



**Butterfly
Conservation**

Saving butterflies, moths and our environment

Annual Report & Accounts 2018/19



Company Limited by Guarantee

Registration Number 02206468 (England and Wales)

Charity Registration Number

254937 (England and Wales) and SC039268 (Scotland)

www.butterfly-conservation.org

Buzzacott

CHARTERED ACCOUNTANTS

Contents

Reports

Report of the Council (including Strategic Report)

Comprising:

Overview by the Chair	1
Overview by the Chief Executive	2
Introduction	3
Who we are	3
Our vision	4
Our mission	4
Our strategic aims for 2025	4
Summary of key achievements in 2018/19	6
Our impact	13
Butterfly Conservation's international work	29
Plans for 2019/20 and beyond	30
Risk management	31
Financial review	34
Reference and administrative information	40
Structure, governance and management	42
Acknowledgements	47
Independent auditor's report	49

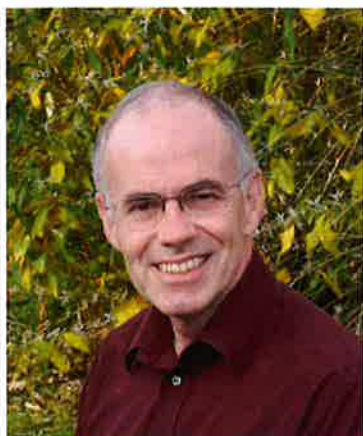
Financial statements

Consolidated statement of financial activities	52
Comparative consolidated statement of financial activities	53
Consolidated summary income and expenditure account	54
Group and charity balance sheets	55
Consolidated statement of cash flows	56
Principal accounting policies	57
Notes to the financial statements	63

Cover photo by Trevor Goodfellow – Peacock

Overview by the Chair

Year to 31 March 2019



Our main objectives are the conservation of butterflies, moths and the environment we share. We recognise the challenges of bringing back our most threatened species from the brink of extinction; we are measuring losses of widespread species across our landscapes. There are unprecedented pressures from climatic and environmental change, continuing habitat loss and fragmentation, driving loss of species not only in the UK, but across the planet, as emphasised in the UN report in early May 2019.

As the work of Butterfly Conservation has developed over the past year, it has been increasingly clear that one of our strategic objectives: "Inspiring people to understand and deliver species conservation" is of primary importance if we are to make a sustainable impact on our other three objectives. The strength, future growth and generosity of our membership, the recruitment of our vital volunteers, and our outreach to the wider public, all depend on achieving this, as does the ability to convince our partners and our decision-makers to change the environmental policies we all live within.

We are investing more of our precious resources into developing a stronger and clearer voice in policy work with government and strategic partners at local, regional, national and international levels. We need to make clear to government, key partners and other stakeholders the need for, and benefits of, species conservation within key semi-natural landscapes and also in the wider heavily modified rural and urban landscapes covering much of the UK. We can demonstrate how species conservation across a number of landscapes can make a real difference, using a powerful combination of science, data, analysis and evidence to build convincing arguments and tell compelling stories of need and success.

The trustees and senior management team of Butterfly Conservation recognise that we cannot do this on our own. We are directing more of our work through partnerships. We invest and take a strong role in the Rethink Nature partnership, with six other similarly species-oriented conservation organisations, to strengthen our voice further. This includes work on the ground, and also public engagement and policy work. The Back from the Brink project, a project working with some of the most endangered species found in England, is just one example of the power of this joined-up approach; other projects and work programmes are being developed. We work with many other partners at local, regional and national level; it has become a necessity to do so.

The challenges we face are ever more demanding, but there is increasing recognition of these with the wider public now, as movements for action on environment and climate change gain traction in an arena of muddled UK politics. We are determined to confront the challenges while there are still butterflies and moths to see and enjoy; we are working to find the most effective way to invest our resources to make as big a difference as possible as we move forward with a deep breath into our second half-century.

A handwritten signature in black ink, appearing to read 'J Asher'.

Dr Jim Asher
Chair

Overview by the Chief Executive

Year to 31 March 2019



2018 saw Butterfly Conservation celebrate its 50th anniversary. We kicked off the year with a UK-wide Conservation Day of Action where many of our Branches and volunteers braved the weather and ventured out to undertake practical conservation work. The year closed with a special dinner after the AGM celebrating the many successes Butterfly Conservation has achieved over its 50 year history. A huge thank you to everyone past and present who has contributed to our achievements.

Science is at the very heart of what we do and during the year we developed a new Science Strategy that sets out how we will deliver high-quality research to help reverse the declines and improve the status of butterflies and moths over the next five years.

A vital element of our future science work is dependent on increasing our biological records and ensuring our data systems are user friendly and robust enough for future growth. We have also increased our partnership working with universities undertaking important butterfly and moth research, including how climate change is affecting these precious species. With a number of external drivers influencing the decline of butterflies and moths, Butterfly Conservation must position itself to be at the forefront of future research work.

Underpinning all of our work, including our monitoring, recording and conservation delivery on the ground, are our 18,000 volunteers. I would like to take this opportunity to say a massive thank you to every volunteer who has contributed to Butterfly Conservation's success in 2018/19, their work equates to £14 million worth of effort. Without them and our dedicated staff, the huge impact we make would just not be possible.

Butterfly Conservation has long recognised that connecting people to nature is the key to securing a future for our wildlife and for the health and wellbeing benefits it brings to us all. In 2018 we saw the biggest ever number of citizen scientists taking part in the Big Butterfly Count. Over 100,000 people spent time recording butterflies and some day flying moths. Not only were they connecting with the outdoors, they were also contributing vital data records, taking the pulse of nature. At Butterfly Conservation we all believe that everyone should have access to green spaces and nature and I am delighted that we have launched our Big City Butterflies project in London, helping people discover wildlife on their doorstep.

Butterfly Conservation could not do any of its vital work without our loyal members and supporters. As the external financial climate continues to be challenging and competition for dwindling funds increases, their ongoing support is crucial if we are to continue work towards reversing the declines of butterflies and moths and inspire people to connect with nature. Thank you to every single one of you.

Julie Williams
Chief Executive

Report of the Council (including Strategic Report)

Year to 31 March 2019

Introduction

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 2019.

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 53 to 58 of the attached 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), effective from accounting periods commencing 1 January 2015 or later.

Who we are

Butterfly Conservation is the UK charity dedicated to saving butterflies and moths.

We protect butterflies and moths across more than 100 key landscapes and run three of the world's largest butterfly and moth recording schemes, which have gathered more than 49 million records. Our army of 18,000 volunteers provides knowledge, expertise and work with a value of more than £14 million in this past year.

Our nature reserves are an important refuge for butterflies, moths and other wildlife and valuable places for people to engage with nature. Since 2012, our education work has reached nearly 22,500 children, empowering the next generation to care about the natural world.

Our science-based research has persuaded the UK Government to accept butterflies and moths as official biodiversity indicators and our data has informed and influenced environmental and agricultural policy.

Through our President, Sir David Attenborough, we have inspired the public about the wonder, importance and beauty of butterflies and moths.



"Half a century ago a small group of naturalists became so concerned about the plight of the UK's butterflies and moths that they decided to join forces to protect them. That organisation became Butterfly Conservation and 50 years later the need for people who care about our butterflies and moths is greater than ever before, but throughout these troubled times Butterfly Conservation has always been there standing up for butterflies and moths."

Sir David Attenborough, Butterfly Conservation President.

Report of the Council (including Strategic Report)

Year to 31 March 2019

Our vision

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

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. Spending time with butterflies and moths can make us feel better, improve our wellbeing and help connect us to the natural world. The stark fact is that butterflies and moths continue to decline at an alarming rate, despite Butterfly Conservation's best efforts over the last 50 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 recoveries. To tackle these losses and achieve these aims, 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. Achieving this will help create a healthier environment for us all.

Our strategic aims for 2025

Butterfly Conservation's 2025 Strategy provides an overview of the direction and approach we wish to take.

At the top level of our strategy, the core aims are to:

- Recover **threatened** butterflies and moths;
- Increase numbers of **widespread** species;
- **Inspire people** to understand and deliver species conservation; and
- Promote **international** conservation actions.

All actions and activities of Butterfly Conservation ultimately support the delivery of these core aims.

1) Recover **threatened** butterflies and moths

Reversing the decline of threatened species is hugely challenging. We need to understand and address the factors driving the declines and influence government policy through advocacy and campaigning, supported by research and strong evidence from recording and monitoring. Turning around the fortunes of a single threatened butterfly or moth species involves everyone in Butterfly Conservation, including our members, Branches and volunteers who give time, knowledge, expertise and money to make an impact.

We will continue to recover threatened butterflies and moths by:

- Saving threatened species from extinction in all occupied landscapes;
- Ensuring sustainable long-term conservation effort in priority landscapes;
- Restoring threatened species to formerly occupied landscapes if viable;
- Influencing land use and agricultural policies that affect threatened species.

Report of the Council (including Strategic Report)

Year to 31 March 2019

2) Increase numbers of **widespread** species

The decline of widespread butterflies and moths is a major issue driving Butterfly Conservation's 2025 Strategy. Results presented in the *State of UK Butterflies Report 2015* show that overall numbers of wider countryside species have declined by 25% since 1976. Using the latest data to 2017, the overall number of widespread species has declined by 46%. Widespread moths have also declined seriously, with a decrease in numbers of 28% from 1968 to 2007. All indications are that this decline is continuing.

We are aiming to increase numbers of widespread species by:

- Carrying out research to better understand the causes of decline;
- Influencing land use and agricultural policies that affect widespread species;
- Making habitat management advice for wider countryside species more widely available;
- Maintaining, enhancing and creating new habitats for butterflies and moths in both rural and urban environments.

3) **Inspire people to understand and deliver species conservation**

We need more people to understand and care about the natural world and deliver species conservation. Together with our Branches and volunteers we are able to reach and inspire huge numbers of people throughout the UK to enthuse them to get more involved in nature conservation.

We will continue to inspire people by:

- Raising awareness about why butterflies and moths are important;
- Increasing membership numbers and our volunteer base;
- Educating people of all ages;
- Raising funds to undertake conservation work;
- Promoting the importance of connecting with nature for our mental and physical wellbeing.

4) **Promote international conservation actions**

It is important that we continue to foster Lepidoptera conservation activities throughout the world and share the expertise that we have developed to help encourage new country-based organisations.

We will continue to promote international conservation by:

- Working with our partners to promote conservation action throughout the British Isles;
- Continuing our support for Butterfly Conservation Europe and the European Butterflies Group;
- Supporting the conservation of butterflies and moths globally through international partnerships;
- Taking part in, and running, international conferences to build new partnerships to exchange knowledge and best practice in Lepidoptera conservation with other international participants.

Report of the Council (including Strategic Report)

Year to 31 March 2019

Achievements in 2018/19

It is not possible to convey in this report the full depth and detail of all Butterfly Conservation's projects and accomplishments, but we present here some highlights and examples of our work in 2018/19 and our future plans.

Council members confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing Butterfly Conservation's aims and objectives and have considered how planned activities will contribute to these. Specifically, we conserve endangered species, we engage the public with nature and we understand the wellbeing benefits of doing so.

Some 10% of our expenditure is attributable to work wholly in Scotland.

Summary of key achievements in 2018/19

Recover **threatened** butterflies and moths

- The new UK Conservation Strategy and conservation strategies for the English regions and for Scotland and Wales, are now publicly available on the Butterfly Conservation website;
- We have implemented a new staffing structure to increase our science, research and policy work to improve our conservation delivery. A new Science Strategy, which will underpin our future plans for science and research, was produced;
- We have produced a new Nature Reserves Strategy. This converts our core aims into future aspirations for the management of our reserves in the context of our new Conservation Strategy. It highlights the importance of reserves for delivering butterfly and moth experiences through public outreach and education, and opportunities for research;
- Chequered Skipper butterflies were released into the Rockingham Forest landscape in May 2018. This is the first stage of Butterfly Conservation's plans to re-establish this beautiful species in England as part of the Back from the Brink project. It became extinct in England 40 years ago and the release followed extensive management of these woodlands;



*Butterfly Conservation Vice President, Chris Packham, and Dr Dan Hoare
at Chequered Skipper release site by Dr Nigel Bourn*

Report of the Council (including Strategic Report)

Year to 31 March 2019

- The Large Blue had its best year on record in 2018 since being reintroduced to South West England in the early 1980s (by a partnership of organisations). It was recorded at 40 sites in June and July 2018, though 85% of individuals were on three sites in Somerset and Gloucestershire. Butterfly Conservation plays a significant role in funding to maintain advice and facilitate reintroductions;
- We began work on Grizzled Skipper at Wrexham Industrial Estate. We are part of a partnership receiving a Welsh government Sustainable Management Scheme grant to create early successional stage habitat alongside developments on the largest industrial estate in Europe;
- Habitat management was implemented in Northern Ireland, using contractors for the first time. This was through the Co-operating Across the Borders for Biodiversity partnership project. Scrub management was undertaken and grazing infrastructure installed at a Marsh Fritillary site to enable the site to be grazed in 2019;
- A vital part of our work involves research/PhD studentships and helping to educate the ecologists of the future. This year we continued to have four PhD students undertaking research on: the Lulworth Skipper and the Decline in Widespread Grass-feeding Species; Moths as Pollinators and the Effects of Light Pollution; research into the Grizzled Skipper; and Citizen Science and Lepidoptera Biodiversity Change in Great Britain. We will expand our support for PhD studentships with a new studentship researching the science of re-introductions and the role of landscape connectivity;
- In England, we completed the Marsh Fritillary site dossier. This spatial database of all current colonies and networks for the species is being compiled across the UK and will now allow us to publish a status review of this European-protected butterfly;
- The High Brown Fritillary was the subject of a major new paper published by Butterfly Conservation staff in the Journal of Insect Conservation. It describes the landscape-scale conservation efforts to reverse the decline of the UK's most threatened butterfly. The paper also highlights recent significant negative changes in the Bracken habitats used by the butterfly. These are possibly attributable to climate change and/or nitrogen deposition, which may be over-riding the positive effects of management intervention. This is one of six papers to be published, with input from Butterfly Conservation staff, in a special issue of the Journal of Insect Conservation containing papers from our International Symposium held in April 2018, to be published later in 2019;
- We successfully started a number of new landscape-scale initiatives in the UK including woodland ride management on the Morecambe Bay Limestones, and a Magnificent Moth project in Kent to allow us to increase our conservation advice and habitat management for some of Britain's rarest moths, and also help people appreciate and enjoy these wonderful insects.



High Brown Fritillary by Neil Hulme

Report of the Council (including Strategic Report)

Year to 31 March 2019

Increase numbers of **widespread** species

- Scientific monitoring underpins our analysis of population trends for butterfly species and is a vital component of our Conservation Strategy. During the year, further development of the UK Butterfly Monitoring Scheme (UKBMS) took place allowing improved statistical analysis and a stronger evaluation of trends. Our magnificent volunteer effort has grown rapidly in recent years and during 2018 grew by 6% to a total of 2,868 sites monitored; 1,781 transects and 790 wider-countryside squares were walked, while data was collected from an additional 297 sites for key species;
- The powerful data sets we hold and the enhanced statistical analysis enabled improvements in the indicators we produce, for example a new distributional trend for moths in Scotland has been produced and will be published in partnership with Scottish Natural Heritage (SNH) in 2019;
- Our scientists continue to collaborate with universities and research institutes and have published 10 papers this year as a result. Key publications include studies on the impact of climate change on phenology, the importance of habitat change and management and the impact of agri-environmental schemes;
- Our Science and Research e-newsletter, *Science News*, continues as a biannual publication and has gained new subscribers throughout the year. Each issue promotes our scientific work and our scientists; raising the profile of Butterfly Conservation as an evidence-based conservation organisation. The newsletter has covered microclimate refugia, the value of citizen science, trends in abundance and distribution of Scottish moths, the role of moths in nocturnal pollination and assessing the benefits of agri-environment schemes in Wales;
- We have instigated a full biological data review of data collection, storage and analysis. This will lead to a major overhaul of our data systems to enable greater support for our volunteer recorders and easier access to the data for researchers and other interested parties;
- We held two successful UK Recorders' Meetings for the moth and butterfly recording communities. These events are now firmly on the calendar with around 200 people attending each event annually;
- We have increased our policy responses to 47, an increase of 52% on last year. Our new Director of Policy & Land Use, and our Policy Officer, have increased our input to policy responses developed by the Wildlife and Countryside Link organisations and submitted our own responses. As part of our Brexit work, we are providing input to policy developments through the 25 year plan in England and our land consultation in Wales, Rural Support in Scotland and impact of the Environment Bill in Northern Ireland. We have also supported farmer attitude research and the Nature Friendly Farming Network;
- Our Building Sites for Butterflies project began, aiming to encourage more wildlife-friendly habitat creation and management schemes in the built environment. So far, our Programme Manager has presented low fertility principles at a local authority level in England, Scotland and Northern Ireland. We have also provided input to schemes such as the A303 Stonehenge improvements, a review of trackside management by Network Rail and road verge best practice guidance.

Report of the Council (including Strategic Report)

Year to 31 March 2019



Building Sites for Butterflies – Dr Phil Sterling at Weymouth Relief Road by Andrew Cooper

Inspire people to understand and deliver species conservation

- The continued growth in Butterfly Conservation membership is an important measure of our success in spreading our message and inspiring people to support our cause. Therefore, we were delighted that membership rose by 10.8% during the year, with individual member numbers of 37,361 at the end of March 2019. We continued to invest in high standards of customer care, helping to ensure that our annual member retention rate was maintained at over 90%;
- Butterfly Conservation could not succeed without the hard work of the estimated 18,000 volunteers who gave more than 220,000 days of time and effort in 2018/19, and we are immensely grateful for every individual contribution to this huge number. Volunteers are recruited and supported via our network of 31 Branches across the UK, to enable practical conservation work, to underpin our world-leading monitoring and recording systems, and to engage the public via a programme of events and community activities;
- Our Big Butterfly Count goes from strength to strength as a pioneering citizen science project with a record 100,246 people participating in the Count in 2018. The Count website received over 1 million page views and millions more heard about it through our media coverage including social media. For the first time we worked with mental health charity, Mind, in promoting the Count to highlight the connections between nature, health and wellbeing;
- The launch of Munching Caterpillars Scotland, with the support of the National Lottery Heritage Fund (NLHF), extended the reach of our hugely successful education programme north of the English border for the first time. Munching Caterpillars provided opportunities for over 4,400 children to learn about Lepidoptera during 2018/19, forging a connection with nature that we hope will last a lifetime;

Report of the Council (including Strategic Report)

Year to 31 March 2019

- Our Polli:Nation campaign came to an end in March. This three-year project managed by Learning through Landscapes, supported by a steering group of scientific and environmental organisations (including Butterfly Conservation) has engaged young people in more than 250 schools (see page 27). We led on the scientific analysis of the monitoring data collected by all the schools during the length of the project to assess the effectiveness of the changes made within the school grounds. We contributed to the writing and production of a school grounds maintenance guide;



Children's potted pollinator plants by Kate Merry

- We launched an exciting new project in Gloucestershire, 'The Butterfly Effect', with the generous support of the grant-making charity, Restore Our Planet. The project is using education as a route to get more people involved in volunteering to conserve butterflies and moths;
- A major new public engagement and education project, Big City Butterflies, was launched with support from the NLHF for development work in 2019/20. The project will inspire Londoners (including our urban members) to discover more about the wildlife on their doorstep and to take action for butterflies and moths in their local communities and green spaces;
- Our insight work increased by conducting a member and supporter survey in June 2018 and using the intelligence gained to inform our membership recruitment and fundraising strategies. We also progressed the development of our new customer relationship management system which we plan to become operational in 2019;
- We concluded Butterfly Conservation's 50th Anniversary year in style with a celebratory dinner following our AGM and Members' Day in Nottingham in November. During the course of the 50th anniversary year, we adapted our branding to emphasise the 'golden' theme, secured our first ever BBC Radio 4 Appeal and had a high profile presence at three major events to engage the public: the RHS Spring Festival in Malvern in May; the Countryfile Live event at Blenheim Palace in early August; and the Rutland Birdfair in mid-August.

Report of the Council (including Strategic Report)
Year to 31 March 2019



Work party at Aston Upthorpe, Oxfordshire by Jim Asher



'Rake off' event in Wales for 50th anniversary Day of Action by Judy Burroughs

Report of the Council (including Strategic Report)

Year to 31 March 2019

Promote **international** conservation actions

- Our eighth International Symposium in 2018 had over 200 delegates from 24 countries with 78 talks and 46 posters. This was the largest number of global presentations on butterfly and moth conservation in the 25 years of hosting international conferences. Eighteen papers, including six with contributions by Butterfly Conservation staff, are to be published in a special volume of the Journal of Insect Conservation in 2019. This journal was originally set up by Butterfly Conservation following our first Symposium in 1993 and highlights our long-term commitment to both the science of conservation and the international fellowship of researchers and practitioners that carry it out;
- In 2018/19 Butterfly Conservation Europe (BCE) secured over 800,000 Euros to establish a fully representative butterfly monitoring network across the whole of the EU through the ABLE (**A**ssessing **B**utterf**L**ies in **E**urope) project. This two-year EU funded project, is a partnership between Butterfly Conservation Europe, the Centre for Ecology and Hydrology (UK) (CEH), the Helmholtz Centre for Environmental Research (Germany), Dutch Butterfly Conservation (The Netherlands) and Butterfly Conservation;
- Our volunteer-led European Butterflies Group (EBG) undertook surveys in Belarus, Greece and Spain for some of our most threatened European butterflies. EBG also produced a summary of the 48 surveys in at least 15 countries conducted since its establishment in 2006.



*EBG undertaking Spanish Greenish Black-tip *Euchloe bazae* survey by Kevin Tolhurst*

Report of the Council (including Strategic Report)

Year to 31 March 2019

Our Impact

Butterfly Conservation has successfully raised awareness of the drastic decline of butterflies and moths over 50 years. There is now widespread acceptance that action needs to be taken. It is through conservation action that we have also begun to reverse the decline of some of our most threatened species. However, reversing the long-term general decline will take the sustained effort of volunteers, recorders, members, partners, local, regional and national governments in the UK, and the wider public.

In this section of our report, we showcase a few of our projects to demonstrate our impact over time and some of our 2018/19 successes.

Our Conservation Impact – Duke of Burgundy, North Yorkshire Moors

Turning around the fortunes of threatened species takes time. Last year we reported evidence that the Duke of Burgundy shows signs of recovery across much of its UK range following sustained conservation efforts. Nowhere is this more apparent than in the North York Moors where, in 2018, the species had its best year in living memory. Since the early 1990s, Butterfly Conservation has been working with land managers to coordinate conservation action for the Duke and monitor its population in two habitats. In 2018, volunteer recorders celebrated the highest annual count in 25 years of monitoring Dukes.

The secret of this success is persistence. Our work in the North York Moors has built steadily over many years, and while short-term project funding can support important aspects of the work such as targeted habitat improvements, a longer commitment is needed to sustain the benefits. Butterfly Conservation's volunteers and regional staff have been crucial in maintaining the momentum, building a relationship with land managers and partners, monitoring Duke numbers and delivering regular habitat improvements in the woodlands and scrubby grasslands the butterfly inhabits. In the network sites around Helmsley, last year's peak count was more than five times the number seen in 2000, when we first started improving the management of these sites. Around Pickering, the butterfly survives on just a single site, but we have managed to double the area of suitable habitat since we started work here.

The Duke of Burgundy needs sheltered, sunny glades where its foodplants, primrose and cowslip, remain lush and green through the summer months. It is at risk from both neglect, if its habitat is lost under developing scrub, and from over-management if sites are grazed too hard in summer or scrub is cleared too extensively. Our work in the North York Moors has benefited from working in partnership with the Forestry Commission (FC) and the North York Moors National Park as well as a number of private landowners, with efforts spread across 35 sites that could or already do support the butterfly. Support from funders including the National Lottery Heritage Fund, WREN, charitable trusts and donations to Butterfly Conservation appeals have combined to enable our work in this landscape to continue. Dukes have now recolonised a former site where they had been absent for more than 20 years, as well as colonising new habitat areas on former forestry plantations.

Sustaining our impact in the longer term is vital. The Duke of Burgundy thrives in sites that have an intimate mix of open grassland, scrub and woodland, habitat mosaics, and these dynamic habitats support a range of scarce species including other butterflies and moths, reptiles and breeding birds. The next challenge for us is to improve the long-term management of these sites through grazing, using a healthy Duke population to demonstrate that this precious mix of habitats has been restored at a landscape scale.

Report of the Council (including Strategic Report)

Year to 31 March 2019

Our Conservation Impact – Black-veined Moth

The Black-veined Moth is a species where conservation progress requires long-term commitment to make positive changes and to assess the impact of our intervention before we know its future is more secure.

The Black-veined Moth is a stunning, creamy white moth laced with a tracery of fine black veins across its wings. It can be disturbed during the day and could be mistaken for a butterfly at first glance. By 2000, the UK population was entirely restricted to four chalk grasslands near Wye on the North Downs of Kent. Butterfly Conservation, with partners and supported by Natural England (NE), has led the annual monitoring and provided site management advice for the Black-veined Moth since 2002. Conservation action has been delivered through careful targeting of various environmental land management schemes at a landscape scale. This has ensured successful habitat management for the Black-veined Moth on the core sites and created new habitat patches in the landscape.

The moth is now established on eight sites in four distinct clusters after it recolonised some former sites and it has been discovered in new habitat patches. This coincided with the best ever counts for a decade in 2017 and numbers continue to remain high.

Butterfly Conservation's ecological work shows that the Black-veined Moth requires a tall grass sward with a good variety of herbs. The larvae are known to eat a range of herbs with marjoram a common feature of all the breeding sites. This type of sward structure is produced by lighter grazing pressure than is often applied to chalk grassland sites. Getting grazing levels right for this species is a delicate balance. Overgrazing can lead to increasing rabbit numbers, which keep the sward low and unsuitable for the moth. Conversely, undergrazing can lead to a decline in herb diversity and invasion by scrub, so the partnership provides regular feedback on habitat suitability and grazing recommendations. These sites are rich in a wide range of species including Duke of Burgundy, which is present on four of the sites, and has also recovered well across the landscape.

The outlook for Black-veined Moth looks more promising than at any time in the last decade, as a result of the strong relationship between Butterfly Conservation, NE and local landowners.



Black-veined Moth (female) by Bob Eade

Report of the Council (including Strategic Report)

Year to 31 March 2019

Our Conservation Impact – Dark-bordered Beauty

The Dark-bordered Beauty is one of the UK's most threatened moths. It survives on just a single site in England, at Strensall Common in Yorkshire, and in three small populations in the Cairngorms of Scotland. The moth flies in July and August, spends the winter as an egg on Creeping Willow, the larval foodplant, and then feeds up as a larva through spring and early summer. As a result, browsing by animals at almost any time of year can be highly damaging to the moth.

In 2015, its population in England was on the edge of extinction. A maximum of just six of these day flying moths were seen during regular counts. So our volunteers installed grazing exclosures to protect the Creeping Willow from damage by sheep and deer. They also introduced Creeping Willow in pots to the exclosures to provide additional food. In 2018, we were delighted that moth numbers have continued to increase, with a maximum day count of 31, and a total of 130 recorded showing that the moth is slowly recovering.

The conservation work received help from Dr Peter Mayhew, Senior Lecturer, and student volunteers from the University of York. They determined the most important areas of the site, where Creeping Willow is most abundant and tracked the plant's slow recovery as grazing pressure has been reduced. This monitoring has also shown that planting out new Creeping Willow in pots has not been as successful as protecting established plants. They also revealed that it is not just sheep and deer that damage the foodplant but other insects have an impact, including Small Chocolate-tip moth caterpillars (itself a scarce species) and leaf beetles. The foodplant was also being shaded out by increasing numbers of birch and pine saplings, a side-effect of the reduced grazing pressure. We have worked with volunteers to remove these in the most critical areas.

Combining insights into the state of the foodplant with moth surveys reveals that most of the Dark-bordered Beauty population is still confined to a relatively small part of the site, although it is encouraging that sightings in 2018 revealed dispersal to wider parts of Strensall Common. This work is supported by the Ministry of Defence and Yorkshire Wildlife Trust with funding from the Environment Agency (EA), Yorventure and Butterfly Conservation donors.



Dark-bordered Beauty by Roy Leverton

Report of the Council (including Strategic Report)

Year to 31 March 2019

In Scotland, the Dark-bordered Beauty was discovered in two new locations in 2018. These were close to one of the three known sites and overall the population is small but stable. The foodplant is young, suckering Aspen that faces similar pressure from grazing and browsing by deer and sheep as the Creeping Willow does at Strensall. Aspen supports a host of other species. Butterfly Conservation is part of a wider partnership taking a similar approach to protect the moth, working with a range of landowners and partners, The Royal Society for the Protection of Birds (RSPB), Aberdeen City Council, Coille Alba, Balmoral Estate, Cairngorms National Park Authority, Highland Aspen Group, and SNH using a combination of temporary electric fencing and more permanent exclosures to protect the foodplant. We are also working with the 'Rare Invertebrates in the Cairngorms' project and planting more Aspen to increase the number of foodplants and link sites together. A graduate placement will start in 2019 to examine the moth's ecology and habitat requirements in more detail than ever before. Thanks to support from SNH this will see an increase in our efforts on Dark-bordered Beauty in Scotland and provide the science to support our conservation action in future.

Our success with the Dark-bordered Beauty relies on our ability to sustain efforts over the long term; as it does for so many of our threatened species. Species monitoring revealed the initial decline in England and allows us to track its recovery. The well-established partnerships with landowners and volunteers are essential to achieve the targeted habitat management necessary to ensure species recovery.



Volunteers erecting a fence at Strensall Common, Yorkshire by Penny Relf

Report of the Council (including Strategic Report)

Year to 31 March 2019

Our Conservation Impact – All The Moors Butterflies

Our work across three of South West England's iconic moorlands is revealing new colonies of butterflies and moths. We knew these landscapes held some of the UK's most important populations of threatened fritillary butterflies but our 'All The Moors Butterflies' project has revealed how critical the region is for conserving butterflies and moths. We knew for one target species, the Marsh Fritillary, that better monitoring was needed so we were amazed when our dedicated volunteers doubled the number of known colonies in one landscape in two years.

The All the Moors Butterflies project began in 2017 and covers Dartmoor, Exmoor and Bodmin Moor. It is supported by NLHF and other funders. The dual focus is on habitat management to improve conditions for threatened species and public engagement to involve volunteers in our work. By sharing the marvels of the moors with local people, the project is a fantastic example of how our conservation action can benefit people and wildlife.

Making a difference in a single landscape is challenging enough. Working across three ecologically rich and complex areas, with many remote sites, was a hugely ambitious step for Butterfly Conservation. These landscapes support significant populations of Heath Fritillary, High Brown Fritillary, Pearl- and Small Pearl-bordered Fritillaries, as well as Marsh Fritillary and Narrow-bordered Bee Hawk Moth, all of which have slightly different requirements. Our role is to help land managers accommodate these species alongside their other objectives for sites, whether that is farming, forestry, nature conservation or a combination. By building close partnerships with the National Park authorities for both Dartmoor and Exmoor, with NE and the EA, and a host of local partners, we were well supported in taking on the challenge.

Our conservation staff provide free habitat management advice to landowners, tailored to the needs of each site and focused on the key species in the area. In 2018 we made 228 site visits to provide advice and monitor outcomes across the project areas. We also helped landowners apply for environmental stewardship grants to support management, and directly funded habitat improvements on four demonstration sites.

Our Branches and volunteers are at the heart of our conservation work, particularly on a project of this scale. Their work included surveying new sites, monitoring known colonies, highlighting site threats or passing on information to land managers, and they enlisted the help of established volunteers and recruited and supported a whole new audience to get involved in our work.

It was on Bodmin Moor in Cornwall that our volunteers have made the most remarkable discoveries and made the biggest impact for the project so far. We knew there were remnant populations of Marsh Fritillary in the wet grasslands of the valleys around the moorland fringe but also that the area was under-recorded. A baseline survey in 2015 identified the butterfly on 19 sites. A volunteer coordinator worked with project staff to recruit a network of new volunteers, provide training in how to survey for both adult butterflies and for the larval webs which Marsh Fritillary form in the late summer. We have been amazed at the discoveries made by these pioneering volunteers, who discovered seven new sites for Marsh Fritillary in 2017 and a further 11 in 2018. In just two years, the number of known colonies on Bodmin Moor has leapt from 19 to 38 sites, revolutionising our understanding of how Marsh Fritillaries are using the moor and guiding the conservation action we take to secure their habitat.

The wider project engagement work has reached an incredible 3,000 people so far. This has ranged from butterfly identification training to school visits, and from technical land management workshops to moth nights. These impacts are in many ways as important as the ecological discoveries. To sustain this work we need to build a network of passionate, skilled volunteers as well as helping to inspire the next generation of conservationists.

Report of the Council (including Strategic Report)

Year to 31 March 2019

Although it often takes time for species to respond to habitat management, we have been delighted to see that the project is already making an impact, both as we planned and in unexpected ways. With a little under one year remaining on this phase of the project, there is still more to discover from the hidden depths of some of England's wildest landscapes.



Narrow-bordered Bee Hawk Moth by Tim Melling



Marsh Fritillary larval web by Martin Warren



Cornwall branch volunteer work party on Bodmin Moor by Beth Harper

Report of the Council (including Strategic Report)

Year to 31 March 2019

Massive growth in monitoring helps increase our impact

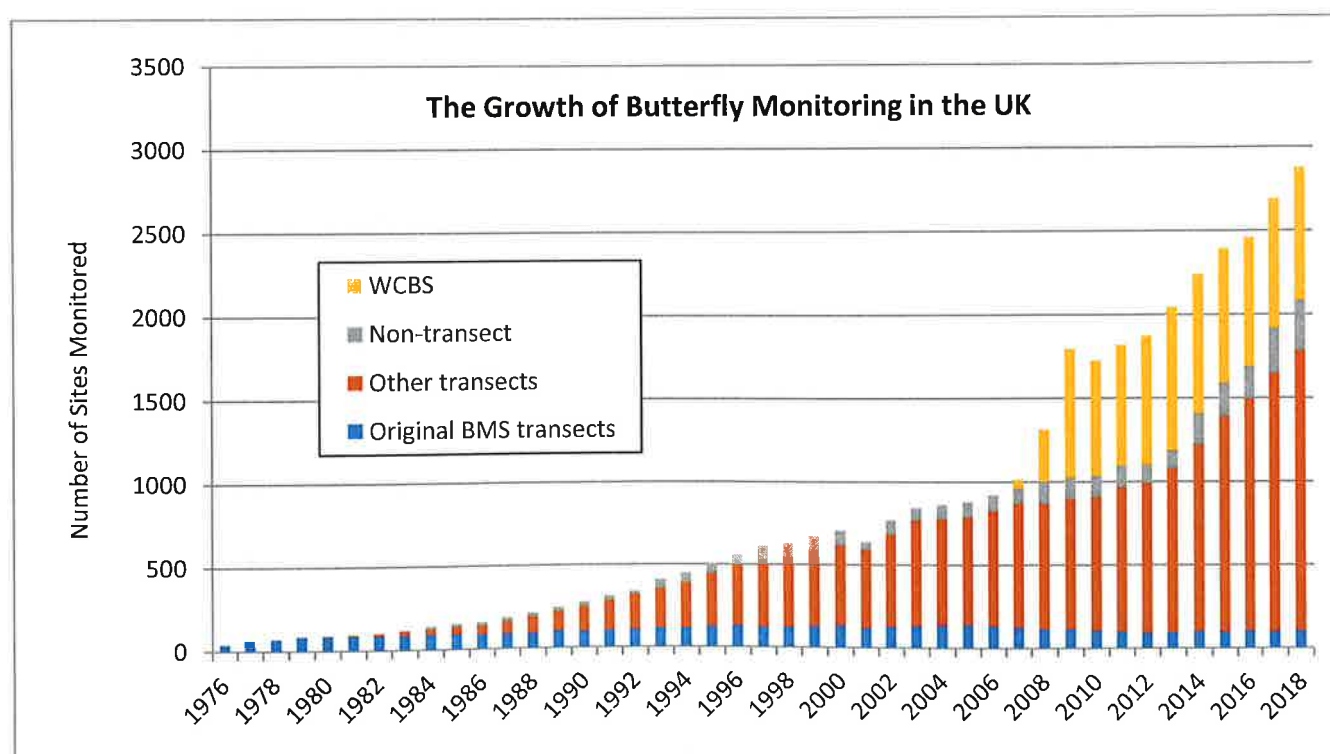
Since systematic butterfly monitoring was launched in the UK in 1976, volunteers now monitor nearly 3,000 sites across the UK, having smashed the 2,500 barrier in 2017. This huge growth has come partly from the development in the last 10 years of the Wider Countryside Butterfly Survey, a randomised method that complements the data collected by the more traditional transect method.

The number of transects, walked by volunteers, continues to grow year on year with 1,781 undertaken in 2018. This produces a huge 7.7 million records of the abundance of butterflies. What this increase allows us to do is to produce a greater variety of trends, as well as estimate those trends more robustly, so that we understand the changing status of our butterflies to help us prioritise our conservation efforts.

For many years, we have produced an annual trend for all butterflies broken down into 'habitat specialists' and species of the 'wider countryside'. With the increase in recording and improved statistical methods we can now do much more. Recent developments include trends in urban and rural areas, better country and regional trends, breakdowns according to habitat type such as woodlands and grasslands and of course we can look at how individual species are faring. It has also been possible to use high quality monitoring data as a benchmark for sources of other citizen science data. Furthermore, the quantity of monitoring data has allowed for further research developments of statistical methods that can estimate additional measures, for example, lifespan, growth rate and phenology, which can help inform future conservation research.

Another exciting development has been the growth in standardised monitoring of butterflies across Europe that has enabled the UK data to contribute to continent-wide indicators, an area set to improve even more in the next few years.

All of these improvements, made possible by the increase in monitoring, ensure we understand the rapid changes to the British countryside that are occurring. This evidence means we are much better placed to plan and deliver conservation action on the ground.



Report of the Council (including Strategic Report)

Year to 31 March 2019

Working in Partnership – Coul Links

Partnership work does not just include our conservation action but also efforts to save threatened sites. In Scotland we have been part of a coalition of conservation organisations opposing a golf course development at Coul Links near Embo in East Sutherland. This proposal would cause devastating environmental impact to one of the last remaining areas of near-natural sand-dune habitat of its kind in Scotland.

The site is home to a particularly diverse range of plant and animal species, many of which are unique to East Sutherland, rare or in severe decline across the UK. The butterfly and moth interest included a large population of Northern Brown Argus and Small Blue butterflies, Lyme Grass and Portland moths, and three rare micro-moths. The importance of Coul Links is reflected by three wildlife designations. It is protected as a UK Site of Special Scientific Interest (SSSI), a European Special Protected Area (SPA) and a globally important Ramsar wetland site.



Coul Links and Embo Beach by Andrew Weston

The development proposal encompassed over 140 hectares of this highly protected wildlife site. It would destroy 14 hectares of vulnerable sand-dunes and risk long-term disturbance to habitats and species over a very wide area.

Butterfly Conservation objected to the planning application and the weight of objections led to the Scottish Government announcing a Public Inquiry into the proposals in February 2019. As part of the coalition, a professional advocate was employed to lead the overall case but it still required weeks of Butterfly Conservation staff and volunteer time preparing our case on the impact on butterflies and moths. To help fund the legal and staff costs we launched our most successful ever crowdfunding appeal. Thank you to all those who have contributed to the fighting fund.

Our case at the Inquiry was put by the renowned entomologist and former Trustee, Dr Mark Young, supported by Scotland and UK staff. We are extremely grateful to Mark for putting himself through the gruelling Inquiry process and making the case for the butterflies and moths of Coul Links so eloquently.

The appointed Reporters at the Inquiry will make recommendations to the Scottish Government and Ministers will decide on the application in due course.

Report of the Council (including Strategic Report)

Year to 31 March 2019

Our Planning Impact – Cryptic Wood White

It is not just high-profile cases where we make an impact, some is much closer to home. Most of us have memories of 'wild' places close to where we grew up; the overgrown corner of our local park, a scrap of scrub. This is often where we encountered wildlife for the first time, fragments of a landscape lost under our homes and places of work.

James O'Neill, a local from Portadown in Northern Ireland, grew up next to a small area of 'waste ground', wet and inaccessible, on the banks of the river Bann next to a local factory. In 2009, the site was heavily modified by drainage works, which left the nutrient-poor subsoil exposed on the surface.

A keen Butterfly Conservation volunteer through his teens, James regularly visited this oasis, watching it mature into a wildlife-filled mosaic of species-rich grassland and emergent woodland. In particular, he studied the Cryptic Wood White, the UK's newest-discovered butterfly, which had established a colony on the site. Naturally, when he was looking for an undergraduate dissertation topic in 2016, the butterfly was an obvious choice.

James spent the flight period methodically walking the site, marking each individual butterfly and noting its sex, behaviour and condition when encountered. He formed a detailed picture of both the population structure and their site preferences. The important presence of Meadow Vetchling, the larval food plant, in warm, sheltered areas for breeding was obvious, but he also revealed the significance of south-facing scrubby edges where the unmated female and male butterflies would loaf about during the day and roost at night.

James' comprehensive study of the butterfly has provided us with critical evidence to challenge several recent planning applications on Cryptic Wood White colonies, including one on the original study site. James' work is now being used by Butterfly Conservation and the Northern Ireland Environment Agency (NIEA) to develop survey standards for planners. This should ensure more rigorous, targeted environmental assessment in the early stages of planning, leading to better designed developments that may even enhance habitat for the species that live amongst us.



Cryptic Wood White by Jim Asher



Cryptic Wood White site in Portadown by Jim Asher

Report of the Council (including Strategic Report)

Year to 31 March 2019

Nature Reserves in Action

Our Rough Bank reserve in the Cotswolds supports high quality limestone grasslands. These are not only fantastic for butterflies but there have been new micro-moths discoveries. So far, three nationally rare and over 45 nationally scarce species have been recorded. Other insects thrive including a good population of the nationally rare Rugged Oil Beetle *Meloe rugosus*. This is a target species for the Limestone's Living Legacies Back from the Brink project led by Butterfly Conservation, so the reserve made the perfect venue for survey training event. The wide appeal of the site continues to reward the strong commitment of the volunteer workforce and to satisfy the visitors it attracts.

An unusual embellishment is the Seager Art Award gate, installed on a sweltering June day and officially opened by One Show contributor and Butterfly Conservation Vice President, Mike Dilger. The collaboration and generous support of Valerie Seager and the award team was a new venture for us. Through the Award's publicity and the gate itself, our reserves have reached a different and wider audience.

Butterfly Conservation's Senior Reserves Officer demonstrated the successful reversion of arable to chalk grassland on Magdalen Hill Down to local land managers. This has helped guide and encourage members in the South Downs Farm Cluster Network (a Facilitation Fund Group to which Butterfly Conservation belongs) to put such techniques into practice themselves. Such collaborative working and sharing of knowledge and experience is expected to be a key element of the new land management scheme.

Restoration management is starting to prove successful at our Caeau Ffos Fach and Median Farm reserve in Carmarthenshire. In September, Marsh Fritillary butterfly larval webs were found in a new field for the first time since we took over in 2014. The field had been 'improved' by the previous owner and Butterfly Conservation is converting it back in to a flower-rich grassland. The fine weather meant there were greater numbers of the butterfly flying across the reserve. There was also evidence of re-colonisations in the wider network of sites following similar restoration work. In addition to its value for Marsh Fritillary, the reserve is important for a diversity of moths including the only known site in Wales for the micromoth *Dichrorampha sylvicolella*, which is associated with Sneezewort.



Caeau Ffos Fach – Median Farm Field reserve by George Tordoff

Report of the Council (including Strategic Report)

Year to 31 March 2019

Another species to stage a revival was the Wood White butterfly at our Oaken Wood reserve in Surrey. The butterfly capitalised on a good second generation in 2017, as they moved in to the expanded and improved habitats across the reserve. The restoration is led by voluntary warden Harry Clarke with a dozen-strong team of enthusiasts, supplemented by two external conservation groups. It is the only UK site for the nationally rare Betony Case-bearer micro-moth, which has been joined by the nationally threatened Drab Looper moth.

The Oaken Wood pond also recorded a significant intervention. A biological control agent, Weevils, were released to control the invasive alien plant, Water Fern. The release was authorised and encouraged by NE and the FC and this is the first time we have used such a method to control problem invasive species on our reserves.

Branch volunteers clocked up more than 825 hours on Myers Allotment in Lancashire. The 25 winter work parties were targeting trees and scrub that had invaded the limestone grassland and rocky limestone pavement over decades. This habitat restoration caught the neighbours' attention and the Branch volunteers have provided management advice on the adjoining land for the Lonsdale Scout Group and the Morecambe Bay Naturists Club, where they also carried out conservation work - with full protective work-wear of course!

Volunteers continue to be crucial to the successes of our reserves and the hours spent on their care and maintenance is a measure of their commitment. We are also lucky to attract the interest and support from external conservation groups. They find our reserves rewarding places to visit and appreciate the fruit of their labours. Groups such as the Neroche Conservation Volunteers and Sedgemoor Conservation Volunteers in Somerset, Cotswold Voluntary Wardens, Chiltern Rangers, South Downs National Park Volunteers and Dorset Conservation Volunteers are amongst many. Our reserve management is supported by partner bodies and trusted contractors such as the FC, Cleeve Common Conservators, the National Trust and EuCAN.



Work party at Morecambe Bay, Lancashire by Martin Wain

Report of the Council (including Strategic Report)

Year to 31 March 2019

50 Years of Volunteering

From an idea dreamt up by two amateur naturalists on a September evening in 1967, to the organisation today, volunteers have always been at the heart of Butterfly Conservation's work. Thomas Frankland and Julian Gibbs started it all off and registered the charity in March 1968, and right from the start the impact that volunteers make has been central to our mission.

Fifty years later, in March 2018, more than 500 volunteers from 23 of our Branches took part in our Day of Action to celebrate the anniversary in the best way possible: by doing even more to create and restore vital habitat for butterflies and moths and inspiring others to join in. From nature walks and tree planting, to bare ground creation and planting butterfly gardens, across the UK people came together on one day (despite some rather damp weather!) to enjoy being part of Butterfly Conservation's conservation action.

But of course volunteering with us is not limited to one-off events. Our supporters are active every day of the year in many ways, bringing their diverse experience and skills to tasks as varied as counting butterflies, managing branch finances, leading guided walks and identifying leaf-mining micro-moths. Volunteering is a common thread that runs through all of our work, collecting the powerful datasets that drive our science; recruiting, engaging and supporting local communities in Branch initiatives and landscape-scale conservation projects; maintaining and improving our reserves and sharing our passion for butterflies and moths with people across the UK.

Our latest audit of the volunteer effort harnessed by Butterfly Conservation estimates that volunteers carry out more than 220,000 days of work for us a year, a quite remarkable figure. This awe-inspiring effort underpins everything we do and spectacularly magnifies our impact, and is equivalent to more than £14 million of additional work.

While saving butterflies and moths is a serious business, giving up your spare time for Butterfly Conservation should be rewarding and even fun. Our network of Branches and staff provide crucial support for volunteers to make sure they feel valued and are given the training and guidance needed to safely enjoy being part of Butterfly Conservation. We are investing in our volunteer support this year to broaden our appeal and make volunteering with us even more welcoming and satisfying.

Butterfly Conservation's achievements over the last 50 years have been built on the incredible work of countless volunteers, and our future will be too. But there is much more we need to do – our environment faces huge challenges which we will only be able to meet by increasing and diversifying our volunteer support, being even more effective in our conservation work and helping to nurture the next generation of budding environmental heroes.

"I am still in shock having realised my dreams so unexpectedly soon – going out of my back gate is stepping into a more wonderful world than ever now, thanks in large part to the encouragement from All the Moors Butterflies staff and the work of the whole volunteer team".

- Alan, who discovered an unknown colony of Marsh Fritillaries near his home in Cornwall, as part of our All the Moors Butterflies project.

"I enjoy being outdoors watching wildlife. The survey gave me a sense of purpose when out for a walk, and the motivation to do something constructive with my free time".

- Richard, volunteering with our Urban Butterfly Project in Aberdeen.

"Counting butterflies these last three years makes me feel I am contributing to an important survey, the outcome of which will help these beautiful creatures to survive, multiply and continue to bring us joy in seeing their beauty".

- Anonymous volunteer, Urban Butterfly Project, Scotland

Report of the Council (including Strategic Report)

Year to 31 March 2019

Counting butterflies is good for you!

When Butterfly Conservation President Sir David Attenborough launched last year's 'Big Butterfly Count' in the middle of the 2018 summer heatwave, we could not have anticipated the impact the campaign would have on the nation's consciousness - and wellbeing.

Big Butterfly Count is one of the world's largest insect citizen science projects. It encourages people to spend 15 minutes outdoors counting the butterflies and moths they see during a three week window in high summer. When we launched the Count nine years ago, the aim was to engage people in the joys of butterflies and moths whilst gathering data about how some of our common and widespread species are faring. The campaign has exceeded our expectations in both respects and, more recently, enabled us to highlight the important connections between access to nature and health and wellbeing.

A growing body of scientific evidence suggests that spending time with nature has benefits for our physical and mental health. The connection between nature and mental health is particularly powerful, with a recent review conducted for Defra by the University of Exeter Medical School concluding 'there is strong and consistent evidence for mental health and wellbeing benefits arising from exposure to natural environments, including reductions in psychological stress, fatigue, anxiety and depression'.

Therefore, we felt confident in launching the 2018 Count with the bold claim that 'Counting butterflies is good for you!' and were delighted to work in partnership with the mental health charity, Mind, to promote this central message. Even a short time spent in nature can have benefits, so the 15 minutes recommended by the Count provided many people with the perfect antidote to the pressures of their busy and stressful lives.



Orchids in newly created grasslands by Dan Tuson

The levels of participation in the 2018 Count broke all previous records. In total, over 100,000 people took part in the Count, recording almost 1 million individual butterflies and spending over 24,000 hours engaging with the natural world around them. The participation of HRH Prince Charles, who completed a count at Highgrove House, gave a further boost to our efforts to reach a wider audience.

Report of the Council (including Strategic Report)

Year to 31 March 2019

The Count not only made the news bulletins in a high profile media launch, but continued to penetrate the public mind as the summer progressed with editorials, features and even a political cartoon in the i newspaper. On top of that, our social media campaign reached nearly three and a half million people on our Facebook page and two million via Twitter.

While it is impossible to quantify precisely the impact on human health of the fantastic level of participation achieved by the Count, we can be confident that by reaching such a huge audience we got people outdoors experiencing the benefits of engaging with nature, improving their wellbeing – and sharing our love for, and appreciation of, butterflies and moths.

We are extremely grateful to our partners who helped make the 2018 Big Butterfly Count such a success, particularly Mind and English Heritage, who worked with us to promote the Count, and to our sponsors B&Q for their invaluable support.

In the coming year, we will be exploring the links between nature, health and wellbeing more deeply in our work, training our staff to better understand how the work they do for butterflies and moths can help people too, and ensuring that even more of us experience the myriad benefits which come from taking action to help butterflies and moths.



Children enjoying nature by Ben Reeves

Report of the Council (including Strategic Report)

Year to 31 March 2019

Inspiring new audiences through our education programmes

The focus of our work in 2018 was delivering positive impacts for people as well as for butterflies and moths in our urban environment. In towns and cities there are fewer opportunities for children to access greenspaces, engage with nature and enjoy the physical and mental health benefits this brings. Our education work provides an important link to nature for children as well as involving them and their families in taking action to help butterflies and moths thrive in their neighbourhoods.

Our Bristol Munching Caterpillars project has reached nearly 2,500 children through school workshops, while a further 1,500 children and their families joined in community and public events. Many of these will have gone on to spread the message to family and friends and make their gardens and local green spaces more welcoming for butterflies and moths.

Lucy Cunningham is one of a number of volunteers from the University of West England who gave hundreds of hours of her time to the project as an undergraduate. Since graduating, Lucy has delivered Munching Caterpillars workshops in primary schools. It is now her turn to support the new intake of university students to experience the benefits of conservation volunteering, learn new skills and improve their employment prospects. The project was supported by the Somerset & Bristol Branch and the D'Oyly Carte Charitable Trust,

We also saw the Munching Caterpillars adventure move to Scotland. The project (supported by the NLHF) also has an urban theme. The project officer works with 15 schools in four hubs across the Central Belt. Children throughout the school year receive first hand experiences as they sow seeds and plant out both food and nectar plants for butterflies and moths in their school grounds.

Polli:Nation – a UK wide Learning through Landscape's project finished on a high. It was voted by the public as the winner of the 'Best Environmental Project' category at the 2018 National Lottery Good Causes Awards, beating off competition from 700 other projects. Butterfly Conservation was a project partner and led work in Northern Ireland as well as providing help with data analysis and habitat management advice. More than 250 schools and 35,000 school children across the UK assessed their school grounds for existing pollinator habitats, surveyed and recorded pollinator populations and made habitat improvements. Resources created over the course of the project remain available to help schools continue to get the best out of their newly created habitats for both pupils and pollinators.

Our education projects have enabled us to work with diverse audiences, including some for whom access to nature is limited. We have an established programme of visits from schools and other groups on to Magdalen Hill Down, our beautiful chalk downland reserve on the edge of Winchester. These include a number of young people with mental health issues who have responded positively to their surroundings and the experience of learning about conservation in action.

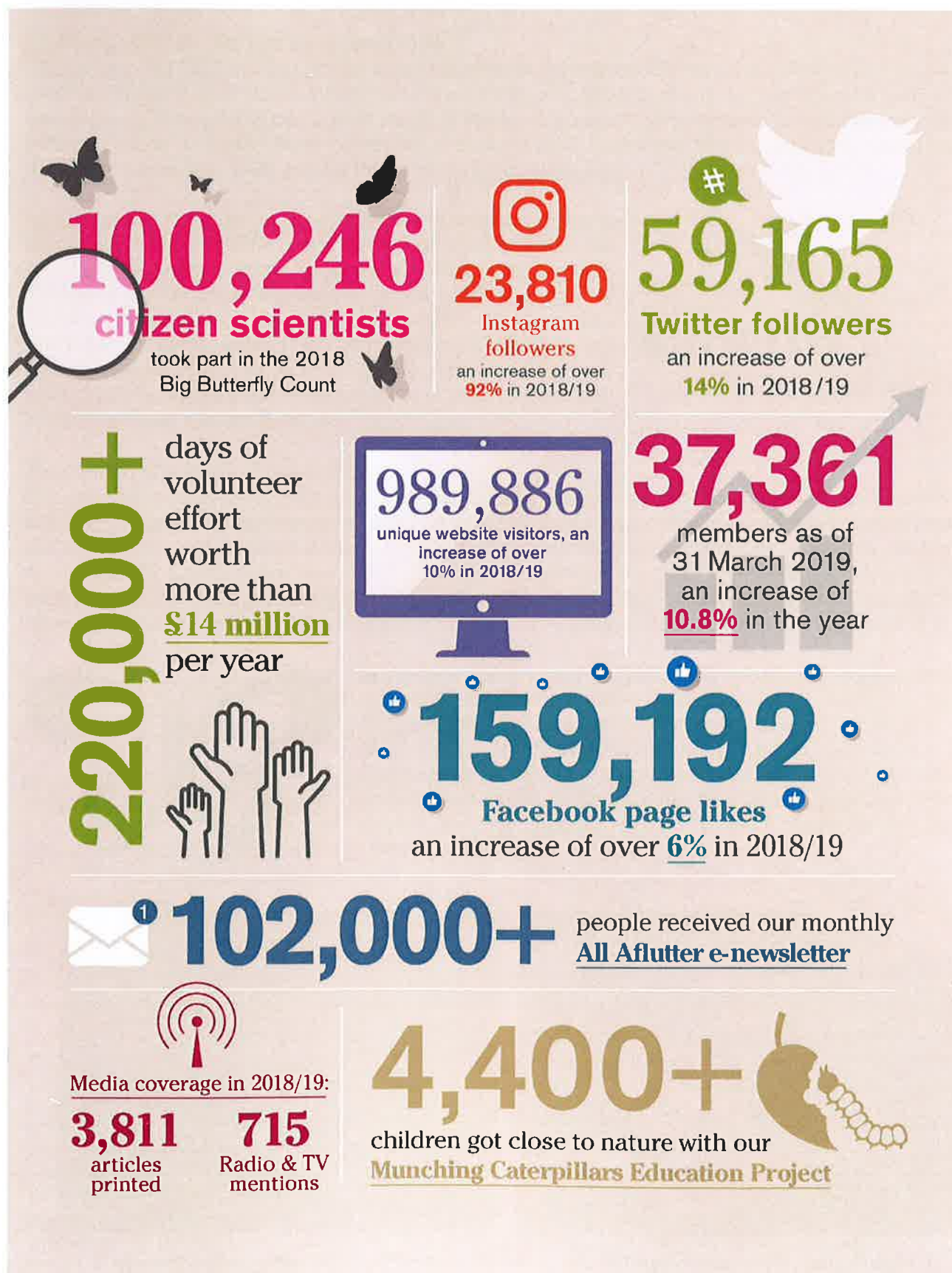


Magdalen Hill Down event by Kate Merry



The Butterfly Effect school visit by Jen Gilbert

Report of the Council (including Strategic Report)
Year to 31 March 2019



Butterfly Conservation's international work

Butterfly Conservation Europe (BCE)

We co-founded BCE in 2004, to act as an umbrella organisation to support action across Europe. BCE now has 45 partners in 35 countries, as well as contacts in several others, to give almost total European coverage. BCE has produced a wide range of literature from policy documents to Red Lists and species recovery plans. In 2018/19 we continued to support BCE financially and by allocating staff time. Full details of the work of BCE can be found at www.bc-europe.eu

BCE recently launched an EU-funded pan European Butterfly Monitoring Scheme (eBMS) with the aim of bringing data from all of the existing butterfly country schemes into a single database to produce European trends and a range of Biodiversity Indicators. This includes a system for online data entry for countries with no current scheme. Butterflies are already regularly monitored in 11 EU countries and the new project will focus in establishing schemes in others, especially in southern and eastern Europe.



European Butterfly Group (EBG)

Our members continue to play an active part in our international work through the volunteer-led EBG; a Branch of Butterfly Conservation. EBG (known previously as the European Interest Group) promotes the enjoyment, conservation and study of butterflies, moths and their habitats in Europe, and is open to all Butterfly Conservation members. The Group now has over 650 members and aims to build up contacts with partners in Europe and provide opportunities for self-funded volunteers to do vital survey work on some of Europe's most threatened butterflies. EBG works closely with our partners at BCE.



Since its establishment in 2006, EBG members have completed an incredible 48 different surveys to at least 15 countries: Belarus, Bulgaria, Croatia, Estonia, France, Greece, Hungary, Italy, Macedonia, Montenegro, Romania, Serbia, Slovenia, Spain, Switzerland as well as Arctic Scandinavia. In 2018 EBG members undertook surveys in Belarus for the Danube Clouded Yellow, in Greece for Dils' Grayling and in northern Spain for the Spanish Greenish Black-tip.



Danube Clouded Yellow by Ilia Ustyantsev



Butterflies in Romania by Kevin Tolhurst

Report of the Council (including Strategic Report)

Year to 31 March 2019

Plans for 2019/20 and beyond

Recover **threatened** butterflies and moths

- In 2019/20 we will publish summaries of the new UK Conservation Strategy and country strategies, which outline our species and landscape priorities for the next decade and beyond.
- We will plan and commence the implementation of our new conservation strategies across the England regions, Scotland, Wales and Northern Ireland.
- We will continue to develop more new landscape-scale projects across the UK.
- We will publish our distinctive policy positions on key subjects including land management and light pollution. These will be based on our own evidence, published research and our unique practical experience. We will develop new positions on key areas of interest to Lepidoptera conservation.
- We plan to increase our policy delivery across the UK. This will involve making the most of our country Species Champions, building on the publication of the next State of Nature report due in Autumn 2019 and developing advocacy around the State of Moths report that will be published in 2020/21.

Increase numbers of **widespread** species

- Our Building Sites for Butterflies project will develop and publish case studies that demonstrate how to create Lepidoptera friendly habitats. These will be available through dedicated webpages.
- We will recruit a Project Officer to deliver chalk habitat creation for Lepidoptera across five sites in south London. This is part of the Brilliant Butterfly Banks partnership with London Wildlife Trust, Natural History Museum and funded by the Peoples Postcode Lottery.
- Our plans to publish an Atlas of Britain and Ireland's Larger Moths Moth Atlas by March 2018 were delayed. However, this important book, which will give moth recorders and conservation groups vital information to aid the conservation of many species, will be launched during 2019/20.

Inspire people to understand and deliver species conservation

- In 2019 we will celebrate the 10th anniversary of the Big Butterfly Count, building on the success of the 2018 campaign to cement its place as the largest insect citizen science survey in the world.
- We will deliver a major new campaign, 'Moths Matter', to celebrate the world of moths, to highlight their beauty, their fascinating lifecycles and their importance to the wider environment. This year-long campaign will feature a new initiative each month to inspire people to take action to help moths in their gardens and beyond.
- Our gardening campaigns for 2019/20 will focus on reducing the use of peat and promoting more sustainable alternatives. This will draw attention to the continued loss of peatland habitats and the impacts on the species which rely on them. We will also be encouraging gardeners to pledge to go 'peat-free' to help save butterflies, moths and the wider environment.
- We will enhance our support for volunteering within Butterfly Conservation. A new team will refresh our approach to recruitment and retention, to develop new resources to support volunteers, and to enable a greater diversity of volunteers to work with us in a wider variety of ways.

Report of the Council (including Strategic Report)

Year to 31 March 2019

Promote international conservation actions

- We will develop and publish a new International Strategy to outline our aspirations and plans for future global work during 2019/20.
- We will continue to support the work of BCE, helping them implement the ABLE project to extend butterfly monitoring schemes to other parts of the European Union.
- We will support EBG to continue working with BCE to help conduct targeted surveys of threatened species and key areas.

Risk management

Risk Management is well established within Butterfly Conservation and is considered in every aspect of our work.

Council has taken all reasonable steps to ensure that major risks are identified and recorded in the Strategic Risk Register, which is reviewed at each Council meeting, and that systems are in place to mitigate them. However, it is aware that such processes are designed only to manage rather than eliminate all major risks. Council will continue to improve and refine risk management principles in all aspects of Butterfly Conservation's work.

Health & Safety

Butterfly Conservation's Health & 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.

Principal risks and uncertainties

The principal risks faced by Butterfly Conservation, identified by Council through the risk management process, are:

- changes to the external environment;
- reduction in existing funding streams and increased competition; and
- loss of biological data.

Council considers changes to the external environment as the charity's major risk. 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. During the year, a new Director of Policy and Land Use was appointed alongside a Policy Co-ordinator to expand our work in this area. 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 from Rethink Nature and other NGOs, Wildlife Link across the UK and Greener UK to ensure that existing environmental laws are secured when we leave the EU and that the UK has the necessary governance arrangements in place for robust implementation and enforcement in future.

Report of the Council (including Strategic Report)

Year to 31 March 2019

Reduction to existing funding streams and increased competition could seriously impact on Butterfly Conservation's ability to deliver its core objectives. To mitigate this, we employ experienced, well trained staff across all fundraising disciplines, now led by a new Director of Development & Engagement, as well as working in partnership with other environmental NGOs. We will continue to grow our membership and supporter base to ensure that we maintain a diverse portfolio of funding streams and reduce our reliance on ever-decreasing statutory funding from government agencies. A new three-year Fundraising Strategy has been developed for 2019/20 to address the many issues that we face. We will continue to grow our media presence to raise awareness of the plight of butterflies and moths and encourage individual giving.

The risks associated with our data management are mitigated by the technological infrastructures we have in place and multiple storage systems, for example the master transect dataset is stored by both CEH and Butterfly Conservation. We have also initiated annual review meetings with CEH and other core partners such as NE and Joint Nature Conservation Committee (JNCC) to help ensure this process is suitable. Important changes in staff capability have been taken to improve the management of our data, the risks associated with it, and to improve the use and social benefits of the data. This includes the recruitment of a new Senior Data Ecologist, a Senior Biostatistician and a supporting member of staff. A review of all of our data needs is now underway, and actions will be implemented during 2020.

Butterfly Conservation's Fundraising Policy

Butterfly Conservation takes a 'warm contact' approach to its fundraising activity, meaning that all our direct fundraising communications are only sent to individuals who have already expressed an interest in our work and consented to receive fundraising material. All fundraising is conducted in-house where we can monitor activity to ensure that it adheres to the strict guidelines set out in our Fundraising Promise (www.butterfly-conservation.org/legal/our-fundraising-promise).

No external professional fundraiser has been used by Butterfly Conservation and no third-party organisation has engaged in fundraising activities on behalf of the charity. Therefore, we have no requirement to monitor fundraising activities carried out on our behalf.

Multiple corporate businesses have agreements to use Butterfly Conservation's logo and charitable work for promotional purposes. All agreements with commercial participators contain a caveat that the agreement can be terminated with immediate effect if the commercial participators do anything we believe could bring our reputation into disrepute.

In response to the EU General Data Protection Regulation (GDPR), Butterfly Conservation has moved from an opt-out framework to opt-in for direct marketing. This will result in all stand-alone direct mail fundraising communications sent out being covered by active, informed and specific permission by the individual.

We are registered with the Fundraising Regulator, which works to ensure that organisations raising money for charity from the public do so honestly and properly. We have several safeguards in place for our supporters, such as including data protection permission options and a three point 'our promise to you' on all fundraising materials, and providing a detailed Supporter Guarantee (www.butterfly-conservation.org/legal/supporter-guarantee) document along with 'Our Fundraising Promise' statement on our website.

We adhere to the Code of Fundraising Practice set by the Fundraising Regulator and the Principles of Fundraising from the Institute of Fundraising (IoF). There has been no failure to comply with the Code of Fundraising Practice or the Principles of Fundraising.

Report of the Council (including Strategic Report)

Year to 31 March 2019

Butterfly Conservation has received a total of six complaints regarding aspects of our fundraising during the year. All complaints were fully investigated, appropriate action taken and a detailed response sent to individuals within seven days.

The Fundraising Preference Service (launched by the Fundraising Regulator in July 2017) allows people to stop specific charities from sending them communications. Since its launch, the Service received over 25,000 requests to block charity communications from close to 8,300 individuals. Butterfly Conservation has so far received just one notification to cease postal communication (with email communication still permitted), which followed a direct mail fundraising campaign.

We care a great deal about protecting vulnerable individuals and as such do not distribute any unsolicited direct fundraising asks - all our contacts have provided permission to receive such material. However, we continue to improve our safeguards and continue to offer our supporters the opportunity to revise their consent preferences with every communication.

All staff must adhere to our 'Policy for Supporters in Vulnerable Circumstances'. This not only commits us to the IoF's four key principles but also provides guidance to staff to identify vulnerable individuals and ensure that all supporters are treated fairly. If staff members believe that an individual lacks the capacity to make decisions then they are instructed not to process a donation, in line with the IoF guidance.

We also reduce any perceived pressure to give by instructing staff not to directly question the reason for supporters cancelling their membership or changing their data protection permissions. We monitor the level of asks that we distribute each year to ensure that we do not make an unreasonable number of approaches. To ensure that fundraising communications are balanced, we limit the number of stand-alone direct fundraising requests as these have the greatest chance of placing undue pressure on an individual.

Butterfly Conservation is committed to protecting its supporters and the wider public and will continue to abide by industry recommendations and look for further ways to improve its care.

Environmental policy

Butterfly Conservation's Environmental Policy aims to reduce the negative environmental impacts of aspects of our work.

We recognise that in delivering positive conservation benefits, our work has some adverse impacts on the environment. Specifically, we have taken action to:

- Minimise the environmental effects caused by our operations and activities, by using energy, natural and non-renewable resources efficiently, and minimising waste and pollution;
- Ensure that staff use public transport wherever possible;
- Select the most fuel efficient cars for use on essential fieldwork;
- Purchase, wherever possible, environmentally-friendly goods and services, and ensure that our publications are produced, where possible, avoiding plastics, and using either recycled paper or carry an industry-recognised eco-label;
- Establish recycling and composting facilities for all appropriate waste in each of our offices;

Report of the Council (including Strategic Report)

Year to 31 March 2019

- Demonstrate high standards of environmental care in the management of our reserves; and
- Inform and raise awareness among our staff, volunteers and membership of our environmental performance, and their individual environmental responsibilities.

Financial review

Results for the year

Previous sections give an indication of the impact of our conservation successes, with significant results being achieved both on major schemes and also at a more local level. This conservation work is built on a base of strong and increasing support from our members. Income grew once again by 6% to a new record level of £4.34 million (2018 - £4.11 million). Total expenditure also reached a record high of £4.50 million (2018 - £3.92 million). Of this, expenditure on conservation work increased by nearly £500,000 to £3.85 million, an increase of 14%. This again is another record achievement.

Income is derived from a number of different funding streams. While there is pressure on grant funding, other streams all performed strongly and accounted for 73% of our total income, up from 66% last year.

Donations and legacies increased by 25% to a total of £1.36 million (2018 - £1.08 million). Within this total, we received legacies of £724,000 (2018 - £482,000), an increase of 50% over the prior year. Though it must be noted that legacy income will by its nature be variable from year to year, this welcome increase reflects the emphasis we have placed on this area in our fundraising work. Overall donations have increased by 5%.

Membership subscription income increased by 5% to £983,000 (2018 - £938,000). Membership continues to increase and at year-end stood 10.8% higher than the year before, at 37,361 individual members. We are fortunate in having a very loyal membership base, with a retention rate of 90% year on year.

Contract and royalty income increased by 36% to £363,000 (2018 - £268,000) due to the timing of agricultural receipts. Trading activities along with raffle sales have suffered during the year highlighting the continuing challenges around these sources.

Income from investments and bank interest increased by 9% to £244,000 (2018 - £223,000), while that from primary purpose trading was up 41% to £123,000 (2018 - £87,000). The latter increase was due to receipts from the International Symposium - held every four years - at the beginning of this financial year.

Grant funding decreased by 17% to £1.17 million (2018 - £1.40 million) partly due to the reduction in Landfill Community Funds. This decrease is a reflection of the increasingly challenging environment, which remains for raising funds in this area.

Total expenditure increased by 15%, to £4.50 million (2018 - £3.92 million), reflecting the aspirations set out in our Long Term Plan. The greatest increase was in Conservation Work, as mentioned above. Membership service costs increased by 13% to £457,000, due to the increased newsletter circulation, which reflects our higher membership numbers. Fundraising costs remain under control as we endeavour to achieve the best return on our investment: the increase of £47,000 is largely due to an increase in staff.

Financial statements are unable to show the contribution made to our work by the thousands of volunteers who work to achieve results both within Branches and on a Regional and National scale.

Report of the Council (including Strategic Report)

Year to 31 March 2019

Their vital work, which is considered to be a major factor in our members' support for the Charity, is conservatively valued at around £14 million.

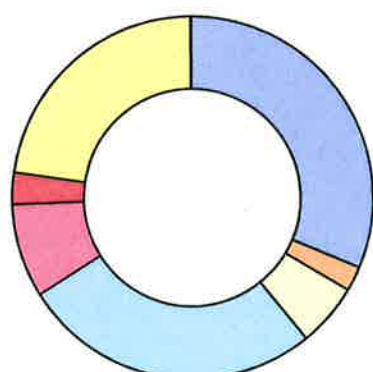
There has been no material movement in total assets over the year. The capital value of our Endowment Fund increased by £115,000 (2%) to £5.49 million (2018 - £5.37 million), a creditable performance in a difficult year for markets. Intangible assets of £32,250 reflect a new Customer Relationship Management system in the process of development in order to meet the requirements of larger membership numbers and to ensure compliance with the requirements of the GDPR.

Restricted Fund balances have decreased by £442,000 (28%) to £1.11 million (2018 - £1.56 million) mainly due to the closure of projects. Designated Funds reduced by £330,000 (12%) to £2.34 million (2018 - £2.67 million) due to the closure of the Match Pot Appeal Fund and the reduction of funds required for our ongoing commitments to conservation projects, offset by an increase in the Legacy Fund of £302,000. Largely because of these transfers, General Funds have increased to £2.33 million (2018 - £1.81 million). This increase in reserves is necessary if we are to support the increase in the scale of the work of the charity.

It is significant that we are able to report not only the growth in scale and ambition of our conservation work, but also that our financial strength is built to an increasing degree on the wonderful support of our members and other supporters, so developing our independence and confidence as we move forward into an era in which external sources of funding become ever harder to win.

How we raised our funds

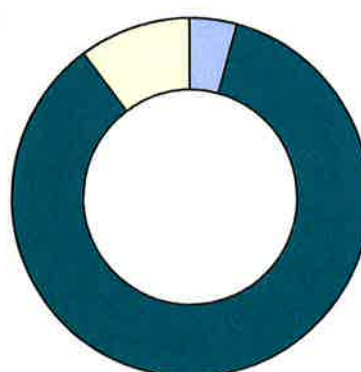
Total Income £4,338,056
(2017/18 £4,106,814)



Donations and legacies	£1,359,486
Other trading activities	£96,019
Investments	£243,717
Conservation activities- grants receivable	£1,167,353
Contracts and Royalties	£362,680
Primary purpose trading	£122,816
Membership subscriptions	£985,061
Other income	£2,924

How we spent our funds

Total Expenditure £4,495,096
(2017/18 £3,923,799)



Raising funds	£189,969
Conservation	£3,848,294
Membership services	£456,833

Report of the Council (including Strategic Report)

Year to 31 March 2019

Fundraising review

Ongoing decreases in government funding mean that the fundraising environment continues to be highly competitive with many charities vying for the same funds. Charities now need to work harder to maintain their financial stability. We must continue to seek new and innovative ways to secure funding in order to ensure that Butterfly Conservation's vital conservation effort can continue and we can deliver the priority work identified in the new Conservation Strategy and continue to raise awareness of the plight of the UK's wildlife.

The NLHF launched their new Strategic Funding Framework at the end of January 2019, setting out the vision and principles that will guide their investment for the next five years. They recognised that after a decade of reduced public spending, the financial environment remains challenging and they plan to champion innovation in business models, and build capacity, skills and resilience in heritage organisations to enable them to diversify income. We will of course continue to see fierce competition for this and other major funding streams in the coming years.

Fortunately, Butterfly Conservation's excellent reputation coupled with evidence provided by our robust scientific research ensures that we can make strong and engaging requests for support. This led to us achieving more than £4.3 million of income during 2018/19.

We received grant funding for a number of projects across the UK during the year, including £57,000 for our latest Munching Caterpillars education project in Scotland and £38,000 for stage one of our exciting new Big City Butterflies project in London, from the NLHF. We are very grateful to NE, NIEA, SNH, the FC and CEH for their continued funding of Butterfly Conservation's UK conservation work.

Over £120,000 of income was secured from Trusts and Foundations during 2018/19, including £50,000 from Restore Our Planet for a new Butterfly Effect education project in Gloucestershire. We plan to expand this important area of fundraising further during the coming year to maximise income from new sources and develop stronger relationships with Trusts.

Our membership continues to grow steadily resulting in membership income of more than £900,000 in 2018/19. In addition to this essential income from subscriptions, our wonderful members and supporters donated in excess of £500,000 to support our conservation projects. We ran three Crowdfunder appeals during the year to raise funds for: recording and monitoring following the re-introduction of the Chequered Skipper; the Large Blue and Brown Hairstreak project in the Poldens; and the Coul Links public enquiry in Scotland. As with all our previous Crowdfunder appeals each of these exceeded the initial target set and helped attract a number of new donors. Butterfly Conservation took part in our third Big Give Christmas Challenge in 2018, raising over £30,000 in one week, we are very grateful to the major donor who pledged the initial sum to facilitate the match giving. A successful online auction and event to celebrate Butterfly Conservation's 50th Anniversary year took place in September 2018, this raised over £15,000 in total.

Only one raffle was held in 2018 raising just over £20,000. We plan to return to running two raffles during 2019 to increase income. These will take place online and via paper raffle tickets.

Legacy income notified during 2018/19 was 50% higher than the previous year. We will continue increasing promotion of legacy giving to raise awareness of the importance of this income to Butterfly Conservation. Over £26,000 was donated in memory of loved ones, up significantly from £10,000 in 2017/18.

B&Q plc sponsored the Big Butterfly Count for 2018, and we are very grateful for their generosity in supporting this important citizen science campaign. We have plans to encourage support from other corporate organisations during the coming year and hope to see an increase in funds in this area.

Report of the Council (including Strategic Report)

Year to 31 March 2019

We continue to face massive fundraising challenges in 2019/20 and beyond but will maintain effort across all disciplines to ensure that we can secure funding to deliver our ambitious conservation plans. Our new Fundraising Strategy 2019-2022 includes the following aims in order to achieve this:

- Develop a portfolio of diverse and sustainable funding streams to mitigate the risk of over-reliance on any one source of income;
- Increase the proportion of funding from internal sources as opposed to external sources to underpin unfunded conservation work;
- Increase unrestricted income to reduce reliance on restricted funding sources in long-term decline (e.g. statutory funding and landfill tax funding);
- Use new technology to improve the efficiency and effectiveness of fundraising activity;
- Maintain the highest ethical standards in fundraising to retain the trust of donors whilst ensuring compliance with all relevant statutory/regulatory requirements.

Tangible fixed assets

Acquisitions and disposals of tangible fixed assets during the year are recorded in the notes to the financial statements.

Investment policy

At 31 March 2019 we held investments in an Endowed Fund, classified as a fixed asset investment, with a market value (including cash held for re-investment) of £5,486,475 (2018 - £5,370,995) and other investments, classified as current asset investments, with a market value of £164,118 (2018 - £157,972). The Endowed Fund is managed by Cazenove Capital, part of the Schroder Group.

Council sets the investment policy and the Investment Committee oversees its implementation. The Investment Committee monitors investment performance and the level of income received and meets the manager as necessary, most recently in February 2019.

The policy takes into account the duty for Council to be even-handed as between current and future beneficiaries and recognises that only the income derived from the investments may be applied by the charity in pursuit of its objects. The objective of the investment policy is to grow the income derived from the assets, and to sustain their capital value, in real terms – i.e. to grow both in line with increases in the Retail Price Index (RPI).

2018 was a challenging year for investors. After reaching new highs earlier in the year, the FTSE 100 was more volatile over the summer amid sterling's ups and downs. At the end of the calendar year, it had dropped more than 12%; all major stock market indices round the world were down. The rising interest rate environment continued to have a negative impact on government bonds. Markets rebounded sharply over the first quarter of 2019. Meanwhile, uncertainty over Brexit continues: negotiations have continued to dominate UK financial markets and investors remain nervous because there is still no clear solution in sight. Volatility in the markets has been greater than anticipated: we expect this to continue for the next financial year.

Our strategy in such an environment has been to maintain a diversified portfolio of investments in common investment funds, which at our year-end was invested 70% in equities, 13% in bonds and 15% in alternatives. There is a small (2%) cash balance.

Report of the Council (including Strategic Report)

Year to 31 March 2019

For the full year to 31 March 2019, the total return achieved for the Fund was 5.3%, around 0.2% below our internal benchmark. Total income (including fees) taken was £175,584 (3.2%), leaving a growth in capital of 2.2%. This is 0.2% below the inflation rate for the period of 2.4%. The weakest asset class in our portfolio was our bonds, which underperformed the appropriate index. We remain underweight in bonds, but our view on this asset class is becoming less negative as rate expectations are peaking. Alternative investments – in our case commercial property funds - increase diversification and generate an attractive income relative to bonds. The fund's equities were the main driver of returns having suffered some of the sharpest falls in the last quarter of calendar 2018.

However, it is important to bear in mind that our investment strategy is designed for the long-term growth of value. Over the last four years, in which our portfolio has been managed entirely by Cazenove, the value of the fund has increased by 12.7%, which compares favourably with the growth of 10.9% in the RPI.

We discussed at our last meeting with the investment managers whether the level of income, which we are drawing from the fund, is consistent with the long-term growth target. Their recommendation is that we are operating at a sustainable level. Therefore, no change in the underlying strategy is indicated.

Financial reserves policy

At 31 March 2019 Butterfly Conservation had total funds of £12,268,927 (2018: £12,304,342).

These funds included our permanent endowment totalling £5,486,475 (2018: £5,370,995), which was given to provide future income for Butterfly Conservation.

Restricted funds totalled £1,114,994 (2018: £1,557,394) and represented assets, including freehold nature reserves, purchased in accordance with the terms of specific gifts amounting to £402,738 (2018: £466,737).

Butterfly Conservation's unrestricted funds at 31 March 2019 amounted to £5,667,458 (2018: £5,375,953).

However, these funds include £20,000 (2018: £20,000) being the retained profits of Butterfly Conservation Trading Limited. These funds also include £977,378 (2018: £881,138) representing freehold nature reserves and other tangible and intangible fixed assets. These are central to Butterfly Conservation's charitable activities and the funds would not be available to meet future contingencies should they arise.

Council has designated a total of £2,337,896 (2018: £2,667,676) in the following funds:

Fund	2019 £	2018 £
Branch Fund	226,644	220,057
Commitments to Conservation Projects Fund	735,500	902,200
Legacy Fund	1,375,752	1,073,692
Match Pot Appeal Fund	—	471,727
	2,337,896	2,667,676

The Legacy and Match Pot Appeal Funds are Head Office designations of past legacies and donations used to finance general expenditure.

Report of the Council (including Strategic Report)

Year to 31 March 2019

It is normal practice for a third of the value of the Legacy Fund to be drawn down each year. However, there are some cases where the charity works alongside the executors to fund specific conservation projects driven by the wishes of the legatee. In such cases, these funds are not considered part of the Legacy Fund and, therefore, not transferred to the General Fund.

In previous years, monies in the Match Pot Appeal Fund were utilised to support conservation projects. During 2018/19, this Designated Fund was dissolved and the balance transferred to the General Funds.

The Branch Fund comprises monies that Council has committed for work undertaken by Butterfly Conservation's Branches and it is anticipated that the current funds will be spent over the coming two years.

The Commitments to Conservation Projects comprises monies that Council has committed to funding key conservation projects over the next year.

The funds available for meeting ongoing future expenditure therefore total £2,332,184 (2018: £1,807,139).

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 six months' operating costs.

During the year Council has evaluated Butterfly Conservation's financial risk and has calculated the financial contribution expected to be made over the next year to key conservation projects as £735,500 (2018 - £902,200). This sum is held in a designated fund.

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 £2.5 million (2018 - £2.0 million).

During 2018/19, we have raised funds to increase the level of our financial reserves by £525,000 (2018 - £207,000) whilst also increasing expenditure on our core objectives. In 2019/20, we will continue to implement our fundraising strategy to ensure that we maintain our conservation effort and increase financial reserves to the target level.

Reference and administrative information Year to 31 March 2019

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
Facebook	Facebook.com/savebutterflies
Instagram	Instagram.com/savebutterflies
President and Vice-Presidents	
President	Sir David Attenborough OM CH CVO CBE FRS FSA
Vice-Presidents	Maurice Avent Nick Baker John F Burton FZS FRES Dudley Cheesman Sue Collins The Earl of Cranbrook PhD DL Cbiol 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

Reference and administrative information Year to 31 March 2019

Council Members (Directors and Trustees)

Chair	Dr Jim Asher
Vice Chair	Mike Dean
Honorary Treasurer	Nigel Symington
Other Trustees	Dr Fiona Barclay Dr Andy Barker Apithanny Bourne Andrew Brown Roger Dobbs Dr Susan Foden Karen Goldie-Morrison Michael Johnston Simon Saville Ilija Vukomanovic Chris Winnick

Senior Management Team

Chief Executive and Company Secretary	Julie Williams
Director of Science	Dr Nigel Bourn
International Director	Dr Sam Ellis
Director of UK Operations	Dr Dan Hoare (appointed April 2019)
Director of Policy and Land Use	Russel Hobson
Director of Development and Engagement	Peter Moore

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
-------------------	--

Structure, governance, and management Year to 31 March 2019

Members of Council

Council members constitute directors of the charity for the purposes of the Companies Act 2006 and trustees of the charity for the purposes of charity legislation.

Each member of Council has responsibility for monitoring the charity's activities in specific operational areas and constant regard is paid to refreshing the experience mix of members of Council to ensure that Council continually develops the skills required to contribute fully to the charity's advancement.

The following Council members were in office during the year to 31 March 2019 and served throughout that year except where shown:

Council members	Elected / Resigned
Dr Jim Asher – Chair	
Mike Dean – Vice Chair	Re-elected in November 2018
Nigel Symington – Honorary Treasurer (from July 2018)	
David Hanson – Honorary Treasurer (until July 2018)	Resigned in July 2018
Dr Fiona Barclay	Elected in November 2018
Dr Andy Barker	
Apithanny Bourne	Elected in November 2018
Andrew Brown	
Kathryn Dawson	Resigned in March 2019
Roger Dobbs	
Dr Susan Foden	
Karen Goldie-Morrison	
Michael Johnston	
Simon Saville	Elected in November 2018
Sue Smith	Resigned in November 2018
Ilija Vukomanovic	Re-elected in November 2018
Chris Winnick	Re-elected in November 2018

All members of Butterfly Conservation are eligible to seek election to Council at the Annual General Meeting (AGM).

One-third of Council members stand down each year on rotation and new Council members are elected at Butterfly Conservation's AGM in November.

New Council members receive a comprehensive induction pack. This pack is designed to provide Council members with an understanding of their roles and responsibilities. A detailed induction day is arranged to provide new Council members and those re-elected with a strategic and operational overview of Butterfly Conservation.

To familiarise themselves with the work of the charity they are invited to attend key meetings and events.

Structure, governance, and management Year to 31 March 2019

The Chair holds one-to-one discussions with each Council member to discuss his/her contribution in the year and to agree plans for self-development in the future. All Council members are invited and encouraged to undertake trustee-training seminars offered by external professionals and are offered subscriptions to relevant governance online magazines.

Council members undertake an annual individual skills audit to assess their skills, help identify any gaps in expertise, and highlight future requirements to ensure that Council has sufficient skills to operate as a diverse and effective Board. Council approved the decision in March 2019 to introduce annual Board performance reviews and these will be implemented during 2019/20.

Council is responsible for identifying and recruiting new Council members who complement the expertise of existing members and who fill the gaps identified in the skills audit. Various methods are used to recruit new Council members, including advertising in our magazine, *Butterfly*, and the Branch email updates.

In 2018 we received more candidate nominations for Council than spaces available on the Board, and undertook a formal election. All Butterfly Conservation members over the age of 18 were eligible to vote for the candidates they wanted to elect as Council members. The results of the election were announced at the AGM and Members' Day in November.

Council members declare all relevant interests and register them with the Company Secretary and, in accordance with Butterfly Conservation's Code of Conduct Policy, withdraw from decisions where a conflict of interest arises.

Responsibilities of Council

The members of Council (who are also directors of Butterfly Conservation for the purposes of company law) are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the members of Council to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure of the group for that period.

In preparing these financial statements, the members of Council are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

Structure, governance, and management Year to 31 March 2019

Council members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and applicable Charities Accounts (Scotland) Regulations. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each member of Council confirms that:

- so far as the Council member is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- he/she has taken all the steps that Council members ought to have taken in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Transactions involving Council members and related parties

All Council members give their time voluntarily and received no benefits from Butterfly Conservation during the year.

Details of transactions involving Council members and related parties are given in Note 11 and Note 25 to the attached financial statements.

Strategy and policy setting

Council determines the overall strategy and policy of Butterfly Conservation. Council meets three times a year.

Council delegates some of its powers to three committees: Governance, Investment and Remuneration. These report to Council. Two working groups: the Branch Communications Group and the Consultative Group report to the Chief Executive. The Risk Audit Group, which works on an *ad hoc* basis, reports directly to Council.

From time to time the Chief Executive initiates individual Task and Finish Groups designed to work on specific areas. These groups report directly to the Chief Executive and are made up of a mixture of members of staff, Council members and external individuals depending on the topic and their expertise.

Staff and Branches

The Chief Executive, assisted by the Senior Management Team, is responsible for the day-to-day management of Butterfly Conservation, acting under authority delegated to her by Council.

During the year, we employed on average 89 members of staff (78 in 2017/18) who are grouped into six main work areas: Science, Conservation Delivery, Policy & Land Use, Engaging Supporters, Administration and the Senior Management Team.

One of Butterfly Conservation's greatest strengths is the 18,000 active volunteers, who contribute towards our work. They carry out a variety of roles from monitoring and recording to delivering practical conservation programmes using their considerable knowledge and expertise. Many thousands of other people also take part in our major citizen science campaign, the Big Butterfly Count.

Structure, governance, and management Year to 31 March 2019

Our local action is co-ordinated by a UK wide network of 31 Branches and a European Butterfly Group. Each Branch is managed by a volunteer committee. Our dedicated Branch Committee members are true ambassadors for Butterfly Conservation and all the fantastic work we do. We are indebted to everyone who contributes to making our Branch network so strong and successful.

Branches and volunteers carry out most of the local conservation and development work in partnership with staff. Branches contribute to strategy and policy setting primarily through Branch Liaison meetings.

Branches provide excellent support to members in their local area, running a variety of interesting and inclusive activities. They provide many additional opportunities for volunteers to get involved and give us a vital presence at many varied events around the UK, inspiring people to find out more about our work.

Pay and Remuneration Policy

Butterfly Conservation is committed to ensuring that we pay our staff fairly and in a way that ensures we attract and retain the right skills to have the greatest impact in delivering our charitable objectives. The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the members of Council and the Senior Management Team.

Butterfly Conservation does not differentiate between men and women throughout the recruitment process and instead relies on pay grades based on the duties and responsibilities relating to the vacancy.

The results of the gender pay gap calculations for 2018/19 show that the full time equivalent average weekly earnings for men is 26% more than for women (£712 per week compared with £564). The 2018/19 full time equivalent median weekly earnings for men is also 21% more than for women (£662 per week compared with £547). The differential arises as currently more men hold senior positions within the organisation.

Butterfly Conservation continues to conduct a fair recruitment process, which is unbiased towards gender. Individuals are offered positions based on their skill and suitability for the role.

The charity's Pay and Remuneration Policy states how salary and pay awards are set, including remuneration for the Chief Executive and Senior Management Team.

The same benefits arrangements, including pensions, and terms and conditions apply to all employees, including the Senior Management Team. Pay bands and salary increments are reviewed annually against a number of other NGOs and using benchmarking tools widely available in the voluntary sector.

Further salary banding information on the Senior Management Team's remuneration is included in Note 11.

Council members are not remunerated but are reimbursed for reasonable out of pocket expenses (as stated in Note 11).

Structure, governance, and management Year to 31 March 2019

Trading

Butterfly Conservation Trading Limited was incorporated in February 2010 to conduct trading activities in support of Butterfly Conservation's charitable activities. The company is registered in England and Wales under company number 07166835 and is a wholly-owned trading subsidiary. The directors of the trading company have elected to donate, in accordance with an agreed deed of covenant, all of its annual taxable profit to its parent charity, Butterfly Conservation, under Gift Aid. For the year ended 31 March 2019, the donation amounted to £39,080 (2018: £44,505).

Acknowledgements Year to 31 March 2019

Thank you

We are extremely grateful to those individuals and organisations that have so generously supported the charity in 2018/19 including all of our donors who wish to remain anonymous. On behalf of everyone at Butterfly Conservation we would like to thank the following funders for their support:

A E H Salvesen's Charitable Trust
B&Q plc
BCN Wildlife Trust
Beryl Thomas Animal Welfare Trust
Biffa Award
Butterfly Brothers
Carmarthenshire County Council
Cemex UK Materials Limited
Chapman Charitable Trust
Dartmoor National Park Authority
Dartmoor Preservation Association
Dr and Mrs A Darlington Charitable Trust
EcoCo Life
Enovert Community Trust
Everyclick.co.uk
Exmoor National Park Authority
Facebook
Forestry Commission England
Forestry Commission Scotland
Geoffrey Arnold of Longdon Memorial
Greenwings
Groundworks UK
Hampshire County Council
Henry C Hoare Charitable Trust
Holiday Inn Winchester
Hugh Fraser Foundation
Lake District National Park Authority
Learning Through Landscapes
Limit Watches
Marsh Christian Trust
Michael Marks Charitable Trust
Miss Kathleen Beryl Sleigh Charitable Trust
Natural England
Naturetrek Limited
Northern Ireland Environment Agency
P F Charitable Trust
Papillon Dartmoor Distillery
Pilkington General Charity

Rapanui
Restore our Planet
Rural Payment Agency
Russel Trust
Scottish Natural Heritage
Shropshire Hills Area of Outstanding
Natural Beauty
South Downs National Park Authority
Spear Charitable Trust
Suffolk Coast & Heaths Area of
Outstanding Natural Beauty
Surrey Hills Area of Outstanding Natural
Beauty
Surrey Biodiversity Information Centre
Susan H Guy Charitable Trust
The Banister Charitable Trust
The D G Albright Charitable Trust
The D'Oyly Carte Charitable Trust
The Gaynor Cemlyn-Jones Trust
The Gordon Fraser Charitable Trust
The Henocq Law Trust
The John Swire 1989 Charitable Trust
The National Lottery Heritage Fund
The Patsy Wood Trust
The Pump House Trust
The Reed Foundation (UK)
The Royal Society for the Protection of
Birds
University of York
Veolia Environmental Trust
Waitrose Limited
Waste Recycling Environmental Limited
Woodland Trust

Acknowledgements Year to 31 March 2019

Corporate Members

Bewley & Merrett Funeral Directors
Buglife – The Invertebrate Conservation Trust
Castlerigg Hall Caravan & Camping Park
Coda Systems Limited
Elm Horticulture Limited
Ginger Dragon
Ground Control
Holme for Garden
NatureGuides

Naturetrek Limited
Northumbrian Water
Opticron
Perrywood Garden Centre
TES Limited
The Weld Estate
Tobiz Products
Woodlands.co.uk

Legacy gifts

Much of our successful conservation work is underpinned by the generosity of supporters who have left a gift in their Will. All gifts, whatever their size, are hugely valuable, making a lasting difference to butterfly and moth conservation.

We would like to thank our generous benefactors for these important gifts:

Legacies

Patricia Bushell
John Henry Cancellor
Wendy Jean Clarke
Timothy Field
Bridget Mary Fletcher
Alan Douglas Gillitt
Patricia Heighway
Peter Hodds
Mervyn Howells
Alison Jeannine Ada Hunt
Pamela Kirk
David Harry Lee
Dr Mary MacLeod

Sonya McLennan
Audrey Dorothy Mines
Heather Mary Jessica Monie
Joy Anne Philp
Shirley Rosalind Price
Beatrice Rice
Pamela Elizabeth Robinson
Diana Rosignoli
Gwendoline Shortland
Michael Alan Snelling
Eppie Somers
John Webber
Beryl Williams

If you would like to find out more about leaving a gift in your Will, then please call Amanda Brazington direct on 01929 406048 or email abrazington@butterfly-conservation.org

Report of the Council approved for on and behalf of Council:



Dr Jim Asher
Chair



Julie Williams
Secretary

Approved by Council on:

13 July 2019

Independent auditor's report 31 March 2019

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 of Butterfly Conservation and its subsidiary company (collectively the 'group') for the year ended 31 March 2019, 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 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 2019 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the members of Council's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the members of Council have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report 31 March 2019

Other information

The members of Council are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. 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 Report of the Council and from the requirement to prepare a strategic report.

Independent auditor's report 31 March 2019

Responsibilities of Council

As explained more fully in the Responsibilities of Council statement included in the Report of the Council, 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.

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 members of Council (the trustees and directors of the charitable company) 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.

 **Bzzacott LLP**

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

26 July 2019

Consolidated statement of financial activities Year to 31 March 2019

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2019 Total £	2018 Total £
Income from:						
Donations and legacies	1	1,278,914	80,572	—	1,359,486	1,084,966
Other trading activities	2	96,019	—	—	96,019	102,051
Investments and interest receivable	3	233,899	9,818	—	243,717	223,124
Charitable activities						
. Conservation activities - grants receivable	4	18,310	1,149,043	—	1,167,353	1,403,179
. Contracts and royalties		311,600	51,080	—	362,680	267,613
. Primary purpose trading		118,739	4,077	—	122,816	86,899
. Membership subscriptions		983,061	—	—	983,061	938,445
Other sources		2,924	—	—	2,924	537
Total income		3,043,466	1,294,590	—	4,338,056	4,106,814
Expenditure						
Raising funds	5	188,898	1,071	—	189,969	142,516
Charitable activities						
. Conservation	6	1,778,145	2,070,149	—	3,848,294	3,375,442
. Membership services	7	456,833	—	—	456,833	405,841
Total expenditure		2,423,876	2,071,220	—	4,495,096	3,923,799
Net income (expenditure) before investment gains (losses)		619,590	(776,630)	—	(157,040)	183,015
Net investment gains (losses)	15,17	6,145	—	115,480	121,625	(90,719)
Net income (expenditure)	10	625,735	(776,630)	115,480	(35,415)	92,296
Transfers between funds	20	(334,230)	334,230	—	—	—
Net movement in funds		291,505	(442,400)	115,480	(35,415)	92,296
Reconciliation of funds						
Total funds brought forward at 1 April 2018		5,375,953	1,557,394	5,370,995	12,304,342	12,212,046
Total funds carried forward at 31 March 2019		5,667,458	1,114,994	5,486,475	12,268,927	12,304,342

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 above consolidated statement of financial activities.

Comparative consolidated statement of financial activities Year to 31 March 2018

	Unrestricted funds £	Restricted funds £	Endowment funds £	2018 Total £
Income from:				
Donations and legacies	833,116	251,850	—	1,084,966
Other trading activities	95,818	6,233	—	102,051
Investments and interest receivable	214,369	8,755	—	223,124
Charitable activities			—	
. Conservation activities - grants receivable	26,541	1,376,638	—	1,403,179
. Contracts and royalties	161,815	105,798	—	267,613
. Primary purpose trading	78,068	8,831	—	86,899
. Membership subscriptions	938,445	—	—	938,445
Other sources	537	—	—	537
Total income	2,348,709	1,758,105	—	4,106,814
Expenditure				
Raising funds	139,099	3,417	—	142,516
Charitable activities				
. Conservation	1,026,593	2,348,849	—	3,375,442
. Membership services	405,841	—	—	405,841
Total expenditure	1,571,533	2,352,266	—	3,923,799
Net income (expenditure) before investment losses	777,176	(594,161)	—	183,015
Net investment losses	(578)	—	(90,141)	(90,719)
Net income (expenditure)	776,598	(594,161)	(90,141)	92,296
Transfers between funds	(634,901)	634,901	—	—
Net movement in funds	141,697	40,740	(90,141)	92,296
Reconciliation of funds				
Total funds brought forward at 1 April 2017	5,234,256	1,516,654	5,461,136	12,212,046
Total funds carried forward at 31 March 2018	5,375,953	1,557,394	5,370,995	12,304,342

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

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

Consolidated summary income and expenditure account Year to 31 March 2019

	2019 Total funds £	2018 Total funds £
Total income of continuing operations	4,338,056	4,106,814
Total expenditure of continuing operations	(4,495,096)	(3,923,799)
Net income for the period	(157,040)	183,015

Total income comprises £3,043,466 (2018: £2,348,709) for unrestricted funds and £1,294,590 (2018 - £1,758,105) for restricted funds. A detailed analysis of income by source is provided in the consolidated statement of financial activities.

Detailed analyses of the expenditure are provided in the consolidated statement of financial activities and Notes 5, 6 and 7.

The consolidated summary income and expenditure account is derived from the consolidated statement of financial activities on page 52 which, together with the notes to the financial statements on pages 63 to 79, provides full information on the movements during the period on all the funds of the charity.

Group and charity balance sheets 31 March 2019

	Notes	Group		Charity	
		2019 £	2018 £	2019 £	2018 £
Fixed assets					
Intangible assets	13	32,250	—	32,250	—
Tangible assets	14	1,347,865	1,347,876	1,347,865	1,347,876
Investments	15	5,486,475	5,370,995	5,486,476	5,370,996
		6,866,590	6,718,871	6,866,591	6,718,872
Current assets					
Stocks		7,784	7,073	7,401	6,496
Debtors	16	1,135,113	810,028	1,173,702	859,419
Investments	17	164,117	157,972	164,117	157,972
Cash at bank and in hand					
. Short term deposits and interest bearing accounts		3,549,268	4,023,158	3,549,268	4,023,158
. Current accounts		873,702	959,528	813,301	888,088
		5,729,984	5,957,759	5,707,789	5,935,133
Liabilities					
Creditors: amounts falling due within one year	18	(327,647)	(372,288)	(325,452)	(369,663)
Net current assets		5,402,337	5,585,471	5,382,337	5,565,470
Total net assets		12,268,927	12,304,342	12,248,928	12,284,342
The funds of the charity					
Charitable funds					
Capital funds					
Endowment funds	19	5,486,475	5,370,995	5,486,475	5,370,995
Income funds					
Restricted funds	20	1,114,994	1,557,394	1,114,994	1,557,394
Unrestricted funds					
. General fund		2,332,184	1,807,139	2,332,185	1,807,139
. Non-charitable trading funds		20,000	20,000	—	—
. Tangible and intangible fixed assets (including freehold nature reserves) fund	21	977,378	881,138	977,378	881,138
. Designated funds	22	2,337,896	2,667,676	2,337,896	2,667,676
Total funds		12,268,927	12,304,342	12,248,928	12,284,342

Approved by the Council of Butterfly Conservation, Company Registration Number 02206468 (England and Wales), and signed on its behalf by:



Dr Jim Asher
Chair

Approved on:

13 July 2019

Consolidated statement of cash flows Year to 31 March 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(766,747)	(113,018)
Cash flows from investing activities:			
Investment income and interest received		241,661	221,328
Purchase of tangible fixed assets		(2,380)	(4,984)
Purchase of intangible fixed assets		(32,250)	—
Proceeds from the disposal of listed investments		166,908	—
Purchase of listed investments		(166,663)	—
Net cash provided by investing activities		207,276	216,344
Change in cash and cash equivalents in the year		(559,471)	103,326
Cash and cash equivalents at 1 April 2018	B	5,059,076	4,955,750
Cash and cash equivalents at 31 March 2019	B	4,499,605	5,059,076

Notes to the statement of cash flows for the year to 31 March 2019.

A Reconciliation of net income to net cash used in operating activities

	2019 £	2018 £
Net income (as per the statement of financial activities)	(35,415)	92,296
Adjustments for:		
Depreciation charge	2,391	1,914
(Gains) losses on investments	(121,625)	90,719
Investment income and interest receivable	(243,717)	(223,124)
Increase in stocks	(710)	(338)
Increase in debtors	(323,030)	(181,144)
(Decrease) increase in creditors	(44,641)	106,659
Net cash used in operating activities	(766,747)	(113,018)

B Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand: current accounts	873,702	959,528
Cash at bank and in hand: short term deposits and interest bearing accounts	3,549,268	4,023,158
Cash held by investment managers	76,635	76,390
Total cash and cash equivalents	4,499,605	5,059,076

Principal accounting policies 31 March 2019

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 2019 with comparative information provided in respect to the year 31 March 2018.

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) issued on 16 July 2014, 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 pound.

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; and
- the probability of the receipt by the charity of legacy income of which it has been notified of its entitlement.

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.

Principal accounting policies 31 March 2019

Assessment of going concern (continued)

The members of Council have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. 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 2019, 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 has to 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.

Income (continued)

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.

Each year, an amount equivalent to the unrestricted legacies credited to the statement of financial activities is transferred to the Legacy Fund, a designated fund. It is normal practice for a transfer to be made back to the general fund, equal to one third of the Legacy Fund balance, to finance general expenditure. However, there may be some cases where the charity works alongside the family's executors to fund specific conservation projects. In such cases, these funds are not considered part of the Legacy Fund and therefore not transferred to the general fund.

If a legacy has not actually been received, this part of the transfer is deferred.

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.

Principal accounting policies 31 March 2019

Income (continued)

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 which is not materially different from that which would be achieved by using an accruals basis.

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.

Principal accounting policies 31 March 2019

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.

As noted above, one of the financial risks faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

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 subsequent to 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.

Principal accounting policies 31 March 2019

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 which must be held as capital indefinitely. The income therefrom may be used for general purposes and is credited directly to unrestricted funds.

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 which 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 which 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 in order to release further funds under the Landfill Community Funds scheme.

Leased assets

Rentals applicable to operating leases where substantially all of 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.

Notes to the financial statements Year to 31 March 2019

1 Income from donations and legacies

Group	Unrestricted funds £	Restricted funds £	2019 Total £	Unrestricted funds £	Restricted funds £	2018 Total £
Donations	554,805	80,572	635,377	351,473	251,836	603,309
Legacies	724,109	—	724,109	481,643	14	481,657
	1,278,914	80,572	1,359,486	833,116	251,850	1,084,966

2 Income from other trading activities

Group	Unrestricted funds £	Restricted funds £	2019 Total £	Unrestricted funds £	Restricted funds £	2018 Total £
Sale of goods/services - non-charitable material	19,322	—	19,322	31,720	6,233	37,953
Royalties and sponsorship - non primary purpose	31,105	—	31,105	19,431	—	19,431
Fundraising	45,592	—	45,592	44,667	—	44,667
	96,019	—	96,019	95,818	6,233	102,051

3 Income from investments and interest receivable

Group	Unrestricted funds £	Restricted funds £	2019 Total £	Unrestricted funds £	Restricted funds £	2018 Total £
UK common investment funds and unit trusts	213,195	—	213,195	200,646	—	200,646
Bank interest	20,704	9,818	30,522	13,723	8,755	22,478
	233,899	9,818	243,717	214,369	8,755	223,124

Notes to the financial statements Year to 31 March 2019

4 Income from charitable activities: Conservation activities – grants receivable

Group	Unrestricted funds £	Restricted funds £	2019 Total £	Unrestricted funds £	Restricted funds £	2018 Total £
Anonymous	2,000	—	2,000	—	—	—
Biffa Award	—	20,576	20,576	—	93,905	93,905
Buckinghamshire County Council	—	—	—	500	—	500
Carmarthenshire County Council	—	1,267	1,267	—	6,593	6,593
Cemex UK Materials Limited	—	1,040	1,040	—	829	829
Ceredigion County Council	—	—	—	650	—	650
Cornwall Council	—	—	—	1,060	—	1,060
Dr and Mrs A Darlington Charitable Trust	—	2,000	2,000	—	—	—
Dartmoor National Park Authority	—	5,990	5,990	—	5,000	5,000
Dartmoor Preservation Association	—	4,242	4,242	—	1,000	1,000
Defence Infrastructure Organisation	—	637	637	—	829	829
EB Scotland Limited	—	—	—	—	14,855	14,855
EcoCo Life	—	16,858	16,858	—	18,975	18,975
Enovert Community Trust	—	18,185	18,185	—	15,417	15,417
Environment Agency	—	—	—	—	7,500	7,500
Ernest Kleinwort Charitable Trust	—	—	—	—	16,000	16,000
Exmoor National Park Authority	—	5,000	5,000	—	5,000	5,000
Forestry Commission Scotland	—	36,000	36,000	—	41,000	41,000
Freedom Civil Asset Management	—	—	—	—	829	829
Gloucestershire Naturalists Society	—	—	—	1,000	—	1,000
Groundwork UK	3,000	—	3,000	—	1,000	1,000
Hampshire County Council	2,060	—	2,060	2,850	—	2,850
KMF Maxwell Stuart Charitable Trust	—	—	—	—	40,000	40,000
Lake District National Park Authority	—	5,571	5,571	—	8,583	8,583
Learning Through Landscapes	—	23,438	23,438	—	19,465	19,465
Lower Mole Countryside Trust	—	—	—	—	2,000	2,000
Magnox Limited	—	—	—	—	829	829
National Trust	—	—	—	5,423	—	5,423
Natural England	—	378,430	378,430	—	324,331	324,331
Natural Resources Wales	—	(8,747)	(8,747)	—	74,297	74,297
Northern Ireland Environment Agency	—	44,253	44,253	—	50,673	50,673
Pembrokeshire County Council	—	—	—	400	—	400
Pen y Cymoedd Wind Farm Community Fund CIC	—	—	—	2,000	—	2,000
Postcode Local Trust	—	—	—	9,550	—	9,550
Restore our Planet	—	30,000	30,000	—	—	—
Robert Kiln Charitable Trust	—	—	—	—	250	250
Rural Payments Agency	—	85,329	85,329	—	45,783	45,783
Scottish Natural Heritage	—	66,134	66,134	—	77,279	77,279
Shropshire Hills Area of Outstanding Natural Beauty Partnership	—	—	—	900	1,000	1,900
Silverlake Conservation & Community Fund	—	875	875	—	—	—
South Bucks District Council	—	—	—	258	—	258
South Downs National Park Authority	7,000	4,860	11,860	—	—	—
Stroud District Council	—	—	—	—	2,377	2,377
Suffolk Coast & Heaths Area of Outstanding Natural Beauty	1,000	—	1,000	—	—	—
Surrey Biodiversity Information Centre	2,150	—	2,150	—	—	—
Balance carried forward	17,210	741,938	759,148	24,591	875,599	900,190

Notes to the financial statements Year to 31 March 2019

4 Income from charitable activities: Conservation activities – grants receivable (continued)

	Unrestricted funds £	Restricted funds £	2019 Total £	Unrestricted funds £	Restricted funds £	2018 Total £
Balance brought forward	17,210	741,938	759,148	24,591	875,599	900,190
Surrey Hills Area of Outstanding Natural Beauty	—	2,500	2,500	—	2,500	2,500
Tayside Biodiversity Partnership	(200)	—	(200)	200	—	200
The D'Oyly Carte Charitable Trust	—	5,000	5,000	—	—	—
The Mackintosh Foundation	—	750	750	—	—	—
The National Lottery Heritage Fund (formerly Heritage Lottery Fund)	—	205,454	205,454	—	216,226	216,226
The Patsy Wood Trust	—	100,992	100,992	—	103,542	103,542
The Royal Society for the Protection of Birds	—	33,630	33,630	—	6,637	6,637
Trust for Oxfordshire's Environment	—	900	900	750	—	750
University of York	1,000	1,000	2,000	1,000	4,000	5,000
Veolia Environmental Trust	—	14,942	14,942	—	35,041	35,041
Waste Recycling Environmental Limited	—	27,937	27,937	—	114,715	114,715
Woodland Trust	—	14,000	14,000	—	14,000	14,000
Worcestershire County Council	300	—	300	—	—	—
Yorventure	—	—	—	—	4,378	4,378
	18,310	1,149,043	1,167,353	26,541	1,376,638	1,403,179

5 Expenditure on raising funds

Group	Unrestricted funds £	Restricted funds £	2019 Total £	Unrestricted funds £	Restricted funds £	2018 Total £
Staff costs (including support) (note 11)	88,313	—	88,313	62,173	—	62,173
Fundraising costs	47,141	1,027	48,168	16,035	3,376	19,411
Trading costs	15,949	44	15,993	25,337	41	25,378
Investment management charges	30,645	—	30,645	30,265	—	30,265
Other support costs (note 8)	6,850	—	6,850	5,289	—	5,289
	188,898	1,071	189,969	139,099	3,417	142,516

6 Expenditure on charitable activities: Conservation

Group	Unrestricted funds £	Restricted funds £	2019 Total £	Unrestricted funds £	Restricted funds £	2018 Total £
Staff costs (including support) (note 11)	1,471,835	995,283	2,467,118	1,022,068	1,081,178	2,103,246
Marketing and publicity	20,909	10	20,919	19,656	33	19,689
Management conservation	262,619	466,057	728,676	155,520	563,048	718,568
Information and education	82,370	215	82,585	64,143	4,000	68,143
Legal and professional	1,734	—	1,734	213	222	435
Other support costs (note 8)	(61,322)	608,584	547,262	(235,007)	700,368	465,361
	1,778,145	2,070,149	3,848,294	1,026,593	2,348,849	3,375,442

Notes to the financial statements Year to 31 March 2019

7 Expenditure on charitable activities: Membership services

	Unrestricted funds £	Restricted funds £	2019 Total £	Unrestricted funds £	Restricted funds £	2018 Total £
Staff costs (including support) (note 11)	225,784	—	225,784	185,370	—	185,370
Membership recruitment	16,784	—	16,784	21,099	—	21,099
Newsletter production and distribution	158,572	—	158,572	147,810	—	147,810
Membership servicing	39,128	—	39,128	36,129	—	36,129
Other support costs (note 8)	16,565	—	16,565	15,433	—	15,433
	456,833	—	456,833	405,841	—	405,841

8 Support costs

	Staff costs £	Other support costs £	2019 Total £	Staff costs £	Other support costs £	2018 Total £
Staff costs	975,389	—	975,389	823,317	—	823,317
Governance costs (note 9)	—	92,626	92,626	—	70,593	70,593
Other	—	478,051	478,051	—	415,490	415,490
	975,389	570,677	1,546,066	823,317	486,083	1,309,400
Attributed to:						
Expenditure on raising funds (note 5)	88,313	6,850	95,163	62,173	5,289	67,462
Expenditure on charitable activities						
· Conservation (note 6)	764,468	547,262	1,311,730	675,863	465,361	1,141,224
· Membership services (note 7)	122,608	16,565	139,173	85,281	15,433	100,714
	975,389	570,677	1,546,066	823,317	486,083	1,309,400

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

	2019 Total £	2018 Total £
Information and education	59,026	38,461
Legal and professional	18,793	21,598
Other governance expenses	14,807	10,534
	92,626	70,593

Notes to the financial statements Year to 31 March 2019

10 Net income (expenditure)

This is stated after charging:

Group	2019 Total £	2018 Total £
Staff costs (note 11)	2,781,215	2,350,789
Auditor's remuneration		
.. Statutory audit services	13,950	13,540
.. Non-audit services		
.. Tax compliance	950	920
.. HR consultancy	13,433	—
Depreciation	2,391	1,914
Operating lease rentals	101,301	92,154

11 Employees, staff costs and remuneration of key management personnel

Group	2019 Total £	2018 Total £
Staff costs during the period were as follows:		
Wages and salaries	2,421,551	2,056,961
Social security costs	225,739	189,203
Other pension costs	120,744	101,199
	2,768,034	2,347,363
Agency staff costs	13,181	3,426
Total staff costs	2,781,215	2,350,789
Staff costs by function (after the allocation of those deemed support costs) were as follows:		
Raising funds	88,313	62,173
Conservation	2,467,118	2,103,246
Membership service	225,784	185,370
	2,781,215	2,350,789

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

	2019 No	2018 No
£60,000 - £70,000	1	1
£70,001 - £80,000	1	—

Pension contributions of £6,600 (2018: £3,350) were paid into personal pension schemes in respect of these individuals during the year.

Notes to the financial statements Year to 31 March 2019

11 Employees, staff costs and remuneration of key management personnel (continued)

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

Group	2019 Total	2018 Total
Raising funds	5	3
Conservation	79	70
Membership services	5	5
	89	78

The key management personnel of the charity comprises the members of Council and the Senior Management Team. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £316,325 (2018: £234,620).

A total of £1,284 was paid to one member of staff for redundancy payments in the year to 31 March 2019 (2018: £3,589 to two employees).

No Council member received any remuneration in respect of his or her services as members of Council during the year (2018: £nil). However:

- A total of £8,060 (2018: £6,909) was reimbursed to (or paid by the charity on behalf of) 17 (2018: 14) Council members for expenditure incurred on behalf of the charity.
- The charity has purchased insurance to protect the charity from any loss arising from the neglect or default of its trustees, employees and agents and to indemnify the members of Council or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity during the year totalled £938 (2018: £845) and provides cover up to a maximum of £1,000,000 (2018: £500,000).
- Fiona Barclay, a member of Council, is the Managing Director and a significant shareholder of Natureguides, a company involved in the development of natural history apps for smartphones. Natureguides was party to a Commercial Participator Agreement with the charity's trading subsidiary, Butterfly Conservation Trading Limited, which provided Natureguides with the right to use Butterfly Conservation's logo within its smartphone applications. In return, Butterfly Conservation Trading Limited received royalty income of £304 (2018 - £349) from Natureguides.

Natureguides is also corporate member of Butterfly Conservation, but does not pay an annual subscription – this arrangement was agreed several years ago, prior to Fiona Barclay's appointment as a member of Council.

No other members of Council had any beneficial interest in any contract with the charity during the year. (2018: none).

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 the various exemptions available to registered charities.

Notes to the financial statements Year to 31 March 2019

13 Intangible fixed assets

Group and charity	Software under development £
Cost	
At 1 April 2018	—
Additions	32,250
At 31 March 2019	32,250
Amortisation	
At 1 April 2018	—
Charge for year	—
At 31 March 2019	—
Net book values	
At 31 March 2019	32,250
At 31 March 2018	—

The asset under construction at 31 March 2019 relates to the development of a new Customer Relationship Management solution for the charity. At 31 March 2019, the charity was contractually committed to a further £70,000 (2018 - £nil) of expenditure in relation to the development of the software.

14 Tangible fixed assets

Group and charity	Freehold land £	Office equipment, plant and machinery £	Total £
Cost			
At 1 April 2018	1,342,557	9,573	1,352,130
Additions	—	2,380	2,380
At 31 March 2019	1,342,557	11,953	1,354,510
Depreciation			
At 1 April 2018	—	4,254	4,254
Charge for year	—	2,391	2,391
At 31 March 2019	—	6,645	6,645
Net book values			
At 31 March 2019	1,342,557	5,308	1,347,865
At 31 March 2018	1,342,557	5,319	1,347,876

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 dated 30 May 2006 in favour of one of the charity's funders exists in relation to the freehold property known as Prees Heath Common.

Notes to the financial statements Year to 31 March 2019

15 Fixed asset investments

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Listed investments (note a)	5,486,475	5,370,995	5,486,475	5,370,995
Investment in subsidiary company (note b)	—	—	1	1
	5,486,475	5,370,995	5,486,476	5,370,996

a) Listed investments and cash held for re-investment

Group and charity	Total 2019 £	Total 2018 £
Listed investments	5,294,605	5,384,746
Market value at 1 April 2018		
Additions at cost	166,663	—
Disposals at opening market value (proceeds £166,908; realised gains £7,631)	(159,277)	—
Net unrealised investment gains (losses)	107,849	(90,141)
Market value at 31 March 2019	5,409,840	5,294,605
Cash held by investment managers for re-investment	76,635	76,390
	5,486,475	5,370,995
Cost of listed investments at 31 March 2019	4,109,799	4,052,877

Listed investments held at 31 March 2019 wholly comprised holdings in common investment funds. Individual holdings of listed fixed asset investments which, at 31 March 2019, represented a material proportion of the total value of the fixed asset investment portfolio were as follows:

	Market value £	Proportion %
Schroder Charity Equity Fund	1,374,638	25.1
Schroder QEP Global Active Value Fund	1,225,737	22.3
Trojan Income Fund Class S	1,108,915	20.2
Charities Property Fund	631,193	11.5
M&G Strategic Corporate Bond Fund	517,139	9.4

b) Investment in subsidiary company

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

Notes to the financial statements Year to 31 March 2019

15 Fixed asset investments (continued)

b) Investment in subsidiary company (continued)

The following is a summary of the financial statements of Butterfly Conservation Trading Limited for the year ended 31 March 2019, which have been included in the consolidated financial statements.

	2019 £	2018 £
Turnover	64,558	75,925
Cost of sales	(4,553)	(7,198)
Gross profit	60,005	68,727
Operating costs	(20,925)	(24,222)
Net profit for the year before Gift Aid and taxation	39,080	44,505
Gift Aid	(39,080)	(44,505)
Taxation	—	—
Profit for the financial period	—	—
Retained earnings at 31 March 2018	20,000	20,000
Retained earnings at 31 March 2019	20,000	20,000

At 31 March 2019 the company had a total called up share capital and retained earnings of £20,001 (2018: £20,001).

16 Debtors

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Grants and other funding receivable	329,074	307,845	329,074	307,845
Prepayments and other accrued income	91,414	101,180	88,589	100,724
Legacies receivable	561,654	316,758	561,654	316,758
VAT recoverable	7,044	2,262	7,044	2,262
Amounts due from Butterfly Conservation Trading Limited	—	—	42,162	49,992
Investment income receivable	59,127	57,072	59,127	57,072
Primary purpose trading income receivable	748	145	—	—
Sundry debtors	86,052	24,766	86,052	24,766
	1,135,113	810,028	1,173,702	859,419

Notes to the financial statements Year to 31 March 2019

17 Current asset investments

	Total 2019 £	Total 2018 £
Group and charity		
Listed investments		
Market value at 1 April 2018	157,972	158,550
Net unrealised investment gains (losses)	6,145	(578)
Market value at 31 March 2019	164,117	157,972
Cost of listed investments at 31 March 2019	119,573	119,573

Current asset investments held at 31 March 2019 comprised the following:

	2019 £	2018 £
UK common investment funds	164,117	157,972

Individual holdings of current asset investments which, at 31 March 2019, represented a material proportion of the total value of the current asset investment portfolio were as follows:

	Market value £	Proportion %
Common investment funds		
. COIF Charities Fixed Interest Fund	75,822	46.2
. COIF Charities Investment Fund	88,296	53.8

18 Creditors: amounts falling due within one year

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Social security and other taxes	64,108	56,440	64,108	56,440
Expense creditors	184,604	182,633	185,109	182,628
Accruals and deferred income	78,935	133,215	76,235	130,595
	327,647	372,288	325,452	369,663

In the main, deferred income relates to £9,481 received for grassland management at Magdalen Hill Down reserve in 2019/20 (2018: £52,104 received for attendance fees at the International Symposium, which took place during April 2019).

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Opening balance	65,108	14,551	65,108	4,551
Cash received in the year	9,481	60,558	9,481	60,558
Amounts released	(65,108)	(10,000)	(65,108)	—
	9,481	65,109	9,481	65,109

Notes to the financial statements Year to 31 March 2019

19 Endowment funds

Group and charity	At 1 April 2018 £	Net investment gains/ losses £	Transfers £	At 31 March 2019 £
The VWT Fund	5,370,995	115,480	—	5,486,475

Group and charity	At 1 April 2017 £	Net investment gains/ losses £	Transfers £	At 31 March 2018 £
The VWT Fund	5,461,136	(90,141)	—	5,370,995

The Charity, Butterfly Conservation, acts as trustee for an Endowment Fund called the VWT Fund. It is a capital restricted fund whereby the charity is entitled to apply only the income. The charity was appointed trustee of the Appointed Fund by a Deed dated 10 December 1991, amended by a Deed dated 31 January 2011, and was appointed trustee of the VWT Fund by a Charity Commission Scheme dated 28 May 2010. In 2014/15 the Appointed Fund was closed and the funds transferred to the VWT Fund. Income arising from the investments of this fund is credited in the statement of financial activities (unrestricted funds) and may be applied towards the charity's charitable objectives at the discretion of the Council.

Notes to the financial statements Year to 31 March 2019

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 2018 £	Income £	Expenditure £	Fund transfers £	At 31 March 2019 £
All the Moors Butterflies	36,621	113,205	(137,907)	3,500	15,419
Back from the Brink Project	40,622	239,913	(259,967)	1,500	22,068
Big City Butterflies	—	19,295	(9,760)	12,000	21,535
Building Sites for Butterflies	74,369	78,007	(77,100)	—	75,276
Connecting the Drabs and the Dukes	12,934	10,090	(12,754)	—	10,270
Enviroparks Marsh Fritillary mitigation	210,629	2,963	(1,109)	—	212,483
Educational Project	15,728	79,322	(79,641)	32,802	48,211
Morecambe Bay Lime	352	39,100	(41,008)	11,248	9,692
North Atlantic Coast	42,278	1,283	(17,833)	—	25,728
Prees Heath Fund	278,695	393	(15,202)	—	263,886
Reserve Acquisition and Management Fund	341,129	—	—	(216,766)	124,363
Reserve Purchase	65,680	—	—	(32,840)	32,840
Restricted Legacies Fund	98,418	1,379	(840)	102,031	200,988
Ryton Wood Meadow Project - Warwickshire	5,294	2,900	(1,106)	—	7,088
Surrey Small Blue Project	48,392	12,824	(43,108)	—	18,108
Wyre Forest Project	10,898	52,301	(68,049)	13,058	8,208
Head Office Restricted Funds < £5,000	263,117	641,515	(1,304,705)	407,697	7,624
Branch Restricted Funds < £5,000	12,238	100	(1,131)	—	11,207
	1,557,394	1,294,590	(2,071,220)	334,230	1,114,994

Group and charity	At 1 April 2017 £	Income £	Expenditure £	Fund transfers £	At 31 March 2018 £
Action for Threatened Moths	503	118,080	(139,689)	41,881	20,775
All the Moors Butterflies	39,963	116,030	(121,872)	2,500	36,621
Back from the Brink Project	—	167,567	(131,445)	4,500	40,622
Biodiversity Action Plans – Butterflies	20,319	134,530	(171,915)	25,000	7,934
Building Sites for Butterflies	—	75,511	(1,142)	—	74,369
Connecting the Drabs and the Dukes	5,938	43,628	(36,632)	—	12,934
Development in Scotland	87,257	299,598	(397,099)	146,073	135,829
Dukes of the Chilterns	34,223	5,570	(31,163)	—	8,630
Enviroparks Marsh Fritillary mitigation	208,774	1,854	—	—	210,628
Marsh Fritillaries Landscape Area	19,418	106	—	(10,000)	9,524
Munching Caterpillars Goes to Town	35,582	24,185	(48,039)	4,000	15,728
North Atlantic Coast	—	52,946	(10,668)	—	42,278
Prees Heath Fund	270,191	37,846	(19,342)	(10,000)	278,695
Region Fund South East England	13,100	15,406	(35,155)	16,500	9,851
Reserve Acquisition and Management Fund	411,939	20,321	(75,621)	(15,510)	341,129
Reserve Purchase	98,520	—	—	(32,840)	65,680
Restricted Legacies Fund	99,412	886	(199)	(1,681)	98,418
Ryton Wood Meadow Project - Warwickshire	6,094	2,809	(3,608)	—	5,295
Surrey Small Blue Project	32,690	39,975	(34,273)	10,000	48,392
The Blues and Browns of Polden Hills	42,802	2,334	(20,754)	500	24,882
Woodland Wings Project	—	38,851	(10,174)	2,500	31,177
Wyre Forest Project	—	39,128	(38,230)	10,000	10,898
Head Office Restricted Funds < £5,000	78,395	519,100	(1,023,114)	440,486	14,867
Branch Restricted Funds < £5,000	11,533	1,842	(2,129)	992	12,238
	1,516,653	1,758,103	(2,352,263)	634,901	1,557,394

Notes to the financial statements Year to 31 March 2019

20 Restricted funds (continued)

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

- All the Moors Butterflies
Covering the South West's threatened moorland butterflies and moths.
- 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
To connect people with London's natural heritage and enable us to develop new approaches to conserving butterflies and moths in an urban environment.
- 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.
- Connecting the Drabs and the Dukes
Restore vital habitat for two highly threatened species, the Drab Looper moth and Duke of Burgundy butterfly.
- Enviroparks Marsh Fritillary mitigation
To restore and maintain marshy grassland for the Marsh Fritillary Butterfly in Wales.
- Educational Project
Engaging and educating children in the fascinating world of butterflies and moths.
- Morecambe Bay Lime
Conserving the High Brown Fritillary Butterfly on the Morecambe Bay limestones.
- 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.
- Reserve Acquisition and Management Fund
To purchase and manage nature reserves.
- Reserve Purchase
The purchase of a butterfly reserve.
- Restricted Legacies Fund
Legacies reserved for a specific purpose.
- Ryton Wood Meadow Project - Warwickshire
Habitat restoration and maintenance at Ryton Wood Meadow.

Notes to the financial statements Year to 31 March 2019

20 Restricted funds (continued)

- **Surrey Small Blue Project**
Habitat restoration to secure the future of the Small Blue Butterfly in Surrey.
- **Wyre Forest Project**
Advising and supporting landowners for improved habitat management in the Wyre Forest.
- **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 where costs exceed the income received towards a specific project;
- A transfer from unrestricted to restricted funds 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 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 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 which have been set aside out of unrestricted funds by Council for specific purposes:

Group and charity	At 1 April 2018 £	New designations £	Utilised/ released £	At 31 March 2019 £
Branch Fund	220,057	56,706	(50,119)	226,644
Commitments to Conservation Projects Fund	902,200	376,713	(543,413)	735,500
Legacy Fund	1,073,692	714,109	(412,049)	1,375,752
Match Pot Appeal Fund	471,727	—	(471,727)	—
	2,667,676	1,147,528	(1,477,308)	2,337,896

Notes to the financial statements Year to 31 March 2019

22 Designated funds (continued)

Group and charity	At 1 April 2017 £	New designations £	Utilised/ released £	At 31 March 2018 £
Branch Fund	309,493	73,475	(162,911)	220,057
Commitments to Conservation Projects Fund	955,000	561,800	(614,600)	902,200
Legacy Fund	1,002,559	449,673	(378,540)	1,073,692
Match Pot Appeal Fund	533,036	68,073	(129,382)	471,727
	<u>2,800,088</u>	<u>1,153,021</u>	<u>(1,285,433)</u>	<u>2,667,676</u>

The specific purposes for which the funds are to be applied are as follows:

- **Branch Fund**
The Branch Fund comprises monies that Council has committed for work undertaken by the charity's Branches.
- **Commitments to Conservation Projects Fund**
A fund to support commitments made by Butterfly Conservation to conservation projects.
- **Legacy Fund**
The Legacy Fund comprises unrestricted legacies received by Head Office. Each year, an amount equal to one third of the balance will be released to General Funds. However, there may be some cases where the charity works alongside the family's executors to fund specific conservation projects. In such cases, these funds are not considered part of the Legacy Fund and therefore not transferred to General Funds.
- **Match Pot Appeal Fund**
This fund is used across a broad range of the charity's conservation activities to provide either the contributory third party or match funding required for landfill community and other funded projects. This fund was closed during the year.

23 Analysis of net assets between funds

Group	Unrestricted funds £	Restricted funds £	Endowment funds £	2019 Total £
Fund balances at 31 March 2019 are represented by:				
Intangible fixed assets	32,250	—	—	32,250
Tangible fixed assets	945,127	402,738	—	1,347,865
Fixed asset investments	—	—	5,486,475	5,486,475
Net current assets	4,690,081	712,256	—	5,402,337
Total net assets	<u>5,667,458</u>	<u>1,114,994</u>	<u>5,486,475</u>	<u>12,268,927</u>

Notes to the financial statements Year to 31 March 2019

23 Analysis of net assets between funds (continued)

Group	Unrestricted funds £	Restricted funds £	Endowment funds £	2018 Total £
Fund balances at 31 March 2018 are represented by:				
Tangible fixed assets	881,139	466,737	—	1,347,876
Fixed asset investments	—	—	5,370,995	5,370,995
Net current assets	4,494,814	1,090,657	—	5,585,471
Total net assets	5,375,953	1,557,394	5,370,995	12,304,342

Charity	Unrestricted funds £	Restricted funds £	Endowment funds £	2019 Total £
Fund balances at 31 March 2019 are represented by:				
Intangible fixed assets	32,250	—	—	32,250
Tangible fixed assets	945,127	402,738	—	1,347,865
Fixed asset investments	1	—	5,486,475	5,486,476
Net current assets	4,670,081	712,256	—	5,382,337
Total net assets	5,647,459	1,114,994	5,486,475	12,248,928

Charity	Unrestricted funds £	Restricted funds £	Endowment funds £	2018 Total £
Fund balances at 31 March 2018 are represented by:				
Tangible fixed assets	881,139	466,737	—	1,347,876
Fixed asset investments	1	—	5,370,995	5,370,996
Net current assets	4,474,813	1,090,657	—	5,565,470
Total net assets	5,355,953	1,557,394	5,370,995	12,284,342

Unrealised gains on investments included above are as follows:

Group and charity	Unrestricted funds £	Restricted funds £	Endowment funds £	2019 Total £
Reconciliation of movements in unrealised gains on investments				
Unrealised gain at 1 April 2018	38,399	—	1,241,728	1,280,127
Less: in respect of disposals in the year	—	—	(49,536)	(49,536)
Plus: net unrealised gains in period	6,145	—	107,849	113,994
Unrealised gains at 31 March 2019	44,544	—	1,300,041	1,344,585

Group and charity	Unrestricted funds £	Restricted funds £	Endowment funds £	2018 Total £
Reconciliation of movements in unrealised gains on investments				
Unrealised gain at 1 April 2017	38,977	—	1,331,869	1,370,846
Less: net unrealised losses in period	(578)	—	(90,141)	(90,719)
Unrealised gains at 31 March 2018	38,399	—	1,241,728	1,280,127

Notes to the financial statements Year to 31 March 2019

24 Leasing commitments

At 31 March 2019 the group and charity had total future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2019 £	2018 £	2019 £	2018 £
Group and charity				
Within one year	86,712	83,967	36,549	7,701
Within two to five years	100,079	173,391	80,859	5,675
After five years	25,276	30,891	—	—
	212,067	288,249	117,408	13,376

25 Related party transactions

During the year ended 31 March 2019, the charity received subscriptions from Council members and the Senior Management Team totalling £856 (2018: £651).

During the year ended 31 March 2019, the charity received unrestricted donations from Council members and the Senior Management Team totalling £6,014 (2018: £3,810) including gifts in kind of £565 (2018: £nil) and restricted donations totalling £35 (2018: £655).

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 us all. 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 and secure the future for butterflies and moths.
- ◆ **Join** – Add your voice to our 37,000+ 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.
- ◆ **Garden** – 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.

Visit butterfly-conservation.org/help
for more information or call 01929 400209

