

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

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**



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

CONTENTS

	Page
Reference and administrative details of the Company, its Trustees and advisers	1
Trustees' report	2 - 8
Independent auditors' report on the financial statements	9 - 12
Statement of financial activities	13
Balance sheet	14 - 15
Statement of cash flows	16
Notes to the financial statements	17 - 28

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

Trustees	P Hygate, Chairman C Woodley Stewart, Vice Chairman N Holliday J S Williamson (resigned 19 November 2020) P Walton D Hewlett L Barron J B Dixon (co-opted 24 February 2021) A Khatwa (co-opted 24 February 2021) G Perry (co-opted 24 February 2021) K Taylor (co-opted 24 February 2021)
Company registered number	04729800
Charity registered number	1158871
Registered office	Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG
Company secretary	H C Davies (resigned 1 July 2021) G Perry (appointed 1 July 2021)
Key Management Personnel	Howard Davies - Chief Executive Officer Richard Clarke - National Policy and Development Manager

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees (who are also directors of the Charity for the purposes of the Companies Act) present their annual report together with the financial statements of The National Association for Areas of Outstanding Natural Beauty (the charitable company) for the year ended 31 March 2021. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

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

Objectives and activities

a. Policies and objectives

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

The main activities undertaken in relation to those purposes are -

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

b. Strategies for achieving objectives

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

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

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

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

This year has focused on the refresh of the NAAONB Strategy and the delivery of an interim business plan designed to bridge the gap between this strategic planning cycle and the next. This decision was driven by uncertainty over the outcome of the Glover Review in England and the Covid-19 pandemic.

The impact of the Covid-19 pandemic on the National Association for AONBs and its membership cannot be overstated. Staff have devoted significant resources to supporting the membership in responding to enforced homeworking through the maintenance of communication between and across AONB teams and governments, communicating to governments the breadth of impact of Covid-19 locally, and acting as a conduit for communication from governments to AONB teams. This additional work did not displace the more usual task of working with governments, their associated agencies, and nongovernmental bodies to **promote the conservation and enhancement of natural beauty**.

In England, this work has focused on active engagement with the NAAONB membership, Defra and other stakeholders to continue to support the roll out of the Glover Review recommendations in an informed way. Considerable time, energy, and expertise has been directed towards supporting Defra in this area. The NAAONB has also directed significant resources into co-ordinating the delivery, reporting, and resourcing of the programme of Tests and Trials to inform the emerging ELM (Environmental Land Management) scheme. The NAAONB also successfully bid for, and ran, a programme of webinars for AONB and National Park staff, and farmers introducing ELMs and what it seeks to achieve.

Additionally, the NAAONB focused energy and resources into taking forward an amendment to the Agriculture Bill that would recognise landscape as a fundamental component of any future agriculture support mechanism. This amendment successfully survived all readings of the Bill in both houses and was included in the Act as published.

Work has continued on the Colchester Declaration – a plan for nature recovery across AONBs in England. The NAAONB continues to work closely with its membership and stakeholders, especially Natural England and the National Park Authorities, to ensure a joined-up approach to nature recovery in AONBs. We have strengthened our relationship with Natural England, initially coming together around a collaborative approach to nature recovery, but more recently widening this commitment through a joint statement with Natural England and National Parks England that reaffirms our intention to work together to conserve and enhance natural beauty. Working in collaboration with Natural England the NAAONB has secured additional resources to employ a Nature Recovery Officer who is now leading on this area of work, in particularly the development of a Local Nature Recovery Plans in each AONB, and support for a set of pilot projects, one of which was the focus of a bespoke GIS based spatial mapping programme to help guide targeted management intervention.

A shift to online working also resulted in the NAAONB contributing to, and learning from, international discussions on protected area management. The NAAONB has consequently maintained links with the Europarc Federation, and is a signatory of the Common Earth Alliance, a voluntary affiliation of organisations taking forward the principles of regenerative development as a mechanism to counter climate change, biodiversity loss, and related social inequalities.

Much work has also taken place to help better **to advance the education, understanding and appreciation of the public in relation to the conservation and enhancement of natural beauty**. The NAAONB took the decision not to hold its annual conference as usual, and instead invested in exploring novel ways of running events online. This area of work required an investment of time and charity funds, but has placed the NAAONB in a better position to deliver on its objectives than ever before. We now have a practical alternative to face-to-face events and workshops, can support the membership in their efforts to cut carbon emissions through reducing the need for travel, and can provide a wider offer to a broader and more diverse audience. This will provide the basis for the delivery of hybrid events in the future.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

The NAAONB diverted resources to support the national AONB communications group during the year. This proved to be an effective way for UK Government to communicate with AONB teams, especially during the periods of intense recreational use of AONBs as lockdowns were lifted. Early in the year we recruited a National Communications Manager who is now leading on all aspects of communication across the network. This role has a specific focus on better understanding the AONB brand, and developing our work around equality, diversity, and inclusion. The NAAONB has produced regular newsletters and bulletins and helped drive forward a programme of work around embedding the arts in the work of AONB partnerships.

The NAAONB has continued to grow its ability to celebrate AONBs and natural beauty. We have maintained our relationship with Simon Armitage, the Poet Laureate, and extended this relationship with the arts to include collaborative work with The Poetry School. Co-ordinating the energy and enthusiasm across the AONB Family to support The Laurel and Ginkgo prizes has improved our reach, relevance, and impact, and will help us explore new ways of bringing landscape to a new audience. The NAAONB and AONB Family has been a significant supporter of both competitions and this work represents an important step in taking forward the Art in the Landscape Strategy, recently adopted by the NAAONB and many AONB partnerships across England.

With regards to new audiences, we held a number of national conversations to explore how we become more inclusive in the ways we operate. This is not just a response to the moral and ethical imperative, and the fact that AONBs are designated by the nation for the nation, but in order to drive the necessary innovation, creativity, and challenge upon which effective governance relies. This is a difficult, but necessary, conversation and we are grateful to those external partners working so actively with us to support us in our desire for change. We recognise the importance of understanding and developing our brand, and furthering this conversation will be an important element of next year's work.

Advocacy on behalf of AONB partnerships and the landscapes they conserve and enhance has been focused almost entirely on the Glover Review. The NAAONB has worked continuously with key eNGOs to advance their understanding of the work of AONBs, and entered into some difficult debates on the value of AONBs with regards nature conservation. Much energy has been focused on helping UK Government to better understand the value of AONBs and the relationship between the data and evidence provided to the Review team and emerging public policy.

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

Work undertaken **to promote the efficiency and effectiveness of those organisations promoting or representing Areas of Outstanding Natural Beauty** has centred on taking forward areas of collective work through collaboration. This builds on the personal development programme, 'Taking the Lead', funded through Heritage Lottery Fund's Resilience Fund last year. The NAAONB has continued to foster a culture of deep collaboration across its membership and has secured additional financial commitment from its members to support a new programme of collaboration, based around action to deliver on climate change.

The NAAONB continues to support its members through the provision of one-to-one developmental training and coaching based on the now fully tested personality profiling tool (Lumina Spark, a service of Lumina Learning).

Following universal feedback from its membership the NAAONB made a decision to replace Basecamp, its online discussion and information sharing web platform, with a bespoke platform designed around the stated needs of members. This required significant investment of time and resources and necessarily has drawn on the charity reserves. This platform will inevitably take time to become established, but has far greater functionality and will better serve the needs of a developing membership.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

Achievements and performance

a. Review of Activities

The NAAONB has made great efforts to support AONB teams over what has been a difficult year. We have opened up national conversations through our online platform that have been designed to bring people together, understand better how people are coping, and create a sense of unity during a period which, for many, has been one of enforced isolation. We have increased our commitment to working on a one-to-one basis with lead officers and other staff, and have made a concerted effort to lead from a position of principles and values.

Covid 19, and the associated response, has impacted on the NAAONB as it has many other eNGOs. Our sources of unrestricted income were centred on our National Conference, Lead Officer meetings, workshops, and the Chairmen's Conference, all of which have necessarily been cancelled. However, this has given us an opportunity to reconsider how we might run events in the future, and how we can best utilise online platforms, reducing our carbon footprint and widening the potential audience for our work. We have invested in exploring options, and redesigned our online platform that will allow us to run interactive events online. This facility will also be made available to AONB Partnerships and conservation boards for use at the local and regional level.

We are a small charity with significant impact. We adopt a strategic approach to delivery, and recognise the central role farmers and landowners have in conserving and enhancing natural beauty. We have worked to influence agricultural policy and legislation at the highest level, recognising the importance of addressing the causes of landscape change. Our work supporting the agricultural Tests and Trials is of significant importance in this respect. We are justifiably proud of having such impact in this sector and to be managing the only national collaborative project in this field and look forward to using what we learn to help inform UK Government's thinking in this area.

Our engagement with Defra around the delivery of Glover Review recommendations has been resource intensive. We have been consistently on hand to provide technical information, data, evidence, background understanding, and experience to support Defra's landscape team. We have ensured that our members are fully apprised of government thinking and have worked to ensure Defra understands the needs of our membership.

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

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

b. Fundraising

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

c. Investment policy

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

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Financial review

a. Going concern

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

b. Reserves policy

At the 31st March 2021 there were funds of £546,663 this compares to £410,117 at 31st March 2020. Free reserves at the year end were a surplus of £116,398 (2020: £125,250).

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

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

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

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

The budgeted period is normally three years from the end of the spending year. This year, however, we have only been able to present a budget for one year in line with the length of the funding agreement we have with Defra. Where there are uncertainties, appropriate levels of contingency funding will be applied. The three-year level of reserves is to be calculated by the Honorary Treasurer and the CEO at the same time as the annual budget is prepared. That level of reserves is then incorporated into the budget process as a whole. The level of reserves is monitored as one part of the periodic reporting of Management Accounts to the Board. This policy will be reviewed annually during the budget setting process, and when there are significant changes in staff and/or project activity.

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

c. Principal risks and uncertainties

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

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

- Public sector environmental funding declines
- Major partners withdraw from use of NAAONB services (e.g. Defra)
- Free reserves fall below target

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management

a. Constitution

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

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

The Directors of the charitable company are its Trustees for the purpose of charity law and throughout the report are collectively referred to as trustees. The governing body of the National Association for AONBs is its Board.

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

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

b. Methods of appointment or election of Trustees

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

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

Plans for future periods

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

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

The strategic direction of the charity is currently under review.

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, WR Partners, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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



P Hygate
Chairman

Date: 20 December 2021

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIONAL ASSOCIATION FOR AREAS OF OUTSTANDING NATURAL BEAUTY

Opinion

We have audited the financial statements of National Association for Areas of Outstanding Natural Beauty (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIONAL ASSOCIATION FOR AREAS OF
OUTSTANDING NATURAL BEAUTY (CONTINUED)**

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIONAL ASSOCIATION FOR AREAS OF OUTSTANDING NATURAL BEAUTY (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We reviewed the susceptibility of the charitable company's financial statements to material misstatement and identified the principal risks, implementing a series of testing procedures to provide us with sufficient comfort to issue our opinion.
- We reviewed the charitable company's regulatory environment to ensure we could conclude that it had acted in accordance with the framework relevant to the charitable company and its environment and identify any instances of non-compliance.
- We also assessed the charitable company's internal control procedures to ensure we could appropriately scrutinise these controls and establish whether our understanding of the control environment was sufficient to supplement our additional testing procedures.
- The engagement team consisted of a team that the engagement partner believes is equipped with the relevant level of technical and charitable company awareness to carry out our work to the required standard.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Other matters

The comparative financial statements are unaudited.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIONAL ASSOCIATION FOR AREAS OF
OUTSTANDING NATURAL BEAUTY (CONTINUED)**

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

WR Partners

WR Partners

Chartered Accountants
Statutory Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date:

21 December 2021

WR Partners are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	888,972	243,518	1,132,490	576,609
Charitable activities	4	-	14,412	14,412	78,603
Total income		888,972	257,930	1,146,902	655,212
Expenditure on:					
Charitable activities		753,165	257,191	1,010,356	510,509
Total expenditure		753,165	257,191	1,010,356	510,509
Net income		135,807	739	136,546	144,703
Transfers between funds	12	6,081	(6,081)	-	-
Net movement in funds		141,888	(5,342)	136,546	144,703
Reconciliation of funds:					
Total funds brought forward		284,861	125,256	410,117	265,414
Net movement in funds		141,888	(5,342)	136,546	144,703
Total funds carried forward		426,749	119,914	546,663	410,117

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 17 to 28 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	9	3,516	189
		3,516	189
Current assets			
Debtors	10	120,500	10,320
Cash at bank and in hand		467,563	436,462
		588,063	446,782
Creditors: amounts falling due within one year	11	(44,916)	(36,854)
Net current assets		543,147	409,928
Total assets less current liabilities		546,663	410,117
Total net assets		546,663	410,117

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

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Charity funds			
Restricted funds	12	426,749	284,861
Unrestricted funds	12	119,914	125,256
Total funds		546,663	410,117

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

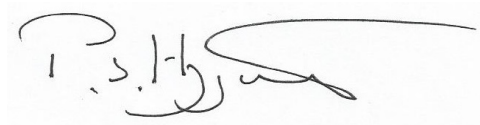
The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

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

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

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



P Hygate

Chairman

Date: 20 December 2021

The notes on pages 17 to 28 form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	14	34,621	173,025
Purchase of tangible fixed assets		(3,520)	-
Net cash (used in)/provided by investing activities		(3,520)	-
Change in cash and cash equivalents in the year		31,101	173,025
Cash and cash equivalents at the beginning of the year		436,462	263,437
Cash and cash equivalents at the end of the year	15	467,563	436,462

The notes on pages 17 to 28 form part of these financial statements

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

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

1. General information

The National Association for Areas of Outstanding Natural Beauty is a charitable company, limited by guarantee.

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the second edition 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

2.2 Income

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

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.3 Expenditure

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

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

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

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

2. Accounting policies (continued)

2.4 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

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

2.5 Debtors

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

2.6 Cash at bank and in hand

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

2.7 Liabilities and provisions

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

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

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

2.8 Financial instruments

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

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

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

2. Accounting policies (continued)

2.9 Pensions

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

2.10 Fund accounting

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

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

3. Income from donations and legacies

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Membership contributions	3,600	117,905	121,505	123,098
Grants	885,372	125,613	1,010,985	443,511
Sponsorship	-	-	-	10,000
Total 2021	888,972	243,518	1,132,490	576,609
<i>Total 2020</i>	<i>323,197</i>	<i>253,412</i>	<i>576,609</i>	

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

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

4. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Charitable activities	14,412	14,412	16,592
Sales	-	-	62,011
Total 2021	<u>14,412</u>	<u>14,412</u>	<u>78,603</u>
<i>Total 2020</i>	<u>78,603</u>	<u>78,603</u>	

5. Analysis of expenditure by activities

	Support costs 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
All activities	1,010,356	1,010,356	510,509
Total 2021	<u>1,010,356</u>	<u>1,010,356</u>	<u>510,509</u>
<i>Total 2020</i>	<u>510,509</u>	<u>510,509</u>	

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

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

5. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	205,403	205,403	149,510
Contractor costs	72,168	72,168	56,064
Depreciation	193	193	314
Charitable activities	4,976	4,976	50,558
Finance	623	623	512
IT costs	39,109	39,109	11,251
Sundries	3,558	3,558	44,907
Subscriptions	442	442	894
Consultant's fees	577,154	577,154	168,392
Bad debts	-	-	786
Management fee	14,412	14,412	16,592
Grants paid	88,000	88,000	-
Governance costs	4,318	4,318	10,729
Total 2021	<u>1,010,356</u>	<u>1,010,356</u>	<u>510,509</u>
<i>Total 2020</i>	<u>510,509</u>	<u>510,509</u>	

6. Auditors' remuneration

	2021 £	<i>2020 £</i>
Fees payable to the Company's auditor for the audit/independent examination of the Company's annual accounts	<u>6,500</u>	<u>2,400</u>

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

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

7. Staff costs

	2021 £	<i>2020</i> £
Wages and salaries	148,145	<i>104,725</i>
Social security costs	12,800	<i>8,181</i>
Contribution to defined contribution pension schemes	44,458	<i>36,605</i>
	<u>205,403</u>	<u><i>149,511</i></u>

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

	2021 No.	<i>2020</i> No.
Employees	<u>5</u>	<u><i>4</i></u>

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

	2021 No.	<i>2020</i> No.
In the band £60,001 - £70,000	1	<i>1</i>

8. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (*2020 - £NIL*).

During the year ended 31 March 2021, no Trustee expenses have been incurred (*2020 - £8,470*).

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

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

9. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 April 2020	454	1,200	1,654
Additions	137	3,383	3,520
At 31 March 2021	591	4,583	5,174
Depreciation			
At 1 April 2020	414	1,051	1,465
Charge for the year	44	149	193
At 31 March 2021	458	1,200	1,658
Net book value			
At 31 March 2021	133	3,383	3,516
<i>At 31 March 2020</i>	40	149	189

10. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	119,961	5,195
Other debtors	380	-
Prepayments and accrued income	159	5,125
	120,500	10,320

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

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

11. Creditors: Amounts falling due within one year

	2021	<i>2020</i>
	£	£
Trade creditors	2,000	244
Other taxation and social security	18,540	33,113
Other creditors	307	882
Accruals and deferred income	24,069	2,615
	44,916	36,854

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

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

12. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Unrestricted funds					
General Funds - all funds	125,256	257,930	(257,191)	(6,081)	119,914
Restricted funds					
Resilient Heritage Fund	831	-	-	-	831
Wales Development Manager	70,076	-	(50,577)	2,661	22,160
Art in Landscape	3,010	1,490	(7,920)	3,420	-
Capacity to Continue Collaborative Work	7,000	9,000	(16,000)	-	-
Tests and Trials	203,944	588,227	(431,631)	-	360,540
ELMS Advocacy	-	171,093	(159,231)	-	11,862
Laurel Prize	-	3,600	(700)	-	2,900
Nature Recovery Coordinator	-	36,907	(13,751)	-	23,156
WEIF	-	78,655	(73,155)	-	5,500
Rebrand	-	-	(200)	-	(200)
	284,861	888,972	(753,165)	6,081	426,749
Total of funds	410,117	1,146,902	(1,010,356)	-	546,663

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

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

12. Statement of funds (continued)

Statement of funds - prior year

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

13. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	3,516	3,516
Current assets	426,749	161,314	588,063
Creditors due within one year	-	(44,916)	(44,916)
Total	426,749	119,914	546,663

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

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

13. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

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

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

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	136,546	144,703
Adjustments for:		
Depreciation charges	193	314
Decrease/(increase) in debtors	(110,180)	32,474
Increase/(decrease) in creditors	8,062	(4,466)
Net cash provided by operating activities	34,621	173,025

15. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	467,563	436,462
Total cash and cash equivalents	467,563	436,462

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

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

16. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	436,462	31,101	467,563
	<u>436,462</u>	<u>31,101</u>	<u>467,563</u>

17. Pension commitments

The Charity makes contributions to personal pension plans of its employees at a rate of 30% of the employees' salary. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £44,458 (2020: £36,605). Contributions totalling £Nil (2020: £Nil) were payable to the personal pension plans at the balance sheet date and are included in creditors.

18. Related party transactions

During the year the Charity purchased a literature review from D Hewlett, one of the Trustees for £600.

The Charity has not entered into any other related party transactions during the year, nor are there any outstanding balances owing between related parties and the Charity at 31 March 2021 (2020: £Nil).