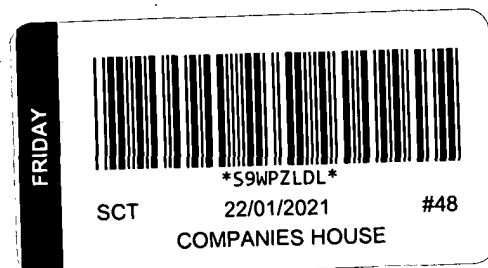


COMPANY REGISTRATION NUMBER SC209393

Companies House

NATURAL RESEARCH LIMITED
COMPANY LIMITED BY GUARANTEE
CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2020

Charity Number SC030363



AZETS AUDIT SERVICES
Chartered accountants and statutory auditor
3 West Craibstone Street
Bon Accord Square
Aberdeen
AB11 6YW

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

CONTENTS	PAGES
Members of the Board and professional advisers	1
Directors Report	2 to 9
Directors' responsibilities statement	10
Independent auditor's report to the trustees and members	11 to 14
Consolidated statement of financial activities	15
Charity statement of financial activities	16
Consolidated statement of financial position	17
Charity statement of financial position	18
Consolidated statement of cash flows	19
Notes to the financial statements	20 to 34

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

Registered charity name	Natural Research Limited
Charity number	SC030363
Company registration number	SC209393
Principal address	Brathens Business Park Hill of Brathens Glassel Banchory Scotland AB31 4BY
Registered office	14 Carden Place Aberdeen Scotland AB10 1UR
Directors	Mr P K Stirling-Aird MBE Dr D P Whitfield Mr A Heavisides
Secretary	MacKinnons
Auditors	Azets Audit Services 3 West Craibstone Street Bon Accord Square Aberdeen AB11 6YW
Bankers	HSBC Bank PLC 95-99 Union Street Aberdeen AB11 6BD
Solicitors	MacKinnons 14 Carden Place Aberdeen AB10 1UR
Investment Managers	Brewin Dolphin Sixth Floor, Atria One 144 Morrison Street Edinburgh EH3 8BR

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

DIRECTORS REPORT

YEAR ENDED 31 MARCH 2020

The directors present their report and the financial statements of the group for the year ended 31 March 2020.

Objectives and activities

The charity's objectives are to fund research projects whose results will support the wise management of wild life resources. The projects are often carried out in conjunction with other research and conservation agencies, individuals and government departments. The charity conducts research into natural resources and wild life internationally. It further endeavours to enhance the education of the public by disseminating the results of such research.

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

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 charity 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 several projects undertaken are progressing well and are on target to achieving their chosen outputs. The directors also recognise, however, that there is need to publicise outputs on existing projects and to increase the charity's activity to satisfy its fundamental objectives.

Achievements and performance

The charity currently has several projects that it is supporting. The trustees 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. This aim also ensures that the outputs of the charity are clearly recognised as being of high quality research.

During the period to the end of March 2020 continued good progress was made in taking forward projects and in disseminating their results. Several publications were drafted, submitted, and/or accepted.

Sarah Hoy, a NR-supported PhD student at the University of Aberdeen, was successful in gaining her doctorate in 2015. She also rapidly gained a post-doctoral position in USA thereafter (despite stiff competition from many USA 'home-grown' researchers), to analyse data on relationships between wolves and their main prey. Sarah has continued to work with her co-authors, including Dr Whitfield of NR, to seek production of high-profile papers in prestigious journals related to her PhD studies.

Rowen van Eeden gained his PhD doctorate in summer 2017 on the causes of decline of the martial eagle in southern Africa, from the University of Cape Town. This project was the subject of a TV programme (an episode of 'Fierce') presented by Steve Backshall on ITV in May 2016. It is also publicised to the thousands of tourists who visit the Kruger National Park in South Africa every year, with the National Park Authority being a partner in the project. Rowen, with assistance from his co-supervisors, including Dr Whitfield, has had two papers accepted by scientific journals, and submitted a third paper in 2019.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

DIRECTORS REPORT *(continued)*

YEAR ENDED 31 MARCH 2020

Achievements and performance *(continued)*

A project with Forest Enterprise Scotland (FES) to utilise and test relatively novel remote telemetry which exploits mobile phone networks, to examine territorial golden eagles' use of afforested habitats was originally frustrated by the difficulty in live trapping the study subjects. FES efforts have subsequently been rewarded with the capture of several territorial birds which are providing novel insights and great encouragement for this project to deliver novel and highly beneficial outputs. This study continues to receive publicity from the BBC's SpringWatch and AutumnWatch TV programmes. Further efforts on this project took place in 2017, with the joint purchase between NR and FES of further satellite tags. The aim is to build up a unique and robust dataset, to provide knowledge of the behaviour of territorial golden eagles in Scotland, for thorough analysis; notably on their use of afforested habitats. Preliminary material has been presented at several meetings, notably those of the Raptors and Forestry Joint Working Group (R&FJWG: co-chaired by Forestry Commission Scotland and Scottish Natural Heritage) where the results were met with enthusiasm and for contribution to future guidance documents. Field efforts in the winter of the period to March 2019 were especially successful, and this study should have many profound implications for forestry and other developments concerning territorial golden eagles and statutory authorities' engagement and guidance. Further media publicity occurred during BBC's SpringWatch 2019. Two reports from this project were produced under commission for R&FJWG in the year to 2020. The project continues to attract interest from external funders, with Vattenfall committing to direct support, and wind farm developers requesting costed use of data.

Continued NR support was given to ongoing research on the ecology of giant armadillos in the Brazilian Pantanal: thanks to NR support this project's work has been extended into the neighbouring Cerrado biome. Considerable publicity, across several international media, and educational initiatives continue to be associated with this project, which also maintains a high level of scientific credibility. The wider project has expanded studies to include the giant anteater, and to document both species' status in the threatened remnants of the Brazilian Atlantic forest biome.

A further NR-assisted project on the dispersal of young northern goshawks in Scotland was continued. The project has involved the prospective testing of new GSM satellite tags. Encouraging results from the first set of deployed tags led the trustees to support further tagging in 2019 and in a further future year. All results will be contributed to a new PhD studentship, which began in autumn 2018, at the University of Aberdeen (co-supervisors include Professor Xavier Lambin, Dr Thomas Cornulier, and Dr Whitfield): "Leaving the safety of the forest: the landscape-scale dynamics of the northern goshawk, a protected mobile species occupying areas with varying levels of protection". This CASE studentship with NR as an 'industry' collaborator was the top-ranked proposal granted support by NERC in 2017. A PhD student was appointed in October 2018 (Katie August) and further data from the NR-assisted project on goshawk dispersal will be made available to this study, as will prior NR data on DNA-profiling and feather collections of goshawks from S Scotland.

In February 2015 a new post in Natural Research was created, Golden Eagle Project Officer (GEPO), with full financial support from SSE. The GEPO (Dr Ewan Weston – whose PhD studies on golden eagles were supported by NR) was devoted to working on conservation research and enhancement of golden eagles in the central Highlands of Scotland. This post was promoted online by several UK newspapers in 2015, including The Guardian. Several reports and a scientific publication have resulted. In February 2018, following the cessation of Dr Weston's contract, SSE funding shifted to a research programme led by NR directly with appropriate sub-contractor support (Stuart Benn) on survey and monitoring, to March 2021. During the period to the end of March 2020 a paper (in Ibis) on a model to predict young golden eagle space use was published, and several other papers were in draft or in preparation. Regular reports continue to be produced. SSE funding was extended to end of March 2021. The research and monitoring hosted by NR and funded by SSE is also leading to a number of other positive outcomes, including invitations to All Energy conferences, and direct conservation and education benefits, being led by The Highland Council.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

DIRECTORS REPORT *(continued)*

YEAR ENDED 31 MARCH 2020

Achievements and performance *(continued)*

Further efforts were made in tagging seven nestling golden eagles on the Western Isles in 2019, as part of the long-standing efforts to discover more on the biology of young golden eagles in Scotland. By way of comparison, the Trustees approved plans to tag nestling white-tailed eagles in 2020 on the Western Isles, and future attempts to trap and GPS-tag territorial white-tailed eagles in Scotland, which has not been attempted before. This latter initiative also holds interest in application to ongoing government-sponsored 'agricultural impacts' payments for potential eagle effects on sheep farming. Dr Whitfield also continues to spend time working on behalf of NR to generate outputs on other projects. These projects include studies of black (cinereous) vultures in NE Greece, work on breeding senescence in Scottish white-tailed eagles (paper published in Journal of Animal Ecology 2019), and research on the blood biochemistry of white-tailed eagles released previously in eastern Scotland as part of the reintroduction project. A PhD studentship continued, with NR support on satellite tagging funding and co-supervisory role on a study of Greek golden eagles (student Lavrentis Sidiropoulos), and several progressions were made, including the first trapping and GPS-tagging of territorial Greek eagles.

Dr Whitfield also continues in his advisory scientific support of the Raptor Research & Conservation Foundation; an Indian charitable foundation set up to encourage and fund the study, education of researchers and the public, and conservation of birds of prey in India. Dr Whitfield was also part of the scientific committee of the international Conference on Wind energy and Wildlife impacts (CWW2019) held in late summer 2019 at the University of Stirling. He has been invited as a scientific advisor to the North American NWCC 2020 Conference on wind farms and wildlife, and continues to advise the South of Scotland Golden Eagle Project and the Sea Eagle Project Team.

A research commission to the charity from Scottish Government and Scottish Natural Heritage resulted in a report led by Dr Whitfield on the fates of satellite tagged golden eagles in Scotland, published in May 2017. This work has received plaudits from several quarters, including personal letters of gratitude to the authors from the Cabinet Secretary for the Environment, Rural Affairs and Land Reform for the quality of the research. As a result of the report, the Cabinet Secretary has instigated further reviews with a potential view to change in legislation. The report has been and will continue to be a highly influential piece of research. A direct consequence of this report, under a further Scottish Government commission ("The Werritty Review") reported in 2019 on a range of related issues: the main outcome being the prospect and timing of licensing of driven grouse shooting. Scottish Government is yet to announce its response to The Werritty Review.

Detailed information on all of the charity's projects is available on the group's website: <http://www.natural-research.org>.

The subsidiary company saw its profits substantially recover in the year ended March 2020 after previous years of low, poor or unprofitable activity. As was outlined in several previous Directors' Reports, the subsidiary's main trading environment has become increasingly competitive whilst the market for work has shrunk and increasingly subject to shifting government energy policies but with improvements in wind energy technology. This trend was apparent in the year ended March 2017, such that further actions, begun in the year ended March 2016, were taken to re-align the company's outgoings (primarily staff salaries) to the market. The actions of the company's executive directors as regards re-aligning the major company outgoing, staff salaries, resulted in an improvement in year-end actual financial performance in the year ended March 2017, as opposed to prior budget projections and despite the immediate cost of the company re-organisation. These actions of the company's executive directors also fed through to improvements in the year ended March 2018, assisted by a slight improvement in the market's confidence and the executive directors' ability to secure new contracts. The return to a profitable outcome in the year ended March 2018 was a welcome change in performance, due in no small part to the actions of the subsidiary company in reacting to its market's status. The subsidiary company's performance in the year ended March 2020 saw further substantial improvement in profits: in large part due to the executive directors' abilities to respond to a recovering terrestrial wind farm market.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

DIRECTORS REPORT *(continued)*

YEAR ENDED 31 MARCH 2020

Achievements and performance *(continued)*

This was despite hopes of further international work which have not materialised and that work on marine projects has been squeezed by other larger competitors in the market which have more cost-effective scale of operations; and that the commercial appetite for 'wet' renewables has fallen away. These prior trends were affirmed in the year ended March 2020, and will undoubtedly continue in future years. The executive directors, however, have successfully secured some work away from the core ornithology expertise, in 'Ecology' by deploying skills in mammalian survey and partnering with consultants which have ready access to additional personnel and experience in 'Ecology' surveying and reporting. There has been a continued gain in work on a new power line project. The trustees will continue to maintain a close watching brief over the performance and prospects for the commercial subsidiary given the rapidly changing market within which it operates

Financial review

The group's net incoming/(outgoing) resources for the year, including other recognised gains and losses, amounting to £(33,371) (2019 - £76,512) have been dealt with as shown in the Statement of Financial Activities and comprise:

	Total 2020 £	Total 2019 £
Natural Research Limited	(12,057)	(10,659)
Natural Research (Projects) Limited	(21,314)	87,171
	<u>(33,371)</u>	<u>76,512</u>

Investments

In November 2011 the directors placed £500,000 of the charity's funds in stock market investments. The directors have appointed investment managers to manage this investment portfolio. As income is important to the charity, the directors have requested an annual income of £20,000, equivalent to a yield of 4%. This continues to be reviewed annually. During the period to the end of the year the portfolio stood at a value of £528,608 and generated £20,522 of dividend income, equivalent to a gross yield of 3.88%. Towards the end of the reporting 2020 period the directors became aware of the potential economic consequences of the incipient coronavirus pandemic, and reviewed the consequent risks of the investment portfolio, which had always erred more towards risk-averse and longer-term investments. In consequence, no direct instructions to the investment manager on large-scale changes were made in the risk profile of the portfolio, given the widespread consequences of the required public health measures' impact on economic activity; but this accepted the inevitability that in 2020/21 investment yields would probably be substantially lowered.

Reserves

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure as a minimum. The directors consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This baseline level of charitable reserves has been maintained throughout the year.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

DIRECTORS REPORT *(continued)*

YEAR ENDED 31 MARCH 2020

Reserves *(continued)*

The trustees acknowledge that one of the original objectives of the trading subsidiary was to assist in financing the charity's operations. To assist the financing of the charity's operations the vast majority of the trading subsidiary's profits have been donated to the charity in several previous years and this has allowed reserves to accumulate in it. These reserves should allow the charity to survive any failures in its earning capability or unforeseen costs that have not been identified by the above risk analysis.

It was recognised by the directors in recent years, nevertheless, that the subsidiary's donations to the charity's operations during several previous years had left the subsidiary vulnerable to the vagaries of the commercial environment in which it operates. Consequently, plans enacted in more recent years supported the retention of reserves within the subsidiary to give it a sound foundation to meet the necessity for responsible business management. These plans were in recognition of the uncertainties of the subsidiary's operational environment, the need to maintain its leading position within its highly competitive field, and the time and staff effort that realising project diversification within the subsidiary can involve. These plans also acknowledged the need to maintain separation between the reserves held by the charity and its commercial subsidiary but to maintain the working capital requirements of both.

During the year ended March 2016 the uncertainties of the subsidiary's operational environment were still apparent, but further retention of funds by the subsidiary were not considered prudent for that year, because the commercial subsidiary's reserves at that year end were deemed sufficient for its proper management. The Directors decided therefore that in the year ended March 2016 all taxable profits from the commercial subsidiary should be donated to the charity. This same prudence as regards the subsidiary's available funds and an intergroup donation would have been exercised in year ended March 2017 if the subsidiary's performance would have been profitable. In practice, however, the absence of any profits generated by the commercial subsidiary in year ended March 2017, and the need for a further re-organisation of the commercial subsidiary, meant no intergroup donations were made.

In the year ended March 2018 the Directors reviewed that, with an improved market and continued prudent business planning, the reserve funds available to the subsidiary were sufficient to meet the uncertainties of the subsidiary's operational environment. It was decided therefore that for year ended March 2018 and for future years the trading subsidiary would donate any and all profits to finance the charity's operations; returning, for the foreseeable future, to the original objectives of the trading subsidiary in assisting the charity. Following this practice, therefore, the donation for the year ended 31 March 2019 was paid prior to 31 March 2020.

That foreseeable future, however, had not envisaged the potentially devastating and unique economic consequences of the coronavirus pandemic which was becoming apparent towards the end of the year to March 2020. The Board decided at its March 2020 meeting (held virtually in anticipation of the upcoming movement and gathering lockdowns) that the incipient exceptional nature of the consequences of the developing public health strictures due to coronavirus required that the subsidiary's donation of its profits to the charity for year ended 2020 should be exceptionally suspended. Subsequently, in light of the availability of government support not known at that decision, and after executive directors' analyses, it was later agreed that to offset estimated costs of lost income, lost projects and a precautionary anticipation of further commercial loss that (before corporation tax) the subsidiary should not need to retain all profit but retain £43,000 of the 2019/20 profit.

Plans for future periods

It is a continued intention of the Directors to encourage a higher level of activity within the charity in the coming years in order to utilise the substantial level of funds now held. As outlined in the Directors' Report for the year ended March 2014, this intention of increased activity was to encompass several strands to fulfil the charity's objectives in a cost-effective and strategic fashion. As outlined in subsequent Directors' Reports and the current Report for year ended March 2020 this intention continues to be realised by dedicated administration support, contributing to training and education and careers of scientists, maintaining a high production of peer-reviewed papers, and increasing information flow from other media outlets.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

DIRECTORS REPORT *(continued)*

YEAR ENDED 31 MARCH 2020

Plans for future periods *(continued)*

The Directors' Report for the year ended March 2016 recognised that further activity to pursue NR's aims may be best realised by future dedicated NR staffing: this recognition was enacted in the year ended March 2017 by the return of Dr Whitfield, after several years primarily dedicated to the commercial subsidiary, to full-time activity within the charity. This has increased the charity's outputs.

The Directors have also recognised that the intention for continued high activity and the availability of current substantial funds must be tempered by a view to the continuation of the charity's activities in the medium- to long-term (on a timescale related to the charity's age and the continued retention and age of Dr Whitfield) within the expectation of uncertain (and at best relatively low) levels of intergroup donation from the trading subsidiary. This acknowledges that while the charity currently holds substantial funds, the possibility of substantial annual contributions are remote or uncertain in the future; as compared to years in the past when the charity's reserves were built up. Hence, the existing funds will be used to ensure continued activities, which are anticipated to result in future annual deficits, but without endangering the possibility of continued activity in the coming several years.

In this context, the Directors also recognise that the current source of income from the investment portfolio will shrink at a point in the future as the investment funds are withdrawn as a cost-effective decision and to fuel the charity's objectives from its available resources. As noted above, the Directors are also anticipating that the unique economic fall-out from the coronavirus pandemic will inevitably adversely affect the charity's investment yield in at least 2020/21, and perhaps later. The charity's reserves, and continued income, however, are able to withstand such short-term adversity; even within a longer-term plan which anticipates the future withdrawal of investment funds to fuel objectives.

Future attention of the Directors will also continue to focus on the performance and prospects of the commercial subsidiary to deliver benefits for the charity and the subsidiary's original objectives under this purpose. It is recognised, nevertheless, that the prospects for the commercial subsidiary to deliver profitable benefits to the charity are uncertain under a fickle commercial market. Greater publicity and marketing of the subsidiary company and its many qualities has been encouraged and will continue to be actively pursued by its executive directors through several initiatives.

The Directors have recognised that previous provisions to provide sufficient working capital for the commercial subsidiary were satisfactory, such that the original objectives surrounding profits donations to the charity had been reverted to in recent years. That recognition, however, did not foresee the exceptional adversity imposed suddenly on the commercial enterprise by the coronavirus pandemic. Therefore, it was agreed that exceptionally the subsidiary should retain 2020 profits sufficient to account for estimated income and project losses, and a precautionary provision for further losses due to the economic fall-out from the pandemic. Plans for future periods do not envisage that this exceptionality will require repetition, even if there is continued uncertainty in how long the economic consequences of the pandemic will last.

Reference and administrative details

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

The directors

The directors who served the charity during the year were as follows:

Mr P K Stirling-Aird MBE
Dr D P Whitfield
Mr A Heavisides

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

DIRECTORS REPORT *(continued)*

YEAR ENDED 31 MARCH 2020

Structure, governance and management

Nature of Governing Document

Natural Research Limited is a company limited by guarantee (company number SC209393) and a registered Scottish charity (charity number: SC030363). The charitable company is governed by its Memorandum and Articles of Association.

Organisational Structure

The Board of Directors, who are in regular contact, administer the charity. Day to day management of the charitable company for the period ended 31 March 2020 was delegated to Dr D P Whitfield the Managing Director of the charity, and he reported to the Board on performance.

The trading subsidiary's board in the year ended 31 March 2020 consisted of Mr P K Mr Stirling-Aird (non-executive), Dr D P Whitfield (non-executive), Mr A Heavisides (non-executive), Ms F Leckie (executive) and Mrs L Maddrick (executive).

Directors

The directors during the year are listed on page 1.

In accordance with the Articles of Association Mr P K Stirling-Aird retired at the Annual General Meeting (AGM) on 21 August 2019 and was eligible for re-election. The Board re-elected Mr P K Stirling-Aird, as per minutes of this AGM. In further accordance with the Articles of Association Dr D P Whitfield will retire at the next AGM in 2020 and is eligible for re-election.

Recruitment and Appointment of Directors

The powers for appointment and removal of directors are set out in the company's Memorandum and Articles of Association.

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 is required to retire by rotation at each annual general meeting and as such is eligible for re-election.

None of the directors has any beneficial interest in the charity. All of the directors are members of the charity and guarantee to contribute £1 in the event of a winding up.

Members

No person shall be admitted to membership of the charity unless he or she is approved by the directors. New directors are appointed by ordinary resolution.

Related Parties and Affiliations

The charity has a wholly owned subsidiary, Natural Research (Projects) Limited. The primary objective of Natural Research (Projects) Limited is the provision of environmental reports, primarily by way of the assessment of the ornithological impacts of commercial developments.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

DIRECTORS REPORT *(continued)*

YEAR ENDED 31 MARCH 2020

Induction and Training of Charities Trustees

The current directors have been involved with the charity or prior, other charities, for many years and therefore induction training has not currently been an issue. Additional advice, when needed, is taken on matters of a technical nature as and when required from the charity's professional advisors and project associates.

Pay Policy for Directors and Senior Staff

Details of directors' remuneration and expenses and related party transactions are disclosed in note 25 of the accounts.

The pay of the NR(P) executive directors is reviewed annually by a remuneration committee composed of non-executive directors (excluding Dr Whitfield). The pay of wider NR(P) staff are decided by the NR(P) executive directors as part of their day-to-day management of the subsidiary. The committee considers increases in conjunction with increases awarded to the wider staff group. In addition, the committee benchmark pay levels against those in other similar sector organisations. The pay of all NR staff is considered by the same committee.

Risk Management

The directors have assessed the major risks to which the company is exposed, in particular those related to the operations and finance of the company and are satisfied that systems are in place to manage the exposure to major risks.

Auditors

On 7 September 2020 Group Audit Services Limited trading as Campbell Dallas Audit Services changed its name to Azets Audit Services and accordingly they have signed their report in their new name.

Azets Audit Services have expressed their willingness to continue in office and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as each director is aware, there is no relevant audit information of which the charitable group's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Registered Office:
14 Carden Place
Aberdeen
Scotland
AB10 1UR

Signed on behalf of the Board of Directors



Dr D P Whitfield
Director

Approved by the directors on 8 November 2020

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

DIRECTORS' RESPONSIBILITIES STATEMENT

YEAR ENDED 31 MARCH 2020

The directors are responsible for preparing the Directors Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable group and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

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

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF NATURAL RESEARCH LIMITED (continued)

YEAR ENDED 31 MARCH 2020

Opinion

We have audited the financial statements of Natural Research Limited (the charitable company) for the year ended 31 March 2020 which comprise the group and company statement of financial activities (including income and expenditure account), the group and company statement of financial position, the group statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2020 and of the group's and parent charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as COVID-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the charity's future prospects and performance.

COVID-19 and Brexit are amongst the most significant events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We adapted our audit procedures in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' (who are also the trustees of the company for the purposes of charity law) use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF NATURAL RESEARCH LIMITED (continued)

YEAR ENDED 31 MARCH 2020

- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the charity's business, including effects arising from macro-economic uncertainties such as COVID-19 and Brexit, and analysed how those risks might affect the charity's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF NATURAL RESEARCH LIMITED *(continued)*

YEAR ENDED 31 MARCH 2020

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept proper and adequate accounting records; or
- the parent charitable company's financial statements are not in agreement with the accounting records; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; and
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report, and from the requirements to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, set out on page 10, the directors (who are also trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF NATURAL RESEARCH LIMITED *(continued)*

YEAR ENDED 31 MARCH 2020

Use of our report

This report is made solely to the charitable group's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's directors, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members as a body and its directors as a body, for our audit work, for this report, or for the opinions we have formed.

KATHLEEN KIRKLAND (Senior Statutory Auditor)

For and on behalf of
AZETS AUDIT SERVICES
Chartered accountants and Statutory auditor
3 West Craibstone Street
Bon Accord Square
Aberdeen
AB11 6YW

8 November 2020

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

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 MARCH 2020

		Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Income from	Notes						
Donations and legacies	5	-	105,764	105,764	-	110,661	110,661
Charitable activities	6	54,652	-	54,652	23,240	-	23,240
Trading activities	7	650,955	-	650,955	831,587	-	831,587
Investment income	8	22,872	-	22,872	23,991	-	23,991
Total income		<u>728,479</u>	<u>105,764</u>	<u>834,243</u>	<u>878,818</u>	<u>110,661</u>	<u>989,479</u>
Expenditure on							
<i>Raising funds</i>							
Trading activities	10	(570,944)	-	(570,944)	(730,210)	-	(730,210)
Investment management costs	9	(5,383)	-	(5,383)	(5,339)	-	(5,339)
		<u>(576,327)</u>	<u>-</u>	<u>(576,327)</u>	<u>(735,549)</u>	<u>-</u>	<u>(735,549)</u>
Charitable activities	10,11	(121,798)	(105,764)	(227,562)	(93,267)	(110,661)	(203,928)
Total expenditure		<u>(698,125)</u>	<u>(105,764)</u>	<u>(803,889)</u>	<u>(828,816)</u>	<u>(110,661)</u>	<u>(939,477)</u>
Net gains/(losses) on investments	14	(63,725)	-	(63,725)	26,510	-	26,510
Net movement in funds	15	(33,371)	-	(33,371)	76,512	-	76,512
Total funds brought forward		<u>1,508,828</u>	<u>-</u>	<u>1,508,828</u>	<u>1,432,316</u>	<u>-</u>	<u>1,432,316</u>
Total funds carried forward		<u>1,475,457</u>	<u>-</u>	<u>1,475,457</u>	<u>1,508,828</u>	<u>-</u>	<u>1,508,828</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.

The notes on pages 20 to 34 form part of these financial statements.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 MARCH 2020

		Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Income from	Notes						
Donations and legacies	5	96,531	105,764	202,295	9,360	110,661	120,021
Charitable activities	6	54,652	-	54,652	23,240	-	23,240
Investment income	8	22,206	-	22,206	23,487	-	23,487
Total income		<u>173,389</u>	<u>105,764</u>	<u>279,153</u>	<u>56,087</u>	<u>110,661</u>	<u>166,748</u>
Expenditure on							
<i>Raising funds</i>							
Investment management costs	9	(5,383)	-	(5,383)	(5,339)	-	(5,339)
Charitable activities	9,10	(116,338)	(105,764)	(222,102)	(87,917)	(110,661)	(198,578)
Total expenditure		<u>(121,721)</u>	<u>(105,764)</u>	<u>(227,485)</u>	<u>(93,256)</u>	<u>(110,661)</u>	<u>(203,917)</u>
Net gains/(losses) on investments	14	(63,725)	-	(63,725)	26,510	-	26,510
Net movement in funds		<u>(12,057)</u>	<u>-</u>	<u>(12,057)</u>	<u>(10,659)</u>	<u>-</u>	<u>(10,659)</u>
Total funds brought forward		1,009,484	-	1,009,484	1,020,143	-	1,020,143
Total funds carried forward		<u>997,427</u>	<u>-</u>	<u>997,427</u>	<u>1,009,484</u>	<u>-</u>	<u>1,009,484</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.

The notes on pages 20 to 34 form part of these financial statements.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 MARCH 2020

		2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	17		16,352		11,795
Investments	18		528,608		598,190
			<u>544,960</u>		<u>609,985</u>
Current assets					
Debtors	19	132,220		212,941	
Cash at bank and in hand		850,943		779,544	
		<u>983,163</u>		<u>992,485</u>	
Creditors: amounts falling due within one year	20	(52,666)		(93,642)	
Net current assets			930,497		898,843
Total assets less current liabilities			<u>1,475,457</u>		<u>1,508,828</u>
Net assets			<u>1,475,457</u>		<u>1,508,828</u>
Funds of the charity					
Restricted funds			—		—
Unrestricted funds:					
Revaluation reserve		47,699		122,128	
Unrestricted income funds		<u>1,427,758</u>		<u>1,386,700</u>	
Total unrestricted funds			1,475,457		1,508,828
Total charity funds	22		<u>1,475,457</u>		<u>1,508,828</u>

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

These accounts were approved by the directors and authorised for issue on 8 November 2020, and are signed on their behalf by:



Dr D P Whitfield
Director

Company Registration Number: SC209393

The notes on pages 20 to 34 form part of these financial statements.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

CHARITY STATEMENT OF FINANCIAL POSITION

31 MARCH 2020

		2020		2019	
		£	£	£	£
Fixed assets					
Investments	18		528,609		598,191
Current assets					
Debtors	19	18,041		29,975	
Cash at bank and in hand		464,359		399,248	
		<u>482,400</u>		<u>429,223</u>	
Creditors: amounts falling due within one year	20	<u>(13,582)</u>		<u>(17,930)</u>	
Net current assets			468,818		411,293
Total assets less current liabilities			<u>997,427</u>		<u>1,009,484</u>
Net assets			<u>997,427</u>		<u>1,009,484</u>
Funds of the charity					
Restricted funds			-		-
Unrestricted funds:					
Revaluation reserve		47,699		122,128	
Other unrestricted income funds		<u>949,728</u>		<u>887,356</u>	
Total unrestricted funds			<u>997,427</u>		<u>1,009,484</u>
Total charity funds	22		<u>997,427</u>		<u>1,009,484</u>

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

These financial statements were approved by the board of trustees and authorised for issue on 8 November 2020, and are signed on behalf of the board by:



Dr D P Whitfield
Director

Company Registration Number: SC209393

The notes on pages 20 to 34 form part of these financial statements.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT OF CASH FLOWS

31 MARCH 2020

	2020 £	2019 £
Cash flows from operating activities		
Net (expenditure)/income	(33,371)	76,512
<i>Adjustments for:</i>		
Depreciation of tangible assets	3,855	3,855
Loss on disposal of tangible assets	-	1,255
Net losses/(gains) on investments	63,725	(26,510)
Dividends, interest and rents from investments	(20,522)	(22,240)
Other interest receivable and similar income	(2,350)	(1,751)
Accrued expenses	(4,416)	3,228
<i>Changes in:</i>		
Trade and other debtors	80,721	(70,990)
Trade and other creditors	(36,560)	23,456
Cash generated from operations	51,082	(13,185)
Interest received	2,350	1,751
Tax received/(paid)	-	-
Net cash from/(used in) operating activities	53,432	(11,434)
Cash flows from investing activities		
Dividends, interest and rents from investments	20,522	22,240
Purchase of tangible assets	(8,412)	(2,340)
Proceeds from sale of tangible assets	-	1,307
Purchases of other investments	(52,602)	(96,579)
Proceeds from sale of other investments	58,459	101,870
Net cash from investing activities	17,967	26,498
Net increase/ (decrease) in cash and cash equivalents	71,399	15,064
Cash and cash equivalents at beginning of year	779,544	764,480
Cash and cash equivalents at end of year	850,943	779,544

The notes on pages 20 to 34 form part of these financial statements.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1. General information

The charity is a private company limited by guarantee, registered in Scotland and a registered charity in Scotland. The address of the registered office is 14 Carden Place, Aberdeen, AB10 1UR, Scotland.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Companies Act 2006, the 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) (Charities SORP (FRS 102)) and the Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended).

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Natural Research Limited meets the definition of a public benefit entity under FRS 102.

Consolidation

The financial statements consolidate the results of the charity and its wholly owned subsidiary Natural Research (Projects) Limited, on a line by line basis.

Going concern

As is the case for many organisations, the company has suffered a significant interruption to its activities as a result of the COVID-19 pandemic. On 24 March 2020, the company followed government guidelines and closed for business with employees furloughed or working from home where possible. The length of time this enforced situation will last is currently unknown. It is the opinion of the directors that this is a temporary restriction of its activities and that the company, through a carefully planned strategy, will be able to operate as a going concern. The strategy involves considering and making use of all the relevant government support the company is eligible for including the Coronavirus Job Retention Scheme and the Business Support Grant. The current and future financial position of the company, its cash flows and liquidity position have been reviewed by the directors. Based on the revised cash flow projections, we anticipate that the company will continue to have adequate cash reserves to meet its liabilities as they fall due over the next 12 months. While it is not possible to reliably estimate the length or severity of the outbreak, at the date of signing the company's financial position remains stable, and it continues to operate within Government guidelines. The company acknowledges this could change suddenly depending on how the COVID-19 pandemic evolves in the UK and whether there are further long term interruptions to business. Nevertheless, having taken the steps detailed above the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

3. Accounting policies (*continued*)

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal.

Income

Income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.
- investment income is included when receivable.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds comprise the cost of trading and the costs of managing the investments.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

3. Accounting policies (*continued*)

Taxation

The company is recognised by HM Revenue and Customs as a charity and, therefore is not liable to taxation.

Tangible fixed assets

Fixed assets costing £1,000 or more are capitalised at cost.

The cost of fixed assets is written off over their expected useful lives as follows:

Computer equipment	- 3 years straight line
Motor vehicles	- 25% reducing balance
Other equipment	- 3 years straight line

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Where investments in shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

Foreign currencies

Assets, liabilities, revenues and costs denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions; monetary assets and liabilities at the balance sheet date are translated at the year-end rate of exchange. The resulting profits or losses are dealt with in the Statement of Financial Activities.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

3. Accounting policies (continued)

Leasing

Rentals paid under operating leases are charged on a straight-line basis over the lease term.

4. Limited by guarantee

Natural Research Limited is a company limited by guarantee and not having a share capital. The members' liability in the event of a winding up is limited by guarantee not exceeding £1 per member.

5. Donations and legacies

Group	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Donations						
Donations and legacies	-	-	-	-	-	-
Grants receivable						
SSE Renewables contribution	-	105,764	105,764	-	110,661	110,661
	<u>-</u>	<u>105,764</u>	<u>105,764</u>	<u>-</u>	<u>110,661</u>	<u>110,661</u>

Company	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Donations						
Donations and legacies	96,531	-	96,531	9,360	-	9,360
Grants receivable						
SSE Renewables contribution	-	105,764	105,764	-	110,661	110,661
	<u>96,531</u>	<u>105,764</u>	<u>202,295</u>	<u>9,360</u>	<u>110,661</u>	<u>120,021</u>

6. Charitable activities

Group and Company	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Research and wildlife consultancy	<u>54,652</u>	<u>54,642</u>	<u>23,240</u>	<u>23,240</u>

7. Trading activities

Group	Unrestricted Funds 2020 £	Unrestricted Funds 2019 £
Commercial trading operations	<u>650,955</u>	<u>831,587</u>

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

8. Investment income

	Unrestricted Funds 2020 £	Group Unrestricted Funds 2019 £	Unrestricted Funds 2020 £	Company Unrestricted Funds 2019 £
Income from UK listed investments	20,522	22,240	20,522	22,240
Bank interest receivable	2,350	1,751	1,684	1,247
	<u>22,872</u>	<u>23,991</u>	<u>22,206</u>	<u>23,487</u>

9. Investment management costs

Group and company	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Portfolio management fee	<u>5,383</u>	<u>5,383</u>	<u>5,339</u>	<u>5,339</u>

10. Expenditure on charitable activities

	Activities undertaken directly 2020 £	Grant funding of activities 2020 £	Total 2020 £	Activities undertaken directly 2019 £	Grant funding of activities 2019 £	Total 2019 £
Staff costs	39,109	-	39,109	-	-	-
Field costs	13,507	-	13,507	8,295	-	8,295
Golden Eagle project costs	66,655	-	66,655	63,041	-	63,041
Greek Golden Eagle study	-	-	-	34,070	-	34,070
Western Isles Golden Eagle	20,343	-	20,343	-	-	-
	<u>139,614</u>	<u>-</u>	<u>139,614</u>	<u>105,406</u>	<u>-</u>	<u>105,406</u>
Grant funding of activities	-	40,000	40,000	-	10,000	10,000
Support costs	37,298	-	37,298	77,838	-	77,838
Governance costs	5,190	-	5,190	5,334	-	5,334
	<u>182,102</u>	<u>40,000</u>	<u>222,102</u>	<u>188,578</u>	<u>10,000</u>	<u>198,578</u>
Company						
Commercial trading operations						
Staff costs	300,345	-	300,345	328,707	-	328,707
Other costs	270,599	-	270,599	401,503	-	401,503
Governance costs	5,460	-	5,460	5,350	-	5,350
	<u>576,404</u>	<u>-</u>	<u>576,404</u>	<u>735,560</u>	<u>-</u>	<u>735,560</u>
	<u>758,506</u>	<u>40,000</u>	<u>798,506</u>	<u>924,138</u>	<u>10,000</u>	<u>934,138</u>
Group						

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

10. Expenditure on charitable activities (continued)

	Activities undertaken directly 2020 £	Grant funding of activities 2020 £	Total 2020 £	Activities undertaken directly 2019 £	Grant funding of activities 2019 £	Total 2019 £
Analysis by fund						
Company						
Unrestricted funds	76,338	40,000	116,338	77,917	10,000	87,917
Restricted funds	105,764	-	105,764	110,661	-	110,661
	<u>182,102</u>	<u>40,000</u>	<u>222,102</u>	<u>188,578</u>	<u>10,000</u>	<u>198,578</u>
Analysis by fund						
Group						
Unrestricted funds	652,742	40,000	692,742	813,477	10,000	823,477
Restricted funds	105,764	-	105,764	110,661	-	110,661
	<u>758,506</u>	<u>40,000</u>	<u>798,506</u>	<u>924,138</u>	<u>10,000</u>	<u>934,138</u>

11. Analysis of support costs

	Support Costs 2020 £	Governance costs 2020 £	Total 2020 £	Support Costs 2019 £	Governance costs 2019 £	Total 2019 £
Staff costs	34,881	-	34,881	74,464	-	74,464
Insurance	379	-	379	819	-	819
IT costs	-	-	-	443	-	443
Conference and meeting costs	455	-	455	595	-	595
Legal fees	313	-	313	313	-	313
Telephone	640	-	640	516	-	516
General expenses	630	-	630	688	-	688
Audit fees	-	10,650	10,650	-	10,684	10,684
	<u>37,298</u>	<u>10,650</u>	<u>47,948</u>	<u>77,838</u>	<u>10,684</u>	<u>88,522</u>

12. Governance costs

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Audit fees	<u>10,650</u>	<u>10,684</u>	<u>5,190</u>	<u>5,334</u>

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

13. Analysis of grants

	2020 £	2019 £
Grants to institutions		
Instituto de Conservacao de Animais Silvestres, Brazil	20,000	-
Royal Zoological Society	-	10,000
	<u>20,000</u>	<u>10,000</u>
Grants to individual (1 grant)	20,000	-
Total grants	<u>40,000</u>	<u>10,000</u>

14. Net gains/(losses) on investments

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Revaluation of investments	(64,462)	(64,462)	22,193	22,193
Gain/(loss) on sale of investments	737	737	4,317	4,317
	<u>(63,725)</u>	<u>(63,725)</u>	<u>26,510</u>	<u>26,510</u>

15. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2020 £	2019 £
Rent of property	10,303	10,303
Depreciation	3,855	3,855
Auditors' remuneration: - audit of the financial statements	<u>10,650</u>	<u>10,684</u>

16. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Wages and salaries	332,160	357,003	64,585	65,064
Social security costs	27,753	30,970	6,151	6,163
Other pension costs	14,422	15,199	3,254	3,237
	<u>374,335</u>	<u>403,172</u>	<u>73,990</u>	<u>74,464</u>

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

16. Staff costs (continued)

Particulars of employees:

The average number of employees during the period was as follows:

	Group		Company	
	2020	2019	2020	2019
	No	No	No	No
Directors	3	4	3	4
Commercial activities	8	8	—	—
Administration	2	2	1	1
	<u>13</u>	<u>14</u>	<u>4</u>	<u>5</u>

There were no employees who received employee benefits of more than £60,000 during the year (2019: Nil).

The details of the trustees' remuneration and pension payments are disclosed in note 25. While undertaking work for the group, all of the trustees incurred expenses relating to travel. These expenses were reimbursed in full and have also been disclosed in note 25.

The number of trustees for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2019 – 1).

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to key management personnel for services provided to the group was £64,755 (2019: £65,478).

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

17. Tangible assets

Group	Computer equipment £	Motor vehicles £	Office equipment £	Total £
Cost				
At 1 April 2019	102,059	16,001	25,210	143,270
Additions	—	—	8,412	8,412
Disposals	—	—	—	—
At 31 March 2020	<u>102,059</u>	<u>16,001</u>	<u>33,622</u>	<u>151,682</u>
Depreciation				
At 1 April 2019	100,109	6,156	25,210	131,475
Charge for the year	780	2,462	613	3,855
Disposals	—	—	—	—
At 31 March 2020	<u>100,889</u>	<u>8,618</u>	<u>25,823</u>	<u>135,330</u>
Carrying amount				
At 31 March 2020	<u>1,170</u>	<u>7,383</u>	<u>7,799</u>	<u>16,352</u>
At 31 March 2019	<u>1,950</u>	<u>9,845</u>	<u>—</u>	<u>11,795</u>

18. Investments

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Shares in group undertaking (a)	—	—	1	1
Stock market investments (b)	528,608	598,190	528,608	598,190
	<u>528,608</u>	<u>598,190</u>	<u>528,609</u>	<u>598,191</u>

(a) Subsidiary undertaking

Natural Research (Projects) Limited	<u>1</u>	<u>1</u>
-------------------------------------	----------	----------

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 eliminated on consolidation. A summary of the results from the trading company is shown below.

The company registration number of the subsidiary is SC213640 and the registered office address is 14 Carden Place, Aberdeen, AB10 1UR.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

18. Investments (continued)

Summary profit and loss account	2020 £	2019 £
Turnover	650,957	831,587
Cost of sales	(421,459)	(564,718)
Gross profit	229,498	266,869
Administrative expenses	(154,946)	(170,842)
	74,552	96,027
Interest receivable	665	504
	75,217	96,531
Corporation tax	-	-
	75,217	96,531
Gifted to the charity	96,531	9,360
(Released by)/retained in the company	(21,314)	87,171

The assets and liabilities of the subsidiary at 31 March were:

	2020 £	2019 £
Tangible fixed assets	16,352	11,795
Current assets	500,765	563,263
	517,117	575,058
Creditors due within 1 year	(39,086)	(75,713)
Total net assets	478,031	499,345
Aggregate share capital and reserves	478,031	499,345

(b) Stock market investments

Group	Listed investments £	Cash in portfolio £	Total 2020 £	Total 2019 £
Cost or valuation				
At 1 April 2019	587,774	10,416	598,190	576,971
Additions at cost	60,715	(8,113)	52,602	96,579
Disposals at carrying value	(57,721)	-	(57,721)	(97,553)
Net (losses)/gains on revaluations in the year	(64,463)	-	(64,463)	22,193
At 31 March 2020	526,305	2,303	528,608	598,190
Historical cost at 31 March 2020	478,606	2,304	480,910	476,062

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

19. Debtors

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	122,067	204,118	15,925	27,106
Amounts owed by group undertakings	-	-	-	-
Other debtors	10,153	8,823	2,116	2,869
	<u>132,220</u>	<u>212,941</u>	<u>18,041</u>	<u>29,975</u>

20. Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	5,434	18,490	35	6,014
Taxation and social security	19,708	42,921	1,831	1,603
Other creditors	-	291	-	291
Accruals	27,524	31,940	11,716	10,022
	<u>52,666</u>	<u>93,642</u>	<u>13,582</u>	<u>17,930</u>

21. Pensions and other post retirement benefits

The charity contributes to the personal pension schemes of its employees. The assets of the schemes are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable by the charity to the fund and amounted to £3,254 (2019: £3,237). There were no contributions outstanding at the year-end.

Similarly, the subsidiary trading company contributes to the personal pension schemes of its employees. The assets of the schemes are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable by the trading company to the fund and amounted to £11,168 (2019: £11,962). There were no contributions outstanding at the year-end.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

22. Analysis of charitable funds

Unrestricted funds

Group	At 1 April 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 March 2020 £
Unrestricted Funds	1,386,700	728,479	(698,125)	9,967	737	1,427,758
Revaluation reserve	122,128	—	—	(9,967)	(64,462)	47,699
	<u>1,508,828</u>	<u>728,479</u>	<u>(698,125)</u>	<u>—</u>	<u>(63,725)</u>	<u>1,475,457</u>

Group	At 1 April 2018 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 March 2019 £
Unrestricted Funds	1,330,311	878,818	(828,816)	2,070	4,317	1,386,700
Revaluation reserve	102,005	—	—	(2,070)	22,193	122,128
	<u>1,432,316</u>	<u>878,818</u>	<u>(828,816)</u>	<u>—</u>	<u>26,510</u>	<u>1,508,828</u>

Unrestricted funds

Company	At 1 April 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 March 2020 £
Unrestricted Funds	887,356	173,389	(121,721)	9,967	737	949,728
Revaluation reserve	122,128	—	—	(9,967)	(64,462)	47,699
	<u>1,009,484</u>	<u>173,389</u>	<u>(121,721)</u>	<u>—</u>	<u>(63,725)</u>	<u>997,427</u>

Company	At 1 April 2018 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 March 2019 £
Unrestricted Funds	918,138	56,087	(93,256)	2,070	4,317	887,356
Revaluation reserve	102,005	—	—	(2,070)	22,193	122,128
	<u>1,020,143</u>	<u>56,087</u>	<u>(93,256)</u>	<u>—</u>	<u>26,510</u>	<u>1,009,484</u>

Restricted funds

Group and company	At 1 April 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 March 2020 £
Golden Eagle Project Fund	—	105,764	(105,764)	—	—	—

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

22. Analysis of charitable funds (continued)

Group and company	At 1 April 2018 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 March 2019 £
Golden Eagle Project Fund	—	110,661	(110,661)	—	—	—

The Golden Eagle Project Fund is a fund established to fund research into Golden Eagles. The post is fully funded by SSE Renewables.

23. Analysis of net assets between funds

	Group Unrestricted Funds £	Group Total Funds 2020 £	Company Unrestricted Funds £	Company Total Funds 2020 £
Tangible assets	16,352	16,352	—	—
Investments	528,608	528,608	528,609	528,609
Current assets	983,163	983,163	482,400	482,400
Creditors less than 1 year	(52,666)	(52,666)	(13,582)	(13,582)
Net assets	1,475,457	1,475,457	997,427	997,427

	Group Unrestricted Funds £	Group Total Funds 2019 £	Company Unrestricted Funds £	Company Total Funds 2019 £
Tangible assets	11,795	11,795	—	—
Investments	598,190	598,190	598,191	598,191
Current assets	992,485	992,485	429,223	429,223
Creditors less than 1 year	(93,642)	(93,642)	(17,9230)	(17,930)
Net assets	1,508,828	1,508,828	1,009,484	1,009,484

24. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020 £	2019 £
Group		
Not later than 1 year	5,493	6,658
Later than 1 year and not later than 5 years	465	6,034
	5,958	12,692

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

25. Related party transactions

Control

Throughout the year the company was controlled by the directors.

Transactions

The company has taken advantage of the exemption contained in the FRS102 from disclosing transactions with its subsidiary Natural Research (Projects) Limited.

During the year the group undertook the following transactions with charity trustees:

Trustee	Transacting entity	Transaction	£	Balance outstanding at year end £
P Stirling-Aird	NR(P) Ltd	Remuneration	1,500	-
		Expenses for travel etc.	45	-
Dr D P Whitfield	NR Ltd	Remuneration	51,772	-
		Pension contributions	2,614	-
		Expenses for travel etc.	325	-
Dr D P Whitfield	NR(P) Ltd	Remuneration	1,500	-
Mr A Heavisides	NR(P) Ltd	Remuneration	1,500	-
		Expenses for travel etc.	74	-

Remuneration is paid to directors under the authority of the Articles of Association dated as follows:

Natural Research Limited ("NR Ltd") – dated July 2000

Natural Research (Projects) Limited ("NR(P) Ltd") – dated December 2000

Related Party	Transacting entity	Transaction	£	Balance outstanding at year end
P Whitfield	NR Ltd	Remuneration	12,812	-
Wife of Dr D P Whitfield		Pension contributions	641	-
		Expenses for travel etc.	240	-

26. Auditors ethical standards

The relevant circumstances requiring disclosure in accordance with the requirements of APB Ethical Standard – Provisions Available for Smaller Entities are that, in common with many charities of our size and nature we use our auditors to assist with the preparation of the accounts.

The fees charged by our auditors to the group were as follows:

	2020 £	2019 £
Audit fees – charity	5,190	5,334
Audit fees – trading company	5,460	5,350
Payroll services	1,710	1,680
	<u>12,360</u>	<u>12,364</u>

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

27. Events after the reporting date

The advent of the coronavirus pandemic in March 2020 has had an adverse impact on both cash flow and profitability. However, the company has managed to secure funding through various government schemes and has sufficient cash reserves to enable the company to continue until normal operations can resume.