

Butterfly Conservation

Annual Report &
Accounts 2020/21



Butterfly
Conservation

Saving butterflies, moths and our environment



Robbie Labanowski, Cover Image: Simon Noll

Welcome

Overview by the Chair Karen Goldie-Morrison

This was my first full year as Chair and what a year it has been, both personally and professionally. During the first two months of the pandemic in the UK, Butterfly Conservation had found itself with projects cancelled, funds delayed and staff on furlough. We acted quickly to review our whole operation. We had to reduce costs and we have emerged leaner, but we are in a stronger financial position than if we had taken no remedial action.

As funders opened their doors again, Butterfly Conservation achieved significant fundraising successes. One of these projects is Big City Butterflies. It will inspire Londoners to discover butterflies and moths and, in so doing, connect them with nature and their local green spaces. People – their needs, interests and behaviours – are as important to this project as habitat management, surveying and monitoring.

Big Butterfly Count is Butterfly Conservation's high-profile annual citizen science project. Between mid-July and mid-August 2020 over 110,000 people spent more than 36,000 hours counting over 1.4 million butterflies and moths. We need people to share the joy of seeing butterflies and moths, because when people connect with nature themselves, they are more inclined to protect and care for it in the future.

Partnership is at the heart of Butterfly Conservation's work. Through Rethink Nature we've developed a 'Back from the Brink'-style project in Scotland. 'Species on the Edge' will see us working with NatureScot on an ambitious four-and-a-half-year programme to secure the future of a suite of endangered coastal and island species through habitat restoration and public engagement.

I began writing this statement on the day that 'The Economics of Biodiversity: The Dasgupta Review' was published. The review stressed that to avoid climate disaster we need to redefine what prosperity is. The climate and biodiversity

crises are two sides of the same coin. The coming year will see two UN conventions, COP15 and COP26, the latter hosted by the UK. In England, the Agriculture and Environment bills also try to encourage and reflect the public goods the environment provides. As the Dasgupta Review states, 'our economies are embedded in nature, not external to it'.

Climate and biodiversity solutions, public health and economic recovery are interdependent. Butterfly Conservation will continue to work with its partners to ensure that the UK government demonstrates global leadership in its commitment to species conservation as part of the world's response to the biodiversity and climate crisis everywhere.

On Council, we held a series of online away days to define the priorities for Butterfly Conservation over the next few years, particularly in the light of the state of nature in the UK and globally. I am pleased that during this financial year we completed a piece of work on Purpose and Impacts with the trustees and the Senior Leadership Team working together in online workshops over several weeks. This work will feed into the development of Butterfly Conservation's plans for the coming years.

Butterfly Conservation has come through a difficult year but is now ready to meet the challenge with renewed vigour. My thanks go to staff, trustees and our volunteers for working through this together and to our members for staying with us.



**BUTTERFLY
CONSERVATION**
Company Limited
by Guarantee
Registration Number
02206468
(England and Wales)

Charity Registration
Number 254937
(England and Wales)
and SC039268
(Scotland)

Overview

Year to 31 March 2021

Chief Executive
Julie Williams



2020/21 will be remembered as perhaps the most extraordinary year in our lifetime. Butterfly Conservation has been affected by loss of income and an inevitable slowing down of our work. One major effect was the sad departure of 11 valued staff. I would like to thank them for all their hard work and wish them well with their future careers.

The pandemic has shone a spotlight on the critical balance between people and nature. Our newly formed Engagement and Volunteering Directorate connected with at least 55,000 people in this very challenging year – running work parties, online training events and delivering educational sessions in schools.

Volunteers are fundamental to Butterfly Conservation: the community of dedicated recorders who contribute nearly three million biological data records each year; the hardy souls who work in all weathers to improve habitats for some of our threatened butterflies and moths; and, of course, our Branch volunteers who work so hard representing Butterfly Conservation at a local level. However, we must broaden our reach and appeal to under-represented groups. Ensuring that everyone has access to nature also means that Butterfly Conservation must implement changes to the way we approach equality, diversity and inclusion (EDI).

During the year there was considerable media coverage around the nature crisis, including the eye-opening documentary *Extinction – The Facts*, by Butterfly Conservation’s President, Sir David Attenborough. Indeed, *The State of Britain’s Larger Moths 2021* report highlighted that 33% of larger moths have declined in abundance over the last 50 years; the nature crisis has not gone away during the pandemic.

Butterfly Conservation has long championed a landscape scale approach to conservation.

Many others are now promoting extensive landscape restoration policies and initiatives. These provide great opportunities for biodiversity but we need to ensure that species are central, with butterflies and moths as an indicator of their success. Over the last year we have worked across more than 50 landscapes, with over 30 projects saving species including the Large Blue in the Cotswolds and the Duke of Burgundy in the North York Moors.

Butterfly Conservation has also been involved in a number of advocacy campaigns, including a call for a ban on burning on peatlands. We were delighted when, in January this year, Highways England agreed to adopt the methods from our Building Sites for Butterflies project into their major project instructions.

None of our work would be possible without the dedication of our volunteers and our staff and I’d like to take this opportunity to thank them for their hard work and commitment during the last year. I would also like to thank our members and funders for their continued support. There is no denying the scale of the challenge ahead. I echo Sir David Attenborough’s sentiments: “If we work together, we can create a future in which we live in harmony with nature once again.” We will be ambitious in what we will deliver and the impact we will make – focusing our efforts on using evidence to influence and deliver conservation action. That will be at the core of our new 2026 Strategy.

Our mission has never been more relevant. Together, energised by our purpose, we will continue to build an ever-brighter future for butterflies and moths and for us all.

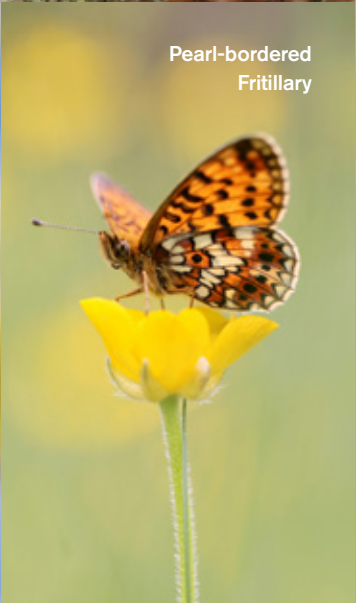
T.M. Attenborough



Oak Eggar



Hummingbird Hawk-moth



Pearl-bordered Fritillary



Orange-tip

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Introduction

Butterfly Conservation Annual Report 2020/21

The Council of Butterfly Conservation

presents its report together with the consolidated financial statements of the charity and its trading subsidiary, Butterfly Conservation Trading Limited, for the year ended 31 March 2021.

This report equates to a directors' report as required by Part 15 of the Companies Act 2006 and has also been prepared in accordance with the Charities Act 2011.

The financial statements have been prepared in accordance with the accounting policies set out on pages 61 to 66 of the financial statements and comply with the charitable company's Articles of Association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

Council members confirm they have given due regard to the Charity Commission's guidance on public benefit and have considered how our aims and activities demonstrate this to fulfil our charitable objectives.

SIR DAVID ATTENBOROUGH, BUTTERFLY CONSERVATION PRESIDENT

"Spending time with nature offers us all precious breathing space away from the stresses and strains of modern life; it enables us to experience joy and wonder, to slow down and to appreciate the wildlife that lives side-by-side with us.

"I have been privileged to have witnessed some truly breathtaking wildlife spectacles in far-flung locations, but some of my most memorable experiences have happened when I've been simply sitting and watching the wildlife that lives where I do.

"Thanks to Butterfly Conservation, a huge number of us now care about butterflies and are aware of their plight and, what's more, we now know how to protect many species and reverse their declines, providing them with a home for the future in the countryside as well as our back gardens."

David Attenborough



"Some of my most memorable experiences have happened when I've been simply sitting and watching the wildlife that lives where I do."

SIR DAVID ATTENBOROUGH

Our mission



RECOVER
threatened
butterflies
and moths



INCREASE
numbers of
widespread
species



INSPIRE
people to understand
and deliver species
conservation



PROMOTE
international
conservation
actions

OUR VISION

A world where butterflies and moths thrive and can be enjoyed by everyone, forever.

OUR PURPOSE

Butterfly Conservation conserves and recovers butterflies and moths and champions them for the benefit of nature and people.

OUR MISSION

Butterflies and moths are a vital part of our wildlife heritage and are valuable as sensitive indicators of the health of our environment. The stark fact is that butterflies and moths continue to decline at an alarming rate, despite Butterfly Conservation's best efforts over the last 52 years. Our data shows they are declining faster than most other well-documented groups of plants and animals, so our task is both daunting and complex. For many species, we know what needs to be done to halt the decline and support recovery. In order to tackle these losses and achieve the aims of the charity, we have to dramatically increase our capacity and influence over the next few years. Our work will benefit other wildlife and the ecosystems upon which all life depends.

We achieve these aims and provide practical solutions to the biodiversity crisis by:

Engaging with people of all ages and abilities to inform, educate and enable them to participate in the natural world. We encourage understanding of the value of healthy ecosystems and the wonders of biodiversity. We work with

people and communities to inspire change. We build partnerships with other conservation partners and influencers to deliver practical solutions. We connect with people via our public-facing campaigns and empower them to seek change for wildlife.

Supporting recording, monitoring and citizen science. In addition to our ongoing recording schemes we also run one of the most high-profile citizen science projects in the world – the Big Butterfly Count – every summer. For three weeks, over one hundred thousand people participate across the UK and this is vital for our understanding of shifting butterfly populations.

Empowering and enabling our world-class scientists to ensure their knowledge grows and is shared to save butterflies and moths. We are an evidence-led organisation and our scientists provide the stimulus and the advice we need to enable Butterfly Conservation to reach its goals.

Communicating and working with governments to advocate for nature. We seek policy changes by working with and challenging government and policy decision makers both in the UK and internationally in order to conserve and restore biodiversity.

Collaborating with land managers and landowners to ensure there is always room for nature. We engage in practical solutions for conservation issues. We work with those who work the land to ensure that their needs can also co-exist with nature's needs.



Training and developing our staff and volunteers to build our capacity for action. Our committed staff and volunteers work tirelessly to promote our goals across the UK and internationally. As an organisation we could not survive without our legions of volunteers and their dedication to conservation and biodiversity across the UK.

Working in tandem with our 31 UK Branches and our European Branch to ensure that their important work is supported and encouraged. Our Branches are of enormous importance in engaging with the public and businesses on the ground to show how Butterfly Conservation's work positively affects them. They are tireless in promoting our butterfly and moth recording and monitoring schemes and all other activities designed to support Butterfly Conservation.

WHY ARE BUTTERFLIES AND MOTHS SO IMPORTANT?
Butterflies and moths provide an essential insight in to the state of our world as we face the climate and biodiversity crisis. They require conservation in the UK and around the world for:

BEAUTY AND ENJOYMENT

People enjoy seeing butterflies both around their gardens and in the countryside.

BIODIVERSITY

Butterflies and moths are part of life on Earth and have been around for at least 50 million years. They are sensitive indicators of the health of our environment.

INSIGHT INTO THE NATURAL WORLD

For centuries, butterflies and moths have been used to investigate many areas of biological research, such as navigation, pest control, embryology, mimicry, evolution, genetics, population dynamics and biodiversity conservation.

CLIMATE CHANGE

Our butterfly data is a unique resource unmatched by any other insect group anywhere in the world. This has proved extremely important for scientific research on climate change.

ECOSYSTEM

Areas rich in butterflies and moths are rich in other wildlife. They are an important element of the food chain as prey for birds, bats and other animals, and play a role as pollinators.

EDUCATION

Butterflies and moths have fascinating life cycles, one of the wonders of nature, which are used in many countries to teach children about the natural world.

Our year in numbers



STATE OF MOTHS

The State of Britain's Larger Moths 2021 received widespread coverage. The report, a partnership with Centre for Ecology and Hydrology and Rothamsted Research, showed a third of our larger moths had declined significantly, especially in southern Britain. We reached over 4.7 million people about the report through newspapers and radio.



33%

decline in abundance of larger moths in last 50 years



55,000

people connected with Butterfly Conservation



17

butterfly banks built in Croydon as part of the Brilliant Butterflies project



55%

increase in use of the iRecord Butterfly app with 5,500 new users



23,766

visits to 4,151 sites since 2001



300

hectares of scrub cleared and put in



5,688

people enjoyed our mindful colouring competition



61

teachers attended Munching Caterpillars webinars

200

dams to restore lowland peat over seven years

2020
HIGHLIGHTS

£100,000

grant towards restoring Catfield Fen Nature Reserve

1,396

individual visits by staff to 735 sites

61

policy documents contributed to

BIG BUTTERFLY COUNT 2020

Between mid-July and mid-August 2020 over 110,000 people spent more than 36,000 hours counting over 1.4 million butterflies and moths.



145,249

counts, the biggest amount ever submitted



189%

increase in counts on 2019. On launch day 11,661 counts were submitted



4,000

messages on social media each week during the campaign



Common Blue

Getty Images

SOCIAL MEDIA



TWITTER

84,400
followers



FACEBOOK

198,035
followers



INSTAGRAM

74,000
followers

4,000

Barberry planted for threatened Barberry Carpet moth

1,505

people provided with road verge advice

6,256

downloads, making Insect A&E our most successful gardening campaign to date

Saving species in a tough year

BACK FROM THE BRINK PROJECT IN NUMBERS


4,000
new Barberry shrub plants planted


169
sites, exceeding our own plans by 30%


83%
of the moth's range has seen an improvement in habitat availability

Saving threatened species is not easy at the best of times, but the upheavals of 2020 presented unique challenges for our conservation staff, volunteers and partners. The pandemic delayed planned projects and reduced our staff capacity as we adjusted working conditions and furloughed some staff as part of our organisational response. It also restricted our ability to give conservation advice, carry out habitat improvements or monitor butterfly and moth populations or their habitats. Despite these challenges, we know that action for declining species cannot wait, and we were determined to get back to work as soon as it was safe to do so. It has been inspiring to see many of our long-established partnerships continuing to make progress, with many positive signs of the impact we make in reversing species declines.

Our Back from the Brink projects in Rockingham Forest and the Cotswolds produced fantastic results from reintroduction of Chequered Skipper and Large Blue, respectively. Both species were seen in good numbers following releases the previous year, and we were thrilled to celebrate the return of the Large Blue to Rodborough Common in Gloucestershire with the National Trust and other partners. Reversing long-term species declines takes time, so it's too early to see whether our third Back from the Brink project, focused on the Barberry Carpet moth, has led to population increases for this vanishing moth. Targeting new plantings of Barberry, the moth's key foodplant and the limiting factor in its recovery, we planted more than 4,000 plants across 169 sites, exceeding our plans by 30% and improving habitat availability across 83% of the moth's range.

SPECIES RECOVERY

The Marsh Fritillary is a high priority for conservation action across all four UK countries, and our work for this species in 2020 reflected this. Scotland holds a high proportion of the UK's Marsh Fritillaries, but understanding whether they are under threat is difficult because of the challenge of monitoring extensive and remote areas of habitat. Skilled volunteers help us monitor the butterfly by counting both adults and larval webs, allowing us to target management advice to those habitat networks that are most at risk.

The loss of our face-to-face training sessions threatened to undermine this work, but by offering online training programmes for monitoring Marsh Fritillary and other species, our Scotland team managed to reach new audiences even further afield. As a result, this year we supported new recruits in Argyll and the Inner Hebrides who helped us monitor 30 sites for the first time. ►

Getty Images



Southern Festoon



Getty Images

INTERNATIONAL – CORFU BUTTERFLY CONSERVATION (CBC)

This partnership of concerned residents and visitors launched the Corfu Butterfly Survey in 2021, a recording project that will ultimately lead to the production of a butterfly atlas of Corfu. The initiative is led by Dr Dan Danahar and supported by Butterfly Conservation, who helped secure an RES Goodman Award to develop the project's website, corfubutterflyconservation.org, enabling recorders to submit their sightings as well

as find out more about the ecology of the island's butterflies. During the year, CBC also worked with Butterfly Conservation and Butterfly Conservation Europe to produce an identification guide to Corfu's 75 butterfly species, which it hopes to publish in 2021/22 once funding is secured. Lee Durrell is supporting the project and it is hoped that it will be completed by the centenary of Gerald Durrell's birth in 2025.

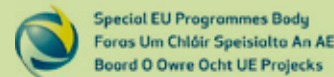


PEARL-BORDERED FRITILLARY

In 2020 counts of Pearl-bordered Fritillary were the highest in more than 20 years in Whitbarrow, thanks to a succession of landscape-scale projects.

In Wales a new partnership is underway with a private landowner in the Brecon Beacons to restore 30 hectares of wet grassland habitat into condition for Marsh Fritillary, which should be able to colonise from nearby sites.

In Northern Ireland, our work on Marsh Fritillary is supported by the EU Interreg-funded Co-operation Across Borders for Biodiversity (CABB) project, a programme of work that embraces the fact that wildlife is not limited by political boundaries and includes work on sites in the Republic of Ireland. This four-year project has taken our work for Marsh Fritillary to a new level, helping farmers to create new management agreements, modifying grazing regimes and delivering 3,000m of new fencing to bring more than 25 hectares of land into favourable management.

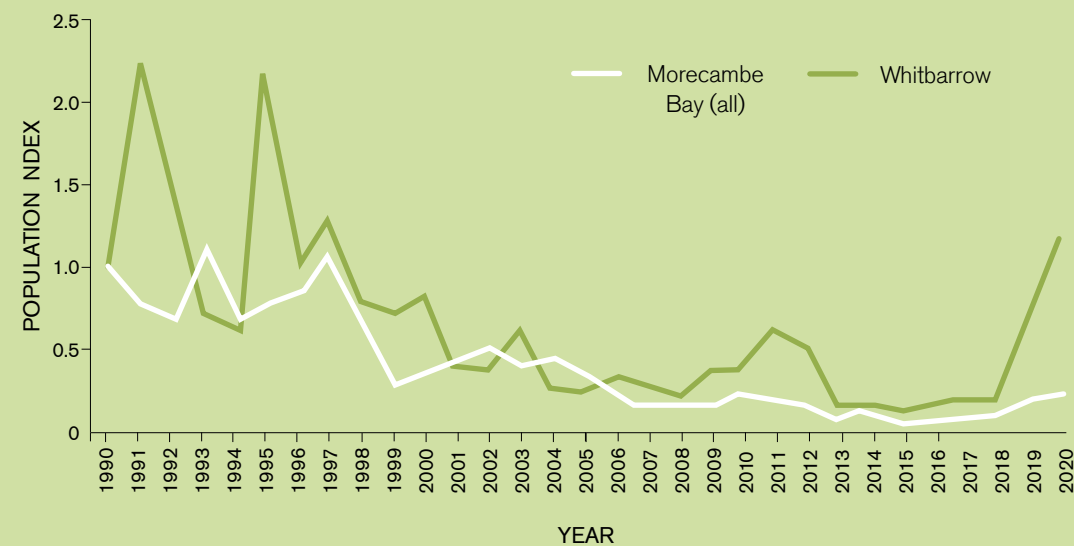


The Morecambe Bay Limestones in the northwest of England is a key hotspot for threatened butterflies and moths, and has seen more than 10 years of sustained project work to tackle their declines. After a succession of landscape-scale projects supported by a broad array of funders, we can now see signs of recovery at sites like Whitbarrow.

Whitbarrow is a 15km² woodland sitting on top of a limestone outcrop. By felling conifers, coppicing broadleaved trees and widening rides we have transformed the wood and improved connectivity with an extensive network of rides now reaching through the site. Transect recording by volunteers has been crucial here to record the impact of our work, provide feedback to landowners on the difference their actions have made, and to inform future management. This year Pearl-bordered Fritillary numbers at Whitbarrow were the highest since 1997.

A grant from Defra's Green Recovery Challenge Fund is supporting the next phase of our work in Morecambe Bay, focusing on sustainable woodland management to drive further restoration of habitats for butterflies and moths.

PEARL-BORDERED FRITILLARY – BUTTERFLY INDEX FOR WHITBARROW AND MORECAMBE BAY



Pearl-bordered Fritillary



“This year Pearl-bordered Fritillary numbers at Whitbarrow were the highest since 1997.”

SUPPORTERS OF OUR MORECAMBE BAY WORK INCLUDE

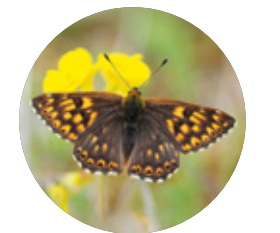


PRIORITY SPECIES AT MORECAMBE BAY

Our Morecambe Bay work has also been critical for other species, including:



HIGH BROWN FRITILLARY



DUKE OF BURGUNDY



WHITE-SPOTTED SABLE MOTH

Getty Images/Iain H Leach/Gilles San Martin/Bob Eade

The power of people



INSECT A&E CAMPAIGN

Dr Amir Khan launched Insect A&E in the spring of 2020. This was our most successful gardening campaign to date:



6,256
downloads



32,455
page views

POSITIVES FROM A DIFFICULT YEAR

When face-to-face engagement became impossible at the start of 2020, the challenge was on to find alternative ways of connecting with people. New skills were quickly mastered by our staff and before long our team began to offer a selection of pre-recorded lessons, short films, webinars, talks and online training courses. We could still inspire people to enjoy and take action for butterflies and moths – even if it had to happen from afar.

“I just wanted to thank you for the super resources that you sent. I have set the ‘Survival Tricks of Moths and Butterflies’ lesson for our P4 classes this week. The video is great!”

Primary school teacher

During 2020 we watched as the numbers of participants exceeded expectations and the positive feedback rolled in. There were other positives too: online delivery enabled more people to take part, as the barriers of time and accessibility were stripped away.

But it wasn't all screen time. Thousands of people, young and old, entered our 'Butterflies for Hope' colouring competition, enjoying some

mindful moments with the beautiful, mandala-inspired artwork designed for us. Primary-aged children were invited to create caterpillar artworks from natural foraged items, winning nature explorer kits for their school.

For many people, 2020 has led to a greater appreciation of the green spaces and wildlife close to home. We found solace in nature and enjoyed the stories in the media of louder birdsong, pollution-free skies and deer and goats roaming the high streets.

“Instead of sitting in a car for an hour, I've spent that time wandering our local green lanes and footpaths. I've become much more aware of butterflies now.”

Butterfly Conservation supporter

Perhaps this is why we have seen such positive engagement and generosity from members and supporters. In particular, our work to explore how we can best connect with and support those with mental health challenges clearly resonated with many during this unusual year. As one donor wrote, “Nature heals and holds us when we fall”. ▶



THE YEAR IN NUMBERS



5,688
people engaged with our 'Butterflies for Hope' mindful colouring competition



61
teachers attended our online webinars as part of the Munching Caterpillars Scotland project



Ben Hanson

KEY FACT



910

people were engaged in the development stage of our Big City Butterflies project through a mixture of school visits, public and community events and training workshops taking part in activity and audience test trials. We aim to get almost 6,000 people involved with Big City Butterflies over four years

LOOKING AHEAD: A DIVERSE AND INCLUSIVE BUTTERFLY CONSERVATION

Equality, diversity and inclusion (EDI) has gained significant momentum within the environmental sector this year. There were global initiatives such as Black Lives Matter but also an ongoing recognition that many conservation organisations in the UK are not representative of wider society.

For example, a survey carried out in 2019 regarding our own members revealed just 1.6% were from a Black, Asian or Minority Ethnic (BAME) background. Of course, EDI includes many aspects aside from ethnicity, such as gender, disability and sexual orientation.

In light of this, in 2020 we sought to improve our understanding of the barriers that exist to improving our EDI by joining focused working groups within Wildlife and Countryside LINK (in England) and Rethink Nature.

Our Big City Butterflies project (funded by the National Lottery Heritage Fund) will focus on people engagement in the heart of London. As part of this project, we are partnering with Wild in the City. This Community Interest Company supports wellbeing through peoples' relationship with nature within London, and undertakes research on people of colour's relationship with nature. Big City Butterflies is a four-year project that will help us to much better understand the motivations and needs of people from a significantly broader range of backgrounds than we have traditionally engaged with. In future, we can incorporate this learning into all aspects of our work.

The benefits of improved EDI are many, both organisationally and, of course, for individuals. We are committed to developing a bespoke policy and challenging ourselves at all levels of the organisation. Over time we will offer the opportunities that mean we do indeed come to reflect society in a more inclusive way.

“Big City Butterflies will help us to better understand the motivations and needs of people from a significantly broader range of backgrounds.”

Courtesy of BC



Megan Lowe

VOLUNTEER VOICES

In the year when everything moved online, Butterfly Conservation took the opportunity to offer more training to more people than ever before. Our volunteers have astounded us with what they achieved during 2020. As Anthony McCluskey, our Helping Hands for Butterflies project lead, explains: “Volunteers trained through Helping Hands for Butterflies submitted over 3,000 records of butterflies last year alone to iRecord – almost 20% of the total number of butterfly records submitted this way in Scotland last year.”

Let's hear from the volunteers themselves about their achievements...



Pam Hardeman



Evelyn Marron



Damian McAllister

“Thank you for inviting me to come to your Butterfly and Bee bank. I enjoyed the chance to meet some new people and as a result I have now joined the local gardening club, which has helped me integrate into village life. I hope in the summertime we can do some more work and see the bees and butterflies that will benefit from all our hard work.” **EVELYN**

“2020 was a tough year but [walking transects] gave me a purpose to get out on a weekly exercise from May to September and enjoy all the nature the valley had to offer. The highlight was a sighting of a Purple Hairstreak, which confirmed that the species was present at Brackfield. It was such a rare sighting it promoted lots of media attention [including] several radio interviews!” **PAM**

“Being able to tell everyone that our site is part of Butterfly Conservation's recording effort has given the local people an improved recognition of the site's value. As a result, people are treating the site with more respect, taking more interest in the nature there and generally having more positive views of the area.” **ZOE**

“You could say, since Butterfly Conservation training, I have become a real pollinator-friendly kind of guy. The training explained a lot about habitat management and creation, and this is the area where I find myself making a real impact now. I help manage public green spaces in my area for pollinators by delayed cutting, cutting and lifting, seeding and over seeding wildflowers. Signage is put up to help with public awareness and participation. It's a win-win situation.” **DAMIAN**

Making a long-term impact

KEY FACT Butterfly Conservation contributed to



61

policy documents
in 2020/21

We know several widespread butterfly species are in long-term decline so what are we doing to reverse the trends? Our Building Sites for Butterflies programme is demonstrating nationally how simple changes to design and management of urban greenspaces can benefit butterflies. And in south London, in the Brilliant Butterflies partnership with London Wildlife Trust and Natural History Museum, we are working with local communities to create chalk grassland.

BUILDING SITES FOR BUTTERFLIES

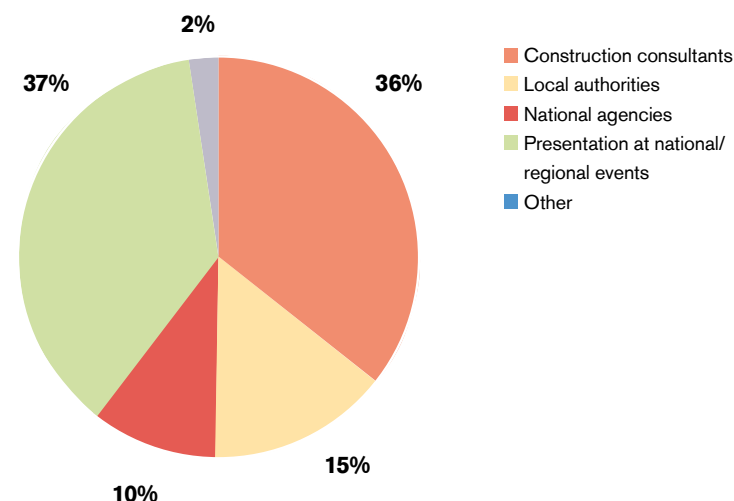
In 2020 our programme advised 1,505 people spread across the four nations of the UK, including national infrastructure projects and consultancies involved in major construction projects. Many local authorities wanted to know how less frequent mowing of parks and verges

leads to more wildflowers and butterflies and reduces their fuel bills and greenhouse gas emissions. There's one big success to celebrate – Highways England has mandated the use of low-nutrient soils on all major road projects in future, copying the blueprint of the verges of the Weymouth relief road in Dorset, now full of wildflowers and butterflies.

BRILLIANT BUTTERFLIES PROJECT

Our key role is to create butterfly banks in parks and along road verges in the heart of local communities in the London Boroughs of Croydon and Bromley. The banks will provide stepping-stones to link existing nature reserves – increasingly isolated by the built environment – and to bring butterflies into the places where people live and work. The two-year project has a target to work with local communities and schools to create 36 new butterfly havens. At the halfway stage we have completed 17, sown with wildflower seed and plug-planted with butterfly foodplants, with the others ready to go in spring 2021. ▶

ADVICE BY SECTOR IN 2020



Phil Sterling



“The pandemic opened up new opportunities to influence. By June all my work had transferred online and since then I’ve seen an increased demand for advice. Webinars and videocalls are so easy to set up and are a cost-effective way of ensuring my limited resource reaches all parts of the UK.”

DR PHIL STERLING, BUTTERFLY
CONSERVATION'S PROGRAMME MANAGER

Ian A Kirk



Small Copper

EMBRACING THE DIGITAL REVOLUTION: INVESTING IN DATA COLLECTION, VERIFICATION AND VOLUNTEERS

Data is at the core of Butterfly Conservation's work and there has been a proliferation of apps, websites and schemes that allow data to be shared. To keep pace with technological change we have started to implement a new data strategy to future-proof the remarkable recording and monitoring schemes we run.

NEW DIGITAL TOOLS

A key part of delivering this strategy is new digital tools to help recorders, the county recorder network and to increase data flow. This year we:

- Launched the Butterflies for the New Millennium online portal (butterflyrecording.org).
- Redeveloped the very popular iRecord Butterflies app that saw a 55% increase in use, with over 5,500 new users and 154,000 records submitted (butterfly-conservation.org/our-work/recording-and-monitoring/irecord-butterflies).
- Started to redevelop the online National Moth Recording Scheme (mothrecording.org).
- Launched the redeveloped The Big Butterfly Count app and website for the hugely successful 2020 event, which saw the highest ever number of counts (bigbutterflycount.butterfly-conservation.org).
- Introduced new verification processes to help county moth recorders.

UNDERSTANDING THE MOTIVATIONS OF AND PRESSURES ON VOLUNTEERS

Our volunteers are vital to our recording work and understanding their issues and concerns is crucial. In October 2020 we worked in partnership with Oxford University's WildCRU research team to launch a questionnaire, focusing on the county moth recorders (CMRs). We found that approximately 80% of CMRs are strongly motivated by helping the wider conservation of moths, and 66% are using iRecord for verification or are working with others to do so. The help CMRs are seeking from Butterfly Conservation is in streamlining our surveys and providing training on the use of new software – and we will work together on these aspects in the coming year.

TRAINING

Training on iRecord for county butterfly and moth recorders (CRs) began in the spring of 2020 (via Zoom). In total, 90 people have attended and of the 56 CRs that have attended the training, 68% have signed up to verify data in iRecord. Also during 2020 we offered virtual training on a geographic information system (GIS) called QGIS, which will help with the analysis of the data that is held. In total, 306 places were taken up across eight sessions for beginner level, seven sessions for intermediate and three advanced sessions.



KEY FACT

The focus of Butterfly Conservation's policy work is land use – getting the right land management schemes for butterflies and moths, not sacrificing important open areas to woodland, and keeping peat in the ground and unburnt

FOCUS ON POLICY

The great strength of Butterfly Conservation is our data and evidence, much of it built on the records of thousands of dedicated volunteers. We also have a wealth of practical on-the-ground experience of species recovery work. The objective of our policy work is to use this evidence and experience to help influence and shape policy across the four countries of the UK.

With limited staff capacity, we must prioritise and work in close collaboration with partner organisations using our unique evidence and expertise to have impact by adding value and influence to the collective voice.

Despite Covid-19, the need to implement Brexit meant external policy work continued apace. Much of our domestic environmental regulation was based on EU legislation and needed to be replaced. To add to the complexity, almost all environmental powers are devolved so we have been working with partners to ensure that high environmental standards are maintained in all four countries after Brexit.

Brexit also brings the opportunity of a comprehensive reform of farming subsidies and grants outside the Common Agriculture Policy. In England, we are seeing signs of welcome and much-needed shifts from direct subsidies, which pay farmers for the amount of land they own, to grants for wildlife-friendly farming.

Our policy and advocacy work reflects those areas that make the biggest difference for butterflies and moths. For example, on increased tree planting, we have strongly supported the

ambition for woodland expansion but used our evidence as a basis for ensuring the principle of 'right tree, right place' is adopted. Critically, we have emphasised the need to ensure important open ground habitats are not lost in the dash to plant trees. Working alongside others, we have secured commitments to protect these important open ground habitats, a recognition of the value of natural regeneration and the need to manage the existing woodlands.

PARTNERSHIP PROTECTION FOR OUR CATFIELD FEN NATURE RESERVE

Catfield Fen in Norfolk was acquired in 1992, primarily as one of the last strongholds of the spectacular Swallowtail butterfly. The 24 hectare reserve is part of the Ant Broads and Marshes National Nature Reserve (NNR), which is considered to be the finest example of unpolluted fen in Western Europe. It is of international importance for fenland insects and plants. In addition to the Swallowtail, 21 other butterfly species are present and more than 520 moth species. Catfield Fen, together with the RSPB's nearby Sutton Fen, is also home to some 5,000 Fen Orchids, which is more than 90% of the UK population.

It is a complex site so when the RSPB bought Sutton Fen in 2007 we decided that partnership working was the best way to manage these sites. In 2013 Butterfly Conservation negotiated a 10-year management agreement, with the RSPB taking on responsibility for delivery of the management plan and the agri-environment agreement. In 2019 their volunteers contributed an estimated 600 hours to managing the reserve.

This partnership with the RSPB has freed up Branch volunteers' time to carry out crucial survey work. Results from the timed larvae monitoring seem to show that larvae are abundant and sustaining good numbers. In 2019, 34% of plants surveyed had larvae, down slightly from 37% in 2018, though in that year more than twice the number of plants (453) were examined. Fourteen adults were recorded this year on the perimeter track standard transect, the third highest total since 2010.

Our partnership with the RSPB has allowed Butterfly Conservation to have an impact at a landscape scale. It was Butterfly Conservation's monitoring data from Catfield, supplied to the RSPB-led consortium of conservation organisations, that was crucial in securing a Water Environment Grant from the Environment Agency. This will fund both ecology and hydrology monitoring and large-scale restoration work at a number of sites, with more than £100,000 of funding for the Catfield Fen Reserve.



John Davis

WORKING TOGETHER FOR NATURE

Butterfly Conservation is a member of a range of partnership groups including the country Links: Wildlife and Countryside Link in England, Scottish Environment Link, Wales Environment Link and Northern Ireland Environment Link; Rethink Nature – a partnership of seven leading species conservation organisations; the Nature Friendly Farming Network, and we offer our support to many regional groups.



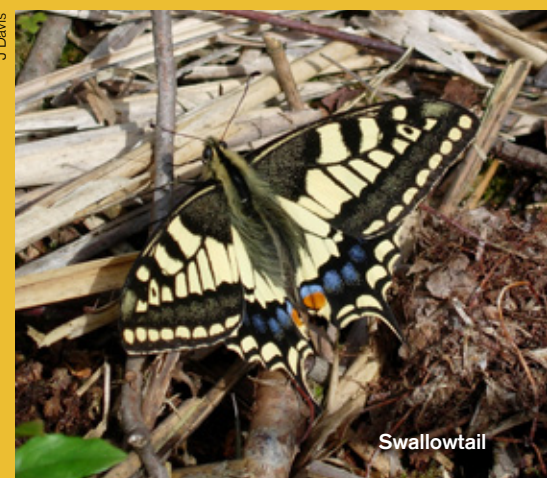
Wildlife and
Countryside



“Catfield Fen is an exceptional remnant of rare alkaline fen habitat with unique biodiversity as well as its iconic Swallowtails and Fen Orchids. Its maintenance and management are complex and demanding, making our agreement with the RSPB invaluable in providing the expertise and commitment that the site richly deserves.”

MIKE GASSON, THE NORFOLK BRANCH LIAISON AND CONSERVATION OFFICER

J Davis



Swallowtail

Stronger together



Melissa Shaw

VOLUNTEERS

Hundreds of Bog Squad volunteers, supported by Peatland Action, have removed more than 300 hectares of scrub and installed nearly 200 dams to restore lowland peat.

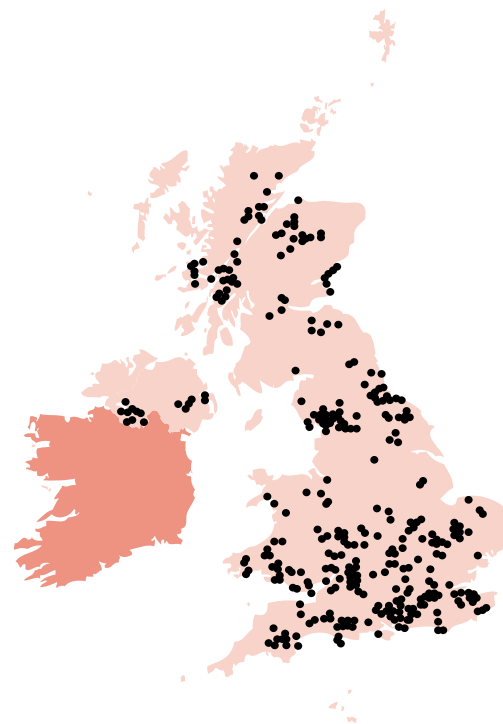
TACKLING THE CLIMATE AND BIODIVERSITY CRISIS

The changing fortunes of butterflies and moths provide an essential insight into the state of our world as we face the combined challenge of climate and biodiversity crisis. The evidence in the UK is that climate warming is driving changes in the distribution of many of our butterflies and moths, as well as bringing new species colonising from the south. But we can already see that species adapted to cooler conditions are retreating, and our fragmented landscape makes it difficult for species to keep up with the speed of change. Climate may be a factor in half of all UK moth declines and is projected to drive severe negative impacts on invertebrates worldwide. As we plan how our conservation action can recover populations of butterflies and moths, we must also consider our wider role in combatting the climate crisis.

Nature-based solutions provide a pathway to meet net zero targets by working with natural systems, bringing benefits for biodiversity and human society. We support those solutions that help to restore habitats for butterflies and moths while locking in carbon and increasing ecosystem resilience. These include: restoring flower-rich grasslands; increasing tree cover by planting and natural regeneration to reduce flooding in the Wyre Forest; increasing urban greenspace to mitigate air pollution and enhance wellbeing through our projects in Edinburgh, Bristol and London; protecting coastal habitats for species like Fiery Clearwing.

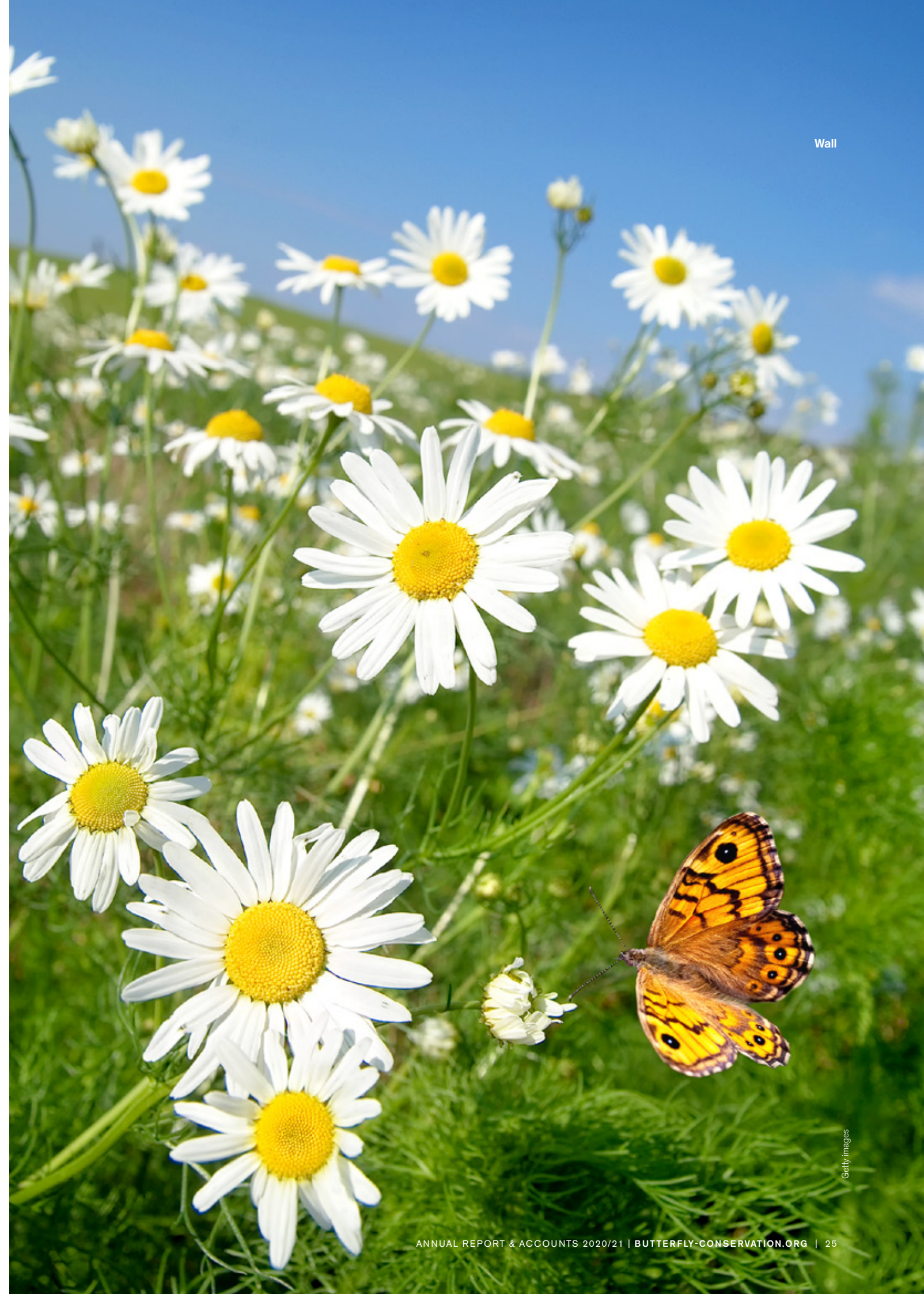
Peatlands are a key focus for us. In 2020 we saw the seventh year of our Bog Squad work restoring lowland peat habitats in Scotland for species including Large Heath and Marsh Oblique-barred. By blocking drains, removing scrub and trees that dry out the bog, and rewetting the peat, we can restore the ability of peatland to hold carbon while helping threatened species.

Butterfly Conservation also needs to lead by example. We have divested Butterfly Conservation's investments from all fossil fuels and will introduce a sustainability plan to fulfill our commitment to reach net zero by 2030.



MAP OF SITE VISITS IN 2020

Butterfly Conservation staff and contractors made 1,396 site visits to 735 different sites in 2020, providing management advice, assessing habitat condition, carrying out habitat management and monitoring species. This does not include volunteer-led site visits, although we have plans to capture this information in future.



Wall

Getty Images

Around the UK



Delivering on our ambition requires us to work together with other partners across the UK for greater impact. Butterfly Conservation can only achieve its aims by harnessing the power of other organisations, large and small, by involving more people in our cause, and uniting to tackle biodiversity loss at a landscape scale.

We are one of eight partners in the bold new Species on the Edge project working to save more than 40 species along Scotland's coasts and islands. The project, led by NatureScot, brings together our partners from Rethink Nature who are dedicated to species recovery: Amphibian and Reptile Conservation, Bat Conservation Trust, Bumblebee Conservation Trust, Buglife, Butterfly Conservation, Plantlife Scotland and RSPB Scotland. It uses our combined knowledge, expertise and resources to kickstart nature's recovery in Scotland. In 2020 we started development work, supported by an award from the National Lottery Heritage Fund, building plans for a four-and-a-half-year programme across seven landscapes where collaboration can bring the greatest benefits.

Butterfly Conservation is a key contributor in two project plans: Rockin' the Blues will deliver action for Small Blue and Northern Brown Argus, while A Brighter Future for Herb-rich Pastures focuses on threatened grassland habitats that support species including Slender Scotch Burnet, New Forest Burnet and Marsh Fritillary.

A pioneering partnership for landscapes and species is also underway in Wales, where we are part of a collaboration gathering support to deliver coordinated conservation and community engagement. Natur am Byth (Nature Forever) unites nine environmental charities with Natural Resources Wales (NRW) to deliver the country's largest natural heritage and outreach programme to save species from extinction and reconnect people to nature.

Natur am Byth has the core Rethink Nature partners, like its sister projects in England and Scotland, alongside NRW, Marine Conservation Society and Vincent Wildlife Trust. This collaborative spirit brings enormous benefits in the fight to save nature: we can all learn from each other and make scarce resources go further. We've drawn on the experience of England's Back from the Brink project and evaluation with the key funder, the National Lottery Heritage Fund, to accelerate plans in Wales and Scotland that embrace the unique natural heritage, communities and challenges of each country. Working through a year of pandemic disruption, the partners have nevertheless been able to develop a hugely ambitious programme for which we are now seeking funding, incorporating seven integrated landscape areas and six single species projects. If successful, Butterfly Conservation will be responsible for a project to transform the fortunes of the High Brown Fritillary, of which there is only one known population in Wales.

Iain H Leach

Northern Brown Argus



New Forest Burnet

Getty Images

HOW OUR PARTNERSHIPS ARE HELPING

Our partnerships are helping species around the UK, including:



Robert Thompson

ENGLAND Fiery Clearwing



Iain H Leach

WALES Pearl-bordered Fritillary



Jim Asher

NORTHERN IRELAND Cryptic Wood White



Butterfly Conservation

SCOTLAND Forester

Butterfly Conservation's ability to bring people and partners together to take conservation action can help us drive a green recovery across the UK. In Wales we have secured funding to help us reach beyond our usual audiences and make even greater impact through a new project, Developing Places, Delivering for People, supported by the Welsh Government through the National Lottery Heritage Fund.

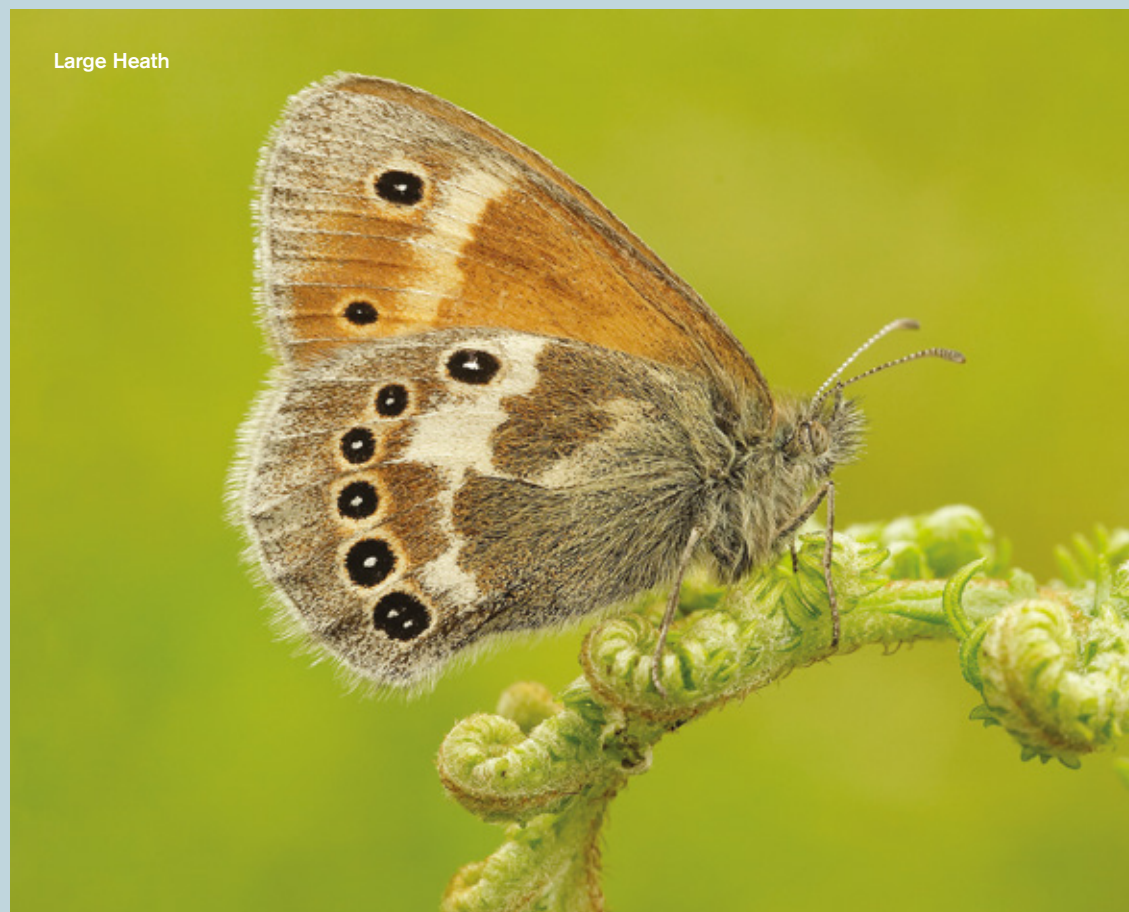
One of the biggest challenges in conservation is sustaining impact and ensuring that hard-earned gains for species and habitats are not lost when fixed-term project funding comes to an end. Alongside high-profile collaborative projects, crucial support for Butterfly Conservation's work comes through partnership approaches with statutory agencies, government bodies with devolved responsibilities for the environment in all four UK countries.

The Northern Ireland Environment Agency, Natural England and NatureScot all provide significant multi-year funding, which underpins our work in each country to recover threatened species, tackle declines in widespread species and inspire people to value and take action for nature. These agreements have specific

outcomes tailored to government environmental objectives in each country, but they share common themes that are fundamental to Butterfly Conservation's work: a recognition that recovery of threatened species needs to bring together ecological understanding with targeted action to improve habitats, protect sites and harness the power of both our data and our volunteers. In Northern Ireland our work focuses on key species including Cryptic Wood White, Marsh Fritillary and Large Heath. In England, work encompasses more than 30 threatened butterflies and moths, including Large Blue, Fiery Clearwing and Sussex Emerald. Our priority species work in Scotland includes Dark-bordered Beauty, Kentish Glory and the Forester moth.

These partnerships all show what can be achieved for species and people when we come together and sustain action. They build community conservation action, underpin our partnerships with other environmental charities and provide the springboard for the bigger collaborations necessary to recover our natural world.

Iain H Leach



Large Heath

Kentish Glory



Getty Images

Plans for 2021/22 & onwards

BIG BUTTERFLY COUNT 2020

Between mid-July and mid-August 2020 over 110,000 people spent more than 36,000 hours counting over 1.4 million butterflies and moths



145,249

Biggest amount of counts ever submitted

We have ambitious plans for our work in 2021/22.

We will launch our 2026 strategy that will set the direction of travel and establish our priorities and focus for the years ahead. This new strategy will help align our resources to maximize impact, therefore getting us closer to our vision.

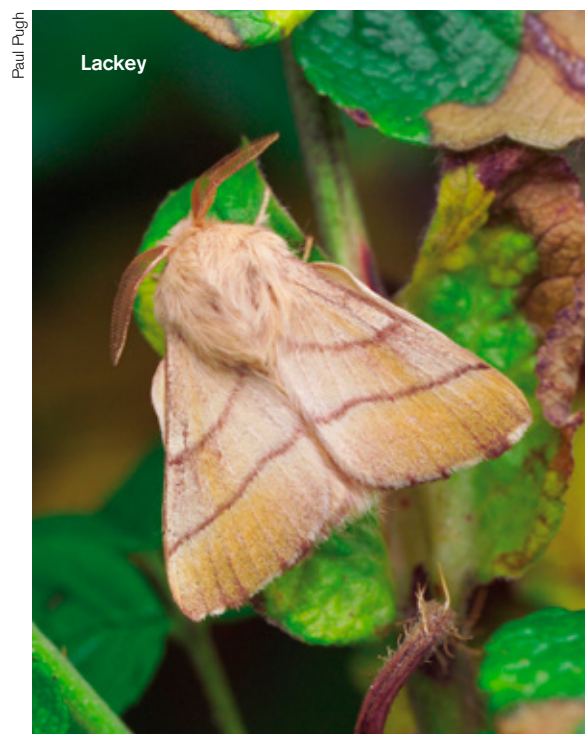
Building capacity within the organisation will be crucial to the delivery of the new 2026 strategy. We will be developing a new Engagement and Volunteering Strategy, which will focus on how we support our existing volunteers and Branches and also create new opportunities for people to volunteer in the future.

We are committed as an organisation to ensuring that everyone has access to nature, and during the year we will be actively reviewing and implementing a new equality, diversity and inclusion policy.

We have three exciting major projects starting in England that will strengthen our partnership work. Our Butterfly Mosaics project is covering brownfield species in the Midlands. The Kent Moths project is saving some of the UK's rarest moths. Our Big City Butterflies project will inspire Londoners to discover butterflies and moths, connecting them to nature and their local green spaces. Development of major projects in Scotland, Wales and Northern Ireland will continue.

Due to Covid-19, we did not produce and implement a new sustainability plan in 2020/21 but this will be a focus of our work in the coming year. We will be looking at ways to reduce our environmental and social impact across our estate, working practices and procurement, and provide a reporting framework to monitor the effectiveness of the plan.

During 2021/22 we will be strengthening our policy and advocacy work in all four countries of the UK, using our data and evidence to influence and particularly focusing on land use policies across the UK.



Paul Pugh

Lackey



Marbled White

Getty Images

Risk management

Risk management is well established and integrated into every aspect of our work. The Coronavirus crisis fully tested our business contingency planning and we implemented a Covid-19 contingency plan and group in early March, which successfully delivered over the year.

Council takes all reasonable steps to ensure that major risks are identified and recorded. A review of the risk management process was undertaken during 2020/21 on behalf of Council by the Audit & Risk Sub-committee.

The Risk Register is in two parts: operational risks, which are identified by management, and strategic risks on a wider scale, which may also be highlighted by Council. Operational risks are reviewed and updated quarterly by the Senior Leadership Team. Both parts of the register are reviewed four times per year, at each Council meeting, following deeper scrutiny on each occasion by the Sub-committee. Both are subject to a more robust annual review, from first principles, by the Sub-committee.

These reviews identify the key risks facing Butterfly Conservation and ensure they are accurately described, that no significant risks are omitted, and that suitable mitigations are in place and being managed.

Council is aware that such processes are designed to mitigate rather than to eliminate major risks and will continue to improve and refine risk management principles in all aspects of our work.

PRINCIPAL RISKS AND UNCERTAINTIES

Council considers the risk to business continuity from further Covid-19 spikes through repeated lockdowns, staff illness, confused government guidance and a reduction in income and membership as the charity's major risk. Different ways of working and isolation has impacted staff morale and wellbeing. This is likely to affect Butterfly Conservation's ability to deliver

on its purpose. To help control these factors our business continuity plan was updated in April 2020 and January 2021.

Butterfly Conservation has continued to take a proactive approach to Covid-19 during 2020/21. Urgent action was taken in April 2020 with financial modelling to help predict how the pandemic would affect Butterfly Conservation's finances in the future. It was necessary to cut costs as quickly as possible and a total of 27 staff were placed on furlough. Butterfly Conservation covered the unpaid 20% of furloughed salaries to ensure there was no disruption to staff wages.

A staffing restructure took place in May 2020 and a voluntary severance scheme was introduced. Following the restructure, seven members of staff were redeployed into new roles, and we were sad to say goodbye to 11 members of staff.

We successfully applied for emergency funding, which was specifically designated for Covid-19 support, and received funds from Green Recovery Fund (England) and FIDRA (Scotland).

Our Scotland, Wales and Winchester offices have remained closed since March 2020, with staff continuing to work from home. We were able to reopen our head office in Dorset in June 2020, which remains open for essential work only.

We continued to update our IT hardware and be adaptable with various types of video meeting software, such as Zoom, Microsoft Teams and Skype to enable more efficient home working.

Staff have been able to request to reduce or flex their working hours to care for children due to school closures.

We have been aware that continued homeworking would have consequences for the health and wellbeing of our staff and maintained and improved communication channels to help

everyone feel connected. We previously started making changes to staff support by giving line managers more training and shifting to outsourced HR support using Breathe HR. The impact of Covid-19 has slowed some of this progress but to give further support to staff we accelerated the introduction of an employee assistance programme, set up regular Q&A sessions with the CEO and Senior Leadership Team and undertook all staff conference sessions to ensure that all staff are aware and kept up to date with organisational changes.

We provided ongoing advice to volunteers concerning recording and monitoring and this remains under regular review.

REDUCTION IN EXISTING FUNDING STREAMS

The reduction to existing funding streams, a slowdown in membership, uncertainty over future membership numbers and increased competition for funding, has been further exacerbated by Covid-19 and the economic downturn, which may have a further detrimental effect on income levels, potentially seriously impacting Butterfly Conservation's ability to deliver its core objectives. We have taken action to reduce costs as much as possible in 2020/21 and 2021/22 and have applied for emergency funding, where available. Our three-year Fundraising Strategy covering the period 2019-22 includes diversification of income streams to ensure we are less reliant on declining statutory funding from government agencies. We will increase our focus on unrestricted income and will continue to maximise funding opportunities from campaigns and brand awareness through closer working between our fundraising, communications and conservation teams. We will also explore options for more partnership working, such as the Back from the Brink project, and build relationships with potential major funders.

CHANGES TO THE EXTERNAL ENVIRONMENT

Political changes resulting in lower priority for biodiversity and poor decision making by policymakers could lead to poorer land use policies and less funding for biodiversity. As a member of the State of Nature partnership, we lobby for greater action on biodiversity and produce numerous scientific papers to build an evidence base for impacts of climate and land use change. We continue working with our partners in Rethink Nature and the country Links to ensure that existing environmental laws are secured and that the UK has the necessary governance arrangements in place for robust implementation and for future enforcement. We also continue to work with the European

Habitats Forum and Policy Director of Butterfly Conservation Europe to continue our policy and lobbying in Europe.

FAILURE TO ACT ON CLIMATE CHANGE

Global climate changes such as increasing temperatures and drier summers, more frequent occurrences of floods and storms, and human-made disasters that cause environmental damage are some of the many climate issues that will impact Butterfly Conservation's ability to deliver our key aims. We continue to actively support and raise awareness for climate action within the UK, and are due to launch our Sustainability Plan during 2021/22.

HEALTH & SAFETY

Butterfly Conservation's health and safety (H&S) policy, codes of practice and risk assessments are reviewed on a regular basis. The need for H&S training is assessed regularly and implemented for staff and volunteers. Where H&S incidents arise, they are properly followed up and reviewed by Council.

SAFEGUARDING

Butterfly Conservation is committed to ensuring the safety and welfare of children and vulnerable adults. We will ensure our staff, volunteers and contractors comply with best practice and regulatory requirements across all the physical and virtual spaces where we operate. Any suspicions and/or allegations of abuse will be dealt with according to our statutory responsibilities. Our Safeguarding Policy is published on our website.

ENVIRONMENTAL POLICY

Butterfly Conservation had begun a fundamental review of its Environmental Policy to broaden its scope and impact. The plan to replace this with a new Sustainability Policy and Action Plan had to be put on hold due to the pandemic. However, the new plan will not just look at reducing the impact of our work but also at how we mitigate our impact, adapt to climate change and increase our resilience. We also need to consider how we monitor and report on our performance and the changes we are making. Sustainability should be a key objective of the organisation to ensure it is embedded in all our decision making.

We identified a lack of expertise as limiting our progress. We have remained a member of Fit for the Future (fft.org.uk) to access sustainability best practice from a range of charities, businesses and public bodies. This will help us understand the process we need to develop to deliver real change and learn from others about new products, systems or practices.



Getty Images

TIME AND RESOURCES

We need a clear view of where we have the most impact. This will ensure we do not waste time and resources. There are five areas we will focus on:

- **Buildings** (reduce use, recycling, energy efficiency, renewable energy)
- **Land use** (low carbon, minimise inputs)
- **Transport** (reduce emissions)
- **Procurement** (reflect our corporate values)
- **Individuals** (provide information, encourage behaviour change, foster wellness).

Getting close to Devil's-bit
scabious, foodplant of the
Marsh Fritillary and Narrow-
bordered Bee Hawk-moth

Claire Hyne

Financial review

Income decreased slightly by 0.4% to \$4.48m (2020: \$4.50m).

Grant funding decreased by 11% to \$1.18m (2020: \$1.32m). Mainly due to various projects ending during the year, resulting in an overall reduction in payments received from funders such as The National Heritage Lottery Fund.

Income from donations and legacies increased by 5% to \$1.35m (2020: \$1.28m). Despite the pandemic, we continued to have a good response to all our individual appeals and general donations (including Gift Aid).

Membership subscription income increased by 11% to \$1.24m (2020: \$1.09m).

Expenditure decreased by 13%, to \$4.27m (2020: \$4.88m). This was a planned reduction to reduce costs following the start of the pandemic. It resulted in an 8% reduction in staff costs and our on-ground conservation work saw a large 37% decrease due to the implementation of Covid-19 related restrictions.

There has been material movement in total assets over the year. The capital value of our endowment fund increased by \$618k to \$5.30m (2020: \$4.68m). The fund has largely recouped the significant fall in value that took place during the first quarter of 2020 as global investment markets reacted to the pandemic.

The result was a net income of \$0.86m (2020: net expenditure of \$1.19m) and the closing total net assets were \$11.94m (2020: \$11.08m).

BUTTERFLY CONSERVATION'S FUNDRAISING POLICY

We are registered with the Fundraising Regulator and comply with the key principles embodied in their Code of Fundraising as set out in our Fundraising Promise (butterfly-conservation.org/legal/our-fundraising-promise).

Several safeguards are in place for our supporters: we include data protection permission options and a three-point 'Our promise to you' on all fundraising materials; a detailed Supporter Guarantee can be found on our website (butterfly-conservation.org/legal/supporter-guarantee).

All fundraising is conducted in-house and we monitor activity to ensure it adheres to our strict guidelines. No external professional fundraiser or third-party organisation is engaged in fundraising activities on behalf of the charity.

Corporate businesses have agreements in place to use Butterfly Conservation's logo for promotional purposes. All agreements can be terminated with immediate effect if the commercial participants do anything that could bring our reputation into disrepute.

Butterfly Conservation operates a strict ►

2020/21
ON-GROUND
CONSERVATION
WORK

37%
DECREASE



Iain H Leach



MEMBERSHIP

Income from membership subscriptions grew to £1.2m

opt-in policy for all direct marketing in line with the EU General Data Protection Regulation. All direct mail fundraising communications sent out are covered by active, informed and specific permission by the individual. Supporters are offered the opportunity to revise consent preferences in each communication. We also monitor the level of asks sent out to ensure unreasonable requests are not made to any individual.

All staff adhere to our Policy for Supporters in Vulnerable Circumstances, which provides guidance to help identify vulnerable individuals and ensure that all supporters are treated fairly.

Butterfly Conservation has received a total of three complaints regarding aspects of our fundraising during the year. All complaints were fully investigated, appropriate action was taken, and a detailed response was sent to individuals within seven days. We have received no notifications from the Fundraising Preference Service during 2020/21.

INVESTMENT POLICY

Our investment income is derived from an Endowment Fund intended to provide the charity with a permanent source of income. We are bound to invest this to seek a balanced return from income and capital growth: we aim for each to grow in line with inflation (CPI) over the long term. To achieve an appropriate balance between risk and return, we invest in a diversified portfolio of equities, bonds and alternative assets: a breakdown of investment

holdings is given in Note 15. We invest through pooled funds and third-party managers.

At 31 March 2021 our Endowed Fund had a market value of \$5.30m (2020: \$4.68m). Over the last five years, the value of the fund has grown by 10.8%, compared with a growth of 9.9% in the CPI.

Trustees rely upon professional advice for fund selection and allocation. At their meeting on 10 June 2020 Council passed a resolution to invest on a Total Return basis. The initial value of the trust for investment and the initial value of the Unapplied Total Return were established on 31 March 2020. The initial amount of the Trust for investment was determined at \$3.09m by reference to our records: the Unapplied Total Return was calculated as the difference between that value and the portfolio value at 31 March 2020. To ensure that we meet our obligations to balance the needs of current and future beneficiaries, trustees agreed a policy that we should allocate 3.25% of the portfolio value, after investment management fees, to income each year. The balance of the Total Return is then allocated to the trust for investment. We took advice on this figure from Cazenove Charities.

Council further resolved in December that we should follow the principles of socially responsible investment. We will do so by holding sustainable assets, in particular those that support the United Nations Sustainable Development Goals. We seek to engage, through our investment managers, with companies to encourage changing behaviours to reduce consumption and emissions. We have no direct and de minimis indirect exposure to companies with fossil fuel reserves (0% at 31 March 2021).

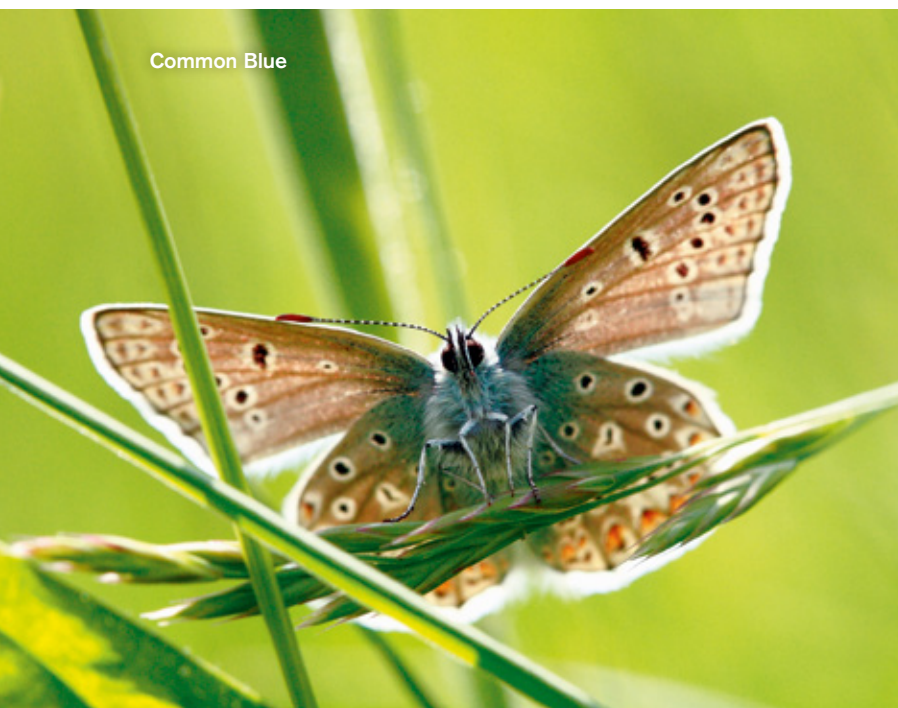
We identified both ethical and financial reasons for taking this approach. A further consequence of this policy is a significant reduction in the carbon footprint of our portfolio.

The total return on the endowed investments during the year to 31 March 2021 net of management charges amounted to \$733,000, of which \$115,000 has been transferred to the revenue reserves of the charity under the Total Return approach for application (see Note 19 to the accounts).

FINANCIAL RESERVES POLICY

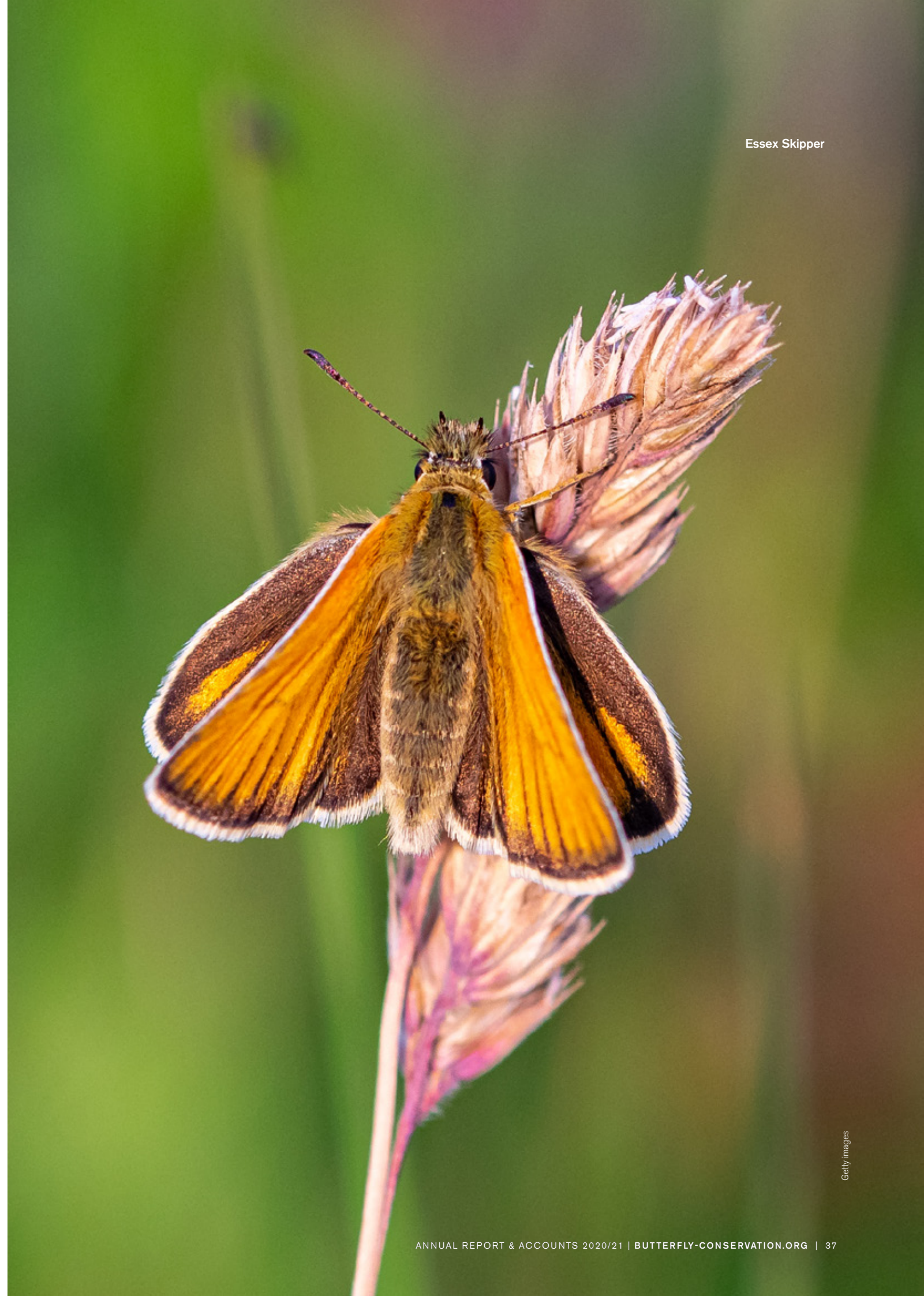
At 31 March 2021 Butterfly Conservation had total funds of \$11.94m (2020: \$11.08m).

These funds included our permanent endowment totalling \$5.3m (2020: \$4.68m), which was given to provide future income for Butterfly Conservation. ►



Common Blue

Will Langdon



Essex Skipper

Getty Images



THE OBJECTIVE
We will increase our fundraising capacity to deliver ambitious funding targets

Restricted funds totalled £1.23m (2020: £1.09m) as set out in detail in Note 20 to the financial statements. A further £1.15m (2020: £1.13m) represents freehold nature reserves and other tangible and intangible fixed assets.

Council has designated a total of £0.28m (2020: £1.82m) for the purposes as detailed in Note 22 to the financial statements.

Butterfly Conservation's unrestricted funds at 31 March 2021 amounted to £5.41m (2020: £5.31m). These funds include £1.15m being the tangible fixed assets fund balance and £20,000 being the retained profits of Butterfly Conservation Trading Company. Both funds are central to Butterfly Conservation's charitable activities and the funds would not be available to meet future contingencies should they arise.

The funds available for meeting ongoing future reserves, i.e. free financial reserves, therefore total £3.97m.

These free financial reserves are held to ensure that Butterfly Conservation:

- maintains sufficient levels of working capital to allow for seasonal fluctuations;
- protects its essential conservation activities in

the event of shortfalls in grant and general income within the next financial year; and

- maintains funds to respond to conservation opportunities.

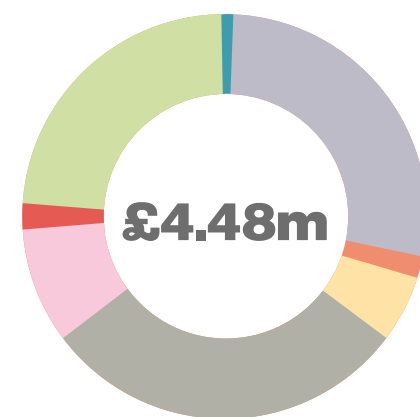
These funds equate to approximately six months' operating costs.

Council has reviewed the charity's Financial Reserves Policy with the designation of this money and has also taken into consideration the continued reduction in statutory agency funding and the need to invest financial resources into achieving our 2025 Strategy. Considering these factors, Council has calculated that the amount of financial reserves it needs to hold is £2.5m (2020: £2.5m). The members of Council are therefore satisfied with the year end reserves position.

In 2021/22 we will continue to implement our Fundraising Strategy to maintain our conservation effort and financial reserves to the target level. However, with the ongoing pandemic crisis, this may have some negative impact on our finances during the next few years. Positive action is planned to mitigate potential reduction in income during this period.

HOW WE RAISED OUR FUNDS

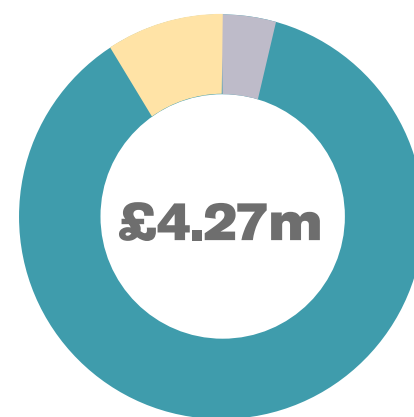
Total income **£4.48m**
(2019/20 £4.50m)



Donations and legacies	£1.35m
Other trading activities	£0.07m
Investments	£0.15m
Conservation activities – grants	£1.18m
Contracts and Royalties	£0.32m
Primary Purpose Trading	£0.12m
Membership subscriptions	£1.24m
Other	£0.05m

HOW WE SPENT OUR FUNDS

Total expenditure **£4.27m**
(2019/20 £4.88m)



Raising funds	£0.25m
Conservation	£3.64m
Membership services	£0.38m
Other	£0.00m

Dark Green Fritillary



Iain H. Leach

Small Elephant
Hawk-moth

Reference & administrative information

Registered name
Butterfly Conservation

Registered charity
Registered charity number
254937 (England and Wales)
and SC039268 (Scotland);
governed by the Articles of
Association updated in
2016/17

**Company limited
by guarantee**
Limited company number
02206468 Registered in
England and Wales

Registered office
Manor Yard
East Lulworth
Wareham
Dorset
BH20 5QP

Website
butterfly-conservation.org

Twitter
[@savebutterflies](https://twitter.com/savebutterflies)

Facebook
[Facebook.com/
savebutterflies](https://facebook.com/savebutterflies)

Instagram
[Instagram.com/
savebutterflies](https://instagram.com/savebutterflies)

President
Sir David Attenborough
OM CH CVO CBE FRS FSA

Vice-Presidents
Jim Asher
Maurice Avent
Nick Baker
John F Burton FZS FRES
DL Cbiol
Dudley Cheesman
Sue Collins
The Earl of Cranbrook PhD
David Dennis
Mike Dilger
Clive P Farrell
Julian Gibbs
David Hanson
Ian Hardy MVO
Anthony Hoare
Chris Packham CBE
Professor Jeremy Thomas
Alan Titchmarsh MBE

**Council Members
(Directors and Trustees)**

Chair
Karen Goldie-Morrison

Vice Chair
Mike Dean

Honorary Treasurer
Nigel Symington

Trustees
Apithanny Bourne
Hugh Ellerton
Dr Susan Foden
Prof Laurence Harwood
Dr Elaine King
Simon Saville
Ilija Vukomanovic
Chris Winnick

Senior Leadership Team

**Chief Executive and
Company Secretary**
Julie Williams

**Director of Engagement
& Volunteering**
Dr Kate Dent

Director of Conservation
Dr Dan Hoare

**Director of Evidence
& Resources**
Russel Hobson

Auditor
Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Investment managers
Cazenove Capital
Management
1 London Wall Place
London
EC2Y 5AU

Principal bankers
NatWest plc
49 South Street
Dorchester
Dorset
DT1 1DW

Solicitors
Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR

Sadly our Vice President, Anthony Hoare, passed away in March 2021.

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COUNCIL AND MEMBERS OF BUTTERFLY CONSERVATION

OPINION

We have audited the financial statements of Butterfly Conservation (the 'charitable parent company') and its subsidiary company (collectively the 'group') for the year ended 31 March 2021, which comprise the group statement of financial activities, the group comparative statement of financial activities, the group and charitable parent company balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 group's and of the charitable parent company's affairs as at 31 March 2021 and of the group's 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).*

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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 group and charitable parent company's ability to continue as a going concern for a period of at least 12 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.

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the annual report and Financial Statements. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- *the information given in the Report of the Council, including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and*
- *the Report of the Council, including the strategic report has been prepared in accordance with applicable legal requirements.*

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Council including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- *proper and adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or*
- *the charitable parent company financial statements are not in agreement with the accounting records and returns; or*
- *certain disclosures of Council members' remuneration specified by law are not made; or*
- *we have not received all the information and*

explanations we require for our audit; or

- *the members of Council were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.*

RESPONSIBILITIES OF COUNCIL

As explained more fully in the Responsibilities of Council statement, the members of Council (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 members of Council 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 members of Council are responsible for assessing the group's and the charitable parent 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 members of Council either intend to liquidate the group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 auditor's 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- *the Engagement Director (and Senior Statutory Auditor) ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;*
- *we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;*
- *the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;*
- *we focused on specific laws and regulations that we considered may have a direct material effect on the accounts or the activities of the group. These included but were not limited to the Charities Act 2011, Charities Accounts (Scotland) Regulations 2006 (as amended), Companies Act 2006 and data protection legislation; and*
- *we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence and reviewing Member of Council meeting minutes.*

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- *making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and*
- *considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.*

To address the risk of fraud through management bias and override of controls, we:

- *performed analytical procedures to identify any unusual or unexpected relationships;*
- *tested journal entries to identify unusual transactions;*
- *tested the authorisation of expenditure as part of our substantive testing thereon;*
- *assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and*
- *used data analytics to identify any significant or unusual transactions and identify the rationale for them.*

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures that included, but were not limited to:

- *agreeing financial statement disclosures to underlying supporting documentation;*
- *reviewing the minutes of member of Council meetings; and*
- *enquiring of management and those charged with governance as to actual and potential litigation and claims.*

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's report.

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's trustees as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP
Gumayel Miah (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP,
Statutory Auditor, 130 Wood Street
London EC2V 6DL

Date: 26 August 2021

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Buzzacott

Financial statements

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES YEAR TO 31 MARCH 2021

	Notes	Unrestricted funds \$000	Restricted funds \$000	Endowment funds \$000	2021 Total \$000	2020 Total \$000
Income from:						
Donations and legacies	1	1,240	111	-	1,351	1,277
Other trading activities	2	72	-	-	72	60
Investments & interest receivable	3	14	6	128	148	249
Charitable activities						
• Conservation activities - grants receivable	4	50	1,132	-	1,182	1,322
• Contracts and Royalties		258	52	-	310	428
• Primary purpose trading		115	6	-	121	80
• Membership subscriptions		1,241	-	-	1,241	1,087
Other sources		54	-	-	54	-
Total income		3,044	1,307	128	4,479	4,503
Expenditure						
Raising funds	5	223	1	25	249	200
Charitable activities						
• Conservation	6	2,180	1,463	-	3,643	4,238
• Membership services	7	378	-	-	378	443
Total expenditure		2,781	1,464	25	4,270	4,881
Net income (expenditure) before investment gains (losses)		263	(157)	103	209	(378)
Net investment (losses) gains	15, 17	19	-	630	649	(807)
Net income (expenditure)	10	282	(157)	733	858	(1,185)
Transfers between funds	20	(182)	297	(115)	-	-
Net movement in funds		100	140	618	858	(1,185)
Reconciliation						
Total funds brought forward at 1 April 2020		5,311	1,091	4,681	11,083	12,268
Total funds carried forward at 31 March 2021		5,411	1,231	5,299	11,941	11,083

All of the group's activities derived from continuing operations during the above financial periods.

The group has no recognised gains and losses other than those shown in the consolidated statement of financial activities.

No summary income and expenditure account has been produced as the only difference to the statement of financial activities would be the omission of endowed income of \$128,000 (2020: \$nil); endowed expenditure of \$26,000 (2020: \$nil) and transfer of \$115,000 (2020: \$nil) to the restricted fund.

COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES YEAR TO 31 MARCH 2020

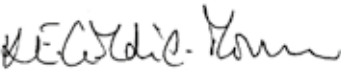
	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2020 Total £000
Income from:					
Donations and legacies	1	1,155	122	-	1,277
Other trading activities	2	60	-	-	60
Investments & interest receivable	3	240	9	-	249
Charitable activities					
• Conservation activities - grants receivable	4	34	1,288	-	1,322
• Contracts and Royalties		328	100	-	428
• Primary purpose trading		74	6	-	80
• Membership subscriptions		1,087	-	-	1,087
Total income		2,978	1,525	-	4,503
Expenditure					
Raising funds	5	198	2	-	200
Charitable activities					
• Conservation	6	2,313	1,925	-	4,238
• Membership services	7	443	-	-	443
Total expenditure		2,954	1,927	-	4,881
Net income (expenditure) before investment gains (losses)		24	(402)	-	(378)
Net investment gains	15,17	(2)	-	(805)	(807)
Net income (expenditure)	10	22	(402)	(805)	(1,185)
Transfers between funds	20	(378)	378	-	-
Net movement in funds		(356)	(24)	(805)	(1,185)
Reconciliation					
Total funds brought forward at 1 April 2019		5,667	1,115	5,486	12,268
Total funds carried forward at 31 March 2020		5,311	1,091	4,681	11,083

Common Blue

GROUP AND CHARITY BALANCE SHEETS 31 MARCH 2021

	Notes	Group		Charity	
		2021 £000	2020 £000	2021 £000	2020 £000
Fixed assets					
Intangible assets	13	80	86	80	86
Tangible assets	14	1,374	1,385	1,374	1,385
Investments	15	5,299	4,681	5,299	4,681
		6,753	6,152	6,753	6,152
Current assets					
Stocks		7	7	7	7
Debtors	16	868	1,184	905	1,218
Investments	17	-	162	-	162
Cash at bank and in hand					
• Short term deposits and interest bearing accounts		3,101	2,902	3,101	2,902
• Current accounts		1,435	1,048	1,375	992
		5,411	5,303	5,388	5,281
Liabilities					
Creditors: amounts falling within one year	18	(223)	(372)	(220)	(371)
Net current assets		5,188	4,931	5,168	4,910
Total net assets		11,941	11,083	11,921	11,062
The funds of the charity. Charitable funds.					
Capital funds					
Endowment funds	19	5,299	4,681	5,299	4,681
Income funds					
Restricted funds	20	1,231	1,091	1,231	1,091
Unrestricted funds					
• General fund		3,970	2,340	3,970	2,339
• Non-charitable trading funds		20	20	-	-
• Tangible and intangible fixed assets (including freehold nature reserves) fund	21	1,146	1,132	1,146	1,132
• Designated fund	22	275	1,819	275	1,819
Total funds		11,941	11,083	11,921	11,062

Approved by the Council of Butterfly Conservation, Company Registration Number 02206468 (England and Wales) and signed on its behalf by Karen Goldie-Morrison (Chair)



Approved on 14 July 2021

CONSOLIDATED STATEMENT OF CASH FLOWS YEAR TO 31 MARCH 2021

	Notes	2021 £000	2020 £000
Cash flows from operating activities			
Net cash used in operating activities	A	259	(618)
Cash flows from investing activities			
Investment income and interest received		148	247
Purchase of tangible fixed assets		-	(49)
Purchase of intangible fixed assets		(14)	(53)
Proceeds from the disposal of listed investments		6,046	552
Purchase of listed investments		(5,868)	(543)
Net cash provided by investing activities		312	154
Change in cash equivalents in the year		571	(464)
Change in cash equivalents at 1 April 2020	B	4,037	4,501
Change in cash equivalents at 31 March 2021	B	4,608	4,037

Notes to the statement of cash flows for the year to 31 March 2020.
A. Reconciliation of net expenditure to net cash used in operating activities

	2021 £000	2020 £000
Net income (as per the statement of financial activities)	858	(1,185)
Adjustments for:		
Depreciation and amortisation charge	31	12
(Gains) losses on investments	(649)	807
Investment income and interest receivable	(148)	(249)
Decrease (increase) in stocks	-	1
Decrease (increase) in debtors	316	(48)
(Decrease) increase in creditors	(149)	44
Net cash used in operating activities	259	(618)

B. Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash at bank and in hand: current accounts	1,435	1,048
Cash at bank and in hand: short term deposits and interest bearing accounts	3,101	2,902
Cash held by investment managers	72	87
Total cash and cash equivalents	4,608	4,037

Small Tortoiseshell



Getty Images

Principal accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

BASIS OF PREPARATION

These financial statements have been prepared for the year to 31 March 2021 with comparative information provided in respect to the year 31 March 2020.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with 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 United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements are presented in sterling and are rounded to the nearest one thousand.

BASIS OF CONSOLIDATION

The consolidated statement of financial activities and group balance sheet consolidate the financial statements of Butterfly Conservation and its wholly owned subsidiary company,

Butterfly Conservation Trading Limited, made up at the balance sheet date. The results of the subsidiary undertaking are consolidated on a line-by-line basis. No separate statement of financial activities has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Preparation of the financial statements requires the members of Council and management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- *the estimates of the useful economic lives of both tangible and intangible fixed assets used to determine the annual depreciation and amortisation charges respectively;*
- *the assumptions adopted by the members of Council and management in determining the value of any designations required from the charity's general unrestricted funds;*
- *the basis on which support costs have been allocated across expenditure headings;*
- *the probability of the receipt by the charity of legacy income of which it has been notified of its entitlement; and*
- *the estimation of future income and expenditure flows for the purpose of assessing the charity's and group's going concern (see next page). ►*



Canary-shouldered Thorn

Getty Images



Brimstone

Rob Blanken



Alder moth

Andrew Cooper



Painted Lady

ASSESSMENT OF GOING CONCERN

Council members have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. Council members have made this assessment in respect to a period of at least one year from the date of approval of these financial statements.

The members of Council have considered the impact of the Covid-19 on the charity by accessing and reviewing future income streams and expenditure levels.

Following this review, the members of Council are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 March 2022, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy set out in the Report of the Council for more information).

INCOME

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably, and it is probable that the income will be received. Income is deferred only when the charity must fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises: donations; legacies; income from fundraising events, royalties, and trading activities; investment income and interest

receivable; and income from charitable activities including grants receivable, contracts for services, primary purpose trading and membership subscriptions.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Donated goods are recognised at fair value unless it is impractical to measure this reliably, in which case a derived value, being the cost of the item to the donor, is used. An equivalent amount is included as expenditure except where the donated good is a fixed asset, in which case the corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the charity's accounting policies. In accordance with the Charities SORP FRS 102, volunteer time is not recognised.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised

and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

In April 2020 Council passed a resolution to transfer the balance held in the designated Legacy Fund to the general fund and additionally any income arising from new legacies received in the year to be allocated directly to the general fund. Previously, an amount equivalent to the unrestricted legacies credited to the statement of financial activities was transferred to the Legacy Fund, a designated fund.

Income from trading activities includes the income from corporate sponsorship and the sale of products of the charity's trading subsidiary. Such income is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. It is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Income from fundraising events and income from royalties is recognised when it is probable that the economic benefits will flow to the charity and the revenue can be reliably measured. It is measured as the fair value of the consideration received or receivable. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Grants from government and other agencies are included as income from charitable activities where these amount to a contract for services or where the money is given in response to a specific appeal or for a particular purpose. Grants from government and other agencies are included as donations where they are given with greater freedom of use, for example monies for core funding.

Income from primary purpose trading is recognised to the extent that it is probable that the economic benefits will flow to the charity and the revenue can be reliably measured. It is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Annual membership subscriptions are credited to the statement of financial activities on a receipts basis. This approach avoids any complexity that might be encountered if an accruals basis were applied and, in the opinion of the members of Council, results in a figure that is not materially different from that which would be achieved by using an accruals basis. ►



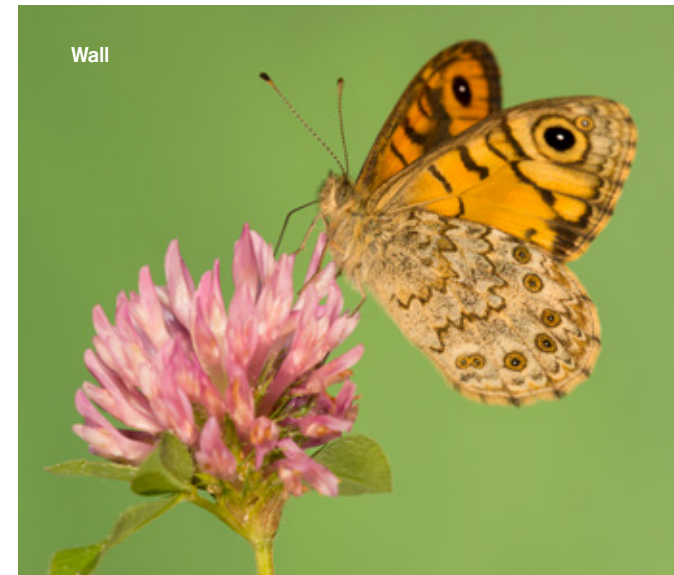
Beautiful Golden Y

Iain H Leach



Southern Small White

Adam Gor



Wall

Getty Images



Mint moth

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment 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. All expenditure is stated inclusive of irrecoverable VAT.

Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- *Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees, staff costs associated with fundraising, the direct cost of fundraising activities, expenditure of the charity's subsidiary company and an allocation of support costs.*
- *Expenditure on charitable activities comprises expenditure on the charity's primary charitable purposes as described in the Report of Council i.e. conservation and membership services. This includes both costs that can be allocated directly to such activities and an allocation of support costs.*

ALLOCATION OF SUPPORT AND GOVERNANCE COSTS

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of a finance function, human resources function, property management and information technology support. Governance costs comprise the costs involving the public accountability of the charity (including audit

costs) and costs in respect to its compliance with regulation and good practice.

Support staff costs are allocated to the above expenditure headings based on the time expended by the support staff in the relevant areas. Other support and governance costs are allocated to expenditure in the same ratio as the direct costs.

INTANGIBLE FIXED ASSETS

All assets costing more than £2,000 and with an expected useful life exceeding one year are capitalised.

Amortisation is provided on cost at the following annual rates in order to write off each asset over its estimated useful life:

- *Computer software 20% straight-line*

Assets under the course of construction, including software under development, are not amortised until they are available for use.

TANGIBLE FIXED ASSETS

All assets costing more than £2,000 and with an expected useful life exceeding one year are capitalised.

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

- *Office equipment, vehicles, plant and machinery 20-25% straight-line*

No depreciation is provided on freehold land.

INVESTMENTS

Listed investments are a form of basic financial instrument and are initially recognised at their

transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The charity does not acquire put options, derivatives, or other complex financial instruments.

The Council of Butterfly Conservation voted in July 2020 to adopt a policy of Total Return in the management of this fund as permitted by the Act and a special Charity Commission scheme. Under this policy, investment managers are given the flexibility to achieve maximum returns on investments whether this is through generating interest and dividends or through capital growth. Charities operating a Total Return policy can apply some of the capital growth on investments for charitable purposes, thereby enabling the Trustees to balance the current and future needs of charitable beneficiaries.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value where the investment is acquired after the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

STOCKS

Stocks of books and stationery for resale are valued at the lower of cost and estimated net realisable value.

DEBTORS

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

They have been discounted to the present value of the future cash receipt where such discounting is material.

CASH AT BANK AND IN HAND

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

CREDITORS AND PROVISIONS

Creditors and provisions 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. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

FUND STRUCTURE

The endowment fund comprises monies that must be held as capital indefinitely.

Until 30 June 2020, the investment income therefrom (which was available for use for charity's general purposes) was credited directly to unrestricted funds, whilst any gains (or losses) on the original capital was credited (or debited) to (or from) the endowment fund.

Following a resolution of the members of Council on 10 June 2020, with effect from 1 July 2020, the charity has implemented a total return approach in respect of its endowment funds. The initial value of the trust for investment and ►



Small Blue

Getty Images



Straw Belle

Dave Green

the initial value of the Unapplied Total Return were established on 31 March 2020. The initial amount of the trust for investment was determined at \$3.09m by reference to the charity's records: the Unapplied Total Return was calculated as the difference between that value and the portfolio value at 31 March 2020. All investment income, gains and losses are taken to the part of the fund representing the accumulated Unapplied Total Return in the first instance. The members of Council have agreed a policy to allocate 3.25% of the portfolio value, after investment management fees, from the Unapplied Total Return to the charity's unrestricted funds each year, and this is shown as a transfer between funds on the statement of financial activities.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions. Transfers between restricted funds and the tangible fixed assets fund are explained below. Transfers between restricted and other unrestricted funds are explained in Note 20 to the financial statements.

The non-charitable trading funds comprise the profits retained in the trading subsidiary, Butterfly Conservation Trading Limited.

The tangible and intangible fixed assets fund represents the net book value of those tangible and intangible fixed assets that are not part of the endowment or restricted funds of the charity. Each year one tenth of the cost of all land purchased from restricted funds will be transferred to the tangible fixed assets fund unless there is a specific deed/covenant in place to de-restrict the asset. The charity has adopted a

formal policy of assessing all assets donated, other than cash, and valuing for account purposes only those with material value to the charitable work of the organisation.

The designated funds are monies set aside out of the general fund and designated for specific purposes by Council. The policies for transfers to and from designated funds are explained above under "income and transfers to/from designated funds" or in Note 22 to the financial statements. The general fund comprises those monies that may be used towards meeting the charitable objectives of the charity and may be applied at the discretion of Council.

CONTRIBUTORY THIRD PARTY (CTP) AND LANDFILL COMMUNITY FUNDS

Funds collected as third-party contributions towards projects, which are funded by Landfill Community Funds, are not regarded as income but are shown as a liability on the balance sheet. They will be transferred in due course to the Landfill Operators to release further funds under the Landfill Community Funds scheme.

LEASED ASSETS

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities in equal annual amounts over the lease term.

PENSION COSTS

Contributions by the charity in respect of employees' personal pension plans and defined contribution schemes are charged to the statement of financial activities in the year in which the expenditure is incurred.



Marbled White

Iain H Leach

Notes to the financial statements

1. INCOME FROM DONATIONS AND LEGACIES

Group	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2021 Total £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2020 Total £000
Donations	557	106	-	663	511	122	-	633
Legacies	683	5	-	688	644	-	-	644
	1,240	111	-	1,351	1,155	122	-	1,277

2. INCOME FROM OTHER TRADING ACTIVITIES

Group	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2021 Total £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2020 Total £000
Sale of goods/ services - non-charitable material	27	-	-	27	19	-	-	19
Royalties and sponsorship - non primary purpose	24	-	-	24	9	-	-	9
Fundraising	21	-	-	21	32	-	-	32
	72	-	-	72	60	-	-	60

3. INCOME FROM INVESTMENTS AND INTEREST RECEIVABLE

Group	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2021 Total £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2020 Total £000
UK common investment funds and unit trusts	1	-	128	129	216	-	-	216
Bank interest	13	6	-	19	24	9	-	33
	14	6	128	148	240	9	-	249

4. INCOME FROM CHARITABLE ACTIVITIES: CONSERVATION ACTIVITIES – GRANTS RECEIVABLE

Group	Unrestricted funds £000	Restricted funds £000	2021 Total £000	Unrestricted funds £000	Restricted funds £000	2020 Total £000
Cambridgeshire Community Foundation	-	-	-	-	9	9
Dartmoor National Park Authority	-	-	-	-	5	5
Enovert Community Trust	-	-	-	-	13	13
The Ernest Kleinwort Charitable Trust	-	-	-	-	19	19
Exmoor National Park Authority	-	-	-	-	5	5
Fidra	25	-	25	-	-	-
Garfield Weston Foundation	-	10	10	-	-	-
Grant Scape	-	15	15	-	11	11
London Wildlife Trust	-	48	48	-	52	52
National Trust	7	-	7	8	-	8
Natural England	-	484	484	-	488	488
Northern Ireland Environment Agency	-	50	50	-	37	37
Postcode Local Trust	-	20	20	-	-	-
Restore our Planet	-	-	-	-	20	20
Rural Payments Agency	-	40	40	-	120	120
Scottish Forestry	-	6	6	-	6	6
Scottish Natural Heritage	-	66	66	-	47	47
The D'Oyly Carte Charitable Trust	-	-	-	-	5	5
The Lawson Trust	-	-	-	-	5	5
National Heritage Lottery Fund	-	207	207	-	289	289
The Patsy Wood Trust	-	106	106	-	103	103
The Royal Society for the Protection of Birds	-	75	75	-	29	29
Welsh Government	-	-	-	13	-	13
Woodland Trust	-	-	-	-	14	14
Worcestershire Wildlife Trust	6	-	6	-	-	-
Grant received < \$5,000	12	5	17	13	11	24
	50	1,132	1,182	34	1,288	1,322

5. EXPENDITURE ON RAISING FUNDS

Group	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2021 Total £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2020 Total £000
Staff costs (including support) (Note 11)	146	-	-	146	125	-	-	125
Fundraising costs	44	1	-	45	18	2	-	20
Trading costs	21	-	-	21	17	-	-	17
Investment management charges	-	-	25	25	30	-	-	30
Other support costs (Note 8)	12	-	-	12	8	-	-	8
	223	1	25	249	198	2	-	200

6. EXPENDITURE ON CHARITABLE ACTIVITIES: CONSERVATION

Group	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2021 Total £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2020 Total £000
Staff costs (including support) (Note 11)	1,718	727	-	2,445	1,792	875	-	2,667
Marketing and publicity	60	2	-	62	36	1	-	37
Management conservation	182	310	-	492	293	483	-	776
Information and education	63	-	-	63	48	-	-	48
Legal and professional	1	-	-	1	7	-	-	7
Other support costs (Note 8)	156	424	-	580	137	566	-	703
	2,180	1,463	-	3,643	2,313	1,925	-	4,238

7. EXPENDITURE ON CHARITABLE ACTIVITIES: MEMBERSHIP SERVICES

Group	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2021 Total £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2020 Total £000
Staff costs (including support) (Note 11)	167	-	-	167	205	-	-	205
Membership recruitment	5	-	-	5	11	-	-	11
Newsletter production and distribution	148	-	-	148	165	-	-	165
Membership servicing	38	-	-	38	45	-	-	45
Other support costs (Note 8)	20	-	-	20	17	-	-	17
	378	-	-	378	443	-	-	443

8. SUPPORT COSTS

	Staff costs £000	Other support costs £000	2021 Total £000	Staff costs £000	Other support costs £000	2020 Total £000
Staff costs	912	-	912	1,038	-	1,038
Governance costs (Note 9)	-	142	142	-	106	106
Other	-	470	468	-	622	622
	912	612	1,524	1,038	728	1,766
Attributed to:						
Expenditure on raising funds (Note 5)	146	12	158	125	8	133
Expenditure on charitable activities						
• Conservation (Note 6)	684	580	1,264	800	703	1,503
• Membership services (Note 7)	82	20	101	113	17	130
	912	612	1,524	1,038	728	1,766

Support staff costs are allocated to expenditure based on the time expended by support staff in the relevant areas of charitable activities.

Other support costs are allocated to expenditure on the same ratio as the direct costs associated with the relevant areas of charitable activity.

9. GOVERNANCE COSTS

	2021 Total £000	2020 Total £000
Information and education	28	42
Legal and professional	110	49
Other governance expenses	4	15
	142	106

10. NET INCOME (EXPENDITURE)

This is stated after charging

Group	2021 Total £000	2020 Total £000
Staff costs (Note 11)	2,758	2,997
Auditor's remuneration		
• Statutory audit services	14	14
• Non-audit services		
Tax compliance	7	4
HR consultancy	20	45
• Other	-	1
Depreciation	31	12
Operating lease rentals	93	103

11. EMPLOYEES, STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

Group	2021 Total \$000	2020 Total \$000
Staff costs during the period as follows:		
Wages and salaries	2,362	2,562
Social security costs	208	233
Other pension costs	179	202
	2,749	2,997
Agency staff costs	9	-
Total staff costs	2,758	2,997
Staff costs by function (after the allocation of those deemed support costs) were as follows:		
Raising funds	146	125
Conservation	2,445	2,667
Membership service	167	205
	2,758	2,997

A total of \$113,387 was paid in redundancy payments (2020: \$14,603) and this amount is included within wages and salaries above.

The number of employees whose emoluments exceeded \$60,000 (including employer pension contributions) was:

	2021	2020
\$70,001-\$80,000	1	1

Pension contributions of \$5,818 (2019: \$5,760) were paid into personal pension schemes in respect of these individuals during the year.

The average number of employees, analysed by function after allocating support costs, was as follows:

Group	2021 Total \$000	2020 Total \$000
Raising funds	6	6
Conservation	69	81
Membership services	4	5
	79	92

The key management personnel of the charity comprises the member of Council and the Senior Leadership Team. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was \$261,170 (2020: \$297,231).

No Council member received any remuneration in respect of his or her services as members of Council during the year (2020: \$nil). However

- A total of \$2,421 (2020: \$11,275) was reimbursed to (or paid by the charity on behalf of) 14 (2020: 15) Council members for expenditure incurred on behalf of the charity.

- No members of Council had any beneficial interest in any contract with the charity during the year. (2020: 1)

12. TAXATION

Butterfly Conservation is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within various exemptions available to registered charities.



Small Emerald

Mark Parsons

13. INTANGIBLE FIXED ASSETS

Group and charity	Software under development \$000	Software \$000	Total \$000
Cost			
At 1 April 2020	86	-	86
Additions	-	14	14
Transfers during the year	(86)	86	-
At 31 March 2021	-	100	100
Amortisation			
At 1 April 2020	-	-	-
Charge for year	-	20	20
At 31 March 2021	-	20	20
Net book values			
At 31 March 2021	-	80	80
At 31 March 2020	86	-	86

The software under development for the year ended March 2020 related to the development of a new Customer Relationship Management solution for the charity.

By 31 March 2021 the first aspect of this project was completed and available for use.

Further expenditure is planned for phase 2 of this project and will be expended in the year ended 31 March 2022. As at 31 March 2021 the charity has capital commitments of \$17,000 in relation to this.

14. TANGIBLE FIXED ASSETS

Group and charity	Freehold land £000	Office equipment, plant and machinery £000	Total £000
Cost			
At 1 April 2020	1,343	58	1,401
Elimination of obsolete items	-	(2)	(2)
At 31 March 2021	1,343	56	1,399
Depreciation			
At 1 April 2020	-	16	16
Charge for year	-	11	11
On obsolete items eliminated	-	(2)	(2)
At 31 March 2021	-	25	25
Net book values			
At 31 March 2021	1,343	32	1,374
At 31 March 2020	1,343	42	1,385

Freehold land comprises a number of nature reserves managed by the charity. The disposal of a number of these reserves is subject to restrictive covenants.

A legal charge dates 30 May 2006 in favour of one of the charity’s funders exists in relation to the freehold property known as Pres Heath Common.

15. FIXED ASSET INVESTMENTS

	Group		Charity	
	2021 £000	2020 £000	2021 £000	2020 £000
Listed investments (Note a)	5,299	4,681	5,299	4,681
Investment in subsidiary company (Note b)				
	5,299	4,681	5,299	4,681

a) Listed investments and cash held for re-investment

Group and charity	Total 2021 £000	Total 2020 £000
Listed investments		
Market value at 1 April 2020	4,594	5,408
Additions at cost	5,868	543
Disposal proceeds	(5,865)	(552)
Realised gains	686	11
Disposals at opening market value	(5,179)	(541)
Net unrealised losses	(56)	(816)
Market value at 31 March 2021	5,227	4,594
Cash held by investment managers for re-investment	72	87
	5,299	4,681
Cost of listed investments 31 March 2021	5,245	4,290

Listed investments held at 31 March 2021 wholly comprised holdings in common investment funds. Individual holdings of listed fixed asset investments that, at the 31 March 2021, represented a material proportion off the total value of the fixed asset investment portfolio, were as follows:

	Market value £000	Proportion %
Cazenove Charity Responsible Multi Asset Fund	4,950	93.4
Charities Property Fund	277	5.2

b) Investment in subsidiary company
The charity holds 100% share of the issued share capital of Butterfly Conservation Trading Limited. This holding was acquired on incorporation of the company on 23 February 2010.

The following is a summary of the financial statements of Butterfly Conservation Trading Limited for the year ended 31 March 2021, which have been included in the consolidated financial statements.

	Total 2021 £000	Total 2020 £000
Turnover	56	51
Cost of salaries	(13)	(4)
Gross profit	43	47
Operating costs	(19)	(19)
Net profit for the year before Gift Aid and taxation	25	28
Donation under a Gift Aid compliant Deed of Covenant	(25)	(28)
Taxation	-	-
Profit for the financial period	-	-
Retained earnings at 31 March 2020	20	20
Retained earnings at 31 March 2021	20	20

At 31 March 2021 the company had a total called up share capital and retained earnings of £20,001 (2020: £20,001).

16. DEBTORS

	Group		Charity	
	2021 £000	2020 £000	2021 £000	2020 £000
Grants and other funding receivable	233	465	233	465
Prepayments and other accrued income	60	183	118	181
Legacies receivable	354	341	354	341
VAT recoverable	8	-	8	-
Amounts due from Butterfly Conservation Trading Ltd	-	-	40	38
Investment income receivable	-	60	-	60
Primary purpose trading income receivable	-	-	-	-
Gift Aid recoverable	60	48	-	48
Sundry debtors	153	87	152	85
	868	1,184	905	1,218

17. CURRENT ASSET INVESTMENTS

Group and charity	Total 2021 \$000	Total 2020 \$000
Listed investments		
Market value at 1 April 2020	162	164
Disposal proceeds	(181)	-
Realised gains	19	-
Disposals at opening market value	(162)	-
Unrealised investment	-	(2)
Market value at 31 March 2021	-	162
Cost of listed investments at 31 March 2021	-	120

Current asset investments held at 31 March 2021 comprised the following:

	Total 2021 \$000	Total 2020 \$000
UK common investment funds	-	162

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Social security and other taxes	51	90	51	90
Expense creditors	97	192	97	192
Accruals and deferred income	75	90	72	89
	223	372	220	371

There is no deferred income for 2020/21. In 2019/20, deferred income related to \$9,727 received for grassland management at Magdalen Hill Down reserve in and DFN Charitable Foundation support of Big Butterfly Count of \$16,667.

Movements on deferred income during the year was as follows:

	Group		Charity	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Opening deferred income balance	27	9	27	9
Cash received in the year	26	27	26	27
Amounts released to income	(53)	(9)	(53)	(9)
Closing deferred income balance	-	27	-	27



Swallowtail

Peter Eeles

19. ENDOWMENT FUNDS

Group and charity	2021 \$000	2020 \$000
At April 2020	4,681	5,486
Less Value of endowment at 30 June 2020	(3,086)	-
Opening Value of unapplied total return at 1 July 2021	1,595	5,486
Add investment return: income	128	-
Add investment return: realised and unrealised gains (losses)	630	(805)
Less investment management costs	(25)	-
Total return before transfer to income	2,328	4,681
Less total return applied	(115)	-
Unapplied total return as at 31 March 2021	2,213	-
Add: Value of endowment at 30 June 2020	3,086	-
Permanent endowment including unapplied total return as at 31 March 2021	5,299	4,681

The Council of Butterfly Conservation voted in July 2020 to adopt a policy of Total Return in the management of this fund as permitted by the Act and a special Charity Commission scheme. Under this policy, investment managers are given the flexibility to achieve maximum returns on investments whether this is through generating interest and dividends or through capital growth. Charities operating a Total Return policy are able to apply some of the capital growth on investments for charitable purposes, thereby enabling the Trustees to balance the current and future needs of charitable beneficiaries.

20. RESTRICTED FUNDS

The income funds of the charity include restricted funds comprising the following to be applied for specific purposes:

Group and Charity	At 1 April 2020 £000	Income £000	Expenditure £000	Fund transfers £000	At 31 March 2021 £000
Back from the Brink Project	19	333	(313)	3	42
Big City Butterflies	-	36	(4)	1	33
Brilliant Butterfly Banks	23	48	(50)	-	21
Building Sites for Butterflies	60	78	(54)	-	84
Conservation Officer Wales	-	27	-	-	27
Development Scotland	43	86	(275)	157	11
Environparks Marsh Fritillary Mitigation	209	1	(31)	-	179
Kent's Magnificent Moths	-	30	(4)	52	78
Morecambe Bay Lime	-	137	(31)	4	110
North Atlantic Coast	7	1	-	-	8
Regional Development Officer Northern Ireland	-	126	(136)	16	6
Prees Heath Fund	274	13	(6)	-	281
Regional Development Officer North England	47	13	(25)	(10)	25
Regional Development Officer Greater London	48	9	(49)	12	20
Reserve Acquisition & Management Fund	93	-	-	(31)	62
Restricted Legacies	199	1	(2)	-	198
Cornwall - Atlas Project	-	14	(7)	2	9
Ryton Wood Meadow Project - Warwickshire	17	3	(6)	-	14
Malvern Hill Lost Fritillary - West Midlands	5	1	-	-	6
Head Office Restricted Funds where closing balance < £5,000	44	350	(470)	91	15
Branch Restricted Funds where closing balance < £5,000	3	-	(1)	-	2
	1,091	1,307	(1,464)	297	1,231

Group and Charity	At 1 April 2019 £000	Income £000	Expenditure £000	Fund transfers £000	At 31 March 2020 £000
Back from the Brink Project	23	345	(353)	4	19
Brilliant Butterfly Banks	-	52	(29)	-	23
Building Sites for Butterflies	75	78	(93)	-	60
Development Scotland	2	139	(278)	180	43
Educational Project	48	50	(91)	13	20
Enviroparks Marsh Fritillary Mitigation	212	3	(6)	-	209
North Atlantic Coast	26	1	(20)	-	7
Prees Heath Fund	264	37	(27)	-	274
Regional Development Officer North England	-	76	(19)	(10)	47
Regional Development Officer Greater London	-	80	(37)	5	48
Reserve Acquisition and Management Fund	124	-	-	(31)	93
Restricted Legacies Fund	200	3	(4)	-	199
Ryton Wood Meadow Project – Warwickshire	7	8	2	-	17
Wyre Forest Project	8	49	(63)	17	11
Head Office Restricted Funds where closing balance < £5,000	115	604	(908)	200	11
Branch Restricted Funds < £5,000	11	-	(1)	-	10
	1,115	1,525	(1,927)	378	1,091

20. RESTRICTED FUNDS CONTINUED

The specific purposes for which the significant fund balances (> £5,000) are to be applied are as follows:

Back from the Brink Project

A unique collaboration of eight partners to save 20 species from extinction and benefit over 200 more through 19 projects that span England.

Big City Butterflies

Big City Butterflies will inspire Londoners to discover butterflies and moths, and in doing so will connect them with nature and their local green spaces.

Brilliant Butterfly Banks

A public engagement and chalk grassland creation/restoration project in South West London with Wildlife Trust and Natural History Museum.

Building Sites for Butterflies

To show how built development can enhance prospects for wildlife and help reverse decline by creating and maintaining high biodiversity grasslands.

Conservation Officer

To deliver effective species recovery, target our actions and increase our volunteer capacity/ stakeholder engagement

Enviroparks Marsh Fritillary Mitigation

To restore and maintain marshy grassland for the Marsh Fritillary Butterfly in Wales.

Kents Magnificent Moths

This vital project will help save some of the UK's most threatened moths by involving local people in targeted conservation action in six areas of East Kent, helping people discover, enjoy and protect the unique natural heritage around them.

Morecambe Bay Limestones

To promote the recovery of threatened speices in Morecambe Bay by embracing a programme of innovative and sustainable habitat management by embracing a programme of innovative and sustainable habitat management.

North Atlantic Coast

Habitat restoration to facilitate the re-introduction of the Large Blue to Devon and Cornwall coastal areas.

Prees Heath Fund

The safeguarding of the Silver-studded Blue butterflies at Prees Heath.

Regional Development Officer Northern Ireland

To support work of our Northern Ireland Office.

Regional Development Officer North England

To support work of our North of England Regional Conservation Manager.

Regional Development Officer Greater London

To support work of our south-east and east of England Regional Conservation Managers to cover London.

Reserve Acquisition and Management Fund

To purchase and manage nature reserves.

Restricted Legacies Fund

Legacies reserved for a specific purpose.

Cornwall Atlas

Publication of the Cornwall Atlas.

Ryton Wood Meadow Project - Warwickshire

Habitat restoration and maintenance at Ryton Wood Meadow.

West Midlands

Malvern Hill Lost Fritillary project.

Head Office Restricted Funds < £5,000

All Head Office Restricted Funds with a balance less than £5,000.

Branch Restricted Funds < £5,000

All Branch Restricted Funds with a balance less than £5,000.

Transfers between restricted and unrestricted arise for various reasons. The most common reasons are:

- a transfer from unrestricted to restricted funds is made where costs exceed the income received towards a specific project;
- a transfer from unrestricted to restricted funds is made where the charity has made a commitment to a specific project as part of a funding agreement; and
- a transfer from restricted to unrestricted funds is made when a restriction has been removed.

21. TANGIBLE AND INTANGIBLE FIXED ASSETS (INCLUDING FREEHOLD NATURE RESERVES) FUND

This fund represents the net book value of those tangible and intangible fixed assets (including freehold nature reserves) forming part of the unrestricted funds. The fund exists in order to emphasise that such assets are essential in enabling the charity to fulfil its charitable objectives. The value of such assets, therefore, should not be regarded as expendable in order to meet the day to day liabilities of the charity. The fund balance changes each period by an amount equal to the movement in the net book value of the relevant tangible fixed assets.

22. DESIGNATED FUNDS

The income funds of the charity include the following designated funds that have been set aside out of unrestricted funds by Council for specific purposes:

Group and Charity	At 1 April 2020 £000	New designations £000	Utilised / Released £000	At 31 March 2021
Branch Fund	242	52	(84)	210
Legacy Fund	1,577	-	(1,512)	65
	1, 819	52	(1,596)	275

Group and Charity	At 1 April 2019 £000	New designations £000	Utilised / Released £000	At 31 March 2020
Branch Fund	226	73	(57)	242
Commitments to Conservation Projects Fund	736	-	(736)	-
Legacy Fund	1,376	643	(442)	1,577
	2,338	716	(1,235)	1,819

During 2019/20, the Commitments to Conservation Projects Designated Fund was dissolved and the balance transferred to the General funds.

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2021 Total £000
Fund balances at 31 March 2021 are represented by:				
Intangible fixed assets	80	-	-	80
Tangible fixed assets	1,066	308	-	1,374
Fixed asset investments	-	-	5,299	5,299
Net current assets	4,265	923	-	5,188
	5,411	1,231	5,299	11,941

Group	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2020 Total £000
Fund balances at 31 March 2020 are represented by:				
Intangible fixed assets	86	-	-	86
Tangible fixed assets	1,046	339	-	1,385
Fixed asset investments	-	-	4,681	4,681
Net current assets	4,179	752	-	4,931
	5,311	1,091	4,681	11,083

Charity	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2021 Total £000
Fund balances at 31 March 2021 are represented by:				
Intangible fixed assets	80	-	-	80
Tangible fixed assets	1,066	308	-	1,374
Fixed asset investments	-	-	5,299	5,299
Net current assets	4,245	923	-	5,168
	5,391	1,231	5,299	11,921

Charity	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2020 Total £000
Fund balances at 31 March 2020 are represented by:				
Intangible fixed assets	86	-	-	86
Tangible fixed assets	1,046	339	-	1,385
Fixed asset investments	-	-	4,681	4,681
Net current assets	4,159	752	-	4,911
	5,291	1,091	4,681	11,063

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS CONTINUED

Group and charity	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2021 Total £000
Reconciliation of movements in unrealised gains on investments				
Unrealised gain at 1 April 2020	43	-	305	348
Less: in respect of disposals in the year	(43)	-	(232)	(275)
Less: net unrealised losses in period	-	-	(55)	(55)
Unrealised gains at 31 March 2021	-	-	18	18

Group and charity	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2021 Total £000
Reconcilliation of movements in unrealised gains on investments				
Unrealised gain at 1 April 2019	45	-	1,300	1,345
Less: in respect of disposals in the year	-	-	(178)	(178)
Less: net unrealised losses in period	(2)	-	(817)	(819)
Unrealised gains at 31 March 2020	43	-	305	348

24. LEASING COMMITMENTS

At 31 March 2021 the group and charity had total future minimum lease payments under non cancellable operating leases as follows:

Group and Charity	Land and buildings		Other	
	2021 £000	2020 £000	2021 £000	2020 £000
Within one year	77	64	35	35
Within two to five years	47	39	49	49
After five years	24	24	-	-
	148	127	84	84

25. RELATED PARTY TRANSACTIONS

During the year ended 31 March 2021, the charity received subscriptions from Council members and the Senior Leadership Team totalling £333 (2020: £1,859).

During the year ended 31 March 2021, the charity received unrestricted donations from Council members and the Senior Leadership Team totalling £7,680 (2020: £2,762) including gift in kind £nil (2020: £nil) and restricted donations totalling £200 (2020: £nil).

Details of other related party transactions are provided at Note 11. Beyond these, there were no other related party transactions during the financial year which require disclosure (2020: none).

26. MEMBERS' LIABILITY

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up, members are required to contribute an amount not exceeding £1.

Get involved with Butterfly Conservation



Sign up to our monthly email newsletter, *All Aflutter*, for the latest butterfly and moth news, wildlife gardening tips, and special offers: butterfly-conservation.org/enews.

Subscribe to our biannual email newsletter, *Science News*, to explore the wide range of science we are involved in and how we apply this to our conservation projects: butterfly-conservation.org/sciencenews.

We can save butterflies and moths by working together to create a better environment for people and nature. Here are just some of the ways you can help:

- **Donate** – Every penny counts in the fight to save threatened and widespread species. Support our conservation work to secure the future for butterflies and moths.
- **Join** – Add your voice to our 40,000+ members who are speaking up for butterflies and moths and supporting our work. Your local Branch will introduce you to the wildlife on your doorstep at guided walks, talks and conservation action days.

- **Remember butterflies in your Will** – Every gift, whatever the size, makes a real impact on our conservation work and helps ensure future generations experience the joy of watching butterflies and moths in the wild.

- **Gardening** – You can add pollinator-friendly plants to any size outdoor space. Provide nectar pit stops to keep butterflies and moths flying or help them raise their next generation by providing caterpillar food plants.

- **Volunteer** – From practical conservation and repairing fences to filling envelopes, we have volunteer tasks for all ages and abilities. Give your time for butterflies and moths and make a difference.

- **Monitor** – We identify the species that most need our help by tracking where and when butterflies and moths occur. Whether you spend 15 minutes taking part in the Big Butterfly Count or walk a regular transect route, you can contribute to our recording schemes.

- **Fundraise** – Run a marathon, bake a cake or open your garden – there are endless ways you can help raise funds and inspire others to support butterflies and moths for generations to come.



Robbie Labanowski

VISIT [BUTTERFLY-CONSERVATION.ORG/HELP](https://butterfly-conservation.org/help) FOR MORE INFORMATION OR CALL:

01929 400209



Butterfly Conservation
Saving butterflies, moths and our environment



Painted Lady



Butterfly
Conservation

Saving butterflies, moths and our environment



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