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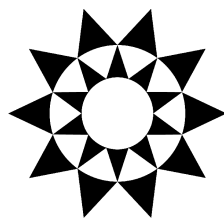
**NATIONAL ASSOCIATION FOR AREAS OF OUTSTANDING NATURAL
BEAUTY**

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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NATIONAL ASSOCIATION FOR AREAS OF OUTSTANDING NATURAL BEAUTY
(A company limited by guarantee)

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NATIONAL ASSOCIATION FOR AREAS OF OUTSTANDING NATURAL BEAUTY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2020

Trustees	P Hygate, Chairman C Woodley Stewart, Vice Chairman N Holliday J S Williamson P Walton D Hewlett L Barron R M E Day (resigned 28 November 2019) M J R Roberts (resigned 28 November 2019)
Company registered number	04729800
Charity registered number	1158871
Registered office	Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG
Company secretary	H C Davies

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NATIONAL ASSOCIATION FOR AREAS OF OUTSTANDING NATURAL BEAUTY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements of The National Association for Areas of Outstanding Natural Beauty (the charitable company) for the year ended 31 March 2020. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and activities

a. Policies and objectives

- to promote the conservation and enhancement of natural beauty,
- to advance the education, understanding and appreciation of the public in relation to the conservation and enhancement of natural beauty
- to promote the efficiency and effectiveness of those organisations promoting or representing Areas of Outstanding Natural Beauty, other Protected Areas and those areas for which such designation might be pursued.

The main activities undertaken in relation to those purposes are

- Working with governments, their associated agencies, and non-governmental bodies to inform policy development to conserve and enhance natural beauty
- Raising the profile of the AONB designation and the work of the AONB partnerships/conservation boards to stakeholders including the wider public
- Demonstrating the value and relevance of the AONB designation and the work of the AONB partnerships/conservation boards to stakeholders including the wider public.
- Driving better delivery through the support, encouragement, and modelling of collaboration across the AONB network and with external partners
- Supporting the management of organisational change through leadership and staff development programmes
- Raising resources to support the work of the NAAONB and the AONB Family

b. Activities undertaken to achieve objectives

The trustees confirm that they have given due consideration to general guidance published by the charity commission relating to public benefit and in particular to its supplementary public benefit guidance when setting and reviewing the National Association's aims and objectives and in planning future activities.

Areas of Outstanding Natural Beauty, whilst predominantly comprised of land in private ownership, are generally accessible to the public through the rights of way network or open access provisions as defined in the Countryside and Rights of Way Act 2000. In addition, the public goods and services that flow from the appropriate management of these areas are significant. The activity of the National Association for AONBs is centred on ensuring these designated landscapes, through support for the conservation and enhancement of natural beauty, optimise their provision of goods and services, many of which are public; that the purpose and benefit of these areas are understood, and that their management bodies operate as efficiently and effectively as possible.

NATIONAL ASSOCIATION FOR AREAS OF OUTSTANDING NATURAL BEAUTY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Objectives and activities (continued)

c. Main activities undertaken to further the Company's purposes for the public benefit

Staff have devoted significant resources to working with governments, their associated agencies, and non-governmental bodies **to promote the conservation and enhancement of natural beauty**. In England, this work has focused on active engagement with the NAAONB membership, Defra and other stakeholders to support the role out of the Glover Review recommendations in an informed way, and on co-ordinating the delivery, reporting, and resourcing of the programme of Tests and Trials associated with delivering the collaborative and progressive proposal for a post Brexit Environmental Land Management scheme, 'Farming for the Nation'.

The NAAONB continued to provide support to AONBs to embed the ecosystem approach into management plans through self-assessment checklist, and the provision of expert advice through workshops and webinars. This contract was successfully concluded in the autumn, and proceeded by support on the delivery of the Colchester Declaration – a plan for nature recovery across AONBs in England. The NAAONB has worked closely with stakeholders, especially Natural England, to ensure a joined-up approach to nature recovery, making links with the detailed technical support provided to parliamentarians in relation to proposed amendments to the Agriculture Bill and Environment Bill.

In Wales, our work continues to link directly to the delivery of the Welsh Government ambition set out in the 'Valued and Resilient' policy paper. This has been greatly helped through the appointment of a Wales Development Manager. This post has been funded by Welsh Government and is focusing on developing further collaboration with the Welsh AONB partnerships, National Park Authorities in Wales, Welsh Government and Natural Resources Wales. The NAAONB has ensured that its ambitious approach to nature recovery is applied across Wales, and full use is made of the progressive legislative framework within which the AONBs in Wales operate. The NAAONB in Wales has also actively supported Welsh Government, the AONB partnerships, and the National Park Authorities in the establishment of a National Landscape Partnership.

The Glover Review, and the feedback given to the panel on AONBs and National Parks has prompted action. The NAAONB treated the Review as an iterative process and responded to issues as they arose. The Colchester Declaration is one such response, as is an in-depth consideration of our collective approach to diversity and inclusion. The NAAONB held a well-attended Chairmen's conference in November 2019 focused on this subject, supported by specialist advice from Maxwell Ayamba of Sheffield Environmental Movement. This relationship is set to continue as we improve our collective offer to the nation.

Much work has also taken place to help better **to advance the education, understanding and appreciation of the public in relation to the conservation and enhancement of natural beauty**. The NAAONB held its annual national Landscapes for Life conference in Colchester, Essex in July. This was a great success with a high level of exceptionally positive feedback. The conference attracted one hundred and twenty-eight delegates from across the AONB network, local authorities, governments, agencies, and from further afield. Nineteen percent of the delegates were non-members demonstrating the appeal of conference to the wider public. A highlight of the conference was the launch of the Colchester Declaration - a collective Declaration on Nature designed to significantly increase the scale and pace of nature conservation activity in AONBs.

Advocacy on behalf of AONB partnerships and the landscapes they conserve and enhance has been focused almost on the Glover Review. This once-in-a-generation review necessitated that the NAAONB focused on advancing the appreciation and understanding of AONBs across a wide range of stakeholders. The NAAONB engaged an external contractor to help us fulfil this function. Our engagement with the Review was well received and we are pleased that every issue we raised with the review panel found traction.

NATIONAL ASSOCIATION FOR AREAS OF OUTSTANDING NATURAL BEAUTY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Objectives and activities (continued)

In September, the NAAONB also relaunched its annual celebratory week for AONBs, Landscapes for Life week, designed to help people reconnect with nature and enjoy and be inspired by the UK's Areas of Outstanding Natural Beauty (AONBs). A highlight of this week was the national 'Hearts in the Landscape' series of simultaneous events. This celebration included the launch of our statement of intent to explore how working with artists could attract first time visitors to our countryside.

Our first piece of Art in the Landscape took place on 21 September 2019 - a 'National Moment' which AONBs across the UK joined. The centrepiece was the Poet Laureate Simon Armitage reading a new poem Fugitives, commissioned by the NAAONB and inspired by our AONBs, at the National Moment event on Arnside Knott in Arnside & Silverdale AONB on 21 September.

Staff have also given numerous presentations on the value of the AONB designation to a wide and diverse audience and the NAAONB website has been relaunched with an emphasis on accessibility.

Central to the NAAONB's ability to advance the education, understanding and appreciation of the public in relation to the conservation and enhancement of natural beauty is data and evidence. The NAAONB has therefore used the set of metrics, devised by and agreed across the AONB network, to report what the AONB designation delivers for the nation against the 25 Year Environment Plan objectives. This data forms the basis of the Landscapes for Life Annual Report.

Work undertaken to promote the efficiency and effectiveness of those organisations promoting or representing Areas of Outstanding Natural Beauty has centred on the delivery of the professional and personal development programme, 'Taking the Lead', funded through HLF's Resilience Fund. This ground-breaking approach to the development of deep collaboration across a complex network is based on supporting behavioural change and personal development to drive forward effective working through a set of Topic Working Groups. Groups have been designed and set up to provide a collaborative approach to AONB efficiency and effectiveness in several important areas:

- Advocacy
- Staff Development
- Communications
- AONB priorities
- Income and Funding
- Data and Technology

The NAAONB has started to support its members through the provision of developmental training workshops based on the now fully tested personality profiling tool (Lumina Spark, a service of Lumina Learning). This service is additional to our existing provision of facilitated meetings and workshops with members to agree priorities and define roles and responsibilities.

Additionally, the Sustainability and Governance Review of the NAAONB charity, carried out by external consultants was completed in the autumn of 2019 and resulted in an action plan that is currently being delivered by trustees.

The NAAONB continues to develop its relationship with the Landscape Institute, recognising this organisation as the natural partner to work with in order to build greater professionalism, standing, and impact across the AONB network. This has involved continued support and engagement with the national landscape leadership forum and support for accreditation for landscape professionals.

The NAAONB continues to support collaboration of AONB staff through the use of Basecamp, an online forum and project management platform.

NATIONAL ASSOCIATION FOR AREAS OF OUTSTANDING NATURAL BEAUTY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Achievements and performance

a. Review of activities

The National Association is a small charity with significant impact. We adopt a strategic approach to delivery, and recognise the central role farmers and landowners have in conserving and enhancing natural beauty. Consequently, our work supporting the development of ELMS has been especially effective. Sustainable land management is essential to the delivery of our objects and consequently we must work with the drivers of change in this area. We are justifiably proud to be managing the only national collaborative project in this field and look forward to using what we learn to help inform UK Government's thinking in this area.

A central component of our work this year has been our positive engagement with Defra and the Glover Review panel to inform national recommendations. The NAAONB approached the generation and submission of evidence in a wholly collaborative way, involving AONB staff, partnership members, and external stakeholders. Our engagement with the panel following the submission of evidence has been constant and productive. We have been consistently on hand to provide technical information, data, evidence, background understanding, and experience to support the panel. The final report, published at the end of 2019, reflected our input.

Our work around nature recovery, and the advocacy carried out by the NAAONB for the AONB designation, has ensured that AONBs are recognised as having an important role in helping to protect and restore wildlife and better connect people to nature. This is a major achievement, not just for the AONB designation, but the landscape approach in general. Specifically, the leadership we provided around the Colchester Declaration has been an important contributor to the perception of AONBs as places central to nature recovery. This has been vital in positioning AONB partnerships to deliver in this area.

Our work through the professional and personal development programme, 'Taking the Lead', has had a marked impact on the way the network operates. Staff are more aware of collective challenges facing the AONB network and better understand the impact their working styles and behaviours effect their ability to collaborate effectively. Its positive impact on efficiency and effectiveness is already being felt.

This report represents a partial, but insightful, snapshot of some of the activities taking place to deliver across the charity's objectives.

b. Fundraising

Funds are generally raised through membership contribution and grants. The Trust does not employ a professional fundraiser.

c. Investment policy

The Trust adopts a low risk policy, balancing security and access to funds with income generation.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Furthermore, the impact of Covid-19 has led to a drop in unrestricted income due to the Charity not being able to run any events. For this reason they continue to adopt the going concern basis in preparing the financial statements.

NATIONAL ASSOCIATION FOR AREAS OF OUTSTANDING NATURAL BEAUTY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

b. Reserves policy

At the 31st March 2020 there were funds of £410,117 this compares to £265,414 at 31st March 2019. Free reserves at the year end were a surplus of £125,067 (2019: £112,434).

Charity law requires any income received by a charity to be spent within a reasonable time of its receipt. The Trustees therefore have to be able to justify the holding of income as reserves. A reserves policy is also important in that it explains to existing and potential funders, donors and other stakeholders why a charity is holding a particular amount of reserves, thereby giving confidence that that charity's finances are being managed properly into the future.

The National Association for AONBs agrees a reserves policy annually which addresses these aspects in accord with Charity Commission guidance.

The NAAONB aims to ensure that there are sufficient reserves to service its cash flow requirement, to tide it over periods when new fund raising is required, or to allow (if necessary) the NAAONB to be dissolved while meeting its obligations to staff and creditors.

The NAAONB aims to run annually a balanced budget, funding reserves from unrestricted income. Identifying funding for future purchases and activities should be normal matters for the reserves.

The budgeted period is three years from the end of the spending year. Where there are uncertainties, appropriate levels of contingency funding will be applied. The three-year level of reserves is to be calculated by the Honorary Treasurer and the CEO at the same time as the annual budget is prepared. That level of reserves is then incorporated into the budget process as a whole. The level of reserves is monitored as one part of the periodic reporting of Management Accounts to the Board.

This policy will be reviewed annually during the budget setting process, and when there are significant changes in staff and/or project activity.

The current level of required reserves for this financial year is estimated at circa £125k.

c. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Charity is exposed and are satisfied that, insofar as mitigation is possible, systems and procedures are in place to manage the exposure to those risks.

The principal risks associated with the Charity have been exacerbated by the Covid-19 pandemic and are as follows:

- Over reliance on one source of funding
- Reduction in grant aid impacts our ability to support our strategic objectives
- As a consequence of loss of unrestricted income normally derived from events, free reserves fall below target

NATIONAL ASSOCIATION FOR AREAS OF OUTSTANDING NATURAL BEAUTY
(A company limited by guarantee)

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

Structure, governance and management

a. Constitution

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum and Articles of Association.

The company is constituted under a Memorandum and Articles of Association and is a registered charity number 1158871.

The Directors of the charitable company are its Trustees for the purpose of charity law and throughout the report are collectively referred to as trustees. The governing body of the National Association for AONBs is its Board. The Board is composed of all trustees who are volunteers and is authorised to appoint new members to fill vacancies arising through resignation or death of an existing member. The trustees, when complete, consist of at least five and not more than nine individuals. The Articles of Association of the National Association for AONBs govern the appointment of trustees and are available on request. The Board agrees the National Association for AONBs' annual budget and strategic plan, while the day to day management of the National Association for AONBs is delegated to its Chief Executive, Howard Davies. The charity constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

On appointment, Trustees are provided with a membership pack and are issued with a copy of the Charity Commission's guidance on becoming a trustee and guidance on campaigning and political activity.

b. Methods of appointment or election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum and Articles of Association.

New Trustees are inducted into the workings of the Charity, including policies and procedures, and provided with appropriate supporting information.

Plans for future periods

a. Future developments

The Charity's current strategic objectives are set out in its strategic plan 2016-2020. Its strategic objectives have been agreed by its membership:

- support policies for conserving and enhancing natural beauty,
- develop an understanding of AONBs and the issues they face,
- improve the way in which AONB Partnerships, Conservation Boards, and the NAAONB work together,
- secure and manage resources.

The strategic direction of the charity is currently under review.

NATIONAL ASSOCIATION FOR AREAS OF OUTSTANDING NATURAL BEAUTY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial year. Under company law, the Trustees 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 Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:

P Hygate
Chairman

Date:

NATIONAL ASSOCIATION FOR AREAS OF OUTSTANDING NATURAL BEAUTY
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2020

Independent examiner's report to the Trustees of National Association for Areas of Outstanding Natural Beauty ('the Company')

I report to the charity Trustees on my examination of the accounts of the Company for the year ended 31 March 2020.

Responsibilities and basis of report

As the Trustees of the Company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

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

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NATIONAL ASSOCIATION FOR AREAS OF OUTSTANDING NATURAL BEAUTY
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INDEPENDENT EXAMINER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Independent examiner's statement

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

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

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

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

This report is made solely to the Company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Company and the Company's Trustees as a body, for my work or for this report.

Signed:

Dated:

S J Tweedie

BSc FCA DChA

WR Partners
Chartered Accountants
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

NATIONAL ASSOCIATION FOR AREAS OF OUTSTANDING NATURAL BEAUTY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	3	323,197	253,412	576,609	445,103
Charitable activities	4	-	78,603	78,603	82,254
Total income		323,197	332,015	655,212	527,357
Expenditure on:					
Charitable activities		205,376	305,133	510,509	377,208
Total expenditure		205,376	305,133	510,509	377,208
Net income		117,821	26,882	144,703	150,149
Transfers between funds	12	14,563	(14,563)	-	-
Net movement in funds		132,384	12,319	144,703	150,149
Reconciliation of funds:					
Total funds brought forward		152,477	112,937	265,414	115,265
Net movement in funds		132,384	12,319	144,703	150,149
Total funds carried forward		284,861	125,256	410,117	265,414

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 15 to 25 form part of these financial statements.

NATIONAL ASSOCIATION FOR AREAS OF OUTSTANDING NATURAL BEAUTY
(A company limited by guarantee)
REGISTERED NUMBER: 04729800

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	9	189	503
		<u>189</u>	<u>503</u>
Current assets			
Debtors	10	10,320	42,794
Cash at bank and in hand		436,462	263,437
		<u>446,782</u>	<u>306,231</u>
Creditors: amounts falling due within one year	11	(36,854)	(41,320)
Net current assets		409,928	264,911
Total assets less current liabilities		410,117	265,414
Net assets excluding pension asset		410,117	265,414
Total net assets		410,117	265,414
Charity funds			
Restricted funds	12	284,861	152,477
Unrestricted funds	12	125,256	112,937
Total funds		410,117	265,414

NATIONAL ASSOCIATION FOR AREAS OF OUTSTANDING NATURAL BEAUTY
(A company limited by guarantee)
REGISTERED NUMBER: 04729800

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2020

The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

P Hygate
Chairman

Date:

The notes on pages 15 to 25 form part of these financial statements.

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NATIONAL ASSOCIATION FOR AREAS OF OUTSTANDING NATURAL BEAUTY
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	14	173,025	180,159
		<u>173,025</u>	<u>180,159</u>
Change in cash and cash equivalents in the year			
Cash and cash equivalents at the beginning of the year		263,437	83,278
		<u>263,437</u>	<u>83,278</u>
Cash and cash equivalents at the end of the year	15	<u><u>436,462</u></u>	<u><u>263,437</u></u>

The notes on pages 15 to 25 form part of these financial statements

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NATIONAL ASSOCIATION FOR AREAS OF OUTSTANDING NATURAL BEAUTY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. General information

The National Association for Areas of Outstanding Natural Beauty is a private limited company, limited by guarantee, with its registered office and principal place of business at Belmont House, Shrewsbury Business Park, Shrewsbury, Shropshire, SY2 6LG.

The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

National Association for Areas of Outstanding Natural Beauty meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

NATIONAL ASSOCIATION FOR AREAS OF OUTSTANDING NATURAL BEAUTY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.3 Expenditure (continued)

All expenditure is inclusive of irrecoverable VAT.

2.4 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using both the straight-line and the reducing balance methods.

Depreciation is provided on the following basis:

Office equipment	-	25% reducing balance
Computer equipment	-	25% on cost

2.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

NATIONAL ASSOCIATION FOR AREAS OF OUTSTANDING NATURAL BEAUTY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.9 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.10 Pensions

The Company contributes to personal pension plans at a rate of 30% of the employees' salary.

2.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations and legacies

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Membership contributions	12,440	110,658	123,098	106,844
Grants	310,757	132,754	443,511	338,259
Sponsorship	-	10,000	10,000	-
Total 2020	323,197	253,412	576,609	445,103
<i>Total 2019</i>	<i>207,750</i>	<i>237,353</i>	<i>445,103</i>	

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4. Income from charitable activities

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Charitable activities	-	16,592	16,592	30,520
Sales	-	62,011	62,011	51,734
Total 2020	-	78,603	78,603	82,254
<i>Total 2019</i>	<i>18,020</i>	<i>64,234</i>	<i>82,254</i>	

5. Analysis of expenditure by activities

	Support costs 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
All activities	510,509	510,509	377,208
<i>Total 2019</i>	<i>377,208</i>	<i>377,208</i>	

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5. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	205,574	205,574	199,290
Depreciation	314	314	168
Management	50,558	50,558	41,828
Finance	512	512	690
Information technology	11,251	11,251	2,092
Human resources	44,907	44,907	33,697
Sundries	894	894	1,172
Charitable activities	168,392	168,392	86,922
Bad debts	786	786	1,335
Management fees	16,592	16,592	-
Governance costs	10,729	10,729	10,014
Total 2020	<u>510,509</u>	<u>510,509</u>	<u>377,208</u>
<i>Total 2019</i>	<u>377,208</u>	<u>377,208</u>	

6. Independent examiner's remuneration

	2020 £	<i>2019 £</i>
Fees payable to the Company's independent examiner for the independent examination of the Company's annual accounts	<u>2,400</u>	<u>2,880</u>

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7. Staff costs

	2020 £	2019 £
Wages and salaries	160,788	158,902
Social security costs	8,181	8,534
Contribution to defined contribution pension schemes	36,605	31,854
	205,574	199,290

The average number of persons employed by the Company during the year was as follows:

	2020 No.	2019 No.
Employees	4	3

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	-

The salaries paid to key management personnel including pension contributions amounted to £138,330.

8. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 March 2020, expenses totalling £8,470 were reimbursed or paid directly to Trustee (2019 - £9,385 to Trustee). This related to travel and conference expenses.

9. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 April 2019	454	1,200	1,654
At 31 March 2020	454	1,200	1,654

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9. Tangible fixed assets (continued)

	Office equipment £	Computer equipment £	Total £
Depreciation			
At 1 April 2019	400	751	1,151
Charge for the year	14	300	314
At 31 March 2020	<u>414</u>	<u>1,051</u>	<u>1,465</u>
Net book value			
At 31 March 2020	<u>40</u>	<u>149</u>	<u>189</u>
At 31 March 2019	<u>54</u>	<u>449</u>	<u>503</u>

10. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	5,195	2,192
Prepayments and accrued income	5,125	40,602
	<u>10,320</u>	<u>42,794</u>

11. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	244	18,580
Other taxation and social security	33,113	2,467
Other creditors	882	3,427
Accruals and deferred income	2,615	16,846
	<u>36,854</u>	<u>41,320</u>

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12. Statement of funds

Statement of funds - current year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
Unrestricted funds					
General Funds - all funds	112,937	332,015	(305,133)	(14,563)	125,256
Restricted funds					
Mainstreaming Biodiversity	7,853	-	(7,853)	-	-
Management Plan Support	2,900	-	(2,900)	-	-
Resilient Heritage Fund	29,224	82,150	(120,543)	10,000	831
All Wales Collaboration	12,500	-	(12,500)	-	-
Wales Development Manager	100,000	-	(34,487)	4,563	70,076
Art in Landscape	-	18,850	(15,840)	-	3,010
Capacity to Continue Collaborative Work	-	7,000	-	-	7,000
Tests and Trials	-	215,197	(11,253)	-	203,944
	<u>152,477</u>	<u>323,197</u>	<u>(205,376)</u>	<u>14,563</u>	<u>284,861</u>
Total of funds	<u><u>265,414</u></u>	<u><u>655,212</u></u>	<u><u>(510,509)</u></u>	<u><u>-</u></u>	<u><u>410,117</u></u>

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12. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Balance at 31 March 2019</i>
	£	£	£	£
Unrestricted funds				
General Funds - all funds	102,145	301,587	(290,795)	112,937
Restricted funds				
Mainstreaming Biodiversity	10,220	18,620	(20,987)	7,853
Management Plan Support	2,900	-	-	2,900
Resilient Heritage Fund	-	82,150	(52,926)	29,224
All Wales Collaboration	-	25,000	(12,500)	12,500
Wales Development Manager	-	100,000	-	100,000
	13,120	225,770	(86,413)	152,477
Total of funds	115,265	527,357	(377,208)	265,414

13. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2020	Unrestricted funds 2020	Total funds 2020
	£	£	£
Tangible fixed assets	-	189	189
Current assets	284,861	161,921	446,782
Creditors due within one year	-	(36,854)	(36,854)
Total	284,861	125,256	410,117

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13. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	503	503
Current assets	152,477	153,754	306,231
Creditors due within one year	-	(41,320)	(41,320)
Total	<u>152,477</u>	<u>112,937</u>	<u>265,414</u>

14. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	144,703	150,149
Adjustments for:		
Depreciation charges	314	168
Decrease in debtors	32,474	30,407
Decrease in creditors	(4,466)	(565)
Net cash provided by operating activities	<u>173,025</u>	<u>180,159</u>

15. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	436,462	263,437
Total cash and cash equivalents	<u>436,462</u>	<u>263,437</u>

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16. Analysis of changes in net debt

	At 1 April 2019	Cash flows	At 31 March 2020
	£	£	£
Cash at bank and in hand	263,437	173,025	436,462
	<u>263,437</u>	<u>173,025</u>	<u>436,462</u>

17. Pension commitments

The company makes contributions to personal pension plans of its employees at a rate of 30% of the employees' salary. The pension cost charge represents contributions payable by the company to the fund and amounted to £37,105 (2019: £31,704). Contributions totalling £nil (2019: £2,027) were payable to the personal pension plans at the balance sheet date and are included in creditors.

18. Related party transactions

The Company has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Company at 31 March 2020.