

REGISTERED COMPANY NUMBER: 03527313 (England and Wales)
REGISTERED CHARITY NUMBER: 1105434

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
FOR
THE NATIONAL LOBSTER HATCHERY

Lang Bennetts
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THE NATIONAL LOBSTER HATCHERY

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FOR THE YEAR ENDED 31 MARCH 2021

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THE NATIONAL LOBSTER HATCHERY

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of 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 2019).

A WORD FROM THE CHAIRMAN

The 2020/21 financial year has been unique to say the least, however despite the worldwide impact of COVID-19 I am pleased to say that our organisation continues to move forwards and deliver its Charitable outputs and has risen to meet the challenges presented by these unprecedented circumstances.

During the first lockdown, all charitable activities were temporarily suspended and the majority of staff placed onto the Government Job Retention Scheme. Our conservation work recommenced in July 2020 but with the majority of the lobster hatching season already passed, juvenile releases in the year were well below a normal year. Our visitor education centre reopened in late July for the Summer and early Autumn albeit on a "capacity constrained" basis to ensure the Government Social Distancing Guidelines were met. The visitor education centre closed again in early November and reopened in line with Government Guidance in mid May 2021.

Over the winter 20/21 the lockdown and closure of the visitor centre was used to best effect and allowed for the planned redevelopment of the upstairs of our visitor education centre to be undertaken with the minimum of disruption. This has created much needed additional visitor space. It has also provided a significant step forward in the organisation becoming more financially stable through increased admission prices and expanding our self-controlled income streams, alongside expanding our educational outputs through the visitor education centre. We are very grateful to the Heritage Lottery Fund, The Steel Charitable Trust and Headley Trust who supported the funding of this project. The extended visitor experience has proved very popular in 2021 with 97% of feedback rating the overall experience good or excellent.

The Garfield Weston Foundation also provided additional Trust funding to provide support during COVID-19 for which we are very grateful.

Our long serving Head of Research, Dr Carly Daniels, returned from her sabbatical year in late 2020 and since her return has focused on updating our research strategy alongside working on a number of collaborative and student projects. Research and science remain a core part of the Charitable outputs of the organisation and we were pleased to welcome Carly back in December 2020.

We have continued to engage with schools, colleges, universities and other organisations through our in-house education programme and our team have been trialling of the use of technology to provide "Virtual" tours and lectures. We have also made most of our educational resource materials more freely available via our website.

Through a combination of the various Government Support Schemes, our loyal Fundraising supporters and a number of Trust Fund Grants, the Charity has been able to continue operating and has emerged a stronger, more resilient organisation.

After many years serving on the board, Jean Taylor has resigned her role as Trustee and we would like to express our sincere thanks for everything that Jean has contributed over the years.

On behalf of the Trustee's, I would like to thank all the staff, volunteers and students who have worked enthusiastically in very unusual circumstances and helped develop the Charity into a much stronger organisation than pre COVID-19.

On behalf of the board of Trustees

Rob Clifford-Wing - Chairman
The National Lobster Hatchery
November 2021

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A SUMMARY OF THE CHARITY'S WORK

More than 75% of the world's fish stocks are either fully exploited, over exploited, depleted or recovering. The world's human population is due to grow to over 10 billion by 2050 and there has never been a greater demand for seafood. Pressure on the world's fish stocks is therefore dramatically increasing. Commonly accepted approaches to fisheries management have often failed to deliver their key target of Maximum Sustainable Yield and significant damage to habitats and ecosystems has occurred in many areas. We need to understand how we can enhance or re-stock populations of high value, nutritious species, and the work of the National Lobster Hatchery (NLH) hinges around this central issue.

The European lobster (*Homarus gammarus*) is incredibly valuable in terms of its economic, ecological and social importance. UK catches are worth around £45 million each year, and provide much-needed income for fishermen who live and work in small, economically fragile coastal communities. The high value of lobster and intense pressure to fish them means that the species is vulnerable to stock collapse. As both predator and scavenger, lobsters perform a critical ecological service by cleaning up dead and dying creatures from the seabed.

The catch for the whole of Europe totals approximately 5,000 tonnes, which derives exclusively from capture fisheries. Stocks in Scandinavia (and many parts of the Mediterranean) collapsed in the 1960s and have failed to recover. The waters surrounding the British Isles present the last remaining area of productive lobster fishery. We are therefore in a unique position to gain a better understanding of how to increase the native population and sustainably re-stock it should natural stocks fail.

Lobster fishing is critically important to the 50 or so ports and harbours scattered around Cornwall's 320 miles of coastline. The majority of boats from these inshore fisheries are small and owner-operated, and the income generated through shellfisheries tends to remain within these communities. Lobster stock enhancement therefore offers the potential to increase the productivity of sustainable fisheries and the prosperity of lobster fishermen.

The principle aim of the NLH is to develop the science of lobster stock enhancement in Cornwall and further afield. This is undertaken through interventions that complement traditional fisheries management tools. Our long-term aim is to apply the concepts and procedures that we have developed for lobster to other species to provide a sustainable future for other valuable sources of food.

Our work is made possible by the dedication and hard work of our team of staff, volunteers, Trustees and members of our Scientific Advisory Group, which includes leading academics, and representatives from the fishing industry as well as the local community. Our programmes are supported by income raised through our visitor centre, corporate partnerships, fundraising initiatives, grant aid and philanthropic individuals. We have three main charitable outputs, which we deliver in collaboration with other partners to maximise available resources:

- Conservation: we operate a stock-enhancement programme for the European lobster within our inshore waters.
- Research: we conduct pioneering research that aims to assess the impact of this stock-enhancement programme as well as further develop stocking and culture techniques.
- Education: we seek to raise awareness about fisheries and aquaculture sustainability issues, as well as how to resolve them.

A better informed approach to lobster stock enhancement will result in better managed stocks, better informed policy and more prosperous coastal communities.

Conservation

Our lobster stock enhancement programme, which involves raising juveniles through their vulnerable stages and releasing them into the wild, is the focus of this activity. Whilst a large female lobster can carry in the region of 20,000 eggs, only a few are thought to survive to maturity. Building on the work of researchers in the UK, Norway and Germany who have established clear proof of principle relating to the positive impacts of stocking, our innovative techniques can improve this survival rate by several orders of magnitude.

The hatchery process in a nutshell:

- Brood acquisition: egg bearing, or berried hens are acquired from fishermen (under special licence) and retained at the hatchery until the eggs hatch. The hens are then returned to the wild.

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- Larval culture: the delicate larvae are reared in communal cones for around two weeks and go through several metamorphic stages.
- Post-larval culture: when the cannibalistic larvae have reached their third and fourth stage of development, they are reared in individual compartments. They are ready for release at 1.5 to 3 months old.
- Juvenile deployment: juveniles are released with the assistance of fishermen and divers into appropriate habitat on the seabed.

Research

Research is essential to the continued success of our work if we are to resolve issues of sustainability. To maximise resources, we have established effective partnerships with leading academics and institutions, and much of our research is collaborative. The science behind stocking is poorly developed and there are a bewildering array of questions that we either have no, or inadequate answers to. This makes the practical application of this science both difficult and risky. For this reason, we have developed a Research, Development and Innovation strategy that sets out the key developmental areas for the charity to further examine. This strategy acts as a working document that underpins the NLH Research, Development and Innovation (RD&I) Committee and guides NLH scientific associates. With this strategy we aim to improve the NLH stock enhancement work through 1) process innovation and development and 2) collaborative scientific research, with the overarching goal of enhanced and predictable production and quantified stock enhancement.

As such our focus is on improving the protocols and developing the technology required to produce lobsters that will thrive, at an appropriate cost for stocking purposes. We are simultaneously working on monitoring and understanding the impact of releasing large numbers of juveniles into the sea on native lobster populations and fishermen's catches. We also need to further understand and evaluate our stock enhancement work through collaborative scientific research that will develop our protocols to complement species and environmental needs and secure a sustainable future.

We regularly publish our work in relevant scientific journals and present at appropriate scientific and trade meetings globally. The charity's work is supported by a RD&I committee, who closely monitor, guide and advise our direction. We also have NLH Collaborative Scientific Network of Associates who lead our collaborative scientific research. We are co-founders of the European Lobster Centre of Excellence (ELCE) who are a multi-disciplinary European consortium of conservationists, aquaculturists, scientists, technologists and ranchers who are working together to fast track the many technological and scientific barriers involved in lobster stocking and aquaculture.

Education

Our Visitor Centre promotes the importance of sustainability and responsible marine resource management, using the European lobster as an example species, and routinely welcomes approximately 45,000 people a year. We attract students and volunteers from around the world who wish to train with us and work with schools, colleges and universities in the region in a formalised way.

Our educational objectives are to:

- Promote the conservation of the lobster populations around the Cornish coast for the public benefit.
- Foster an understanding of the importance of the European lobster from an ecological, economic and social perspective.
- Highlight sustainable fishing and fisheries management practices.

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How do we raise funds?

As we receive no recurrent government funding, we generate the majority of our revenue from the income generated through our Visitor Education Centre, Trusts, Foundations and Research Councils, and our Buy One, Set One Free (BOSOF) scheme, through which customers are encouraged to make a modest donation every time they order lobster from a restaurant menu or shellfish supplier or when they purchase a lobster related item from a supporting business. We also receive donations from Friends of the Hatchery, a select group of Patrons, and generous benefactors.

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REPORT ON PROGRESS 2020/21 **COVID-19**

As with so many organisations, COVID-19 has had a significant impact on the Charity. During the first lockdown, the decision was taken to fully depopulate the site and put all operations on temporary hold with all but one member of staff placed onto the Government Job Retention Scheme. During this period, a recovery plan was prepared alongside a financial risk assessment of COVID-19 on the Charity. Recommissioning of the Hatchery commenced in early July with the first brood back on site by mid-July. The visitor centre reopened in late July with capacity constraints to ensure all government COVID-19 guidance was followed. The visitor centre temporarily closed again in early November in line with the second lockdown and remained closed until mid May 2021. Hatchery operations continued during the winter of 20/21 albeit at a lower level than normal to ensure that we could operate in a COVID-19 safe manner for our staff. The closure of the visitor centre over the winter allowed the opportunity to redevelop the upstairs of our building in Padstow to improve our visitor education experience, which in turn helps build future financial stability with increased admission prices. Through a combination of the various Government Support Schemes, our loyal Fundraising supporters and a number of Trust Fund Grants the Charity has been able to continue operating and has emerged a stronger, more resilient organisation.

CONSERVATION

The 20/21 season, which was looking promising immediately prior to lockdown, has been limited due to the hatchery not being operational during the first lockdown (a key part of the season) and latterly, running our hatchery operations at a lower than normal level to ensure social distancing could be maintained for our staff, students & volunteers.

Recommissioning of the Hatchery commenced in early July after being temporarily closed at the end of March. The first brood were on site by mid-July and this is normally a time of year when brood supply is low which again contributed to the lack of output over the year. The first larvae hatched late July and first release in late August. The total releases of Juvenile lobsters in the year was 2,690.

During the winter lockdown, the hatchery continued to operate albeit at a lower level than normal to ensure staff social distancing could be maintained. In the spring of 2021, the lower levels gave rise to an opportunity to run a natural v artificial seawater trial which was completed in the early summer. This could only be run when the hatchery was on low levels of production and was felt to be making the best of a difficult period.

RESEARCH

Dr Carly Daniels, our Head of Production, Science and Development returned from her sabbatical in late 2020 and since returning has updated our Research, Development and Innovation Strategy. She has driven forward our outputs in this area with the dedicated support of Jake Scolding our Project Manager. This strategy focuses on 3 key areas that are core to our charitable aims and objectives:-

Culture. An enhanced understanding of the intricacies of lobster culture is key to providing improved processes and techniques that allow for predictable culture success and thus optimised stock enhancement outputs.

Conservation. A broader identification of the interaction between stock enhancement and ecosystems is essential. Quantifying successes and impacts of stocking efforts is key to ensuring sustainable stock enhancement practices.

Fisheries. Stock enhancement is a form of proactive fisheries management. Having a wider understanding of lobster fisheries including stock assessments and management measures is key to maintaining sustainable lobster fisheries.

Our strategy is met through a series of in house and collaborative projects which allow us to answer key questions associated within the focus areas.

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Releasing Larry

Before the end of Lobster Grower 2 (January 2019), various aged (1-3 year old) lobsters were placed into sea based container culture (SBCC) systems (391 containers suspended on 151 droppers) on the LG2 site (at Westcountry Mussels of Fowey mussel farm) in St Austell Bay, ensuring they had adequate room to grow for 18 months. The Releasing Larry Project intended to release these on grown lobsters around the coast of Cornwall and the Isles of Scilly via various structured and scientific releases. This process involved hauling of containers (using specialist equipment), removal of lobsters removed from their sea-based homes, scientific assessment and release.

Funding for the project was achieved via a Crowdfunder campaign and through an EU-funded Tevi grant administered through the University of Exeter. The money raised through the Crowdfunder campaign was put towards staff time, equipment and release costs. The Tevi grant covered the cost of accessing the site using the Westcountry Mussels of Fowey working vessels, skipper and crew, as well as using specialist equipment (cranes and winch systems) to haul the lobster SBCC systems. The Tevi grant also paid for post release clean-up including storage of equipment at Par Docks as well as the cleaning of hauled containers.

Unfortunately, due to restrictions placed by the Covid 19 Pandemic, the Isles of Scilly scientific release (planned and organised for early April 2020) which aimed to provide evidence and help quantify the impact of the NLH's conservation work on lobster population (through ongoing assessment of recapture) could not be done. However, all other releases were a great success and in total 1,549 lobsters were released in sites across Cornwall. These included shore releases in locations on the North Cornish coast such as Newquay and Trevone beach. Lobsters were also released via boat release around Mevagissey and St Austell Bay and by fishermen on the South coast of Cornwall around the Falmouth Bay area.

Lobster Aging Research - University of East Anglia

The NLH were contacted by the University of East Anglia (UEA) to continue the collaborative work on lobster aging techniques using DNA. In early 2020 UEA were successful in securing a Seafood Innovation Funded (SIF) project to continue investigation into DNA methylation levels in different lobster age groups, with the larger aim of providing a novel, non-lethal technique for aging lobsters that could help understanding lobster stocks and thus better inform fisheries management. The NLH were able to provide a unique resource of known age European lobsters from the lobsters held in the SBCC systems in St Austell Bay. A total of 30 non-lethal genetic samples were taken from varying age lobsters and were sent to the researchers at UEA.

The NLH have continued to work with UEA on this in 2021 and will continue into 2022 to provide further known ages samples. Two rearing sites (St Austell Bay & Bangor) will also be populated with Stage 5 lobsters and these will be on-grown at sea to provide known age samples up to the one year class. These lobsters will be hauled in 2022 to further investigate the environmental effects of methylation accumulation in these lobsters.

AQUALEAP

Aqualeap is an ARCH UK BBSRC/NERC funded project (started 1st January 2019) led by the University of Edinburgh. This project aims to build on the previous growth studies from LG2 using genetic tools to assess the variability in growth and survival and to ascertain the contribution of genetic and/or environmental influences on growth as well as detailing the lobster Genome.

Tom Jenkins (University of Exeter) has continued to collect and analyse samples from hatchery-reared NLH juveniles to compare with samples collected from LG2 sea-reared lobsters. The sequencing work for the entire genome of the European lobster has been completed and the sequence data is being put together to build the genome. In November 2020, Tom undertook analysis (RAD sequencing) of the LG2 lobster samples (sampled in spring 2019) and aligned this with his draft reference lobster genome. Epigenetic analysis is still ongoing and the project will look to assess whether genetic variation among the Lobster Grower individuals is, in part, an explanation for the diversity seen in growth, particularly for animals next to each other in the same container.

Developing Genomic Resources for Monitoring Lobster Hatchery Conservation Benefits - AgriTech Cornwall

This project which started in 2019 was successfully completed in 2020. The aim of this AgriTech Cornwall funded project, was to develop new genomic resources for the advancement of fisheries conservation, seafood traceability and aquaculture in European lobsters. The project was a collaboration between the University of Exeter's Molecular Ecology and Evolution research group and the NLH.

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The work was undertaken by Charlie Ellis (University of Exeter, formally NLH). Charlie managed to develop screening techniques for highly variable regions of DNA, enabling hatchery lobsters to be reassigned back to individual broodstock mothers genetically, allowing researchers to distinguish surviving hatchery lobsters from natural equivalents among the mixed wild stock. This was done by validating Tom Jenkins' lobster SNP array for parentage assignment creating a more powerful tool for identifying released lobsters after being recaptured. The NLH plan to use this to help with future recapture work to look at post release survival. At a regional level, further refining is needed for differentiation within Atlantic population, though population clades are apparent in Mediterranean populations that have diverged so distinguishable from one another. This work also looked wider at traceability of lobsters on the market to ascertain the authenticity of European lobsters and prevent miss-labelling of the inferior American Lobster Product and successfully differentiated between the species and their hybrids using genetic SNP arrays.

Optimising data recording for production transparency and analysis

In house work run by the NLH and kindly funded by Charles Thompson, is being led by Sophie Bennet, following on from her Master's findings around production data (as detailed below). This work started in early 2021 and aimed to optimise and digitalise production data recording in a way that allows downstream assessments of data to visualise and scrutinise production trends in a manner that provides understood and controlled rearing and thus more predictable production. A prototype dashboard was created for data entry and will continue to be trialled by hatchery staff.

Natural seawater vs Artificial SW assessment

One of the key variants in production success is the rearing environment. To determine causes of production variation it is first essential to stabilise the rearing environment (water) before other parts of production can be investigated for their influence of rearing success. Due to the high variability in natural seawater (NSW) in the Camel Estuary (associated with catchment influences) the only method to truly stabilise the water would be to switch to artificial saltwater (ASW), though there is a cost attached with this. These in house trials run by the NLH started in February 2021 and looked to examine the use of ASW vs NSW for rearing larvae taking into account production success and economic factors. Preliminary results from uncontrolled trials suggest greater survival on ASW compared to NSW but controlled trials are still in progress to test rearing success in both estuarine and two water types to decide course of action for production system water use. The University of Exeter have offered to collaborate on this work moving forward and analyse water samples to improve our understanding of the rearing environment.

COLLABORATIVE STUDENT RESEARCH

Creation of NLH database - Sophie Bennett - University of Exeter

In 2019, Sophie Bennett started her MSc project which was looking into the vast amount of production data gathered by NLH technicians over the past 10 years of production. Such data includes larval hatching numbers, cone stocking densities, water chemistry and larval survival. The initial task was to computerise records, as the majority of the data was on paper worksheets stored, so they could be further analysed. Sophie entered and analysed the data (using statistical modelling), looking for patterns that could explain the variation in lobster juvenile production seen over the years. Various factors, including water quality, were identified as key drivers to production, but the model also highlighted that other factors (those factors not considered in the model developed) may need to be investigated to truly explain variation. Sophie successfully completed her project in late 2020 with the University of Exeter, but continued to work with the NLH on analysing the production data in early 2021, to develop a usable interface that can visualise trends in production and further explore production data to help understand production trends.

Behavioural study of lobsters reared under hatchery and sea-based conditions - Pamela Prentice - University of Exeter

In November and December 2019 Pamela Prentice undertook practical research at the NLH to examine behavioural variations between juvenile lobsters which had been grown under hatchery conditions and those grown in sea-based systems in St Austell Bay. Pamela investigated general behavioural differences as well as what happened when a predator cue was introduced into the tank, to try and understand potential post release survival improvements provided by sea based on growing. Having finished the practical work Pamela is now in the process of analysing the data, finding will help inform our release strategy and rearing process and will help the NLH to understand and optimise lobster fitness upon release.

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Calcification in juvenile lobsters effects of water alkalinity - Michael Bowleg - University of Exeter

At the end of December 2020 the NLH provided juvenile lobsters to Michael Bowleg at the University of Exeter to conduct trials as part of his PhD, looking at optimal water chemistry conditions for calcification and enhancing moulting success. Trials are underway and data being analysed. This work will feed into our understanding of how to improve water quality conditions within the hatchery and thus how to improve our production process.

RESEARCH PUBLICATIONS

Jeffs, A, Daniels, CL., Heasman, K (2020) Lobster Aquaculture. Chapter 12 In: Crustacean Fisheries and Aquaculture, Volume 9 of The Natural History of the Crustacea.

EDUCATION

As with many organisations, our Visitor Centre has been limited by capacity in order to ensure that all COVID-19 Guidance has been followed. We successfully reopened in July 2020 following the first lockdown with the number of visitors on site limited to ensure social distancing could be maintained. Over 12,500 people visited the education centre between late July and the beginning of the winter lockdown in early November. Although this was down on the same period in 2019 this was due to restricting the number of visitors on site and reduced opening hours to ensure an enhanced cleaning programme could be undertaken. Visitor feedback continues to be excellent.

The winter lockdown provided an excellent opportunity to further develop and expand the visitor education experience. With funding provided by the Heritage Lottery Fund, The Steel Charitable Trust and the Headley Trust, the upper floor of our site in Padstow was reconfigured to better utilise existing office space for extra visitor education space. A new smaller office replaced the existing one with an increase in home working meaning less staff are on site. The new room over looks Padstow harbour with the local fishing fleet in full view, the perfect place to educate about sustainable fisheries management and some of the wider issues of marine conservation. The new room opened to the public in May and has been very well received. It has been developed in such a way that we can replace individual elements in the room to keep it both topical and interesting to returning visitors.

PROMOTING OUR WORK

From local, national and international TV and radio broadcasts to expansive coverage in an array of trade and general interest publications, we have continued to raise our profile during this financial year. Of particular note, our work was featured on a BBC TV program by Simon Reeve about Cornwall.

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ACHIEVEMENT AND PERFORMANCE **FUNDRAISING**

Patrons

We now have 46 Patrons supporting the charity's work who not only provide an important income stream but also work as great advocates on behalf of the charity and helping us to further our aims.

Corporate sponsors

Our bronze corporate sponsor Harbour Holidays have continued to support our work during the year.

Buy One, Set One Free (BOSOF)

With generous contributions from many restaurants, fish wholesalers, clothing suppliers and many other organisations, this particular fundraising stream has continued to successfully engage a significant number of people with the work of the charity. You can view the full list at <https://www.nationallobsterhatchery.co.uk/support-us/buyonesetonefree/>

Unrestricted funds

We are grateful to have received support from The Garfield Weston Foundation and the Heritage Lottery Fund.

Restricted funds

New Chapter 2 - Funded by Heritage Lottery Fund, The Steel Charitable Trust and the Headley Trust, this implemented much of the planning work previously undertaken and redeveloped the upstairs of our building Padstow allowing the creation of a new smaller office and significantly increased visitor education space along. The project included an upgrade to our IT infrastructure which was outdated and also various activities and exhibits in our new visitor room.

COVID-19

As with all organisations, COVID-19 has had a significant impact on the Charity. All operations were suspended in late March 2020 in line with Government Guidance. We re-opened the Hatchery and Visitor Centre in July 2020. The Visitor Centre closed again in early November and remained closed until mid-May. At the time of writing, summer trade has been strong with performance broadly in line with our post COVID-19 recovery plan. Through a combination of the various Government Support Schemes, our loyal Fundraising supporters and a number of Trust Fund Grants the Charity has been able to continue operating.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

The NLH was originally incorporated as a not for profit company, limited by guarantee, on 13th March 1998 under its Memorandum and Articles of Association. The hatchery building was erected on the quayside at Padstow and completed in August 2000. We now operate as a charitable company, having registered as a charity on 11th August 2004. We registered as a social enterprise in 2009 and set up a trading company, NLH Enterprises Ltd, in 2015.

Risk review

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure that appropriate insurance and controls are in place. The Trustees maintain a comprehensive risk register and review the major risks to which the charity is exposed as a standing agenda item at each Board meeting.

Reserves policy

The Trustees have established a policy whereby unrestricted funds that are not committed or invested in tangible fixed assets ('the free reserves') held by the charity should be £300,000 at the current rate of expenditure. At this level, which is reviewed periodically, the Trustees believe that the charity would be able to continue its current level of activities for 18 months in the event of a significant drop in funding, from, for example, the temporary closure of the hatchery and Visitor Centre, or failure to attract grant funding. The charity's free reserves at 31st March 2021 were £32,042.

Trustees' responsibilities

The Trustees (who are also Directors of the NLH for the purposes of company law) are responsible for preparing the Trustees' Annual Report and 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, which provide a true and fair view of the charitable company's state of affairs including incoming resources and the application of those resources (including income and expenditure) for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently
- observe the methods and principles in the charity's Statement of Recommended Practice (SORP)
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in operation.

The Trustees are responsible for maintaining adequate accounting records that disclose, with reasonable accuracy at any time, the charitable company's financial position and ensuring that financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company and for taking reasonable steps for the prevention and detection of fraud, and other irregularities.

On appointment, new Trustees are fully briefed about the charity's aims and aspirations by the Chairman and Chief Operating Officer. The Secretary ensures that individual Trustees and the Board receive advice on their legal duties and obligations. All Trustees are directed to the Charity Commissions' website and presented with the Commissions' documentation as and when it is received. Meetings of the Board of Trustees are held in accordance with an annual pattern. Other meetings of the full Board are held if and when unusual circumstances dictate. All Board meetings have the minutes recorded for acceptance at the following meeting.

Under Article 29, one third of the Directors (who are referred to as Trustees for the purposes of this report) must retire at each Annual General Meeting. Those retiring are those who have been longest in office since their last election or appointment, and may offer themselves for re-election.

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Trustees are appointed on the basis that they are able to offer some unique skill, experience and/or knowledge to further the charity's aims and objectives. The Board of Trustees agrees its strategic direction, upholds its values, approves policies and future plans, and establishes budgets. The Trustees' scientific and business skills are further supported by the Scientific Committee that guides the charity's research work. Trustees and committee members volunteer their skills and time freely.

Performance of staff and the charity overall is monitored by the Board, which also stipulates the procedures to be observed by staff when dealing with any of the charity's resources (including funds); backed up by a full disciplinary code in the event that these are not followed. If an unexpected issue arises which requires the Trustees' immediate intervention, this is done via a formal meeting, 'phone or email.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
03527313 (England and Wales)

Registered Charity number
1105434

Registered office
South Quay
PADSTOW
Cornwall
PL28 8BL

Trustees

Mr Robert Clifford-Wing
Mrs T Walter
Mr PJD Hodgson CBE, FCA, D.L.
Mr EJ Derriman MBE
Mrs J Taylor MBE, BSc (Hons), Dip Data
Edward Coode MBE BSc (Hon), Dip Law
Lord St Levan
Joanna Henley
Aimee Fulton

Chair
Vice Chair
Treasurer
Trustee
Trustee retired 1st January 2021
Trustee
Trustee
Trustee
Trustee

Company Secretary
D Lockyer

Independent Examiner
Jonathan Mashen FCA
Lang Bennetts
The Old Carriage Works
Moresk Road
TRURO
Cornwall
TR1 1DG

Bankers

Barclays Bank plc
28 Molesworth Street
Wadebridge, Cornwall, PL27 7DN

Status

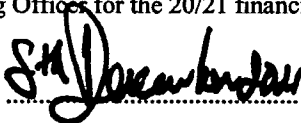
The National Lobster Hatchery is a charitable company limited by guarantee, incorporated on 13th March 1998 and registered as a charity on 11th August 2004.

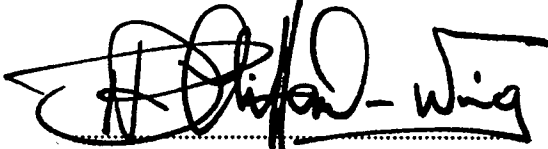
THE NATIONAL LOBSTER HATCHERY

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

Chief Operating Officer

The Chief Operating Officer has the authority for the day-to-day management and administration of the hatchery and its resources. Mr D Lockyer was Chief Operating Officer for the 20/21 financial year.

Approved by order of the board of trustees on  and signed on its behalf by:



R D Clifford-Wing - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE NATIONAL LOBSTER HATCHERY**

Independent examiner's report to the trustees of The National Lobster Hatchery ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2021.

Responsibilities and basis of report

As the charity's trustees of the Company (and also 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 your charity's accounts as 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.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of FCA 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.



Jonathan Mashen FCA
Lang Bennetts
The Old Carriage Works
Moresk Road
TRURO
Cornwall
TR1 1DG

Date:10/12/2021.....

THE NATIONAL LOBSTER HATCHERY

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	64,492	1,000	65,492	112,475
Charitable activities	5				
Research		-	10,000	10,000	(2,559)
Education		119,529	35,000	154,529	149,555
Other		128,992	-	128,992	-
Other trading activities	3	3,595	-	3,595	29,910
Investment income	4	1,505	-	1,505	3,019
Other income		-	-	-	476
Total		318,113	46,000	364,113	292,876
EXPENDITURE ON					
Raising funds	6	80,230	2,226	82,456	126,324
Charitable activities	7				
Research		61,067	40,566	101,633	119,257
Education		57,433	4,201	61,634	92,464
Conservation		76,822	4,201	81,023	83,268
Total		275,552	51,194	326,746	421,313
NET INCOME/(EXPENDITURE)		42,561	(5,194)	37,367	(128,437)
Transfers between funds	18	(12)	12	-	-
Net movement in funds		42,549	(5,182)	37,367	(128,437)
RECONCILIATION OF FUNDS					
Total funds brought forward		18,579	97,594	116,173	244,610
TOTAL FUNDS CARRIED FORWARD		61,128	92,412	153,540	116,173

The notes form part of these financial statements

THE NATIONAL LOBSTER HATCHERY

BALANCE SHEET
31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	13	29,085	67,433	96,518	98,182
Investments	14	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
		29,086	67,433	96,519	98,183
CURRENT ASSETS					
Debtors	15	30,015	-	30,015	36,461
Cash at bank and in hand		<u>32,390</u>	<u>24,979</u>	<u>57,369</u>	<u>22,922</u>
		62,405	24,979	87,384	59,383
CREDITORS					
Amounts falling due within one year	16	(30,363)	-	(30,363)	(41,393)
NET CURRENT ASSETS		<u>32,042</u>	<u>24,979</u>	<u>57,021</u>	<u>17,990</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>61,128</u>	<u>92,412</u>	<u>153,540</u>	<u>116,173</u>
NET ASSETS		<u>61,128</u>	<u>92,412</u>	<u>153,540</u>	<u>116,173</u>
FUNDS	18				
Unrestricted funds				61,128	18,579
Restricted funds				<u>92,412</u>	<u>97,594</u>
TOTAL FUNDS				<u>153,540</u>	<u>116,173</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

THE NATIONAL LOBSTER HATCHERY

BALANCE SHEET - continued
31 MARCH 2021

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

The financial statements were approved by the Board of Trustees and authorised for issue on 8th December 2021 and were signed on its behalf by:

P J D Hodgson
P J D Hodgson CBE, FCA, DL - Trustee

The notes form part of these financial statements

THE NATIONAL LOBSTER HATCHERY

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2021**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Raising funds

Costs of generating voluntary income are those costs incurred in obtaining grants and marketing costs involved in increasing awareness and visitor numbers.

Charitable activities

Charitable activities include all expenditure associated with the running of the shop, hatchery, and visitor centre and includes both direct and support costs.

Allocation and apportionment of costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating staff costs by time spent and other costs by their usage.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- Amortised over the lease term
Plant and machinery	- at varying rates on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity 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 charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

Investment income and gains are allocated to the appropriate fund.

THE NATIONAL LOBSTER HATCHERY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	45,326	68,547
Gift aid donations	10,029	29,032
Adopt a lobster	8,637	13,896
Harbour Holidays	1,000	1,000
FLT Caravans	500	-
	<u>65,492</u>	<u>112,475</u>

3. OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Donation from NLH Enterprises	2,605	16,469
Merchandise income	40	-
Functions and Events	-	6,149
Room hire	-	910
Juvenile sales	950	6,382
	<u>3,595</u>	<u>29,910</u>

From 1 April 2015 the trading activity of the charity was transferred to NLH Enterprises Ltd, a subsidiary wholly owned by The National Lobster Hatchery, see note 14.

4. INVESTMENT INCOME

	2021	2020
	£	£
Rents received	1,500	3,000
Deposit account interest	5	19
	<u>1,505</u>	<u>3,019</u>

THE NATIONAL LOBSTER HATCHERY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

5. INCOME FROM CHARITABLE ACTIVITIES

		2021	2020
	Activity	£	£
Revenue grants	Research	10,000	(2,559)
Admissions	Education	51,029	130,921
Revenue grants	Education	103,500	18,634
Revenue grants	Other	<u>128,992</u>	<u>-</u>
		<u>293,521</u>	<u>146,996</u>

Grants received under 'Other' charitable activity relate to Covid-19 small business grants from the local authority and receipts from the HMRC Job Retention Scheme. These amounts supported the charity across all charitable activities.

Grants received, included in the above, are as follows:

	2021	2020
	£	£
The Steel Charitable Trust	15,000	-
University of Exeter	10,000	-
Padstow Town Council	-	240
The Headley Trust	20,000	-
Garfield Weston Foundation	50,000	-
Marine Management Organisation	-	(2,559)
World Link Distributors Inc	-	1,694
Heritage Lottery Fund	18,500	16,700
HM Revenue & Customs Job Retention Scheme	89,849	-
COVID 19 Small Business Grant	<u>39,143</u>	<u>-</u>
	<u>242,492</u>	<u>16,075</u>

6. RAISING FUNDS

Raising donations and legacies

	2021	2020
	£	£
Staff costs	40,138	57,474
Function and events costs	<u>27</u>	<u>2,216</u>
	<u>40,165</u>	<u>59,690</u>

Other trading activities

	2021	2020
	£	£
Purchases	680	523
Staff costs	31,897	49,293
Support costs	<u>9,714</u>	<u>16,818</u>
	<u>42,291</u>	<u>66,634</u>
Aggregate amounts	<u>82,456</u>	<u>126,324</u>

THE NATIONAL LOBSTER HATCHERY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Research	48,645	52,988	101,633
Education	6,513	55,121	61,634
Conservation	<u>28,034</u>	<u>52,989</u>	<u>81,023</u>
	<u>83,192</u>	<u>161,098</u>	<u>244,290</u>

8. SUPPORT COSTS

	Management £
Other trading activities	9,714
Research	52,988
Education	55,121
Conservation	<u>52,989</u>
	<u>170,812</u>

9. NET INCOME/(EXPENDITURE)

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

	2021 £	2020 £
Depreciation - owned assets	20,081	18,425
Surplus on disposal of fixed assets	<u>-</u>	<u>(476)</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

There were no trustees' expenses for the year ended 31 March 2021 nor for the year ended 31 March 2020.

11. STAFF COSTS

	2021 £	2020 £
Wages and salaries	214,865	272,901
Social security costs	11,034	17,567
Other pension costs	<u>5,657</u>	<u>6,721</u>
	<u>231,556</u>	<u>297,189</u>

The average monthly number of employees during the year was as follows:

	2021	2020
Wages and salaries	<u>16</u>	<u>19</u>

THE NATIONAL LOBSTER HATCHERY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

11. STAFF COSTS - continued

No employees received emoluments in excess of £60,000.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	93,111	19,364	112,475
Charitable activities			
Research	(2,559)	-	(2,559)
Education	132,855	16,700	149,555
Other trading activities	29,910	-	29,910
Investment income	3,019	-	3,019
Other income	<u>476</u>	<u>-</u>	<u>476</u>
Total	256,812	36,064	292,876
 EXPENDITURE ON			
Raising funds	122,017	4,307	126,324
Charitable activities			
Research	98,487	20,770	119,257
Education	86,901	5,563	92,464
Conservation	<u>77,778</u>	<u>5,490</u>	<u>83,268</u>
Total	<u>385,183</u>	<u>36,130</u>	<u>421,313</u>
 NET INCOME/(EXPENDITURE)	(128,371)	(66)	(128,437)
Transfers between funds	<u>(1,069)</u>	<u>1,069</u>	<u>-</u>
Net movement in funds	(129,440)	1,003	(128,437)
 RECONCILIATION OF FUNDS			
Total funds brought forward	148,020	96,590	244,610
 TOTAL FUNDS CARRIED FORWARD	<u>18,580</u>	<u>97,593</u>	<u>116,173</u>

THE NATIONAL LOBSTER HATCHERY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

13. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2020	20,309	301,705	53,940
Additions	<u>1,857</u>	<u>-</u>	<u>16,560</u>
At 31 March 2021	<u>22,166</u>	<u>301,705</u>	<u>70,500</u>
DEPRECIATION			
At 1 April 2020	17,095	207,859	52,818
Charge for year	<u>992</u>	<u>14,654</u>	<u>4,435</u>
At 31 March 2021	<u>18,087</u>	<u>222,513</u>	<u>57,253</u>
NET BOOK VALUE			
At 31 March 2021	<u>4,079</u>	<u>79,192</u>	<u>13,247</u>
At 31 March 2020	<u>3,214</u>	<u>93,846</u>	<u>1,122</u>
	Library £	Computer equipment £	Totals £
COST			
At 1 April 2020	356	5,721	382,031
Additions	<u>-</u>	<u>-</u>	<u>18,417</u>
At 31 March 2021	<u>356</u>	<u>5,721</u>	<u>400,448</u>
DEPRECIATION			
At 1 April 2020	356	5,721	283,849
Charge for year	<u>-</u>	<u>-</u>	<u>20,081</u>
At 31 March 2021	<u>356</u>	<u>5,721</u>	<u>303,930</u>
NET BOOK VALUE			
At 31 March 2021	<u>-</u>	<u>-</u>	<u>96,518</u>
At 31 March 2020	<u>-</u>	<u>-</u>	<u>98,182</u>

THE NATIONAL LOBSTER HATCHERY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

14. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 April 2020 and 31 March 2021	<u>1</u>
NET BOOK VALUE	
At 31 March 2021	<u>1</u>
At 31 March 2020	<u>1</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

NLH Enterprises Limited

Registered office:

Nature of business: trading activities, sales of merchandise

Class of share:	%
Ordinary	holding 100

	2021	2020
	£	£
Aggregate capital and reserves	1	1

NLH Enterprises Limited is a wholly owned subsidiary, which operates a shop at the National Lobster Hatchery. Accounts are filed with the Registrar of Companies. A summary of its results are given below:

	2021	2020
	£	£
Turnover	11,724	47,636
Cost of Sales	<u>(5,889)</u>	<u>(19,562)</u>
	5,835	28,074
Administrative expenses	<u>(3,230)</u>	<u>(11,605)</u>
Net Profit	2,605	16,469
Donation to The National Lobster Hatchery	<u>(2,605)</u>	<u>(16,469)</u>
	<u>-</u>	<u>-</u>

THE NATIONAL LOBSTER HATCHERY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	1,991	3,975
Other debtors	7,270	23,147
VAT	5,440	2,455
Accrued income	8,366	-
Prepayments	<u>6,948</u>	<u>6,884</u>
	<u>30,015</u>	<u>36,461</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	6,418	18,734
Other creditors	14,560	14,252
Deferred income	3,000	3,500
Accrued expenses	<u>6,385</u>	<u>4,907</u>
	<u>30,363</u>	<u>41,393</u>

17. MOVEMENT IN FUNDS

	At 1/4/20	Net movement in funds	Transfers between funds	At 31/3/21
	£	£	£	£
Unrestricted funds				
General fund	18,579	42,561	(12)	61,128
Restricted funds				
Lobster Grower 2	5,259	-	-	5,259
Lobster Module	78,672	(11,238)	-	67,434
Releasing Larry	11,336	(11,348)	12	-
New Chapter 2020	<u>2,327</u>	<u>17,392</u>	<u>-</u>	<u>19,719</u>
	<u>97,594</u>	<u>(5,197)</u>	<u>12</u>	<u>92,412</u>
TOTAL FUNDS	<u>116,173</u>	<u>37,367</u>	<u>-</u>	<u>153,540</u>

THE NATIONAL LOBSTER HATCHERY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

17. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	318,113	(275,552)	42,561
Restricted funds			
Lobster Module	-	(11,238)	(11,238)
Releasing Larry	10,000	(21,348)	(11,348)
New Chapter 2020	35,000	(17,608)	17,392
Other Unrestricted	<u>1,000</u>	<u>(1,000)</u>	<u>-</u>
	<u>46,000</u>	<u>(51,194)</u>	<u>(5,194)</u>
TOTAL FUNDS	<u>364,113</u>	<u>(326,746)</u>	<u>37,367</u>

Comparatives for movement in funds

	At 1/4/19 £	Net movement in funds £	Transfers between funds £	At 31/3/20 £
Unrestricted funds				
General fund	148,020	(128,372)	(1,069)	18,579
Restricted funds				
Aquahives	1,420	(2,489)	1,069	-
Lobster Grower 2	5,259	-	-	5,259
Lobster Module	89,911	(11,239)	-	78,672
Releasing Larry	-	11,336	-	11,336
New Chapter 2020	<u>-</u>	<u>2,327</u>	<u>-</u>	<u>2,327</u>
	<u>96,590</u>	<u>(65)</u>	<u>1,069</u>	<u>97,594</u>
TOTAL FUNDS	<u>244,610</u>	<u>(128,437)</u>	<u>-</u>	<u>116,173</u>

THE NATIONAL LOBSTER HATCHERY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

17. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	256,812	(385,184)	(128,372)
Restricted funds			
Aquahives	-	(2,489)	(2,489)
Lobster Module	-	(11,239)	(11,239)
Releasing Larry	11,864	(528)	11,336
New Chapter 2020	<u>24,200</u>	<u>(21,873)</u>	<u>2,327</u>
	<u>36,064</u>	<u>(36,129)</u>	<u>(65)</u>
TOTAL FUNDS	<u>292,876</u>	<u>(421,313)</u>	<u>(128,437)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/4/19 £	Net movement in funds £	Transfers between funds £	At 31/3/21 £
Unrestricted funds				
General fund	148,020	(85,811)	(1,081)	61,128
Restricted funds				
Aquahives	1,420	(2,489)	1,069	-
Lobster Grower 2	5,259	-	-	5,259
Lobster Module	89,911	(22,477)	-	67,434
Releasing Larry	-	(12)	12	-
New Chapter 2020	<u>-</u>	<u>19,719</u>	<u>-</u>	<u>19,719</u>
	<u>96,590</u>	<u>(5,262)</u>	<u>1,081</u>	<u>92,412</u>
TOTAL FUNDS	<u>244,610</u>	<u>(91,070)</u>	<u>-</u>	<u>153,540</u>

THE NATIONAL LOBSTER HATCHERY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

17. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	574,925	(660,736)	(85,811)
Restricted funds			
Aquahives	-	(2,489)	(2,489)
Lobster Module	-	(22,477)	(22,477)
Releasing Larry	21,864	(21,876)	(12)
New Chapter 2020	59,200	(39,481)	19,719
Other Unrestricted	<u>1,000</u>	<u>(1,000)</u>	<u>-</u>
	<u>82,064</u>	<u>(87,326)</u>	<u>(5,262)</u>
TOTAL FUNDS	<u>656,989</u>	<u>(748,059)</u>	<u>(91,070)</u>

Transfers between funds

The unrestricted fund, less fixed assets, represent the free funds of the charity, which are not designated for particular purposes.

Transfers from restricted funds to unrestricted funds relate to the release of restrictions on tangible fixed assets funded from restricted funds. Where no restriction remains the related assets and funds have been transferred to unrestricted funds.

Transfers to restricted funds from unrestricted funds relate to contributions made by the Charity for the specific projects. Where grants are received for the purposes of overhead costs this is also shown as a transfer from restricted to unrestricted rather than an allocation of overheads within the SOFA.

18. RELATED PARTY DISCLOSURES

During the year a business which is owned by one of the trustees of The National Lobster Hatchery invoiced the Charity an amount of £16,560 for services provided on an arms length basis. The balance due at the year end was £nil.

19. ULTIMATE CONTROLLING PARTY

The charity is controlled by the board of Trustees who are also the directors of the company.

THE NATIONAL LOBSTER HATCHERY

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

21. COVID-19

The national lockdown in late March 2020 meant that the Charity had to close the visitor centre. Running costs were minimised and as many staff as possible were furloughed. However, it was necessary to keep the Hatchery operational because there were live animals being raised. When it was permitted and safe to do so, the Visitor Centre was re-opened with restricted numbers being admitted. This situation continued until the further lockdown in November when the decision was taken to close the Visitor Centre until Easter 2021. The closure is giving the opportunity to improve and enhance the visitor experience by converting part of the first story of the building to provide further exhibition space. This has been financed by the Heritage Lottery Fund and supportive Trusts.

THE NATIONAL LOBSTER HATCHERY

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	45,326	68,547
Gift aid donations	10,029	29,032
Adopt a lobster	8,637	13,896
Harbour Holidays	1,000	1,000
FLT Caravans	<u>500</u>	<u>-</u>
	65,492	112,475
Other trading activities		
Donation from NLH Enterprises	2,605	16,469
Merchandise income	40	-
Functions and Events	-	6,149
Room hire	-	910
Juvenile sales	<u>950</u>	<u>6,382</u>
	3,595	29,910
Investment income		
Rents received	1,500	3,000
Deposit account interest	<u>5</u>	<u>19</u>
	1,505	3,019
Charitable activities		
Admissions	51,029	130,921
Revenue grants	<u>242,492</u>	<u>16,075</u>
	293,521	146,996
Other income		
Gain on sale of tangible fixed assets	<u>-</u>	<u>476</u>
Total incoming resources	364,113	292,876
EXPENDITURE		
Raising donations and legacies		
Wages and staff costs	36,234	51,853
Social security	2,871	4,477
Pensions	1,033	1,144
Function and events costs	<u>27</u>	<u>2,216</u>
	40,165	59,690
Other trading activities		
Merchandise costs	680	523
Carried forward	680	523

This page does not form part of the statutory financial statements

THE NATIONAL LOBSTER HATCHERY

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Other trading activities		
Brought forward	680	523
Wages and staff costs	30,901	47,717
Social security	398	922
Pensions	<u>598</u>	<u>654</u>
	32,577	49,816
 Charitable activities		
Wages and staff costs	57,668	137,572
Social security	7,408	8,482
Pensions	2,599	3,075
Hatchery expenses	2,253	1,000
Research expenses	<u>13,264</u>	<u>675</u>
	83,192	150,804
 Support costs		
Management		
Wages and staff costs	90,062	35,759
Social security	357	3,686
Pensions	1,427	1,848
Establishment costs	15,286	23,619
Insurance	6,266	6,960
Office costs	15,649	18,670
Marketing	6,917	19,858
Professional fees	10,922	22,910
Vehicle expenses	1,002	3,178
Finance costs	2,842	6,090
Short leasehold	992	806
Depreciation	14,655	16,278
Fixtures and fittings	<u>4,435</u>	<u>1,341</u>
	<u>170,812</u>	<u>161,003</u>
 Total resources expended	<u>326,746</u>	<u>421,313</u>
 Net income/(expenditure)	<u>37,367</u>	<u>(128,437)</u>

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