services and facilities are not incorporated into these financial statements. These amounts are disclosed as a note in the accounts.

NATURAL RESEARCH LIMITEDNOTES TO THE ACCOUNTS (continued)At 28th February 20071 5 Resources Expended

Resources expended are included on an accruals basis and have been allocated on the basis indicated below

Costs of generating voluntary income comprise of the costs incurred in inducing others to make gifts to the charity that are voluntary income

Costs allocated to fundraising and trading are those costs incurred on non-charitable activities undertaken to generate funds for use by the charity

Investment management costs are the costs of administering the investments held

Costs of charitable activity comprise all the resources applied by the charity in undertaking its work to meet its charitable objectives.

Research expenditure is where possible, allocated to the restricted fund to which it relates Research expenditure of a general nature is allocated to unrestricted funds

Administration costs are the indirect costs which support all of the charity's activities

Governance costs are the costs associated with the governance arrangements of the charity which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activities

Where possible costs are allocated directly to one of the above headings Otherwise costs are allocated between the headings with reference to the areas utilised and time spent on these activities

1 6 Pensions

The group contributes to personal pension schemes for the benefit of its employees. Contributions payable are charged to the profit & loss account in the year they are payable

1 7 Foreign Currencies

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction

Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year-end.

NATURAL RESEARCH LIMITEDNOTES TO THE ACCOUNTS (continued)At 28th February 20071 8 Taxation

The income of the charity is exempt from charge to tax in accordance with the provision of the Income and Corporation Taxes Act 1988. The subsidiary company is taxable in the normal way.

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

1.9 Fixed Assets

Additions to fixed assets costing more than £1,000 are capitalised and included at cost. Where fixed assets are funded by Capital Grants, the assets are capitalised and the cost reduced by the amount of grant received.

Depreciation

Depreciation is provided at a rate calculated to write off cost or valuation, less estimated residual value, of each asset evenly over its expected useful life as follows:

Fixtures & Fittings	- 20%	Straight Line
Computer Equipment	- 33 ¹ / ₃ %	Straight Line

No depreciation is provided in respect of freehold land.

1 10 Investments

Investments are stated at cost.

1 11 Funds

Funds generated or drawn on via the Income & Expenditure account are classified as either restricted funds or unrestricted funds, defined as follows:

- Restricted Funds are subject to specific conditions which may be declared by the donor or with their authority (e.g. by the restrictive wording of an appeal). Some are restricted income funds expendable at the discretion of the Directors in furtherance of a particular activity, such as Central and Local Government grants and funds raised for particular activities. Others are capital where the assets are required to be invested for long-term use.
- Unrestricted Funds are expendable at the discretion of the Directors in furtherance of the objects of the Charity.

NATURAL RESEARCH LIMITEDNOTES TO THE GROUP ACCOUNTS (continued)At 28th February 20071 12 Cash Flow

The Group has taken the benefit of exemption from preparing a Cash Flow Statement conferred by FRS1 on the grounds that it is a small group

2 CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds	Restricted Funds	2007 Total	2006 Total
<u>INCOMING RESOURCES</u>	<u>3 4</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Incoming resources from generated funds					
Voluntary income		-	-	-	2,499
Activities for generating funds		1,054,296	-	1,054,296	986,974
Investment income		6,995	-	6,995	2,061
Incoming resources from charitable activities		47,882	57,857	105,739	40,879
Other incoming resources		-	-	-	-
Total Incoming Resources		1,109,173	57,857	1,167,030	1,032,413
<u>Resources Expended</u>	<u>4</u>				
Costs of generating funds					
Voluntary income		-	-	-	-
Fundraising and trading		768,223	-	768,223	670,380
Investment management		-	-	-	-
Charitable Activities		147,221	42,563	189,784	80,983
Governance costs	16	2,626	-	2,626	1,134
Other resources expended		-	-	-	-
Total Resources Expended		918,070	42,563	960,633	752,497
Net Incoming Resources		191,103	15,294	206,397	279,916
Transfers between funds		(2,000)	2,000	-	-
Total Funds b/f		494,141	27,263	521,404	241,488
Total Funds c/f		683,244	44,557	727,801	521,404

NATURAL RESEARCH LIMITEDNOTES TO THE ACCOUNTS (continued)At 28th February 20073 INCOME3 1 DONATIONS ETC

Income arises from donations, legacies etc , from within the United Kingdom and from overseas

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2007</u>	<u>2006</u>
	<u>Funds</u>	<u>Fund</u>	<u>£</u>	<u>£</u>
UK Donations etc	31,875	35,500	67,375	15,327
Outwith UK Donations etc	16,007	22,357	38,364	28,051
	<u>47,882</u>	<u>57,857</u>	<u>105,739</u>	<u>43,378</u>

3 2 COMMERCIAL TRADING INCOME

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2007</u>	<u>2006</u>
	<u>Funds</u>	<u>Fund</u>	<u>£</u>	<u>£</u>
Consultancy Income (see note 8)	1,054,296	-	1,054,296	986,974
	<u>1,054,296</u>	<u>-</u>	<u>1,054,296</u>	<u>986,974</u>

3 3 INVESTMENT INCOME

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2007</u>	<u>2006</u>
	<u>Funds</u>	<u>Fund</u>	<u>£</u>	<u>£</u>
Bank interest	6,995	-	6,995	2,061
	<u>6,995</u>	<u>-</u>	<u>6,995</u>	<u>2,061</u>
TOTAL INCOME	1,109,173	57,857	1,167,030	1,032,413
	<u>1,109,173</u>	<u>57,857</u>	<u>1,167,030</u>	<u>1,032,413</u>

3 4 DETAILED INCOME ANALYSIS

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2007</u>	<u>2006</u>
	<u>Funds</u>	<u>Fund</u>	<u>£</u>	<u>£</u>
Voluntary Income				
- General donation	-	-	-	2,499
Trading Activities				
- NRP Ltd Consultancy	1,054,296	-	1,054,296	986,974
Investment income				
- Bank Interest	6,995	-	6,995	2,061
Charitable Activities				
- Petroleum	16,007	-	16,007	15,280
Development				
- Countryside Council	-	-	-	8,486
- RSPB	-	-	-	4,342
- San Diego Zoo	-	22,357	22,357	12,771
- Haworth	6,200	-	6,200	-
- Scot Natural Heritage	25,675	35,500	61,175	-
TOTAL INCOME	1,109,173	57,857	1,167,030	1,032,413
	<u>1,109,173</u>	<u>57,857</u>	<u>1,167,030</u>	<u>1,032,413</u>

NATURAL RESEARCH LIMITEDNOTES TO THE ACCOUNTS (continued)At 28th February 20074 RESOURCES EXPENDED4 1 RESEARCH EXPENDITURE

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2007</u>	<u>2006</u>
	<u>Funds</u>	<u>Fund</u>	<u>Total</u>	<u>Total</u>
	£	£	£	£
Staff costs	64,665	19,090	83,755	42,036
Subcontractors	39,883	10,058	49,941	21,750
Motor Expenses	8,633	939	9,572	1,857
Field Equipment	10,601	12,476	23,077	4,852
Accommodation & Subsistence	4,744	-	4,744	6,914
	<u>128,526</u>	<u>42,563</u>	<u>171,089</u>	<u>77,409</u>

4 2 ADMINISTRATION COSTS

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2007</u>	<u>2006</u>
	<u>Funds</u>	<u>Fund</u>	<u>Total</u>	<u>Total</u>
	£	£	£	£
Admin wages	16,409	-	16,409	16,330
Directors salaries	45,604	-	45,604	40,317
Employers NIC	6,346	-	6,346	5,349
Pension costs	1,233	-	1,233	-
Staff training	1,600	-	1,600	50
Office rent & rates	9,089	-	9,089	7,662
Insurance	21,988	-	21,988	13,818
Use of offices	-	-	-	5,000
Repairs and renewals	3,943	-	3,943	4,781
Consumable equipment	6,545	-	6,545	6,558
Printing, postage etc	9,610	-	9,610	5,816
Telephone	1,502	-	1,502	1,721
Legal & professional	10,815	-	10,815	2,210
Accountancy & tax fee	6,419	-	6,419	5,735
Audit fees	4,036	-	4,036	2,484
Bookkeeping expenses	4,158	-	4,158	4,221
Bank charges	994	-	994	1,318
Bad debts	5,427	-	5,427	-
Sundry expenses	18,289	-	18,289	5,572
Depreciation	12,578	-	12,578	13,413
Loss on disposals	-	-	-	567
Bank interest	120	-	120	-
Exchange rate loss	2,750	-	2,750	205
	<u>189,455</u>	<u>-</u>	<u>189,455</u>	<u>143,127</u>

4 3 COMMERCIAL TRADING EXPENSES

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2007</u>	<u>2006</u>
	<u>Funds</u>	<u>Fund</u>	<u>Total</u>	<u>Total</u>
	£	£	£	£
Subcontractors fees	93,166	-	93,166	129,570
Project costs	148,904	-	148,904	124,791
Project wages	327,009	-	327,009	253,820
Employers NIC	31,010	-	31,010	24,774
	<u>600,089</u>	<u>-</u>	<u>600,089</u>	<u>532,955</u>
TOTAL EXPENDITURE	<u>918,070</u>	<u>42,563</u>	<u>960,633</u>	<u>753,491</u>

NATURAL RESEARCH LIMITEDNOTES TO THE ACCOUNTS (continued)At 28th February 20075 STAFF COSTS

The following staff costs are included in group expenditure

	<u>2007</u> £	<u>2006</u> £
Directors remuneration	53,208	42,746
Wages and salaries	402,452	306,047
Social security costs	43,139	33,833
Pension costs	12,567	-
	<u>511,366</u>	<u>382,626</u>

The costs above have been allocated over the following headings

	<u>Un- restricted Funds</u>	<u>Restricted Funds</u>	<u>Total</u>	<u>2006</u>
Research Expenses	64,665	19,090	83,755	42,036
Commercial Trading Activities	427,611	-	427,611	340,590
	<u>492,276</u>	<u>19,090</u>	<u>511,366</u>	<u>382,626</u>

While undertaking work for the group two of it's directors incurred expenses mainly relating to travel, amounting to £13,086 These expenses were reimbursed

6. TAXATION

The parent company is accepted as a charity by the Board of the Inland Revenue and consequently relief is given under S505T.A. 1988 to exempt it from the payment of Corporation Tax

The subsidiary company is subject to normal corporation tax legislation The donations paid to the charity after the year end have been utilised as non-trade charges against the subsidiary's profits and thus there is no corporation tax liability in the current year

	<u>2007</u> £	<u>2006</u> £
<u>Domestic current year tax</u>		
UK corporation tax	-	-
Adjustment for previous year	-	-
<u>Current tax charge</u>	-	-
<u>Deferred tax</u>		
Deferred tax charge for current period	-	(994)
	<u>-</u>	<u>(994)</u>

NATURAL RESEARCH LIMITEDNOTES TO THE ACCOUNTS (continued)At 28th February 20077. TANGIBLE FIXED ASSETS - GROUP AND CHARITY

	<u>Land & buildings</u>	<u>Group Plant & machinery</u>	<u>Total</u>	<u>Charity Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>Cost</u>				
At 1st March 2006	10,000	58,404	68,404	-
Additions	-	10,377	10,377	-
Disposals	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 28th February 2007	10,000	68,781	78,781	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Depreciation</u>				
At 1st March 2006	-	35,496	35,496	-
Charge for the year	-	12,578	12,578	-
On disposals	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 28th February 2007	-	48,074	48,074	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Net book value</u>				
At 28th February 2007	10,000	20,707	30,707	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 28th February 2006	10,000	22,907	32,907	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

NATURAL RESEARCH LIMITEDNOTES TO THE ACCOUNTS (continued)At 28th February 20078 INVESTMENTS - CHARITY2007
£2006
£

Natural Research (Projects) Limited

11

The charitable company is the sole shareholder of Natural Research (Projects) Limited, a company which advises on the environmental and ecological impact of carrying out various projects and developments. The investment is cancelled out on consolidation. The wholly owned subsidiary, which is incorporated in the United Kingdom, pays a substantial portion of its profits to the charity by gift aid. A summary of the results from the trading company is shown below.

Summary profit and loss account

	<u>2007</u> £	<u>2006</u> £
Turnover	1,054,296	986,974
Cost of sales	600,089	532,955
Gross profit	454,207	454,019
Administrative expenses	(168,014)	(138,420)
Interest receivable	2,158	1,227
Interest payable	(120)	(1,090)
Corporation tax	288,231	315,736
	-	(994)
Gifted to the charity	288,231	316,730
	170,000	208,644
Retained in the company	118,231	108,086

The Assets and Liabilities of the subsidiary were

	<u>2007</u> £	<u>2006</u> £
Tangible fixed assets	30,707	32,907
Current assets	433,754	392,178
Creditors due within 1 year	464,461	425,085
Provisions for liabilities	(55,445)	(134,300)
	-	-
<u>Total net assets</u>	<u>409,016</u>	<u>290,785</u>
Aggregate share capital and reserves	409,016	290,785

NATURAL RESEARCH LIMITEDNOTES TO THE ACCOUNTS (continued)At 28th February 2007

9. <u>DEBTORS</u>	<u>Group</u>		<u>Charity</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
	£	£	£	£
Trade debtors	348,444	332,040	-	-
Other debtors	53,969	36,343	33,003	30,822
	<u>402,413</u>	<u>368,383</u>	<u>33,003</u>	<u>30,822</u>

10 <u>CREDITORS</u>	<u>Group</u>		<u>Charity</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
	£	£	£	£
Bank overdraft	980	-	980	-
Trade creditors	13,406	10,546	-	-
Taxes and Social Security	25,673	92,858	-	-
Other Creditors	29,996	35,112	13,630	8,766
Amount due to subsidiary	-	-	25,017	-
	<u>70,055</u>	<u>138,516</u>	<u>39,627</u>	<u>8,766</u>

11 <u>PROVISIONS FOR LIABILITIES AND CHARGES - GROUP</u>	<u>Deferred Tax liability</u>	
	<u>2007</u>	<u>2006</u>
	£	£

Balance at 1st March 2006
 Charge for period

-
 -

-
-

The deferred charge liability is made up as follows:

	<u>2007</u>	<u>2006</u>
	£	£
Accelerated capital allowances	-	-
	<u>-</u>	<u>-</u>

NATURAL RESEARCH LIMITEDNOTES TO THE ACCOUNTS (continued)At 28th February 200712. RESTRICTED FUNDS

There were six restricted funds during the year

- Darwin Initiative (Funded by RSPB)
Monies received in this fund are for research into gyps series vultures. These funds have now been completely utilised
- Hen harrier conservation (Funded by Countryside Council)
The fund was initially concerned with producing a scoping assessment and ultimately to support a conservation framework for the hen harrier. These funds have now been completely utilised
- PAT Modelling (Funded by Natural Research (Projects) Ltd)
These funds are used to improve and test the computer model of golden eagle ranging. There was no balance on this fund at the year end
- Stellar Sea Eagles Juvenile Dispersal (Funded by San Diego Zoo)
Monies received into this fund are for the fitting of transmitters to juvenile Stellar's sea eagles and the subsequent monitoring thereof. This project is ongoing.
- Fishing Eagle Conservation in Cambodia (Funded by National Birds of Prey Trust, Hawk Mountain Sanctuary and International Osprey Foundation)
This funds the research into the distribution and ecology of the eagles and their prey. There was no balance on this fund at the year end
- Golden Eagle Marking (Funded by Scottish Natural Heritage)
These funds were provided to assist in the costs of satellite tags and satellite time for the marking of non-breeding golden eagles. This project is ongoing

13. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	<u>Un- Restricted fund</u> £	<u>Restricted fund</u> £	<u>Total</u> £	<u>2006</u> £
Tangible Fixed Assets	30,707	-	30,707	32,907
Investments	-	-	-	-
Debtors	402,413	-	402,413	368,383
Cash at Bank	320,179	44,557	364,736	258,630
Creditors	(70,055)	-	(70,055)	(138,516)
Provisions for liabilities	-	-	-	-
	<u>683,244</u>	<u>44,557</u>	<u>727,801</u>	<u>521,404</u>

NATURAL RESEARCH LIMITEDNOTES TO THE ACCOUNTS (continued)At 28th February 2007**14 RELATED PARTY TRANSACTIONS**

Transactions between the charity and its subsidiary cancel out on consolidation and are therefore not reported

During the year the group has undertaken the following transactions with its directors, in addition to the normal travel expenses etc, disclosed in Note 5.

	<u>2007</u> £	<u>2006</u> £
<u>M Madders</u>		
Use of office	-	5,000
 <u>P Stirling-Aird</u>		
Rent paid to family trust	6,000	6,000

15 TRANSACTIONS WITH DIRECTORS

Dr M Madders had interest free loans during the year from the Natural Research (Projects) Ltd. The movement on these loans are as follows;

	<u>Amount outstanding</u> <u>2007</u> £	<u>2006</u> £	<u>Maximum in</u> <u>Year</u> £
Directors current account	10,000	-	10,000

16 APB - Ethical Standards

In common with many other businesses of our size and nature we use our auditors to assist in recording our bookkeeping records, to assist with the preparation of the financial statements and to prepare and submit returns to the tax authorities

The fees charged by the auditors were as follows,

	<u>2007</u> £	<u>2006</u> £
Audit fees	4,036	2,484
Accountancy services	6,419	4,713
Bookkeeping services	4,158	4,221
Other fees	470	1,022
	<u>15,083</u>	<u>12,440</u>

The audit fees of the charity are charged to governance costs within the Statement of Financial Activities.