

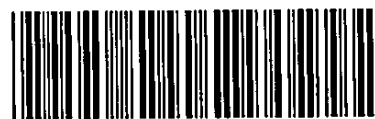
**NATURAL RESEARCH LIMITED**  
*(a company limited by guarantee  
and not having a share capital)*  
(Company number: SC209393)  
(Charity number: SC030363)

**DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**31 MARCH 2014**

**Williamson & Dunn**  
*Chartered Accountants*

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**NATURAL RESEARCH LIMITED  
DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2014**

<b>CONTENTS</b>	<b>PAGE</b>
LEGAL AND ADMINISTRATIVE INFORMATION .....	1
DIRECTORS' REPORT .....	2-6
DIRECTORS' RESPONSIBILITIES STATEMENT .....	7
REPORT OF THE AUDITORS .....	8-9
CHARITY - CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES .....	10
STATEMENT OF FINANCIAL ACTIVITIES .....	11
CHARITY - CONSOLIDATED BALANCE SHEET .....	12
BALANCE SHEET .....	13
NOTES ON THE FINANCIAL STATEMENTS .....	14-26

**NATURAL RESEARCH LIMITED**  
**LEGAL AND ADMINISTRATIVE INFORMATION**

**DIRECTORS AND CHARITY TRUSTEES**

The directors of the charitable company ("the charity") are its trustees for the purposes of charity law. The directors are:

Mr P K Stirling-Aird MBE  
Dr H Insley  
Dr D P Whitfield

**ORGANISATION**

The company is managed by the Board of Directors.

**SECRETARIES**

MacKinnons

**REGISTERED OFFICE**

14 Carden Place  
Aberdeen  
AB10 1UR

**PRINCIPAL ADDRESS**

Brathens Business Park  
Hill of Brathens  
Glassel  
Banchory  
AB31 4BY

**AUDITORS**

Williamson & Dunn  
Chartered Accountants  
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 8EX

**NATURAL RESEARCH LIMITED  
DIRECTORS' REPORT  
PERIOD FROM 1 MARCH 2013 TO 31 MARCH 2014**

The directors submit their report and the audited financial statements of the group for the period ended 31 March 2014.

Legal and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities (revised 2005).

**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 2014 was delegated to Dr Whitfield.

The trading subsidiary's board for the period ended 31 March 2014 consisted of Dr Insley (non-executive), Mr Stirling-Aird (non-executive), Mr W Jamieson (non-executive), Dr Whitfield (executive), Dr D B Jackson (executive), Ms F Leckie (executive) and Mr A W Thorpe (executive).

**Directors**

The directors during the period are listed on page 1.

In accordance with the Articles of Association Dr Insley retires at the Annual General Meeting 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.

**NATURAL RESEARCH LIMITED  
DIRECTORS' REPORT (continued)  
PERIOD FROM 1 MARCH 2013 TO 31 MARCH 2014**

**Members**

No person shall be admitted to membership of the charity unless he 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.

**Induction and Training of Charities Trustees**

The current directors 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.

**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.

**OBJECTIVES AND ACTIVITIES**

The charity's objectives 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 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.

The charity has one restricted fund that grants are paid from, being the Mike Madders Field Research Fund. For the period ended 31 March 2014 five awards were made. These awards exhausted the restricted fund and this specific Research Fund will not be continued in subsequent years.

**NATURAL RESEARCH LIMITED**  
**DIRECTORS' REPORT (continued)**  
**PERIOD FROM 1 MARCH 2013 TO 31 MARCH 2014**

**ACHIEVEMENTS AND PERFORMANCE**

The charity currently has over sixteen 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 2014 good progress was made in taking forward projects. Several publications were drafted, submitted and/or accepted. DNA projects continued to progress, with work on golden eagles drafting two papers on geographical variation and turnover/survival. Samples from golden eagles continued to be collected from a large number of voluntary fieldworkers and collated. Two PhD studentships based at the University of Aberdeen continued to develop with Ewan Weston's thesis on golden eagle dispersal and Sarah Hoy gathering field data and undertaking preliminary analyses of existing data on the relationships between birds of prey in Kielder Forest. Further fieldwork on satellite tagging of golden eagles in partnership with Scottish Natural Heritage and the Royal Society for the Protection of Birds was agreed. The Mike Madders Field Research Fund gave awards to five projects selected from about 60 applications, in its final year of funding. These involved projects on snow leopards in Nepal, golden swallows in the Caribbean, azure-winged magpies in Mongolia, monkey species in South America, and Pallas' sea eagle. Novel joint projects with Forestry Commission Scotland and University of Cape Town were initiated. Continued support was given to ongoing research on the ecology of giant armadillos in the Brazilian Pantanal.

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

The subsidiary company has had a productive period and the directors are pleased with its continued recent trend of good performance. The directors also note, however, that the subsidiary's main trading environment has become increasingly competitive and is likely shrinking. Consequently, furtherance of recent efforts to diversify the type of projects in which the subsidiary is involved has been encouraged, to provide a firmer basis for long-term security of its income.

**FINANCIAL REVIEW**

The group net incoming resources for the period, including other recognised gains and losses, amounting to £137,156 (2013 - £73,312), have been dealt with as shown in the Statement of Financial Activities and comprise:

	2014 £	2013 £
Natural Research Limited	30,220	(26,475)
Natural Research (Projects) Limited	106,936	99,787
	<u>137,156</u>	<u>73,312</u>

**Investments**

In November 2011 the directors placed £500,000 of the charity's funds in stockmarket 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 will be reviewed annually. During the period to the end of March 2014 the portfolio stood at a value of £558,420 and was generating an estimated gross annual £21,394 of dividend income, equivalent to a gross yield of 3.83%.

**NATURAL RESEARCH LIMITED**  
**DIRECTORS' REPORT (continued)**  
**PERIOD FROM 1 MARCH 2013 TO 31 MARCH 2014**

**Reserves**

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 most 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 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 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 period.

It has been recognised by the trustees, nevertheless, that the subsidiary's donations to the charity's operations during previous years had left the subsidiary vulnerable to the vagaries of the commercial environment in which it operates. Consequently, current and future plans continue to consider the retention of reserves within the subsidiary to give it a sound foundation to meet the necessity for responsible business management. These plans are 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 acknowledge 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 past period the uncertainties of the subsidiary's operational environment have become even more apparent. Hence, and as anticipated by the Directors' Report for the previous year, retention of funds by the subsidiary were considered prudent for the current period. Further retention of funds in future years by the subsidiary, for responsible business operational reserves, will be kept under review.

**PLANS FOR FUTURE PERIODS**

It is a continued intention of the trustees 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. This intention of increased activity encompasses several strands, including:

- Increased emphasis on a strategic approach, which will involve greater pro-activity in the generation of new projects, and the co-funding of PhD studentships within recognised centres of academic excellence. The benefits of this approach are numerous and fulfil the charity's objectives in a cost-effective fashion;
- Dedicated administration support;
- Greater conversion rate from reports to peer-reviewed papers; and
- Greater information flow to be delivered by the website.

During the period to the end of March, progress was made on meeting these intentions, and further progress will be made in the coming years. Should plans for the year ending March 2015 reach fruition, expenditure in support of existing and novel projects could be in the order of £100,000. Intergroup donations to the charity from the subsidiary were reduced in the period ending March 2014, as in the previous year, to allow for responsible business management of the subsidiary. This necessary shortfall in the majority donation to the charity from the subsidiary, and potential future shortages from this source (either by way of reduced subsidiary profits or through review of necessary business reserves for the subsidiary), elevates the importance of income from the charity's investment, and such considerations will feature in longer-term planning of outgoing charitable commitments.

**NATURAL RESEARCH LIMITED  
DIRECTORS' REPORT (continued)  
PERIOD FROM 1 MARCH 2013 TO 31 MARCH 2014**

**PROVISION OF INFORMATION TO AUDITORS**

As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

Williamson & Dunn C.A. have expressed their willingness to continue in office and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Signed on behalf of the Board of Directors

A handwritten signature in black ink, appearing to read 'D P Whitfield', written in a cursive style.

Director – Dr D P Whitfield

Date: 13 August 2014



**NATURAL RESEARCH LIMITED**  
**DIRECTORS' RESPONSIBILITIES STATEMENT**  
**PERIOD FROM 1 MARCH 2013 TO 31 MARCH 2014**

The directors are responsible for preparing the Directors Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the income and expenditure of the charity 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 Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 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.

**NATURAL RESEARCH LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO MEMBERS AND DIRECTORS OF NATURAL RESEARCH LIMITED  
PERIOD FROM 1 MARCH 2013 TO 31 MARCH 2014**

We have audited the financial statements of Natural Research Limited for the period ended 31 March 2014. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 charitable company's directors, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's directors and members 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 and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement, the directors (who are also the trustees of the charitable company for the purpose of charity 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 on 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 Small 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 the 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 Directors' 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.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2014 and of the group's and the parent charitable company's 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Opinion on other matters prescribed by the Companies Act 2006**

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

**NATURAL RESEARCH LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO MEMBERS AND DIRECTORS OF NATURAL RESEARCH LIMITED**  
**PERIOD FROM 1 MARCH 2013 TO 31 MARCH 2014**

**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 or the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 directors were not entitled to prepare the financial statements and the Directors' Annual Report in accordance with the small companies regime.

*Graeme R. Pyle C.A.*

GRAEME R PYLE (Senior Statutory Auditor)

For and on behalf of

WILLIAMSON & DUNN

Chartered Accountants & Statutory Auditor

3 West Craibstone Street

Bon Accord Square

Aberdeen

AB11 6YW

13 August 2014

Williamson & Dunn C.A. is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**NATURAL RESEARCH LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME & EXPENDITURE ACCOUNT**  
**FOR THE PERIOD ENDED 31 MARCH 2014**

	Note	Unrestricted funds £	Restricted Funds £	2014 Total funds £	2013 Total funds £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds					
Voluntary income	2	42,000	-	42,000	41,270
Activities for generating funds	3	1,502,998	-	1,502,998	1,376,408
Investment income	4	23,496	-	23,496	23,422
Incoming resources from charitable activities	5	18,643	-	18,643	5,837
<b>TOTAL INCOMING RESOURCES</b>		<b>1,587,137</b>	<b>-</b>	<b>1,587,137</b>	<b>1,446,937</b>
<b>RESOURCES EXPENDED</b>					
Costs of generating funds					
Fundraising trading: cost of goods sold and other costs	6	1,332,772	-	1,332,772	1,243,585
Investment management costs	7	6,196	-	6,196	4,655
Charitable activities	6	102,550	10,917	113,467	162,004
Governance costs	8	10,150	-	10,150	7,350
<b>TOTAL RESOURCES EXPENDED</b>		<b>1,451,668</b>	<b>10,917</b>	<b>1,462,585</b>	<b>1,417,594</b>
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS</b>		<b>135,469</b>	<b>(10,917)</b>	<b>124,552</b>	<b>29,343</b>
Transfer between funds		(6,549)	6,549	-	-
<b>NET INCOMING/(OUTGOING) RESOURCES FOR THE PERIOD</b>		<b>128,920</b>	<b>(4,368)</b>	<b>124,552</b>	<b>29,343</b>
Realised gains on disposal of investment assets		1,734	-	1,734	-
<b>NET INCOME/EXPENDITURE FOR THE PERIOD</b>		<b>130,654</b>	<b>(4,368)</b>	<b>126,286</b>	<b>29,343</b>
OTHER RECOGNISED GAINS/LOSSES					
Gains on revaluation of investment assets		10,870	-	10,870	43,969
<b>NET MOVEMENT IN FUNDS</b>	9	<b>141,524</b>	<b>(4,368)</b>	<b>137,156</b>	<b>73,312</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		1,328,631	4,368	1,332,999	1,259,687
<b>Total funds carried forward</b>	16	<b>1,470,155</b>	<b>-</b>	<b>1,470,155</b>	<b>1,332,999</b>

The company has made no gains or losses other than as reported above.

All incoming resources and resources expended derive from continuing activities.

**NATURAL RESEARCH LIMITED**  
**CHARITY STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME & EXPENDITURE ACCOUNT**  
**FOR THE PERIOD ENDED 31 MARCH 2014**

	Note	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds					
Voluntary income	2	99,694	-	99,694	70,956
Investment income	4	23,442	-	23,442	23,422
Incoming resources from charitable activities	5	18,643	-	18,643	5,837
<b>TOTAL INCOMING RESOURCES</b>		<b>141,779</b>	<b>-</b>	<b>141,779</b>	<b>100,215</b>
<b>RESOURCES EXPENDED</b>					
Investment management expenses	7	6,196	-	6,196	4,655
Charitable activities	6	102,550	10,917	113,467	162,004
Governance costs	8	4,500	-	4,500	4,000
<b>TOTAL RESOURCES EXPENDED</b>		<b>113,246</b>	<b>10,917</b>	<b>124,163</b>	<b>170,659</b>
<b>NET OUTGOING RESOURCES BEFORE TRANSFERS</b>		<b>28,533</b>	<b>(10,917)</b>	<b>17,616</b>	<b>(70,444)</b>
Transfer between funds		(6,549)	6,549	-	-
<b>NET OUTGOING RESOURCES FOR THE PERIOD</b>		<b>21,984</b>	<b>(4,368)</b>	<b>17,616</b>	<b>(70,444)</b>
Realised gains on disposal of investment assets		1,734	-	1,734	-
<b>NET EXPENDITURE FOR THE PERIOD</b>		<b>23,718</b>	<b>(4,368)</b>	<b>19,350</b>	<b>(70,444)</b>
<b>OTHER RECOGNISED GAINS/LOSSES</b>					
Gains on revaluation of investment assets		10,870	-	10,870	43,969
<b>NET MOVEMENT IN FUNDS</b>	9	<b>34,588</b>	<b>(4,368)</b>	<b>30,220</b>	<b>(26,475)</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		1,016,774	4,368	1,021,142	1,047,617
Total funds carried forward	16	1,051,362	-	1,051,362	1,021,142

The company has made no gains or losses other than as reported above.

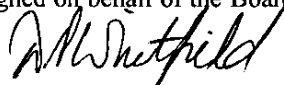
All incoming resources and resources expended derive from continuing activities.

**NATURAL RESEARCH LIMITED**  
**COMPANY NUMBER: SC209393**  
**CONSOLIDATED BALANCE SHEET – 31 MARCH 2014**

	Note	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	12	31,938	68,770
Investments	13	558,420	550,039
		<u>590,358</u>	<u>618,809</u>
<b>CURRENT ASSETS</b>			
Debtors	14	291,416	284,527
Cash at bank and in hand		715,825	535,487
		<u>1,007,241</u>	<u>820,014</u>
<b>CREDITORS: amounts falling due within one year</b>	15	<u>(127,444)</u>	<u>(105,824)</u>
<b>NET CURRENT ASSETS</b>		<u>879,797</u>	<u>714,190</u>
<b>NET ASSETS</b>		<u>1,470,155</u>	<u>1,332,999</u>
<b>FUNDS</b>			
Restricted funds		-	4,368
Unrestricted funds			
Unrestricted income funds		1,403,243	1,272,589
Revaluation reserve		66,912	56,042
		<u>1,470,155</u>	<u>1,332,999</u>
<b>Total funds</b>	16	<u>1,470,155</u>	<u>1,332,999</u>

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

Signed on behalf of the Board of Directors



Director - Dr D P Whitfield

Date: 13 August 2014

**NATURAL RESEARCH LIMITED**  
**COMPANY NUMBER: SC209393**  
**BALANCE SHEET – 31 MARCH 2014**

	Note	2014 £	2013 £
<b>FIXED ASSETS</b>			
Investments	13	558,421	550,040
<b>CURRENT ASSETS</b>			
Debtors	14	59,460	73,715
Cash at bank and in hand		466,133	445,363
		<hr/>	<hr/>
<b>CREDITORS: amounts falling due within one year</b>	15	525,593 (32,652)	519,078 (47,976)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		492,941	471,102
		<hr/>	<hr/>
<b>NET ASSETS</b>		1,051,362	1,021,142
		<hr/>	<hr/>
<b>FUNDS</b>			
Restricted funds		-	4,368
Unrestricted funds			
Unrestricted income funds		984,450	960,732
Revaluation reserve		66,912	56,042
		<hr/>	<hr/>
<b>Total funds</b>	16	1,051,362	1,021,142
		<hr/>	<hr/>

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

Signed on behalf of the Board of Directors



Director - Dr D P Whitfield

Date: 13 August 2014

**NATURAL RESEARCH LIMITED**  
**NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2014**

**1. ACCOUNTING POLICIES**

**(a) *Basis of financial statements preparation***

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006, The Statement of Recommended Practice - Accounting and Reporting by Charities (revised 2005).

**(b) *Group accounts***

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

**(c) *Going concern***

The directors, having made due and careful enquiry and preparing forecasts, are of the opinion that the group has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgment, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

**(d) *Incoming resources***

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Voluntary incomes included in the Statement of Financial Activities in the period in which it is receivable.

Income from investments is included in the Statement of Financial Activities in the period in which it is receivable. Investment income includes the computed tax credit and tax deducted at source.

**(e) *Resources expended***

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

**(f) *Taxation***

The company is recognised by HM Revenue and Customs as a charity and, as a consequence of the tax reliefs available in relation to current period, income is not liable to taxation.



**NATURAL RESEARCH LIMITED**  
**NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2014**

**1. ACCOUNTING POLICIES (continued)**

**(g) *Tangible fixed assets and depreciation***

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:

Motor vehicles	25% reducing balance
Other equipment	3 years

**(h) *Fixed asset investments***

Fixed asset investments are included at market value at the period end. Gains and losses on disposal or revaluation of investments are charged or credited to the Statement of Financial Activities and form part of the fund in which the asset is held.

**(i) *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 period-end rate of exchange. The resulting profits or losses are dealt with in the Statement of Financial Activities.

**(j) *Leasing***

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

**(k) *Pensions***

The group contributes to personal pension schemes for the benefit of its employees. Contributions payable are charged to the SOFA in the period they are payable.

**(l) *Funds***

Unrestricted funds include incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds. These funds can be used in accordance with the charitable objects at the discretion of the directors.

Restricted funds are to be used for specific purposes as laid down by the donor.

**NATURAL RESEARCH LIMITED**  
**NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2014**

**2. VOLUNTARY INCOME**

	<b>2014</b>	<b>Group</b>	<b>2014</b>	<b>Company</b>
	<b>£</b>	<b>2013</b>	<b>£</b>	<b>2013</b>
		<b>£</b>		<b>£</b>
Donations and legacies	-	1,270	57,694	30,956
SNH contribution	42,000	40,000	42,000	40,000
	<u>42,000</u>	<u>41,270</u>	<u>99,694</u>	<u>70,956</u>

**3. ACTIVITIES FOR GENERATING FUNDS**

	<b>2014</b>	<b>Group</b>
	<b>£</b>	<b>2013</b>
		<b>£</b>
Commercial trading operations	<u>1,502,998</u>	<u>1,376,408</u>

**4. INVESTMENT INCOME**

	<b>2014</b>	<b>Group</b>
	<b>£</b>	<b>2013</b>
		<b>£</b>
Bank interest receivable	2,102	4,950
Dividends - UK entities	<u>21,394</u>	<u>18,472</u>
	<u>23,496</u>	<u>23,422</u>

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	<b>Group and Company</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Research and consultancy on wildlife management	<u>18,643</u>	<u>5,837</u>

**NATURAL RESEARCH LIMITED**  
**NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2014**

**6. DIRECT COSTS**

	Staff Costs £	Other costs £	2014 Total £	2013 Total £
Research and wildlife consultancy:				
Activities undertaken directly	15,506	59,024	74,530	99,775
Grant funding of activities	-	23,497	23,497	3,000
Support costs	-	15,440	15,440	59,229
<b>Company</b>	<b>15,506</b>	<b>97,961</b>	<b>113,467</b>	<b>162,004</b>
Commercial trading operations	762,337	570,435	1,332,772	1,243,585
<b>Group</b>	<b>777,843</b>	<b>668,396</b>	<b>1,446,239</b>	<b>1,405,589</b>

**7. INVESTMENT MANAGEMENT**

Group and company	2014	2013
Portfolio management fees	£6,196	£ 4,655

**8. GOVERNANCE COSTS**

	2014 £	Group 2013 £	2014 £	Company 2013 £
Auditors remuneration – audit fees	10,150	7,350	4,500	4,000

**9. NET MOVEMENT IN FUNDS *is stated after charging:***

	£	£
Group		
Auditors' remuneration - audit fees	10,150	7,350
- non-audit fees	-	23,855
Depreciation of owned fixed assets	19,036	29,284
Rent of property	16,191	18,000

**NATURAL RESEARCH LIMITED**  
**NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2014**

**10. STAFF COSTS AND NUMBERS**

	<b>2014</b>	<b>Group</b>	<b>2014</b>	<b>Company</b>
	<b>£</b>	<b>2013</b>	<b>£</b>	<b>2013</b>
		<b>£</b>		<b>£</b>
Wages and salaries	694,478	626,786	14,146	24,080
Social security	62,103	58,346	716	1,227
Pension costs	21,262	13,614	644	198
	<u>777,843</u>	<u>698,746</u>	<u>14,506</u>	<u>25,505</u>

The average number of persons employed by the charitable company during the period, including the directors was as follows:

	<b>2014</b>	<b>Group</b>	<b>2014</b>	<b>Company</b>
	<b>No</b>	<b>2013</b>	<b>No</b>	<b>2013</b>
		<b>No</b>		<b>No</b>
Directors	4	3	3	3
Research activities	-	1	-	1
Commercial activities	19	15	-	-
Administration	4	4	1	1
	<u>27</u>	<u>23</u>	<u>4</u>	<u>5</u>

There were no employees with emoluments over £60,000.

**11. DIRECTORS EMOLUMENTS AND EXPENSES**

In the year to 28 February 2013 £3,750 together with travel expenses, subsistence etc of £256 was paid to one of the trustees of the charity for his work as an expert on research projects. During the period to 31 March 2014 no such payments were made.

The details of the trustees' remuneration and pension payments are disclosed in note 21. 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 21.

The number of trustees for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2013 -1).

**NATURAL RESEARCH LIMITED**  
**NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2014**

**12. TANGIBLE FIXED ASSETS**

	Motor vehicles £	Other equipment £	Total £
<b>Group</b>			
<b>COST</b>			
At 1 March 2013	116,902	124,931	241,833
Additions	-	-	-
Disposals	(44,087)	(2)	(44,089)
At 31 March 2014	72,815	124,929	197,744
<b>DEPRECIATION</b>			
At 1 March 2013	59,151	113,912	173,063
Charge for period	11,385	7,651	19,036
Relating to disposals	(26,293)	-	(26,293)
At 31 March 2014	44,243	121,563	165,806
Net book amounts at			
31 March 2014	28,572	3,366	31,938
1 March 2013	57,751	11,019	68,770

**13. INVESTMENTS**

	2014 £	Group 2013 £	2014 £	Company 2013 £
Shares in group undertaking (a)	-	-	1	1
Stock market investments (b)	558,420	550,039	558,420	550,039
	558,420	550,039	558,421	550,040

**NATURAL RESEARCH LIMITED**  
**NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2014**

**13. INVESTMENTS (continued)**

(a) Subsidiary undertaking	2014	2013
Natural Research (Projects) Limited	£1	£ 1

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. 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**

	2014 £	2013 £
Turnover	1,502,998	1,376,408
Cost of sales	(834,032)	(829,489)
Gross profit	668,966	546,919
Administrative expenses	(474,389)	(387,446)
	194,577	159,473
Interest receivable	54	-
	194,631	159,473
Corporation tax	(30,000)	(30,000)
	164,631	129,473
Gifted to the charity	(57,694)	(29,686)
Retained in the company	106,937	99,787

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

	2014 £	2013 £
Tangible fixed assets	31,938	68,770
Current assets	565,917	357,197
	597,855	425,967
Creditors due within 1 year	(179,060)	(114,109)
Total net assets	418,795	311,858
Aggregate share capital and reserves	418,795	311,858

**NATURAL RESEARCH LIMITED**  
**NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS – 31 MARCH 2014**

**13. INVESTMENTS**

(b) Stock market investments

	2014 £	2013 £
Brought forward	550,039	511,261
Additions at cost	65,281	-
Disposals at market value	(68,856)	(5,191)
Net unrealised investment gains on revaluation	11,956	43,969
Market value at 31 March 2014	<u>558,420</u>	<u>550,039</u>

The market value of investments at 31 March 2014 comprises:

	2014 £	2013 £
Managed funds	553,599	549,079
Cash deposits	<u>4,821</u>	<u>960</u>
	<u>558,420</u>	<u>550,039</u>
Historical cost at 31 March 2014	<u>491,507</u>	<u>493,997</u>

During the period there were no (2013: 0) investments in individual entities which had a value of greater than 5% of total portfolio value.

**14. DEBTORS**

	2014 £	Group 2013 £	2014 £	Company 2013 £
Trade debtors	282,168	182,515	-	41,931
Other debtors	9,248	102,012	59,460	31,784
	<u>291,416</u>	<u>284,527</u>	<u>59,460</u>	<u>73,715</u>

**NATURAL RESEARCH LIMITED**  
**NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS – 31 MARCH 2014**

**15. CREDITORS: amounts falling due within one year**

	2014 £	Group 2013 £	2014 £	Company 2013 £
Trade creditors	49,362	39,918	176	19,527
Taxation and social security	35,246	24,334	138	110
Other creditors	7,073	9,808	-	-
Due to group undertakings	-	-	26,575	26,575
Accruals & deferred income	5,763	1,764	5,763	1,764
Corporation tax	30,000	30,000	-	-
	<u>127,444</u>	<u>105,824</u>	<u>32,652</u>	<u>47,976</u>

**16. MOVEMENT IN FUNDS**

	At 1 March 2013 £	Incoming resources £	Resources Expended & transfers £	Gains/ (losses) £	At 31 March 2014 £
<b>Group</b>					
Unrestricted funds	1,328,631	1,588,871	(1,458,217)	10,870	1,470,155
Restricted funds	4,368	-	(4,368)	-	-
<b>Total funds</b>	<u>1,332,999</u>	<u>1,588,871</u>	<u>(1,462,585)</u>	<u>10,870</u>	<u>1,470,155</u>
<b>Company</b>					
Unrestricted funds	1,016,774	143,513	(119,795)	10,870	1,051,362
Restricted funds	4,368	-	(4,368)	-	-
<b>Total funds</b>	<u>1,021,142</u>	<u>143,513</u>	<u>(124,163)</u>	<u>10,870</u>	<u>1,051,362</u>



**NATURAL RESEARCH LIMITED**

**NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS – 31 MARCH 2014**

**17. RESTRICTED FUNDS**

The charity was engaged in several ongoing research projects during the period. 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:

	At 1 March 2013 £	Incoming resources £	Resources Expended & transfers £	At 31 March 2014 £
Field Research Fund	4,368	-	(4,368)	-

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

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds £	Restricted funds £	Total funds £
<b>Group</b>			
Tangible fixed assets	31,938	-	31,938
Investments	558,420	-	558,420
Current assets	1,007,241	-	1,007,241
Current liabilities	(127,444)	-	(127,444)
	<u>£ 1,470,155</u>	<u>-</u>	<u>1,470,155</u>
<b>Company</b>			
Investments	558,421	-	558,421
Current assets	525,593	-	525,593
Current liabilities	(32,652)	-	(32,652)
	<u>1,051,362</u>	<u>-</u>	<u>1,051,362</u>

**NATURAL RESEARCH LIMITED**  
**NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS – 31 MARCH 2014**

**19. OTHER FINANCIAL COMMITMENTS**

The annual commitments under non-cancellable operating leases are as follows:

	2014	2013
	£	£
Group		
<i>Operating lease which expires</i>		
In less than one year	-	10,500
Within two to five years	1,251	1,584
Over five years	784	-
	<hr/>	<hr/>
	2,035	12,084
	<hr/>	<hr/>

**20. PENSION AND OTHER POST-RETIREMENT BENEFIT COMMITMENTS**

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 £644 (2013: £198). There were no contributions outstanding at the period-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 £20,618 (2013: £13,416). Contributions totalling £1,000 (2013: £1,000) were outstanding at the period end and included in creditors.

**21. RELATED PARTY TRANSACTIONS**

**Control**

Throughout the period the company was controlled by the directors.

**Transactions**

The company has taken advantage of the exemption contained in Financial Reporting Standard No. 8 from disclosing transactions with its subsidiary Natural Research (Projects) Limited.

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

**NATURAL RESEARCH LIMITED**  
**NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS – 31 MARCH 2014**

**21. RELATED PARTY TRANSACTIONS (continued)**

Trustee	Transacting entity	Transaction	£	Balance outstanding at period end £
P Stirling-Aird	NR (P) Ltd	Remuneration	3,792	-
		Expenses for travel etc	292	-
Dr D P Whitfield	NR (P) Ltd	Remuneration	69,529	-
		Pension contributions	3,469	-
		Expenses for travel etc	383	-
Dr H Insley	NR (P) Ltd	Remuneration	3,792	-
		Expenses for travel etc	473	-

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 ("NRP Ltd") - dated December 2000

**Related Party**

P Whitfield, wife of Dr D P Whitfield	NR Ltd	Remuneration	14,146
		Pension contributions	644
		Expenses for travel etc	338

**22. LEGAL STATUS**

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

**NATURAL RESEARCH LIMITED**  
**NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS – 31 MARCH 2014**

**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:

	<b>2014</b>	<b>2013</b>
	£	£
Audit fees - charity	4,500	4,000
Audit fees - trading company	5,650	3,350
Accountancy services	-	17,540
Book-keeping & payroll services	-	6,315
	<hr/>	<hr/>
	10,150	31,205
	<hr/>	<hr/>