

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

THE NATIONAL LOBSTER HATCHERY

(A company limited by guarantee)

Annual Report and unaudited Financial Statements

For the Year Ended 31 March 2023

THE NATIONAL LOBSTER HATCHERY

CONTENTS

Report of the Trustees	1 to 9
Independent Examiner's Report	10
Statement of Financial Activities	11
Balance Sheet	12
Notes to the Financial Statements	13 to 26

THE NATIONAL LOBSTER HATCHERY
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

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 2023. 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).

When reviewing the aims and objectives of the Company and in planning future activities, the Trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission.

A WORD FROM THE CHAIRMAN

The 2022/23 financial year has been another challenging one as the world continued to deal with the aftermath of COVID-19, and the impact of significantly rising costs. However, the Charity has risen to the challenges presented and has continued to deliver its Charitable outputs.

The main source of our income is the visitor centre which we have managed to keep open all year, apart from a 4-week closure in January 2023 for building and system maintenance. Visitor numbers to the county have yet to return to the pre-pandemic levels as international travel re-opens. Cost of living has also had an impact on what and how much visitors spend while on holiday in the area, we foresee this having an impact into the 2023/24 financial year.

Our lobster restocking programme continued successfully releasing 1,000's of juvenile lobsters around the coast of Cornwall. During the winter 2022 period production was challenged by an external egg disease that negatively impacted juvenile survival, however through the team's hard work we are starting to see improvement as we round off the financial year.

Our research outputs continue with involvement in a wide range of collaborative and student projects. In March 2023 we came to the end of EUROSAC, 21-month project led by the University of Exeter, looking at ways to develop a Sea Water Air Cooling system.

Education remains at the heart of what we do and alongside our expanded Visitor Education Centre we have continued to engage with Schools, Colleges, Universities and other interested groups to deliver education outputs at a wide range of levels.

This year we have strengthened the leadership team with two key appointments; In July 2022 the charity welcomed its new COO Nicola O'Donnell, and in March 2023 new Head of Fundraising Emily Hodges.

Through a combination of our loyal fundraising supporters and the successful development of our visitor centre, the charity has been able to continue operating and has emerged from COVID a stronger, more resilient organisation.

We would like to welcome Helene Jones to the Board of Trustees and we look forward to drawing on her experience and enthusiasm.

Peter Hodgson resigned his role as Trustee and I would like to express my sincere thanks for everything Peter has contributed.

On behalf of the Trustee's, I would like to thank all the staff, volunteers and students who have worked tirelessly in an ever changing and challenging year and helped to further develop the important work of the Charity.

Rob Clifford-Wing
Chairman
The National Lobster Hatchery

THE NATIONAL LOBSTER HATCHERY
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

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 REACHED 8 Billion in 2022 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 £50 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 to 40,000 eggs, only one in every 20,000 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 NATIONAL LOBSTER HATCHERY
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

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.
- 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 collaborators. With this strategy we aim to improve the NLH stock enhancement work through both on the ground innovation and development and collaborative scientific research focusing on conservation, culture and sustainable fisheries, 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 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.

THE NATIONAL LOBSTER HATCHERY
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

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, alongside support from Charitable Trusts & Foundations and our innovative 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. In 2022 we have also introduced a structure to receive fees for the various consultation work we carry out following more than two decades of research.

REPORT ON PROGRESS 2022/23

ECONOMIC IMPACT, POST COVID RECOVERY

CONSERVATION

The 22/23 season started with our hatchery operations sites running due to the ongoing EUROSAC research project based at our satellite site in Newlyn.

Production over the summer was steady given the lower brood numbers and close to 18,000 juvenile lobsters were released into seas around Cornwall by the end of the season.

Over the winter months the team worked hard to liaise with our fishing network to ensure we have a constant supply of brood throughout the quieter months in the season.

The end of the season saw some external issues with eggs which had a significant negative impact on survival rates, as we end the 22/23 season this issue is being closely monitored and improvements have started to show in survival rates.

RESEARCH

The research 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 ensuing 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.

Lobster Aging Research - University of East Anglia

The NLH continued their collaborative work with the University of East Anglia (UEA) on lobster aging techniques using DNA, funded through the Seafood Innovation Funded (SIF). The project continued investigations 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 understand lobster stocks and thus better inform fisheries management.

The NLH were able to provide a unique resource of known age European lobsters from lobsters reared in SBCC systems during this project and the Lobster Grower 2 project. During the project two rearing sites (St Austell Bay & Bangor) were populated with Stage 5 lobsters and these were on-grown at sea to provide known age samples up to the one year class. These lobsters were hauled in 2022 and analysed to further investigate the environmental effects of methylation accumulation in these lobsters. Multiple sets of non-lethal genetic samples of varying tissue types were taken from the varying age lobsters and were sent to the researchers at UEA throughout the project. The project extended the range of known age samples used to build the ageing model which allowed the ageing of lobsters to ~ 2 months accuracy and also proved the model's robustness across the environmental lobster range tested. The project officially ended on the 31st March 2022 though the NLH will continue to hold its unique resource of known age lobsters

to assist further validation of the aging technique developed as part of the project. Work is also being carried out at the NLH to further develop a holding facility for known age lobsters.

THE NATIONAL LOBSTER HATCHERY
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

EUROSWAC (Sea water air cooling system at Newlyn Module)

EUROSWAC aims at designing and validating an innovative, cost-efficient and environmentally friendly solution for cooling production, using English Channel's seawater (widely available renewable energy source) as refrigerant, exploiting temperature difference between cold ocean water and external air temperature.

This project is being led by University of Exeter and is European funded by Interreg. The NLH joined the project in July 21 with the aim of recommissioning the Newlyn Module facility to facilitate the design and installation of a Sea Water Cooling System (SWAC). The project will finish from an operational point of view in March 2023 with final reports complete by end of June 2023.

AQUALEAP

Aqualeap is an ARCH UK BBSRC/NERC funded project (started 1st January 2019) led by the University of Edinburgh. The project has been extended to 31st December 2022 and 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 was completed and the sequence data was 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.

The project has been extended to December 2022 and Josephine Paris has taken over from Tom Jenkins in leading the work on Lobsters and a high-quality genome sequence for the European lobster has now been created. No clear link between genetics and growth has been found and investigating the link between environment and growth traits continues.

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 Bennett, 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.

Collaborative student research

Pamela Prentice (Exeter University – PhD industry placement, Behavioural improvements through SBCC)

- Pamela has now completed her PhD and project report for this work.
- No anti-predatory behaviour was detected from lobsters (hatchery- or SBCC-reared) exposed to water contained predator cues (brown crab). Result may have been caused by insufficient chemical cues in the water, or association of brown crabs as predators by lobsters.

Victoria Scott (University of Hull – PhD – Micro-plastics effect on lobsters)

- Research is still on-going, trials looking at the effects of plastic leachates on lobster development being run at the University of Hull.
- Victoria carried out initial trials early summer 2022. However, experimental setup needed amending, trial re-runs are being conducted.

Ioanna Demosthenous (University of Exeter – Data Science MSc)

- Ioanna thesis has now been submitted. Ioanna examined trends of hatchery production and larval survival at both Newlyn and Padstow sites carrying on from Sophie Bennetts work. Stocking density showed the largest negative effect on larval survival at both sites with ORP and pH also showing negative effects.
- Ioanna suggested possible changes to hatchery operating procedures to try and improve survival.

THE NATIONAL LOBSTER HATCHERY
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

Lottie Perkins (University of Bristol – Micro-plastic effect on lobsters)

- Lottie undertook small scale experiments exposing lobster larvae to varying levels of micro-plastics in university laboratories
- Results showed that microplastics were accumulated by lobster larvae whenever they were available.
- Microplastic exposure did not have a significant effect on larval survival. However, this is not conclusive due to high larval die-off in all treatments.

Jessica White (Cornwall College, Newquay – Colour variation and detectability of lobsters)

- Analysis of video footage is continuing to determine how long it takes for juveniles to take refuge on first release. Report to be submitted June 2022.

Adam Ayles – (University of Plymouth – Physical properties influencing shelter choice in juvenile lobsters)

- Lobsters were exposed to different sized shelters and results showed they preferred burrows which were close to their body size.
- Lobsters showed no preference between a shelter with one or two entrances.
- Adam submitted his final write-up in March 2022.

Molly Harrison-Edge (University of Plymouth – Lobster behaviour)

- Molly investigated behavioural traits in European lobster juveniles.
- Results showed that bolder individuals had significantly higher growth rates supporting evidence that traits can co-evolve.

RESEARCH PUBLICATIONS

Hinchcliffe J, Agnalt A, **Daniels CL**, Drengstig A, Lund I, McMinn J, Powell A (2022). European lobster *Homarus gammarus* aquaculture: Technical developments, opportunities and requirements. *Reviews in Aquaculture*. 14:919–937.

Fairfield EA, Richardson DS, **Daniels CL**, Butler CL, Bell E, Taylor MI (2021). Ageing European lobsters (*Homarus gammarus*) using DNA methylation of evolutionarily conserved ribosomal DNA. *Evolutionary Applications*. 14 (9), 2305-2318.

VISITOR CENTRE

To reflect the improvements in the centre carried out in 2021 resulting in an extended visitor experience all 12 month admission fees have been increased by nearly 50% a family of 4 pass is now £19.75.

As travel restrictions ease Cornwall has not experienced pre-pandemic visitor numbers in 2022. The high temperatures over the summer months in particular impacted our visitor levels due to being an indoor attraction.

The new team have introduced activities for each of the school holidays, and exhibitions have also returned both to enhance the visitor experience and advertise our centre to new and returning audiences.

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 with some examples listed:

- Two separate interviews on BBC Radio Cornwall
- Britain by the Beach, Channel 4
- Simon Reeve Cornwall, BBC1
- The Sunday Times, day in the life
- Talk Talk TV live interview
- BOSOF featured in The Caterer magazine
- Feature in The Sustainable Food Trusts Newsletter
- Charity of the week in Weekly Junior Magazine

The team have also worked hard to increase their presence and reach new audiences online. Content captured by the team has now been seen by millions across the world.

Local initiative's with neighbouring businesses and accommodation providers to drive awareness have been formed towards the end of 2022, gaining momentum for the months and year ahead.

THE NATIONAL LOBSTER HATCHERY
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

FUNDRAISING

Patrons

Membership numbers have remained consistent post covid. We have not been able to hold a patrons event this year however plans are in place for one in April 2023.

Corporate sponsors

During 2022/23 our bronze corporate sponsor ceased sponsorship in August 2022

Buy One, Set One Free (BOSOF)

A full review of our biggest fundraising stream has been carried out during this year. Our new Head of fundraising joined the charity in March 2023 with new ideas and connections.

Adopt a Lobster

Our 'Adopt a lobster' (AAL) initiative remains strong and alongside generating funds, is an excellent tool to engage the public with our work and learn about the lifecycle of a lobster. In 2022 the process was reviewed and streamlined including making a digital version to reduce postage and paper.

Friends of the Hatchery

We are very grateful to our "Friends of the Hatchery" who have continued to support us, we hope to review and relaunch offering in the new financial year

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 and financial review

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 have been increased and at 31st March 2023 were £110,965.

At 31 March 2023, two funds; 'UNDP' and 'Euro SWAC' were in deficit. These have arisen as a result of expenditure in excess of the direct restricted funding income for these projects. The projects are part of the Charity's objectives and as such, general unrestricted funds of the charity will be contributed and used to fund the excess costs of the projects should they remain in deficit in future periods.

THE NATIONAL LOBSTER HATCHERY
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

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.

The Trustees regularly review the skills required within the organisation and identify potential candidates to become new trustees. The trustees subsequently make contact with potential candidates and if appropriate invite them to be appointed as a trustee.

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.

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.

THE NATIONAL LOBSTER HATCHERY
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

REFERENCE AND ADMINISTRATIVE DETAILS

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 2023. The Trustees have adopted the provisions of the SORP that is applicable to charities and prepared their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2019).

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.

Registered Company number	03527313 (England and Wales)
Registered Charity number	1105434
Registered office	The National Lobster Hatchery South Quay Padstow, Cornwall, PL28 8BL

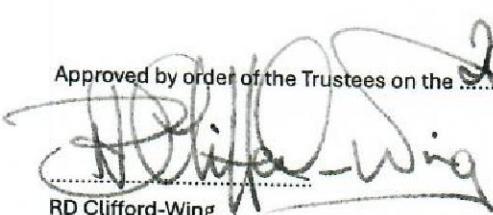
Bankers	Barclays Bank plc 28 Molesworth Street Wadebridge, Cornwall, PL27 7DN
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Trustees	
RD Clifford-Wing	Chair
PJD Hodgson CBE, FCA, D.L.	Trustee (resigned 12 December 2023)
EJ Derriman MBE	Trustee
ER Coode MBE BSC (Hon) DIP.LAW	Trustee
Lord St Levan	Trustee
JJ Henley	Trustee
AJ Fulton	Trustee
CC Thompson	Trustee (resigned 10 August 2022, reappointed 3 July 2023)
HL Jones	Trustee (appointed 13 December 2022)

Company Secretary	
D Lockyer	Resigned 12 December 2023

Company Secretary & C.O.O	
N O'Donnell	Appointed as Secretary, 12 December 2023

Approved by order of the Trustees on the 28th July 2024 and signed on its behalf by:


RD Clifford-Wing
Chair of the Trustees

THE NATIONAL LOBSTER HATCHERY

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 2023 which are set out on pages 11 to 26.

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.

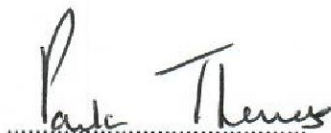
Independent examiner's statement

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 a qualified to undertake the examination because I am a member of Institute of Chartered Accountants in England and Wales which is one of the registered 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 (FRS102)).

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.



Paula Thomas BA FCA DChA
Institute of Chartered Accountants in England and Wales
Walker Moyle Ltd
Alverton Pavilion
Trewithen Road
Penzance
Cornwall
TR18 4LS

Date: 29 May 2024

THE NATIONAL LOBSTER HATCHERY

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

(INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

				2023	(As restated) 2022
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and Endowments from:					
Donations and legacies	3	136,147	10,000	146,147	127,329
Charitable activities:	6				
Research		-	82,004	82,004	55,505
Education		226,115	7,700	233,815	195,516
Other		-	-	-	29,696
Other trading activities	4	32,910	-	32,910	15,977
Investment income	5	43	-	43	1
Other income		-	-	-	50
Total Income		395,215	99,704	494,919	424,074
Expenditure on:					
Raising funds	7	89,150	5,789	94,939	107,703
Charitable activities:	8				
Research		76,731	127,877	204,608	107,607
Education		76,732	13,349	90,081	84,334
Conservation		88,658	-	88,658	130,545
Total Expenditure		331,271	147,015	478,286	430,189
Net income/(expenditure)		63,944	(47,311)	16,633	(6,115)
Transfers between funds	21	-	-	-	-
Net movement in funds		63,944	(47,311)	16,633	(6,115)
Reconciliation of funds					
Total funds brought forward		254,460	94,926	349,386	355,501
Total funds carried forward	21	318,404	47,615	366,019	349,386

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2022 is shown in note 14.

THE NATIONAL LOBSTER HATCHERY
REGISTRATION NUMBER: 03527313
BALANCE SHEET AS AT 31 MARCH 2023

				2023	(As restated) 2022
		Unrestricted funds	Restricted funds	Total funds	Total funds
	Note	£	£	£	£
Fixed assets					
Tangible assets	16	207,438	54,686	262,124	292,861
Investments	17	1	-	1	1
		207,439	54,686	262,125	292,862
Current assets					
Debtors	18	28,209	101,749	129,958	79,315
Cash at bank and in hand		126,030	(108,820)	17,210	29,966
		154,239	(7,071)	147,168	109,281
Creditors:					
Amounts falling due within one year	19	(43,274)	-	(43,274)	(52,757)
Net current assets		110,965	(7,071)	103,894	56,524
Net assets		318,404	47,615	366,019	349,386
Funds of the charity:	21				
At 31 March 2023		318,404	47,615	366,019	-
At 31 March 2022 (as restated)		254,460	94,926	-	349,386

For the financial year ending 31 March 2023 the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 23 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for:

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- 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.

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

24 May 24 and were signed on its behalf by:

RD Clifford-Wing
Chair

THE NATIONAL LOBSTER HATCHERY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. CHARITY STATUS

The charity is limited by guarantee, incorporated in England, and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

The National Lobster Hatchery
South Quay
Padstow
Cornwall
PL28 8BL

2. 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 and Charities Act 2011. The financial statements have been prepared under the historical cost convention, except for investments which are included at market value.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying values of assets held by the charity.

Income

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

Turnover is the amount derived from the provision of goods/services and stated after discounts, other sales taxes and net of VAT.

Donations, legacies and grant income

Income from donations and grants is recognised when there is evidence of entitlement, receipt is probable and its amount can be measured reliably. Grant income is recognised under the performance model. If a donation is subject to performance conditions, the income is not recognised until it is probable that these conditions will be fulfilled.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received or the performance conditions imposed have been met.

Donated services and facilities

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the Trustees' report.

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.

THE NATIONAL LOBSTER HATCHERY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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

Fixed assets are initially recorded at cost, less subsequent accumulated depreciation, and subsequent accumulated impairment losses.

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

Asset class	Depreciation method and rate
Leasehold property	10% per annum straight line / 2% per annum straight line
Plant and machinery	10% per annum straight line basis
Fixtures and fittings	20% per annum straight line basis
Library	10% per annum straight line basis
Computer equipment	33% per annum straight line basis

Taxation

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

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are present as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtor is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of receivables.

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 the specific restrictions imposed by the 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 FOR THE YEAR ENDED 31 MARCH 2023

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.

Financial instruments

Classification

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Recognition and measurement

Basic financial assets and liabilities are initially measured at transaction price (including transaction costs) and subsequently measured at their settlement value.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expire.

THE NATIONAL LOBSTER HATCHERY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

3 DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	95,594	68,747
Gift aid donations	33,353	38,463
Adopt a lobster	17,200	19,119
Harbour Holidays	-	1,000
	<u>146,147</u>	<u>127,329</u>

4 OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Donation from NLH Enterprises	5,783	5,783
Functions and events	21,464	6,950
Miscellaneous income	5,548	364
Room hire	-	(640)
Juvenile sale	115	3,520
	<u>32,910</u>	<u>15,977</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 17).

5 INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	43	1
	<u>43</u>	<u>1</u>

6 INCOME FROM CHARITABLE ACTIVITIES

		2023	2022
	Activity	£	£
Revenue grants	Research	82,004	55,505
Revenue grants	Education	61,040	13,360
Revenue grants	Other	-	29,696
		<u>143,044</u>	<u>98,561</u>
Admissions	Education	172,775	182,156
		<u>315,819</u>	<u>280,717</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:

	2023	2022
	£	£
University of Exeter	82,004	37,475
Heritage Lottery Fund	3,340	13,360
The Steel Charitable Trust	7,700	-
Garfield Weston Foundation	50,000	-
JRS Furlough Scheme	-	13,696
COVID 19 Small Business Grant	-	16,000
University of East Anglia	-	18,030
	<u>143,044</u>	<u>98,561</u>

THE NATIONAL LOBSTER HATCHERY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

7 RAISING FUNDS

	2023	2022
	£	£
Raising donations and legacies		
Staff costs	21,096	37,369
Function and events costs	701	282
	<u>21,797</u>	<u>37,651</u>
Other trading activities		
Purchases	937	1,037
Staff costs	43,508	49,019
Support costs (see note 9)	28,697	19,996
	<u>73,142</u>	<u>70,052</u>
Aggregate amounts	<u>94,939</u>	<u>107,703</u>

8 CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (see note 9)	Totals
	£	£	£
Research	126,303	78,305	204,608
Education	28,353	61,728	90,081
Conservation	34,453	54,205	88,658
	<u>189,109</u>	<u>194,238</u>	<u>383,347</u>

9 SUPPORT COSTS

	Other trading activities	Research	Education	Conservation	2023 Total	2022 Total
	£	£	£	£	£	£
Wages and staff costs	9,217	17,411	17,412	17,413	61,453	49,474
Social security	721	1,361	1,361	1,361	4,804	739
Pensions	192	363	362	362	1,279	1,529
Establishment costs	5,856	20,267	11,063	11,062	48,248	40,949
Insurance	1,176	2,220	2,220	2,220	7,836	7,466
Office costs	3,497	9,013	6,605	6,605	25,720	19,465
Marketing	2,227	4,206	4,206	4,206	14,845	12,383
Professional fees	2,624	6,207	4,957	4,957	18,745	15,782
Vehicle expenses	204	385	385	386	1,360	2,920
Finance costs	907	1,713	1,713	1,712	6,045	6,386
Deprecation - leasehold property	1,159	2,188	2,189	2,188	7,724	7,724
Depreciation	296	11,799	560	560	13,215	13,488
Depreciation of fixtures & fittings	497	938	2,042	939	4,416	4,416
Depreciation - computer equipment	124	234	6,653	234	7,245	7,246
	<u>28,697</u>	<u>78,305</u>	<u>61,728</u>	<u>54,205</u>	<u>222,935</u>	<u>189,967</u>

Basis of allocation: Support costs have been allocated directly to the activity to which it relates with remaining costs allocated to on a basis consistent with the best estimate of the use of resources.

Funds: £191,310 (2022 - £159,420) of the above expenditure was attributable to unrestricted funds and £31,625 (2022 - £23,815) to restricted funds.

Governance costs: Included in the expenditure analysed above are governance costs of £11,066 (2022 - £7,968). See note 10 for further details.

THE NATIONAL LOBSTER HATCHERY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

10 GOVERNANCE COSTS

	2023	2022
	£	£
Professional fees		
Examination of the financial statements	3,000	2,000
Other accountancy fees	4,514	2,477
Miscellaneous legal fees	48	61
HR services	3,504	3,430
	<u>11,066</u>	<u>7,968</u>

11 NET INCOME/(EXPENDITURE)

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

	2023	2022
	£	£
Interest payable	735	1,546
Depreciation – owned assets	32,600	32,874
Surplus on disposal of fixed assets	<u>-</u>	<u>(50)</u>

12 TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022

Trustees' expenses

There were no trustees' expenses for the year ended 31 March 2023 nor for the year ended 31 March 2022

THE NATIONAL LOBSTER HATCHERY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

13 STAFF COSTS

	2023	2022
	£	£
Wages and salaries	276,321	243,826
Social security costs	18,989	13,465
Other pension costs (defined contribution)	5,713	5,972
	<u>301,023</u>	<u>263,263</u>

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

	2023	2022
	17	18

No employees received emoluments in excess of £60,000

The total employee benefits of the key management personnel of the Charity were £63,160 (2022 - £68,141)

14 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	2022	2022	2022
	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Income and Endowments from:			
Donations and legacies	119,829	7,500	127,329
Charitable activities:			
Research	2,000	53,505	55,505
Education	182,156	13,360	195,516
Other	29,696	-	29,696
Other trading activities	15,977	-	15,977
Investment income	1	-	1
Other income	50	-	50
Total Income	<u>349,709</u>	<u>74,365</u>	<u>424,074</u>
Expenditure on:			
Raising funds	101,570	6,133	107,703
Charitable activities:			
Research	58,015	49,592	107,607
Education	76,854	7,480	84,334
Conservation	113,262	17,283	130,545
Total Expenditure	<u>349,701</u>	<u>80,488</u>	<u>430,189</u>
Net income/(expenditure)	8	(6,123)	(6,115)
Transfers between funds	(8,637)	8,637	-
Net movement in funds	(8,629)	2,514	(6,115)
Reconciliation of funds			
Total funds brought forward	263,089	92,412	355,501
Total funds carried forward	<u>254,460</u>	<u>94,926</u>	<u>349,386</u>

THE NATIONAL LOBSTER HATCHERY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

15 INDEPENDENT EXAMINER'S REMUNERATION

	2023	2022
	£	£
Examination of the financial statements	3,000	2,000
Other assurance services (paid to 2022 examiner)	1,250	500
Other fees to examiners		
All other services	3,250	1,977
All other services (paid to 2022 examiner)	14	-

16 TANGIBLE FIXED ASSETS

	Leasehold property £	Plant and machinery £	Fixtures and fittings £	Library £	Computer equipment £	Totals £
COST						
1-Apr-22	358,767	301,705	76,020	356	27,457	764,305
Additions:	-	-	1,863	-	-	1,863
31-Mar-23	358,767	301,705	77,883	356	27,457	766,168
DEPRECIATION						
1-Apr-22	160,451	236,002	61,669	356	12,966	471,444
Charge	7,724	13,215	4,416	-	7,245	32,600
31-Mar-23	168,175	249,217	66,085	356	20,211	504,044
NET BOOK AMOUNT						
31-Mar-23	190,592	52,488	11,798	-	7,246	262,124
31-Mar-22	198,316	65,703	14,351	-	14,491	292,861

Included in Leasehold property is the The National Lobster Hatchery building which was constructed by the Charity and bought into use on 1 April 2001. The freehold land is subject to a 125 year lease from 25 December 2000 at a peppercorn rate from the local authority.

The Charity was donated a vehicle in 2012 for its own use. The vehicle has not been capitalised and has no carrying value included within fixed assets.

17 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 April 2022 and 31 March 2023	1
NET BOOK AMOUNT	
31-Mar-23	1
31-Mar-22	1

The investment in the subsidiary is included at market value which has been determined by the trustees.

THE NATIONAL LOBSTER HATCHERY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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

NLH Enterprises Limited

Registered office: The National Lobster Hatchery, South Quay, Padstow,
Cornwall, PL28 8BL

Registered number: 09487885

Nature of business: trading activities sales of merchandise

Class of share: Ordinary %
 holding
 100

	2023	2022
	£	£
Aggregate assets	11,998	20,804
Aggregate liabilities	11,997	20,803
Aggregate capital and reserves	1	1

NHL Enterprises Limited is a wholly owned subsidiary, which operates a shop at the National Lobster Hatchery.

The National Lobster Hatchery is exempt from preparing consolidated financial statements as the group meets the definition of a small group.

Accounts are filed with the Registrar of Companies. A summary of its results are given below:

	2023	2022
	£	£
Turnover	38,046	32,417
Cost of sales	(22,310)	(17,308)
	15,736	15,109
Administrative expenses	(9,863)	(9,236)
Net profit	5,873	5,873
Donation to The National Lobster Hatchery	(5,873)	(5,873)
	-	-

18 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	106,857	43,864
Amounts owed by group undertakings	9,257	16,059
Other debtors	1,710	14
VAT	-	9,158
Prepayments	12,134	10,220
	129,958	79,315

THE NATIONAL LOBSTER HATCHERY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	12,943	11,024
Other creditors	3,423	12,625
Taxation and social security	11,275	5,425
Pension scheme creditor	1,188	1,419
Deferred income	4,500	14,500
Accrued expenses	9,945	7,764
	<u>43,274</u>	<u>52,757</u>

	2023	2022
	£	£
Deferred income at 1 April	14,500	3,000
Resources deferred in the period	-	12,500
Amounts released from previous periods	(10,000)	(1,000)
Deferred income at 31 March	<u>4,500</u>	<u>14,500</u>

Deferred income as at 31 March 2023 consists of patron donations for future periods and a donation in respect of research project.

20 PENSION AND OTHER SCHEMES

The charity operates a defined contribution pension scheme which are held separately and independently administered. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £5,713 (2022 - £5,972). At the balance sheet date, unpaid contributions of £1,188 (2022 - £1,419) were due to the fund and are included in creditors.

21 MOVEMENT IN FUNDS

	At 1 April 22	Net movement in funds (below)	Transfer between funds	At 31 March 23
	£	£	£	£
Unrestricted funds				
General fund	59,231	70,676	-	129,907
Designated fund	195,229	(6,732)	-	188,497
	<u>254,460</u>	<u>63,944</u>		<u>318,404</u>
Restricted funds				
Lobster Grower 2	5,259	-	-	5,259
Lobster Module	56,195	(11,239)	-	44,956
New Chapter 2020	22,399	177	-	22,576
Lobster Ageing UEA	5,636	(2,197)	-	3,439
UNDP	-	(5,826)	-	(5,826)
Euro SWAC	5,437	(28,226)	-	(22,789)
	<u>94,926</u>	<u>(47,311)</u>	<u>-</u>	<u>47,615</u>
Total funds	<u>349,386</u>	<u>16,633</u>	<u>-</u>	<u>366,019</u>

THE NATIONAL LOBSTER HATCHERY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

21 continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	395,215	(324,539)	70,676
Designated fund	-	(6,732)	(6,732)
	<u>395,215</u>	<u>(331,271)</u>	<u>63,944</u>
Restricted funds			
Lobster Grower 2	-	-	-
Lobster Module	-	(11,239)	(11,239)
New Chapter 2020	7,700	(7,523)	177
Lobster Ageing UEA	-	(2,197)	(2,197)
UNDP	-	(5,826)	(5,826)
Euro SWAC	92,004	(120,230)	(28,226)
	<u>99,704</u>	<u>(147,015)</u>	<u>(47,311)</u>
Total funds	<u>494,919</u>	<u>(478,286)</u>	<u>16,633</u>

Comparatives for movement in funds

	At 1 April 21 £	Net movement in funds £	Transfer between funds £	At 31 March 22 £
Unrestricted funds				
General fund	61,128	6,740	(8,637)	59,231
Designated fund	201,961	(6,732)	-	195,229
	<u>263,089</u>	<u>8</u>	<u>(8,637)</u>	<u>254,460</u>
Restricted funds				
Lobster Grower 2	5,259	-	-	5,259
Lobster Module	67,434	(11,239)	-	56,195
New Chapter 2020	19,719	2,680	-	22,399
Lobster Ageing UEA	-	6,336	(700)	5,636
Euro SWAC	-	(3,900)	9,337	5,437
	<u>92,412</u>	<u>(6,123)</u>	<u>8,637</u>	<u>94,926</u>
Total funds	<u>355,501</u>	<u>(6,115)</u>	<u>-</u>	<u>349,386</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	349,709	(342,969)	6,740
Designated fund	-	(6,732)	(6,732)
	<u>349,709</u>	<u>(349,701)</u>	<u>8</u>
Restricted funds			
Lobster Module		(11,239)	(11,239)
New Chapter 2020	13,360	(10,680)	2,680
Lobster Ageing UEA	16,030	(9,694)	6,336
Euro SWAC	44,975	(48,875)	(3,900)
	<u>74,365</u>	<u>(80,488)</u>	<u>(6,123)</u>
Total funds	<u>424,074</u>	<u>(430,189)</u>	<u>(6,115)</u>

THE NATIONAL LOBSTER HATCHERY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

21 continued

The current year (12 months) and prior year (12 months) combined position is as follows:

	At 1 April 21	Net movement in funds (below)	Transfer between funds	At 31 March 23
	£	£	£	£
Unrestricted funds				
General fund	61,128	77,416	(8,637)	129,907
Designated fund	201,961	(13,464)	-	188,497
	<u>263,089</u>	<u>63,952</u>	<u>(8,637)</u>	<u>318,404</u>
Restricted funds				
Lobster Grower 2	5,259	-	-	5,259
Lobster Module	67,434	(22,478)	-	44,956
New Chapter 2020	19,719	2,857	-	22,576
Lobster Ageing UEA	-	4,139	(700)	3,439
UNDP	-	(5,826)	-	(5,826)
Euro SWAC	-	(32,126)	9,337	(22,789)
	<u>92,412</u>	<u>(53,434)</u>	<u>8,637</u>	<u>47,615</u>
Total funds	<u>355,501</u>	<u>10,518</u>	<u>-</u>	<u>366,019</u>

The current year (12 months) and prior year (12 months) combined net funds movement is as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	744,924	(667,508)	77,416
Designated fund	-	(13,464)	(13,464)
	<u>744,924</u>	<u>(680,972)</u>	<u>63,952</u>
Restricted funds			
Lobster Grower 2	-	-	-
Lobster Module	-	(22,478)	(22,478)
New Chapter 2020	21,060	(18,203)	2,857
Lobster Ageing UEA	16,030	(11,891)	4,139
UNDP	-	(5,826)	(5,826)
Euro SWAC	136,979	(169,105)	(32,126)
	<u>174,069</u>	<u>(227,503)</u>	<u>(53,434)</u>
Total funds	<u>918,993</u>	<u>(908,475)</u>	<u>10,518</u>

Details of funds

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

The Designated fund is an unrestricted fund and represents the book value of the initial build cost of The National Lobster Hatchery premises and visitor centre in Padstow.

Restricted funds are funds which are to be used in accordance with the specific restrictions imposed by the donors or which have been raised by the charity for particular purposes. 'UNDP' and 'New Chapter 2020' are for the purposes of education. 'EuroSWAC', 'Lobster Ageing UEA', 'Lobster Module' and 'Lobster Grower 2' are research funds. Further details on the charity's objectives can be found in the report of the trustees.

THE NATIONAL LOBSTER HATCHERY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

21 continued

Transfers between funds

Transfer 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.

Transfer 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 other operating costs / overhead costs this is also shown as a transfer from restricted to unrestricted rather than an allocation within the SOFA

22 **RELATED PARTY DISCLOSURES**

The aggregate donations received from trustees and related parties during the year without conditions totalled £30,143 (2022 - £30,933).

NLH Enterprises Ltd (subsidiary of The National Lobster Hatchery)

Wages costs were recharged for use of employee time during the year, the total amount recharged during the year was £9,000 (2022 - £8,500).

A donation from the subsidiary to the parent totalling £5,783 (2022 - £5,783) was made during the year. At the balance sheet date the amount due from NLH Enterprises Ltd was £9,257 (2022 - £16,059).

RD Clifford- Wing (trustee)

Wing of St Mawes Limited, a company owned by the trustee, invoiced the charity £869 (2022 - £639) for products supplied to the charity. A temporary loan of £6,000 was also advanced to the Charity and repaid during the year. The loan was interest free and repayable on demand.

At the balance sheet date the amount owing by the charity was £59 (2022 - £nil).

CC Thompson (trustee)

Imagineear Ltd, a company in which the trustee is a shareholder, invoiced the charity £6,500 (2022 - £nil) for professional services. At the balance sheet date, the amount owing to/from the charity was £nil (2022 - £nil).

PJD Hodgson (trustee)

Hodgsons, a company owned by a close family member of the trustee, invoiced the charity £1,170 (2022 - £1,635) for professional services. At the balance sheet date, the amount owing to/from the charity was £nil (2022 - £nil).

During the year ended 2022 a business owned by one of the trustees invoiced the charity an amount of £5,520 for services provided. The balance due on 31 March 2022 was £nil.

23 **PRIOR PERIOD ADJUSTMENT**

The comparatives shown in the financial statements for the year ended 31 March 2022 have been restated for the following reasons:

To recognise leasehold property constructed by the Charity for its own use which had previously been netted off. The building was completed in April 2001 and is recognised at cost (the original contract price) less subsequent accumulated depreciation. The building is depreciated over its useful economic life, estimate to be 50 years (2% straight line per annum) by the Trustees.

The impact on the financial statements is as follows:

- At 1 April 2021, unrestricted (designated) funds and the carrying value of fixed assets were understated, and have subsequently increased by £201,961.
- Depreciation charged for the period 1 April 2021 to 31 March 2022 was understated and has subsequently increased by £6,732.
- Following the allocation of this increase in support costs. Expenditure on charitable activities has increase by £5,722 and expenditure on raising funds by £1,010.

THE NATIONAL LOBSTER HATCHERY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

23 continued

- Net income for the period ended 31 March 2022 was originally reported as £617. This is now net expenditure of £6,115.
- At 31 March 2022, unrestricted (designated) funds and the carrying value of fixed assets were understated, and have subsequently increased by £195,229.

24 **ULTIMATE CONTROLLING PARTY**

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