

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

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023



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

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NATIONAL ASSOCIATION FOR AREAS OF OUTSTANDING NATURAL BEAUTY
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023

Trustees	P Hygate, Chairman C Woodley Stewart, Vice Chairman L Barron (resigned 17 November 2022) J B Dixon D Hewlett (resigned 10 March 2023) A Khatwa G Perry K Taylor
Company registered number	04729800
Charity registered number	1158871
Registered office	Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG
Company secretary	G Perry
Accountants	WR Partners Chartered Accountants Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG
Chief Executive Officer	John Watkins

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report together with the financial statements of the Charitable Company for the period from 1 April 2022 to 31 March 2023. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. 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 (FRS102) (effective 1 January 2019).

Since the Charitable Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

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.

b. Activities undertaken to achieve objectives

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

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance

a. Main achievements of the Charitable Company

Landscape shapes and reflects local cultures and is a basic component of natural and cultural heritage, contributing to human well-being and intertwined with national, regional and local identities. We strive for landscapes to contribute to thriving, resilient, inclusive, nature and culture rich places, where natural beauty represents the emotional expression of this connection to place. We aim to maximise our contribution and impact by being a respected and influential voice which draws on experience and evidence to make and influence national and regional policy. We try to shape debate and seek innovation, learning, and solutions. Embracing the complexity of landscape and the forces acting upon it, we seek to empower local teams to be properly invested in so that they may convene, enable, and deliver.

A key focus of effort is working with governments, their associated agencies, and nongovernmental bodies to promote the conservation and enhancement of natural beauty.

In England, as part of the expected response to the Glover review, NAAONB has been working closely with Defra, Natural England, National Parks England and National Trails UK to develop a new Protected Landscapes Partnership. Once established, this should see additional finance drawn into protected landscapes, including AONB, in the first instance to support nature recovery, and equity, diversity and inclusion. This should also enable a strengthened voice for protected landscapes in Government policy making.

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. Around half the English AONBs either have a signed-off plan, or draft that is nearly complete. The rest are at an earlier stage in the process or will be guided by Local Nature Recovery Strategies (LNRSSs). Individual AONBs will also have an important role to play in the 33 of the 48 forthcoming LNRSSs and the NAAONB will continue to support them in their engagement.

The Nature Recovery Coordinator has also been supporting Big Chalk – an ambitious partnership for landscape scale nature recovery across the south - by setting up seven Topic Groups and coordinating their meetings. There have been two rounds of Topic Group meetings to date and they are generally timed with the Big Chalk Board meetings to allow progress to be reported back to the Board.

Since the formal adoption of 30by30 (30% of terrestrial and marine area to be managed for nature by 2030) by the Convention on Biological Diversity (CBD), Natural England and Defra have begun to consider the criteria of what should and should not be included. The NAAONB has been developing a vision of what 30by30 could look like across the AONBs and has been proactive in engaging with both NE and Defra to influence their thinking.

Much work has also taken place to advance the education, understanding and appreciation of the public in relation to the conservation and enhancement of natural beauty. The AGM resolved overwhelmingly to continue to develop the proposal around rebranding of the National Association and of AONBs as 'National Landscapes'. Working alongside a brand agency and with a creative council of underserved groups a bold brand strategy has been adopted and the development of the visual identity and brand assets is well underway ready for public launch later in 2023.

The 2023 Annual Conference was held at Lancaster University, hosted by the North Pennines, Forest of Bowland, Arncliffe and Silverdale, Solway Coast and Howarth Hills AONBs. The conference title, 'The Nation's Landscapes? Peoples and Places' encapsulated the theme of engagement in all its forms – how as AONBs do we engage with new audiences? 180 people attended, predominantly from 36 AONBs from England, Wales and Northern Ireland. In addition, we welcomed delegates from local government, Natural England, Defra, the Campaign for National Parks, consultants, Historic England, Forestry Commission England and more. Sponsorship was provided by National Grid, Salar Media and Lancaster City Council.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

The conference took place at a time of change, and the team navigated changes of plan due to the death of the Queen, train strikes and a change of government a few days before the conference started. Despite this, attendees relished the first face-to-face conference since the start of the pandemic, and the opportunities it gave to share ideas and experience. In addition to speakers from within the AONB family, we heard from the YHA, The Arts Council, the Right to Roam campaign, an artist, and an ethical outdoor clothing company.

The Chairs' Conference, held online in 2022, was attended by over 60 AONB chairs and lead officers. The theme was new to many attendees – what is Green Finance, what isn't it, and what potential does it hold for AONBs? AONB teams are experts at securing funding, and the conference looked at how this expertise will help and what new skills and resources will be needed as green finance becomes an ever-more significant factor in nature recovery. Delegates heard case studies from The Great North Bog, the RSPB, Cornwall and Tamar AONBs and Revere via the National Parks Partnership.

It's clear that green finance represents a huge opportunity to AONBs, and taking full advantage will require significant increases in capacity and knowledge. The conference provided a first step into this rapidly growing area. A successful funding bid to Defra to establish a private investment in nature team in the Association means a boost to capacity in this area. This will help AONB teams to realise the potential of private investment and resource diversification to deliver on their local priorities.

The NAAONB has continued to grow its ability to celebrate AONBs and natural beauty. We signed an Memorandum of Understanding with Arts Council England committing to work together to see more people engaging with culture, and more people engaging with landscape. We believe that there is great potential for people to engage with the landscape through culture and will develop further opportunities to achieve this.

We have maintained our relationship with The Poetry School, co-ordinating the energy and enthusiasm across the AONB Family to support The Laurel and Ginkgo prizes helping us develop 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 element of taking forward the Art in the Landscape Strategy.

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. 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.

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. A review of collaborative activity across the AONB family was undertaken resulting in plans for structural changes to how collaboration across the AONB family is managed. These centre around the development of "communities of practice" across a number of strategic themes of importance to both the National Association and to AONB teams, beginning with a Climate and Nature community of practice. The new structures aim to provide clarity to collaborative work, enable broad engagement from AONB staff, and empower action on behalf of the AONB family.

Through collaborative climate action we brought a group of AONB chairs together to co-create a chairs' statement on climate action. To date, it has been formally signed by 13 AONBs, others are in the process of bringing it to chairs and partnerships. The statement has brought on useful conversations at partnership level. The collaborative climate action work also culminated in developing a Climate Action Toolkit & Framework, aimed primarily at supporting AONB staff and their partners in addressing climate change. We were also able to commission a Carbon Audit & Metric contract (with funding from Natural England), through which each AONB received detailed data and maps on carbon contained in soils and per habitat. This is crucial notably in

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

supporting the development of climate action plans. All of this is detailed on the NAAONB website. The people involved in collaborative working groups through the year have built lasting connections and are now still actively involved in collaborative activities.

b. Fundraising

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

c. Investment policy

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

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future.

b. Reserves policy

At the 31st March 2023 there were funds of £427,416 this compares to £233,250 at 31st March 2022. Free reserves at the year end were a surplus of £341,958 (2022: £136,549).

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 current level of required reserves for this financial year is estimated at circa £120k. The management and trustees are aware that the level of reserves is significantly above this and are seeking to address the issue

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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 are as follows:

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

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. 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Plans for future periods

The Charity's current strategic objectives are set out in its strategic plan 2021-2023. Its strategic objectives have been agreed by its membership:

- Support policies for conserving and enhancing the natural beauty of AONBs.
- Maintain an understanding of AONBs and the issues they face.
- Advocate for AONB partnerships and their teams.
- Sustain a collaborative culture across the AONB Family.

The strategic direction of the charity is currently under review as greater clarity from the UK government's extended period of review of AONB emerges.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charitable 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 . 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 Charitable 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 Charitable Company will continue in business.

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

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



.....
P Hygate
(Chair of Trustees)

Date: 23rd November 2023

NATIONAL ASSOCIATION FOR AREAS OF OUTSTANDING NATURAL BEAUTY
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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2023

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

I report to the charity Trustees on my examination of the accounts of the Charitable Company for the year ended 31 March 2023.

Responsibilities and basis of report

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

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

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INDEPENDENT EXAMINER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Independent examiner's statement

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

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

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

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

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

Signed: 

Dated: 14 December 2023

S J Tweedie BSc FCA DChA

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

NATIONAL ASSOCIATION FOR AREAS OF OUTSTANDING NATURAL BEAUTY
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	3	207,181	546,580	753,761	461,183
Charitable activities	4	-	76,358	76,358	12,862
Total income		207,181	622,938	830,119	474,045
Expenditure on:					
Charitable activities	5	218,988	416,965	635,953	787,458
Total expenditure		218,988	416,965	635,953	787,458
Net (expenditure)/income		(11,807)	205,973	194,166	(313,413)
Transfers between funds	13	(57)	57	-	-
Net movement in funds		(11,864)	206,030	194,166	(313,413)
Reconciliation of funds:					
Total funds brought forward		92,725	140,525	233,250	546,663
Net movement in funds		(11,864)	206,030	194,166	(313,413)
Total funds carried forward		80,861	346,555	427,416	233,250

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

The notes on pages 15 to 28 form part of these financial statements.

NATIONAL ASSOCIATION FOR AREAS OF OUTSTANDING NATURAL BEAUTY
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REGISTERED NUMBER: 04729800

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	10	4,597	3,976
		<u>4,597</u>	<u>3,976</u>
Current assets			
Debtors	11	93,716	44,520
Cash at bank and in hand		415,800	273,091
		<u>509,516</u>	<u>317,611</u>
Creditors: amounts falling due within one year	12	(86,697)	(88,337)
Net current assets		422,819	229,274
Total assets less current liabilities		<u>427,416</u>	<u>233,250</u>
Total net assets		<u><u>427,416</u></u>	<u><u>233,250</u></u>

NATIONAL ASSOCIATION FOR AREAS OF OUTSTANDING NATURAL BEAUTY
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REGISTERED NUMBER: 04729800

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Charity funds			
Restricted funds	13	80,861	92,725
Unrestricted funds	13	346,555	140,525
Total funds		427,416	233,250

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

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

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

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

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



.....
P Hygate
(Chair of Trustees)

Date: 23rd November 2023

The notes on pages 15 to 28 form part of these financial statements.

NATIONAL ASSOCIATION FOR AREAS OF OUTSTANDING NATURAL BEAUTY
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £	2022 £
Cash flows from operating activities		
Net cash (used in)/generated by operating activities	144,617	(193,132)
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,908)	(1,340)
Net cash used in investing activities	(1,908)	(1,340)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	142,709	(194,472)
Cash and cash equivalents at the beginning of the year	273,091	467,563
Cash and cash equivalents at the end of the year	415,800	273,091

The notes on pages 15 to 28 form part of these financial statements

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. General information

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

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 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 Charitable Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.4 Government grants

Government grants are included in the Statement of Financial Activity on receipt and entitlement to the funds. The government grant income is allocated to the appropriate fund on receipt.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £250 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 bases:

Office equipment	- 25% reducing balance
Computer equipment	- 25% straight line

2.6 Debtors

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

2.7 Cash at bank and in hand

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

2.8 Liabilities and provisions

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

Liabilities are recognised at the amount that the Charitable 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.9 Financial instruments

The Charitable 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.

2.10 Pensions

The Charitable Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charitable Company to the fund in respect of the year. The Charitable Company contributes to personal pension plans at a rate of 30% of the employees' salary.

2.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charitable 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 Charitable Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

3. Income from donations and legacies

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Membership contributions	26,525	115,422	141,947	130,544
Government grants	180,656	424,158	604,814	325,639
Sponsorship	-	7,000	7,000	5,000
	<u>207,181</u>	<u>546,580</u>	<u>753,761</u>	<u>461,183</u>
<i>Total 2022</i>	<u><u>176,398</u></u>	<u><u>284,785</u></u>	<u><u>461,183</u></u>	

Government grants include grants from DEFRA, the Environment Agency, Natural England and the Welsh Government.

4. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Charitable activities	-	-	1,000
Delegate fees	76,358	76,358	11,862
	<u>76,358</u>	<u>76,358</u>	<u>12,862</u>
<i>Total 2022</i>	<u><u>12,862</u></u>	<u><u>12,862</u></u>	

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5. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total 2023 £	<i>Total 2022 £</i>
All activities	218,988	416,965	635,953	787,458
	<u>509,791</u>	<u>277,667</u>	<u>787,458</u>	
<i>Total 2022</i>	<u>509,791</u>	<u>277,667</u>	<u>787,458</u>	

6. Analysis of expenditure by activities

	Support costs 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Charitable activities	635,953	635,953	787,458
	<u>787,458</u>	<u>787,458</u>	
<i>Total 2022</i>	<u>787,458</u>	<u>787,458</u>	

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6. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	279,350	279,350	258,710
Depreciation	1,287	1,287	880
Office and administration	6,329	6,329	3,060
Finance	346	346	734
IT costs	9,113	9,113	9,830
Sundries	-	-	379
Subscriptions	7,899	7,899	356
Consultant's fees	214,505	214,505	477,456
Contractor costs	-	-	1,000
Grants paid	25,851	25,851	14,040
Hire of facilities	45,995	45,995	(265)
Insurance	1,045	1,045	1,022
Vehicle costs	12,543	12,543	95
Travel and subsistence	13,976	13,976	6,672
Human resources and staff development	6,709	6,709	4,738
Governance costs	11,005	11,005	8,751
	<u>635,953</u>	<u>635,953</u>	<u>787,458</u>
<i>Total 2022</i>	<u>787,458</u>	<u>787,458</u>	

7. Independent examiner's remuneration

	2023 £	<i>2022 £</i>
Fees payable to the Charitable Company's independent examiner for the independent examination of the Charitable Company's annual accounts	<u>3,240</u>	<u>2,650</u>

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8. Staff costs

	2023	2022
	£	£
Wages and salaries	198,977	187,439
Social security costs	16,146	14,995
Contribution to defined contribution pension schemes	64,227	56,276
	279,350	258,710

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

	2023	2022
	No.	No.
Employees	7	6

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

	2023	2022
	No.	No.
In the band £60,001 - £70,000	1	-

The salary paid to key management personnel including employer NI and pension contributions amounted to £93,156.

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, expenses totalling £985 were reimbursed or paid directly to 3 Trustees (2022 - £447). This amount related to the reimbursement of expenses occurred attending meetings by G Perry, A Khatwa and P Heygate.

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10. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 April 2022	591	5,923	6,514
Additions	318	1,590	1,908
At 31 March 2023	909	7,513	8,422
Depreciation			
At 1 April 2022	492	2,046	2,538
Charge for the year	105	1,182	1,287
At 31 March 2023	597	3,228	3,825
Net book value			
At 31 March 2023	312	4,285	4,597
At 31 March 2022	99	3,877	3,976

11. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	88,976	44,347
Prepayments and accrued income	4,740	173
	93,716	44,520

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12. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	34,084	40,112
Other taxation and social security	-	150
Other creditors	2,964	924
Accruals and deferred income	49,649	47,151
	86,697	88,337

The deferred income figure below is included within the table above and relates to membership fees and delegate income for the 2023/24 year.

	2023	2022
	£	£
Deferred income at 1 April 2022	26,862	-
Resources deferred during the year	29,280	26,862
Amounts released from previous periods	(26,862)	-
	29,280	26,862

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13. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Unrestricted funds					
General Funds	140,525	622,938	(416,965)	57	346,555
Restricted funds					
Wales Development Manager	37,779	69,225	(79,841)	-	27,163
Art in Landscape	-	26,525	(13,312)	-	13,213
Tests and Trials	10,808	(10,751)	-	(57)	-
ELMS Advocacy	5,768	-	-	-	5,768
Laurel Prize	4,797	-	-	-	4,797
Nature Recovery Coordinator	8,924	24,999	(26,557)	-	7,366
WEIF	-	67,185	(67,185)	-	-
Climate Change Programme	24,649	29,998	(32,093)	-	22,554
	92,725	207,181	(218,988)	(57)	80,861
Total of funds	233,250	830,119	(635,953)	-	427,416

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13. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2022 £</i>
Unrestricted funds					
General Funds - all funds	119,914	297,647	(277,667)	631	140,525
Restricted funds					
Resilient Heritage Fund	831	-	-	(831)	-
Wales Development Manager	22,160	50,000	(34,381)	-	37,779
Tests and Trials	360,540	-	(349,732)	-	10,808
ELMS Advocacy	11,862	-	(6,094)	-	5,768
Laurel Prize	2,900	4,872	(2,975)	-	4,797
Nature Recovery Coordinator	23,156	40,799	(55,031)	-	8,924
WEIF	5,500	40,228	(45,728)	-	-
Rebrand	(200)	-	-	200	-
Climate Change Programme	-	40,499	(15,850)	-	24,649
	426,749	176,398	(509,791)	(631)	92,725
Total of funds	546,663	474,045	(787,458)	-	233,250

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13. Statement of funds (continued)

The restricted funds comprise:

Wales Development Manager – a Welsh government funded post to help co-ordinate and enhance the actions of the AONBs in Wales

Art in Landscape - fund for working with artists to attract first time visitors to the countryside through freely accessible outdoor art

Tests and Trials – a large Defra funded project run by 12 different AONBs looking at positive changes to farming systems post BREXIT

ELMS Advocacy – a Defra funded project to promote the Farming in Protected Landscapes programme of grants for environmentally friendly projects in protected landscapes

Laurel Prize – a collaboration with the Poetry Society to run the Laurel and Ginkgo poetry prizes for poems on the theme of nature to highlight the climate and ecological crisis and to raise awareness of potential solutions

Nature Recovery Co-ordinator – work to highlight the need for nature recovery across the AONB network and to support AONB teams in the production of Nature Recovery Plans

WEIF – Environment Agency funded projects to support work to improve natural solutions to problems affecting water courses in a number of specific AONBs

Climate Change Programme - a collaborative approach across the AONB network to pioneer new approaches to climate change adaptation and mitigation

14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	4,597	4,597
Current assets	104,950	404,566	509,516
Creditors due within one year	-	(86,697)	(86,697)
Difference	(24,089)	24,089	-
Total	80,861	346,555	427,416

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14. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	-	3,976	3,976
Current assets	92,725	224,886	317,611
Creditors due within one year	-	(88,337)	(88,337)
Total	<u>92,725</u>	<u>140,525</u>	<u>233,250</u>

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

	2023 £	2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	194,166	(313,413)
Adjustments for:		
Depreciation charges	1,287	880
Decrease/(increase) in debtors	(49,196)	75,980
Increase/(decrease) in creditors	(1,640)	43,421
Net cash provided by/(used in) operating activities	<u>144,617</u>	<u>(193,132)</u>

16. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	415,800	273,091
Total cash and cash equivalents	<u>415,800</u>	<u>273,091</u>

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17. Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	273,091	142,709	415,800
	<u>273,091</u>	<u>142,709</u>	<u>415,800</u>

18. 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 group to the fund and amounted to £64,227 (2022 - £56,276). £17,129 was payable to the fund at the balance sheet date and is included in creditors.

19. Related party transactions

There were no related party transactions during the year. (2022 related party transactions were with two AONBs that trustees were involved with, amounting to expenditure of £34,045 and income of £15,181).

There were no outstanding amounts at the end of the accounting year.