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Charity Registration No.SC030363

Company Registration No.SC209393 (Scotland)

NATURAL RESEARCH LIMITED

GROUP TRUSTEES' REPORT AND ACCOUNTS

Year to 28th February 2011

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NATURAL RESEARCH LIMITED

GROUP FINANCIAL STATEMENTS

LEGAL AND ADMINISTRATIVE INFORMATION

CHARITY NAME:	Natural Research Limited
LEGAL STATUS:	Company limited by guarantee
TRUSTEES & DIRECTORS:	Dr M McGrady Mr P K Stirling-Aird MBE Mr H Insley
MANAGING DIRECTOR:	Dr M McGrady
COMPANY SECRETARY:	Elliot & Company, W. S.
SCOTTISH CHARITY REF:	SC030363
COMPANY NUMBER:	SC209393
PRINCIPAL ADDRESS:	Brathens Business Park, Hill of Brathens, Glassel, Banchory, AB31 4BY
REGISTERED OFFICE:	8 Charlotte Street, Perth, PH1 5LL
AUDITORS:	Bird Simpson & Co, 144 Nethergate, Dundee, DD1 4EB
BANKERS:	The Royal Bank of Scotland, Bowmore, Isle of Islay, PA43 7JJ
SOLICITORS:	Elliot & Company, W. S. 8 Charlotte Street, Perth, PH1 5LL

NATURAL RESEARCH LIMITED

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NATURAL RESEARCH LIMITED

TRUSTEES' REPORT

For the Year Ended 28th February 2011

The trustees submit their report and group accounts for the year ended 28th February 2011.

The group accounts have been prepared in accordance with accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006, Charities and Trustee Investment (Scotland) Act 2005, Charities Accounts (Scotland) Regulations 2006 and the Statement of Recommended Practice, 'Accounting and Reporting by Charities', issued in March 2005.

Structure, governance and management

The charity is a company limited by guarantee and is therefore governed by a Memorandum and Articles of Association. The charity is the holding company of Natural Research (Projects) Limited, and the present accounts are the consolidation of the group results.

The trustees of the charitable company who are also its directors for the purposes of company law, and who served during the year were:

Dr M McGrady
Mr P K Stirling-Aird MBE
Mr H Insley

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

In accordance with the Articles of Association Mr H Insley retires at the Annual General Meeting and is eligible for re-election.

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

Most of the current trustees have been involved with the charity 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 charity's professional advisors.

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

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

NATURAL RESEARCH LIMITED

TRUSTEES' REPORT (CONTINUED)

For the Year Ended 28th February 2011

Some of the charity's trustees 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 P Whitfield should undertake the day-to-day control of it.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. 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 trustees are currently addressing these and continuing to evolve procedures to mitigate these risks.

Objectives and activities

The charity's objects are 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 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 charity'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.

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.

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

The charity has one restricted fund that grants are paid from, being the Mike Madders Field Research Fund. The first three grants of £500 each were paid from this during the year, and it is anticipated that this will be an annual award made at the discretion of the trustees.

NATURAL RESEARCH LIMITED

TRUSTEES' REPORT (CONTINUED)

For the Year Ended 28th February 2011

Achievements and performance

The charity currently has over thirty 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.

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 subsidiary company has had a very productive year and the directors are pleased with the diversity of projects that it now undertakes.

Financial review

The group produced a surplus of £193,811 (2010 deficit £32,967) in the year made up as follows;

	<u>2011</u>	<u>2010</u>
	<u>£</u>	<u>£</u>
Natural Research Ltd	73,978	(103,094)
Natural Research (Projects) Ltd	119,833	70,127
	-----	-----
	<u>193,811</u>	<u>(32,967)</u>

The activities of the charity were contained at a low level throughout the year. Unrestricted donations of £231,000 received from Natural Research (Projects) Limited and income of £52,588 from third party sources enabled the charity to add to the carried forward unrestricted reserves. Expenditure on unrestricted activities of £215,079 was incurred, producing a surplus of £69,061 on unrestricted funds. Restricted funds of £13,323 were received during the year, with associated costs of £8,140. A surplus on restricted funds of £4,917 was achieved after transfers from unrestricted funds.

The trading subsidiary reported excellent results in the year, the above surplus of £119,833 being stated after allowing for donations to the charity of £231,000. These intergroup donations are cancelled out in the consolidated figures presented in these accounts.

The trustees recognise that the overall level of reserves within the group must be sufficient to maintain the working capital requirements of both companies. The trustees also acknowledge that one of the original objectives of the trading subsidiary was to assist in financing the charity's operations and also that there is the need for overall efficient tax planning to be exercised.

NATURAL RESEARCH LIMITED

TRUSTEES' REPORT (CONTINUED)

For the Year Ended 28th February 2011

To address these issues the vast majority of the trading subsidiary's profits have been donated to the charity 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 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. The trustees 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 level of reserves has been maintained throughout the year.

Plans for the future

It is the intention of the trustees to encourage a higher level of activity within the charity in the coming year in order to utilise the substantial level of funds now held. It is anticipated that further intergroup donations will be made to the charity during the course of the current year.

Statement of trustees' responsibilities

The trustees, who are also the directors of Natural Research Limited for the purpose of company law, are responsible for preparing the Trustees' Report and group accounts in accordance with applicable law and United Kingdom accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare group accounts which give a true and fair view of the state of affairs of the charity and group and of the incoming resources and application of resources, including the income and expenditure, of the charity and group for that year.

In preparing these accounts, the trustees are required to;

- Select suitable accounting policies and then apply them consistently;
 - Observe the methods and principles in the Charities SORP;
 - Make judgements and estimates that are reasonable and prudent; and
 - Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.
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NATURAL RESEARCH LIMITED

TRUSTEES' REPORT (CONTINUED)

For the Year Ended 28th February 2011

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

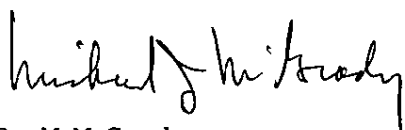
Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such information and to establish that the auditors are aware of such information.

Auditors

A resolution proposing that Bird Simpson & Co., be reappointed as auditors of the company will be put to the members.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board of trustees



Dr M McGrady
Trustee

Dated 26th April, 2011

NATURAL RESEARCH LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NATURAL RESEARCH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF
NATURAL RESEARCH LIMITED

We have audited the group financial statements of Natural Research Limited for the year ended 28th February 2011 set out on pages 8 to 22. The financial reporting framework that has been applied in their preparation is the applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our work has been undertaken so that we might state to the charity'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 any responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities on page 4, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Our responsibility is to audit and express an opinion the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors, including APB Ethical Standard - Provisions Available for Smaller Entities (Revised), in the circumstances set out in note 23 to the financial statements.

Scope of the audit of the financial statements

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

NATURAL RESEARCH LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF NATURAL RESEARCH LIMITED

Opinion

In our opinion the group financial statements:

- give a true and fair view of the state of the charitable company's and its group's affairs as at 28th February 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.


Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



I. Philip Garland (Senior Statutory Auditor)
For and on behalf of Bird Simpson & Co

Dated 26th April, 2011

Chartered Accountants
Statutory Auditor
144 Nethergate
Dundee
DD1 4EB

NATURAL RESEARCH LIMITED

GROUP STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

For the Year Ended 28TH February 2011

	Note	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
<u>Incoming resources from generated funds</u>					
Donations and legacies	3	-	-	-	-
Activities for generating funds	4	1,464,538	-	1,464,538	1,167,800
Investment income	5	286	-	286	333
		<u>1,464,824</u>		<u>1,464,824</u>	<u>1,168,133</u>
Incoming resources from charitable activities	6	52,588	13,323	65,911	90,919
Total Incoming Resources		<u>1,517,412</u>	<u>13,323</u>	<u>1,530,735</u>	<u>1,259,052</u>
<u>Resources Expended</u>					
Costs of generating funds	7				
Fundraising and trading	8	1,113,705	-	1,113,705	1,005,177
Charitable Activities	9	212,750	8,140	220,890	284,645
Governance costs		2,329	-	2,329	2,197
Total Resources Expended		<u>1,328,784</u>	<u>8,140</u>	<u>1,336,924</u>	<u>1,292,019</u>
Net Incoming Resources		188,628	5,183	193,811	(32,967)
Transfer between funds		266	(266)	-	-
Net income for the year/net movement in funds		<u>188,894</u>	<u>4,917</u>	<u>193,811</u>	<u>(32,967)</u>
Fund balances at 1 March 2010		873,227	4,835	878,062	911,029
Fund balances at 28 February 2011		<u>1,062,121</u>	<u>9,752</u>	<u>1,071,873</u>	<u>878,062</u>

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

NATURAL RESEARCH LIMITED

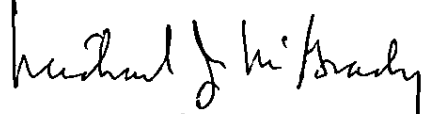
CONSOLIDATED AND CHARITY BALANCE SHEET

As at 28TH February 2011

	<u>Notes</u>	<u>Group</u> <u>2011</u>	<u>2010</u>	<u>Charity</u> <u>2011</u>	<u>2010</u> <u>£</u>
<u>FIXED ASSETS</u>					
Tangible Assets	14	58,061	86,245	-	-
Investment	15	-	-	1	1
		<u>58,061</u>	<u>86,245</u>	<u>1</u>	<u>1</u>
<u>CURRENT ASSETS</u>					
Debtors	16	356,526	290,544	31,358	45,338
Cash at bank		889,738	593,661	680,428	540,230
		<u>1,246,264</u>	<u>884,205</u>	<u>711,786</u>	<u>585,568</u>
<u>CURRENT LIABILITIES</u>					
Creditors due within one year	17	232,452	92,388	77,661	25,421
<u>NET CURRENT ASSETS/(LIABILITIES)</u>					
		<u>1,013,812</u>	<u>791,817</u>	<u>634,125</u>	<u>560,147</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>					
		<u>1,013,812</u>	<u>878,062</u>	<u>634,126</u>	<u>560,148</u>
Provisions for liabilities and charges	18	-	-	-	-
		<u>1,071,873</u>	<u>878,062</u>	<u>634,126</u>	<u>560,148</u>
<u>Represented by:</u>					
Restricted Funds	20	9,752	4,835	9,752	4,835
Unrestricted Funds		1,062,121	873,227	624,374	555,313
<u>TOTAL FUNDS</u>					
		<u>1,071,873</u>	<u>878,062</u>	<u>634,126</u>	<u>560,148</u>

These financial statements are prepared in accordance with the special provisions applicable to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board of Trustees for issue on 26 April 2011


Dr. M McGrady, Trustee

Company Number SC209393

NATURAL RESEARCH LIMITED

NOTES TO THE GROUP ACCOUNTS

For the Year Ended 28th February, 2011

1. ACCOUNTING POLICIES

1.1 Basis of preparation

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 April 2008), the Charities Accounts (Scotland) Regulations 2006 and the Companies Act 2006.

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 the Companies Act 2006 and paragraph 426 of SORP 2005.

1.3 Going Concern

The charity has sufficient funds to enable it to meet its day-to-day working capital needs. The trustees are satisfied with the level of ongoing projects and with the support it expects to receive in the coming year. On this basis, the trustees consider it appropriate to prepare the financial statements on a going concern basis.

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 LIMITED

NOTES TO THE GROUP ACCOUNTS (CONTINUED)

For the Year Ended 28th February, 2011

1.5 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 Pension

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.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange at the balance sheet date. All differences are included in net outgoing resources.

NATURAL RESEARCH LIMITED

NOTES TO THE GROUP ACCOUNTS (CONTINUED)

For the Year Ended 28th February, 2011

1.8 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 Investments

Investments are stated at cost.

1.10 Fixed Assets

Additions to fixed assets costing more than £1,000 are capitalised and included at cost.

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	- 33% Straight Line
Computer Equipment	- 33% Straight Line
Motor Vehicles	- 25% Reducing Balance

No depreciation is provided in respect of freehold land.

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 trustees in furtherance of the objects of the Charity.

NATURAL RESEARCH LIMITED

NOTES TO THE GROUP ACCOUNTS (CONTINUED)

For the Year Ended 28th February, 2011

2. 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.

3. Donations and gifts

All income of a general nature received by the charity in the form of donations, gifts and legacies in the year have come from the subsidiary trading company and are therefore cancelled out on consolidation.

4. Activities for generating funds

	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>2011 £</u>	<u>2010 £</u>
Commercial Consultancy Fees and Income	1,464,538	-	1,464,538	1,167,800

5. Investment Income

	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>2011 £</u>	<u>2010 £</u>
Bank interest	286	-	286	333

6. Incoming resources from charitable activities

	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>2011 £</u>	<u>2010 £</u>
Research and consultancy on wildlife management	52,588	13,323	65,911	90,919

NATURAL RESEARCH LIMITED

NOTES TO THE GROUP ACCOUNTS (CONTINUED)

For the Year Ended 28th February, 2011

7. Total resources expended

	<u>Staff costs</u> £	<u>Other Costs</u> £	<u>Grant Funding</u> £	<u>Total 2011</u> £	<u>Total 2010</u> £
Trading activities	703,046	410,659	-	1,113,705	1,005,177
Charitable research					
• Activities undertaken directly	84,737	108,953	-	193,690	270,284
• Grant funding of activities	-	-	1,500	1,500	-
• Support costs	8,804	16,896	-	25,700	14,361
Total	93,541	125,849	1,500	220,890	284,645
Governance cost	-	2,329	-	2,329	2,197
	<u>796,587</u>	<u>538,837</u>	<u>1,500</u>	<u>1,336,924</u>	<u>1,292,019</u>

Governance costs includes payments to the auditors of £2,329 (2010: £2,197) in respect of the charity and group audit.

8. Breakdown of trading activity costs

	<u>Staff costs</u> £	<u>Other Costs</u> £	<u>Grant Funding</u> £	<u>Total 2011</u> £	<u>Total 2010</u> £
Project wages	513,324	-	-	513,324	416,247
Project Employers NIC	47,592	-	-	47,592	37,788
Admin wages	47,694	-	-	47,694	37,934
Directors salaries	57,458	-	-	57,458	52,921
Admin Employers NIC	11,405	-	-	11,405	9,675
Pension costs	9,073	-	-	9,073	6,565
Death in service etc	16,500	-	-	16,500	20,000
Subcontractors fees	-	133,362	-	133,362	87,811
Project costs	-	117,236	-	117,236	135,795
Staff training	-	2,080	-	2,080	1,375
Office rent & rates	-	23,352	-	23,352	27,743
Insurance	-	11,624	-	11,624	13,463
Repairs and renewals	-	-	-	-	100
Computer maintenance	-	15,504	-	15,504	10,600
Consumable equipment	-	9,093	-	9,093	33,837
Printing, post etc	-	9,999	-	9,999	10,446
Telephone	-	17,635	-	17,635	17,098
Legal & professional	-	8,799	-	8,799	10,893
Accountancy, tax fee	-	4,710	-	4,710	4,550
Audit fees	-	1,660	-	1,660	1,600
Bank charges	-	901	-	901	746
Sundry expenses	-	14,454	-	14,454	16,713
Depreciation	-	36,131	-	36,131	41,236
Loss on asset disposal	-	4,119	-	4,119	10,041
Total	<u>703,046</u>	<u>410,659</u>	<u>-</u>	<u>1,113,705</u>	<u>1,005,177</u>

NATURAL RESEARCH LIMITED

NOTES TO THE GROUP ACCOUNTS (CONTINUED)

For the Year Ended 28th February, 2011

9. Breakdown of charitable costs

	<u>Staff costs</u> £	<u>Other Costs</u> £	<u>Grant Funding</u> £	<u>Total 2011</u> £	<u>Total 2010</u> £
Research wages	37,659	-	-	37,659	102,203
Admin wages	8,804	-	-	8,804	4,940
Trustees salaries	42,400	-	-	42,400	40,850
Employers NIC	4,108	-	-	4,108	9,156
Pension costs	570	-	-	570	2,182
Subcontractors	-	34,573	-	34,573	30,117
Motor and travel	-	826	-	826	4,305
Field equipment	-	70,831	-	70,831	68,820
Accommodation & subsistence	-	2,723	-	2,723	12,651
Research grants	-	-	1,500	1,500	-
Course fees	-	11,765	-	11,765	2,904
Office and admin expenses	-	866	-	866	1,732
Legal & professional	-	1,937	-	1,937	1,100
Accountancy fees	-	1,722	-	1,722	1,628
Bank charges	-	148	-	148	113
Sundry expenses	-	-	-	-	631
Exchange loss	-	458	-	458	1,313
	<u>93,541</u>	<u>125,849</u>	<u>1,500</u>	<u>220,890</u>	<u>284,645</u>

10. Grants payable

	<u>Total 2011</u> £	<u>Total 2010</u> £
Grants to institutions		
• Bulgarian Society	500	-
• Armenian Society	500	-
	<u>1,000</u>	<u>-</u>
Grants to individuals	500	-
	<u>1,500</u>	<u>-</u>

11. Trustees

Included in staff costs is £42,400 (2010; £40,850) which was paid to one of the trustees of the charity for his work as an expert on research projects. In undertaking this work, the trustee incurred expenses of £1,714 (2010; £13,622) relating to travel, subsistence etc. These expenses were reimbursed in full.

NATURAL RESEARCH LIMITED

NOTES TO THE GROUP ACCOUNTS (CONTINUED)

For the Year Ended 28th February, 2011

12. Staff details

Number of group employees

The average number of fulltime equivalent employees employed in the group during the year was as follows;

	<u>2011</u>	<u>2010</u>
Research activities	2	4
Commercial activities	19	15
Administration	4	4
	<u>25</u>	<u>23</u>

Employment costs

The following staff costs are included in group expenditure:

	<u>2011</u> £	<u>2010</u> £
Trustees remuneration	43,400	65,971
Wages and salaries	663,940	589,124
Social security costs	63,105	56,619
Pension costs	26,142	28,747
	<u>796,587</u>	<u>740,461</u>

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

The details of the trustees' remuneration and pension payments are disclosed in the Related Parties note 22. While undertaking work for the group two of its trustees incurred expenses mainly relating to travel. These expenses were reimbursed in full and have also been disclosed in the Related Party note 22.

The number of trustees for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2010- 1).

NATURAL RESEARCH LIMITED

NOTES TO THE GROUP ACCOUNTS (CONTINUED)

For the Year Ended 28th February, 2011

13. Taxation

The parent company is accepted as a charity by the Board of the Inland Revenue and consequently relief is given under S505 T.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 are anticipated to be utilised as non-trade charges against the subsidiary's profits and thus there will be no corporation tax liability in the current year.

	<u>2011</u> £	<u>2010</u> £
UK corporation tax	-	-
Adjustment for previous year	-	-
<u>Current tax charge</u>	-	-
Deferred tax charge for current period	-	-
<u>Total tax charge</u>	-	-

14. Fixed Assets

	<u>Motor Fleet</u> £	<u>Group Other equipment</u> £	<u>Total</u> £	<u>Charity</u> <u>Total</u> £
<u>Cost</u>				
At 1st March 2010	104,343	95,217	199,560	-
Additions	23,850	6,766	30,616	-
Disposals	(34,295)	-	(34,295)	-
At 28th February 2011	93,898	101,983	195,881	-
<u>Depreciation</u>				
At 1st March 2010	34,125	79,190	113,315	-
Charge for the year	17,850	18,281	36,131	-
On disposals	(11,626)	-	(11,626)	-
At 28th February 2011	40,349	97,471	137,820	-
<u>Net book value</u>				
At 28th February 2011	53,549	4,512	58,061	-
At 28th February 2010	70,218	16,027	86,245	-

NATURAL RESEARCH LIMITED

NOTES TO THE GROUP ACCOUNTS (CONTINUED)

For the Year Ended 28th February, 2011

15. Fixed asset investments

	<u>2011</u> £	<u>2010</u> £
Natural Research (Projects) Limited	1	1
	<u>==</u>	<u>==</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 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>2011</u> £	<u>2010</u> £
Turnover	1,464,538	1,167,800
Cost of sales	811,514	677,641
	<u>-----</u>	<u>-----</u>
Gross profit	653,024	490,159
Administrative expenses	(302,191)	(327,536)
Interest receivable	-	4
Interest payable	-	-
	<u>-----</u>	<u>-----</u>
	350,833	162,627
Corporation tax	-	-
	<u>-----</u>	<u>-----</u>
	350,833	162,627
Gifted to the charity	231,000	92,500
	<u>-----</u>	<u>-----</u>
Retained in the company	119,833	70,127
	<u>=====</u>	<u>=====</u>

The Assets and Liabilities of the subsidiary were:

	<u>2011</u> £	<u>2010</u> £
Tangible fixed assets	58,061	86,245
Current assets	623,769	337,131
	<u>-----</u>	<u>-----</u>
	681,830	423,376
Creditors due within 1 year	(244,082)	(105,461)
Provisions for liabilities	-	-
	<u>-----</u>	<u>-----</u>
<u>Total net assets</u>	437,748	317,915
	<u>=====</u>	<u>=====</u>
Aggregate share capital and reserves	437,748	317,915
	<u>=====</u>	<u>=====</u>

NATURAL RESEARCH LIMITED

NOTES TO THE GROUP ACCOUNTS (CONTINUED)

For the Year Ended 28th February, 2011

16. Debtors

	<u>Group</u>		<u>Charity</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	£	£	£	£
Trade debtors	346,940	265,608	-	-
Owed by group undertakings	-	-	31,358	31,358
Other debtors	9,586	24,936	-	13,980
	<u>356,526</u>	<u>290,544</u>	<u>31,358</u>	<u>45,338</u>

17. Creditors: amounts falling due within one year

	<u>Group</u>		<u>Charity</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	£	£	£	£
Bank overdraft	-	-	-	-
Trade creditors	6,317	7,824	-	-
Due to group undertakings	-	-	57,933	7,136
Taxes and Social Security	83,148	46,493	1,874	4,260
Other Creditors	142,987	38,071	17,854	14,025
	<u>232,452</u>	<u>92,388</u>	<u>77,661</u>	<u>25,421</u>

The Royal Bank of Scotland hold a Bond and Floating Charge over the assets of Natural Research (Projects) Ltd. In addition to this it also holds a personal guarantee up to £10,000 from Dr. M. McGrady.

18. Provision for group deferred tax

	<u>Deferred Tax Liability</u>	
	£	
Balance at 1st March 2010	-	-
Charge for period	-	-
Balance at 28 th February 2011	-	-
The deferred charge liability is made up as follows:		
	<u>2011</u>	<u>2010</u>
	£	£
Accelerated capital allowances	-	-

NATURAL RESEARCH LIMITED

NOTES TO THE GROUP ACCOUNTS (CONTINUED)

For the Year Ended 28th February, 2011

19. Pension and other post-retirement benefit commitments

Defined contribution

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 £570 (2010; £2,187). 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 company to the fund and amounted to £9,073 (2010; £6,565). Contributions totalling £811 (2010; £638) were outstanding at the year-end and included in creditors.

In addition to the above pension payments the subsidiary company also paid an ex gratia pension of £16,500 (2010; £20,000) following the death of an employee.

20. Restricted funds

The charity was engaged in several ongoing research projects during the year. Where restricted funds have been given for undertaking a specific project costs are allocated to the restricted funds as the project progresses. In the vast majority of cases there are additional costs associated with these projects that are funded via the charity's general reserves.

The main categories of restricted funds held at present are as follows;

<u>Fund</u>	<u>01/03/10</u> £	<u>Income</u> £	<u>Expenses</u> £	<u>Transfers</u> £	<u>28/02/11</u> £
Cambodia fund	691	-	(147)	(544)	-
Golden eagles	419	1,250	(1,669)	-	-
MM Field research	1,917	1,071	(1,500)	-	1,488
Sooty falcons	1,007	-	(1,285)	278	-
Stellar sea eagles	-	11,002	(3,539)	-	7,463
Vultures	801	-	-	-	801
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	4,835	13,323	(8,140)	(266)	9,752
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

The Cambodia funds related to monies given to fund a trip to Cambodia to undertake conservation work.

There are various projects undertaken in relation to golden eagles, including work on DNA analysis, tagging and satellite tracking.

The Field Research Fund has been established with monies donated in memory of Dr Mike Madders, one of the founding directors of the charity.

The Sooty Falcons, Stellar Sea Eagles, and Vulture funds have all been established to research activity of these particular species.

NATURAL RESEARCH LIMITED

NOTES TO THE GROUP ACCOUNTS (CONTINUED)

For the Year Ended 28th February, 2011

21. Analysis of net assets between funds

	<u>Unrestricted</u> <u>fund</u> £	<u>Restricted</u> <u>funds</u> £	<u>Total</u> £	<u>2010</u> £
Tangible Fixed Assets	58,061	-	58,061	86,245
Investments	-	-	-	-
Debtors	356,526	-	356,526	290,544
Cash at Bank	879,986	9,752	889,738	593,661
Creditors	(232,452)	-	(232,452)	(92,388)
	<u>1,062,121</u>	<u>9,752</u>	<u>1,071,873</u>	<u>878,062</u>

22. 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 trustees.

	<u>2011</u> £	<u>2010</u> £
<u>Dr M. Madders</u>		
- Remuneration from NR(P) Ltd relating to work on consultancy projects	-	24,121
- Pension payments from NR(P) Ltd	-	1,115
<u>Dr M McGrady</u>		
- Remuneration from NR Ltd relating to work on research projects	42,400	40,850
- Expenses for travel etc from NR(P) Ltd	1,816	-
- Expenses for travel etc from NR Ltd	1,714	13,622
<u>P. Stirling-Aird</u>		
- Remuneration from NR(P) Ltd	1,000	1,000
- Rent paid to family trust	6,325	6,900

Remuneration is paid to directors under the authority of the Articles of Association of the charity.

NATURAL RESEARCH LIMITED

NOTES TO THE GROUP ACCOUNTS (CONTINUED)

For the Year Ended 28th February, 2011

23. 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 the auditors to the group were as follows;

	<u>2011</u>	<u>2010</u>
	£	£
Audit fees - charity & group	2,329	2,197
Audit fees - trading company	1,660	1,600
Accountancy services	6,432	6,178
Bookkeeping & payroll services	704	1,481
Other fees	1,466	4,505
	<u>12,591</u>	<u>15,961</u>

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

24. Financial commitments

At 28th February 2011 the subsidiary company was committed to making the following payments under non-cancellable operating leases.

	<u>2011</u>	<u>2010</u>
	£	£
Operating leases which expire;		
Within one year	13,480	13,480
Between two and five years	21,343	34,823
	<u>34,823</u>	<u>48,303</u>

The above payments represent the rent payable under the five-year lease of the premises at Brathens. In addition to this the subsidiary company also pays a quarterly service charge on the premises.