

# **Butterfly Conservation**

## **Annual Report and Financial Statements Accounts**

**31 March 2024**

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

Registered charity number 254937 (England and Wales) and  
SC039268 (Scotland)

## **Reports**

Reference and administrative information	1
Overview by Chair and Chief Executive Officer	3
Report of the Council (including Strategic Report)	4
Independent auditor's report on the financial statements	25

## **Financial Statements**

Consolidated statement of financial activities	29
Balance Sheet	30
Consolidated statement of cash flows	31
Principal accounting policies	32
Notes to the financial statements	38

## Reference and administrative information

<b>President</b>	Sir David Attenborough OM CH CVO CBE FRS FSA
<b>Vice-Presidents</b>	Jim Asher Maurice Avent Nick Baker John F Burton FZS FRES DL Cbiol Dudley Cheeseman Sue Collins The Earl of Cranbrook PhD David Dennis Mike Dilger Clive P Farrell David Hanson Ian Hardy MVO Dr Amir Khan Chris Packham CBE Professor Jeremy Thomas Alan Titchmarsh MBE
<b>Council Members (Directors and Trustees)</b>	Martin Spray CBE (Chair) Hugh Ellerton (Honorary Treasurer) Apithanny Bourne Catrin Evans Prof Laurence Harwood Dr Elaine King Simon Saville Chris Winnick
<b>Senior Leadership Team</b>	Julie Williams (Chief Executive and Company Secretary) Kim Archer (Deputy Director of Finance & Operations) Natalie Bridge (Interim Deputy Director of Fundraising & Communications) Dr Kate Dent (Director of Engagement & Volunteering) Dr Dan Hoare (Director of Conservation) Russel Hobson (Director of Evidence & Policy)
<b>Registered address</b>	Manor Yard East Lulworth Wareham Dorset BH20 5QP
<b>Company registration number</b>	02206468 (England and Wales)
<b>Registered charity number</b>	254937 (England and Wales) SC039268 (Scotland)
<b>Website</b>	<a href="http://butterfly-conservation.org">butterfly-conservation.org</a>
<b>Facebook</b>	<a href="https://www.facebook.com/savebutterflies">Facebook.com/savebutterflies</a>
<b>Instagram</b>	<a href="https://www.instagram.com/savebutterflies">Instagram.com/savebutterflies</a>
<b>X (formerly Twitter)</b>	@savebutterflies
<b>LinkedIn</b>	<a href="https://www.linkedin.com/company/butterfly-conservation">Linkedin.com/company/butterfly-conservation</a>

## Reference and administrative information

<b>TikTok</b>	@savebutterflies
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	NatWest plc 49 South Street Dorchester Dorset DT1 1DW
<b>Solicitors</b>	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR
<b>Investment managers</b>	Cazenove Capital Management 1 London Wall Place London EC2Y 5AU

During 2023 we saw the hottest ever global temperatures July to September and the devastating effects of extreme weather patterns caused by climate change.

Meanwhile we are witnessing staggering biodiversity losses with species disappearing faster than ever in human history. In the UK we have experienced such significant biodiversity loss that we are now one of the most nature-depleted countries on Earth.

Climate change and habitat destruction are killing off animal and plant populations across the world. Report after report using biological data from millions of volunteers highlights that we are just not moving fast enough and that our politicians are not listening or acting. We can no longer wait for the Government to set the agenda; we need to change the conversation. Nature is in crisis.

At Butterfly Conservation we are already taking focussed action to ensure we play our part in protecting and restoring our butterflies and moths and encouraging more people to connect to nature.

**“No one will protect what they don’t care about; and no one will care about what they haven’t experienced.”**

- **Butterfly Conservation President Sir David Attenborough**

We are proud of the impact we are making. Butterflies and moths are extraordinary indicators of change. We are focusing on more butterflies and moths in recovery, more landscapes improving and more people taking action. We have the solutions and we are making a difference.

We now hold over 55 million moth and butterfly records gathered by tens of thousands of recorders. A huge, huge thank you to all the volunteers that tirelessly collect these records. This data enables us to carry out research. It is through the research we commission, lead and collaborate on that we find solutions to problems. How can we help a particular species to cope with climate change, what is the best way to manage land for butterflies and moths as well as trying to understand the impact of diffuse activity - like nitrogen deposition affecting the places butterflies and moths live.

We continue to work with the Wildlife & Countryside Link organisations across the UK, who provide a combined voice for all those who care about the natural world; lobbying hard to ensure environmental protections are not diminished. Our advocacy campaigns are not just distant conversations, they highlight how everyone can take part and show they care.

And we continue to work with others to develop Wild Spaces that help urban communities participate in helping butterflies and moths. If we want more people to care, we need to meet people where they live and work.

None of our work is possible without our committed volunteers and Branches, our hard working and passionate staff team, our funders, our partners and our loyal members. We thank you wholeheartedly for your tireless work to turn around the fate of our nation’s much-loved butterflies and moths.

We are feeling positive about the future, we hold a sense of hope. We are seeing more and more people become advocates for our planet. More people through our work are seeing the joy of the natural world and making the connection between modern life and nature. We are changing the conversation and inspiring others to care.

Martin Spray CBE Chair  
Julie Williams CEO

## Report of the Council (including Strategic Report) Year to 31 March 2024

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 2024.

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 32 to 37 and comply with the charitable company's Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

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

### **Our vision**

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

### **Our purpose**

We conserve and recover butterflies and moths and champion them for the benefit of nature and people.

### **Our strategic goals**

- Halve the number of UK's threatened species of butterflies and moths.
- Improve the condition of 100 of the UK's most important landscapes for butterflies and moths
- Transform 100,000 wild spaces in the UK for butterflies, moths and people

### **The initiatives**

We will deliver these strategic goals through a programme of Initiatives.

- Recover butterflies and moths
- Connect people to nature
- Unite for wildlife
- Tackle threats to nature
- Manage land sustainably

### **The enablers**

Our enablers are the essential platform for achieving our strategic goals.

- Inspiring communications
- Sustainable funding
- Lean and scalable organisation
- High performing staff and volunteer team

### **Our values**

Our values underpin our culture, the way we do things and what we believe in.

- **Deliver excellence**  
We use our wealth of scientific evidence and practical experience to deliver positive change for butterflies, moths and nature. We are the experts you can trust us to give you the information you need.
- **Passionate**  
Nature is at the heart of all we do. We are dedicated to delivering positive change to conserve butterflies, moths and our environment. We are relentless in the pursuit of our vision, seeking new ways to make a difference.
- **Inspiring**  
We take action and speak up for what we believe in; we enable people to understand, enjoy and care for butterflies and moths.
- **Collaborative**  
We will achieve our vision by building networks, communities and partnerships to deliver success for nature. Our culture champions and promotes inclusion, equality and diversity.

### Our year in numbers

- **>2,600** Wild Spaces registered through our dedicated website, including more than 80 schools with a registered Wild Space
- **94,229** participants in Big Butterfly Count 2023 – up 46% on 2022
- **>40,000** members
- **>250,000** social media followers
- **2,000** staff visits cross 952 sites to monitor threatened species and provide habitat management advice, up 21% on the previous year
- **>5,000** staff hours spent monitoring species, managing land, or giving advice to support priority species
- **62** priority species of butterfly and moth supported through targeted conservation action
- **>66,000** butterflies and 47 different species recorded by volunteers on our reserves in 2023
- **46 million** butterfly and moth records are now available to everyone via NBN Atlas – the UK's largest repository of public biodiversity data
- **23** different countries represented at our International Symposium, with 109 contributions in total – our highest ever figure
- **1,473** people registered on Assemble – our new online platform for volunteers – within two months of going live

### Recover butterflies and moths

We've invested in our species recovery work by increasing our staff team across the UK. This has increased our capacity to support land managers, partner organisations and volunteers to take action for species. We've also developed a Threatened Species Programme, looking at threats for each species and identifying actions to rebuild healthy populations. Our record shows that sustaining targeted action can help some of our most at-risk species bounce back.

### **Kent's Magnificent Moths**

When our Kent's Magnificent Moths project began, Bright Wave and Sussex Emerald moths were thought to breed only on limited coastal habitats within the UK. Following increased awareness of threatened moths in Kent, both species were unexpectedly discovered in a new inland landscape of native wildflower meadows, restored by local farmers with help from Natural England.

Fifteen years ago, these meadows were arable fields - this July, our volunteers recorded over 1,000 Bright Wave Moths in just one of them. As we continue to uncover the moths' requirements here, perhaps enabled by our changing climate, this exciting discovery offers hope that landscape restoration can encourage rare species to thrive.

### **Heath Fritillary**

Heath Fritillary had a remarkable year on Exmoor, with the total number of butterflies recorded more than double that of any year since 2004, 2018 excepted. Small groups and individuals were recorded far from their usual sites, with 'wanderers' recorded in marginal habitat between core sites.

Some breeding areas had counts four times the number seen in recent years, and the butterfly returned to several sites where it hadn't been seen for a decade. Its return to the western reaches of the Grabbist-Wootton Ridge, following extensive scrub management, is particularly encouraging.

### **Moth detective work**

For some extremely rare species, restricted to just one or two UK sites, we started recovery programmes with urgent action to uncover their requirements and safeguard populations. In recent years, staff and volunteers in Scotland have seen success working on a handful of highly threatened micro-moths, potentially finding the eggs of Silver Shade and the caterpillars of Tiree Twist for the first time in the wild.

We've also re-found Black Sober at its sole Scottish site, first found and last recorded in 1984 and 1985, and established monitoring for Affric Twitcher. Each example provides us with a better understanding of their ecology to help deliver appropriate conservation action.

### **Cumbria's Marsh Fritillaries**

Following reintroduction in 2007, Cumbria's Marsh Fritillaries are thriving. In 2023, new colonies were found in Swindale, Wet Sleddale and Matterdale. With breeding reported at 35 sites, plus other adult sightings still to be checked, the butterfly is obviously doing well! Caterpillars from the reintroduction, originating from the last surviving Cumbrian butterflies, crossed with Scottish specimens from Islay, are sometimes found on very small scabious plants, situated in flushes, in webs containing very few larvae. This is perhaps a trait inherited from Scotland that now allows it to occupy landscapes in a way its predecessors couldn't.

### **Dark Bordered Beauty**

Dark Bordered Beauty is a very rare and threatened moth that is only known from three small populations in Scotland and one in England. The moth is poor at dispersing, so natural colonisation of restored habitat short Aspen suckers, could take many years. Given this situation and knowing that the population at RSPB's Insh Marshes reserve was doing extremely well, the UK Dark Bordered Beauty Steering Group embarked on an approved Assisted Translocation to establish the moth at two new sites in the Cairngorms.

After many years of planning, the first release began in June 2023 with 160 caterpillars reared at the Highland Wildlife Park moved to a new location. Adults were subsequently recorded, proving some of the larvae had successfully completed their life cycle at the site, whilst further adults were also released. This exciting step is just the latest stage of our long-term collaborative work to enhance the fortunes of one of our rarest moths.



## **Connect people to nature**

### **Wild spaces**

2023 was an exciting year for our Wild Spaces programme. The launch of a dedicated website ([wild-spaces.co.uk](http://wild-spaces.co.uk)) was a significant milestone, with over 2,600 Wild Spaces now registered. Some Wild Spaces were led by our Branches, such as the wildflower meadow established by our Yorkshire Branch in Roundhay Park, Leeds. Our members and volunteers created Wild Spaces in gardens, local churchyards, parks and allotments from Orkney to the Isle of Wight.

In Perth and Stirling, our Wild Spaces project, funded by National Lottery Heritage Fund, engaged 1,051 people in 31 community events (including training sessions, moth mornings, discovery days and at the Stirling Science Festival), using demonstration Wild Spaces to inspire people to create a space of their own.

More than 80 schools across the UK have registered a Wild Space, and we will continue to focus on supporting schools to create many more in 2024.

Whilst Wild Spaces is open to everyone, our flagship urban projects focus on reaching young people aged 16-34, people from diverse backgrounds, and people at risk of green space deprivation. Our work across London boroughs, for example, has already created more than 60 Wild Spaces, including many community spaces in deprived areas for local people to access and enjoy.

### **Youth engagement**

Thanks to the National Lottery Innovation Fund, we were able to bring together a group of young people and listen to what they had to say about the barriers they experience in engaging with environmental volunteering, and the kinds of opportunities that would excite and motivate them.

We recruited a Youth Engagement Officer to take this work forward, with the priority of creating our first Youth Panel. The Youth Panel will develop and test exciting new opportunities for youth representation within Butterfly Conservation. In return, they will gain new skills, experience, and an insight into the workings of our organisation.

We also trialled our first ever Youth Ranger Scheme on our Magdalen Hill Down nature reserve near Winchester. For three days in the summer holidays, eleven young people aged 13-17 experienced tasks and challenges faced by our conservation staff as they manage reserves. Whether clearing Clematis or learning butterfly identification skills, the young rangers approached it all with great enthusiasm.

### **Supporting Science**

As part of our role running the UK's recording schemes, we need to keep pace with technology and support the people involved. To this end, we recently delivered the Supporting Science project, aided by the National Lottery Heritage Fund and the Department for Digital, Culture, Media & Sport.

For recorders, we ran two successful online identification courses and worked with artist Elisabetta Calabritto to publish a beautiful visual guide to our online recording options. The courses were part of an experimental new training pathway designed with Field Studies Council (FSC). To help address the increasing workload of County Recorders, who do vital work verifying records, we ran a special edition of FSC's Discovering iRecord course, and an iRecord verification course for newcomers. 20 graduates from the training pathway are now volunteering, supporting County Recorders as Verification Assistants.

To boost awareness and use of records, we also published two distribution datasets online. The 46 million records are now accessible via the NBN Atlas. They reflect the tremendous efforts of recorders and verifiers across the UK.

## **Unite for wildlife**

Saving species and supporting lasting changes at a landscape scale isn't something Butterfly Conservation can do alone. We've made major progress in our collaborative work across the UK in the past year, starting new partnerships and developing others to make even more difference for butterflies, moths and people.

### **Species on the Edge**

Species on the Edge is a partnership of seven species-focused conservation charities and NatureScot, dedicated to improving the fortunes of 37 priority species around Scotland's coasts and islands.

Butterfly Conservation is leading efforts for species including New Forest Burnet, Transparent Burnet, Marsh Fritillary, Small Blue and Northern Brown Argus from the Inner Hebrides to the East coast. Our shared work includes supporting actions for a range of plants, birds, bumblebees and other species, as well as community engagement that helps local people enjoy, understand and protect the special nature where they live.

This year we have delivered habitat management work parties, coordinated volunteer surveys, hosted the national launch of the Species on the Edge project and held a series of creative events using art to explore what nature means to people.

### **Natur am Byth!**

2023 saw the start of a major project in Wales, 'Natur am Byth!', which translates as Nature Forever! This species recovery collaboration brings together nine conservation organisations, Natural Resources Wales, and local partners, working on species at risk of extinction and of particular importance to Wales. It combines species recovery actions with an outreach programme celebrating Cynefin – the distinct natural heritage that underpins communities across Wales.

Much of our work here focuses on High Brown Fritillary in its last stronghold in Wales, the Alun Valley. As well as supporting volunteers in managing the bracken and scrub mosaics the butterfly depends upon, the project has allowed us to use no-fence collars to facilitate cattle grazing on these complex sites.

Beyond Wales, we've been able to bring together our conservation experts from across the High Brown Fritillary's range in England to look at progress so far, share ideas on monitoring and habitat management, and ensure that what we learn here can benefit the butterfly at a UK level. We've also worked with Buglife and the Wildlife Trust of South & West Wales to improve habitat condition for the highly restricted Silky Wave moth on the Gower.

Both Species on the Edge and Natur am Byth! are supported by grants from the National Lottery Heritage Fund, as well as a host of other funders.

### **Working with landowners**

Part of our work explores how existing funding mechanisms available to landowners can be geared towards species recovery. In England, our team work closely with Natural England staff to achieve suitable management for a range of butterflies and moths over large landscapes. In Kent, for example, our staff and volunteers support Natural England staff through advice and monitoring. This has shown how extensive restoration of arable farmland to species-rich grassland is delivering results for Duke of Burgundy and Black-veined Moth.

In the Cumbrian uplands, we help farmers and landowners access agri-environment schemes to fund habitat management for Duke of Burgundy, Marsh Fritillary, High Brown Fritillary, Small Pearl-bordered Fritillary, Chestnut-coloured Carpet and many more. Together we have developed a method of assessing sites, bringing landowners on board with the management work (including grazing and scrub control), monitoring results, and investigating the most effective management solutions.

These approaches offer the best hope that rare butterflies and moths can move around the landscape, adapt to changes in land-use and climate, and thrive into the future.

## **Tackle threats to nature**

### **Cool moths**

Species adapted to cooler UK climates are at high risk of extinction due to climate change. They are already restricted to higher latitudes and elevations, reducing their ability to move and track climate change. Around a tenth of the macro-moth species in Britain are naturally restricted to areas and habitats with cooler climates, and of these cool-adapted moths with GB distribution trends, 84% declined between 1970 and 2016, with climate change considered a possible cause.

Research led by Butterfly Conservation, in collaboration with Northumbria University, used records from the National Moth Recording Scheme over a 40-year period to identify how cool-adapted moths have shifted their distributions over time, and whether these changes are linked to temperature and precipitation. The analyses showed that the distributions of cool-adapted moths had, on average, shifted to higher latitudes and in a north-westerly direction, mirroring changes in temperature and precipitation.

These moth species were more likely to have been lost from the warmest areas of Britain but, notably, where rainfall was also high, cool-adapted moths were more likely to have survived. This highlights the importance of considering water availability in the landscape as part of climate change adaptation for biodiversity.

Changes in management, such as reducing overgrazing, increasing tree cover, slowing rivers, and blocking drainage ditches on peatlands, could help retain water and benefit cool-adapted moths and other wildlife, as well as increasing carbon capture and reducing flooding.

As climate change worsens, more areas in Britain will become characterised by high temperatures making interventions to increase water availability even more important to safeguard such species from extinction. This research also highlights the value of volunteer moth recorders, who have collected data over the past 40 years enabling such vital research to be undertaken.

### **Reaching international collaborators**

Butterfly Conservation's 9th International Symposium, 'Conserving Lepidoptera in a Changing World,' was the biggest ever. It drew over 130 speakers and posters from 23 countries. The Symposium covered a wide range of topics, not just on the conservation of butterflies and moths, but also topics like public engagement, key drivers of declines, and using new technologies like remote moth traps and automatic photographic identification.

We followed this in July with a section of the 9th Biology of Butterflies Conference in Prague, Czech Republic. This focussed on butterfly monitoring, trends and indicators to support our work on developing a preliminary Global Butterfly Indicator describing the state of the world's butterflies.

The aim is to gather global butterfly monitoring datasets and publish an index in the Living Planet Index and/or Living Planet Report. Researchers and conservationists across Europe, and in countries such as Australia, Japan, South Korea, St. Eustatius and Vietnam, have shared data. The project has highlighted a lack of existing data in some of the world's most biodiverse areas. This work is being done in collaboration with the IUCN Butterfly & Moth Specialist Group, UK Centre for Ecology and Hydrology, de Vlinderstichting, the Zoological Society of London, and Butterfly Conservation Europe.

Through the EU-funded SPRING Project, Butterfly Conservation and our partners in Butterfly Conservation Europe have been able to support and expand butterfly monitoring across the continent. New schemes have emerged in Denmark, Lithuania, Latvia, Slovakia, Romania and Greece. The importance of this work has been recognised with the adoption of an EU grassland butterfly indicator to assess progress made in implementing the new Nature Restoration Law.

## Manage land sustainably

### A new Mendip super reserve

Two of our reserves, Westbury Beacon and Stoke Camp, have been designated as part of a new 'Super' National Nature Reserve. This includes 29 sites encompassing over 1,400 hectares of land running across the south-facing mosaic of grassland and woodland habitats of the Mendip Hills.

Sustainable management of Westbury Beacon could only truly be achieved with the aid of conservation grazing. Attempts over many years to install an internal water supply had been unsuccessful. But in 2023, working with a neighbouring landowner, 250 metres of pipe was laid to finally connect the site to the main. At a total cost of more than £20,000, the work was funded by a Farming in Protected Landscapes (FiPL) grant from the Mendip Hills AONB.

### Enhancing the built environment

For butterflies and moths to thrive, we need to find ways to improve the built environment and land management. Testing practical solutions is at the heart of our work in this area. In 2023, we worked with National Highways to sow Kidney Vetch and Horseshoe Vetch seed - foodplants for the Small Blue and Chalkhill Blue - along a 500m section of the new A6 Houghton Regis bypass, which was left as bare chalk. This created a landscape scale connection between chalk pits in Bedfordshire with known colonies of these butterflies. Funding for the seed came from Highways Agency and the Bedfordshire branch of Butterfly Conservation.

In the east of England, the grassy banks of extensive drainage channels provide another opportunity for habitat enhancement. Four-spotted moth colonies were found along the south facing bank of the Maxey Cut, a flood relief channel near Peterborough. We are working with Langdyke Trust and the Environment Agency to manage the Cut by a combination of scraping bare patches and getting the timing of mowing right. The Maxey Cut is unusual habitat and there is potential for more colonies to be found along the numerous banks and ditches across fenland Cambridgeshire and Lincolnshire.

## Thriving species

### Prees Heath Common, Shropshire

*[Infographic to show increase in Silver-studded Blue from 341 adults (2009) to 2135 (2023)]*

Prees Heath Common is the only known site in West Midlands to support a large, thriving Silver-studded Blue population. Management at Prees Heath includes heathland mowing/cutting to retain a diverse age structure, management of undesirable species, scrub/tree management and bell-heather seed collection. These seeds will be scattered in 2024 as part of heathland restoration works, funded through Butterfly Mosaics, part of Severn Trent Water's Great Big Nature Boost. This follows the success of turf strip plots, created in 2019/20, where heathers successfully germinated.

As part of Butterfly Mosaics, we are also working with the Shropshire Wildlife Trust to ensure the Silver-studded Blue continues to grow at the neighbouring site, Prees Heath East, where small numbers of individuals have been recorded.

### Grafton Wood, Worcestershire

*[Infographic to show growth from 20 Wood White reintroduced in 2018, to 300 adults recorded in 2023]*

In 2018, 20 Wood White adults were reintroduced to Grafton as part of a National Lottery Heritage Fund project. The success of the Wood White at Grafton Wood is the result of targeted conservation effort.

Volunteer work parties are held weekly at Grafton Wood between end of August and early March. During 2023, almost 530 hours of volunteer time focused on ride management to benefit Wood White and other priority species. 163 volunteer hours were spent focusing on blackthorn management to benefit Brown Hairstreak, along with a joint Butterfly Conservation and Worcestershire Wildlife Trust work party.

Over the last couple of years, contractors have managed additional areas of woodland ride within Grafton, as well as clearing sections of blackthorn in the adjacent privately owned SSSI orchard. Following blackthorn management in February 2023, 203 Brown Hairstreak eggs were found later that year in the orchard – the highest count for 18 years. All contractor costs have been funded through our Severn Trent Butterfly Mosaics project.

## **Enablers: the platform of success**

### **Inspiring communications**

Big Butterfly Count 2023 saw a 46% increase in participation on the previous year, with an incredible 94,229 people spending 15-minutes in a sunny spot recording the number and type of butterflies and day-flying moths they saw. This important citizen science project has now been running for 13 years. More than quarter of a million people now follow Butterfly Conservation through social media. When we ask, many of our supporters tell us they would like to do more campaigning – they want to help us have a stronger voice for butterflies and moths.

In February 2024 we launched a campaign on the impacts of light pollution on moths. There was information on the science behind the impact of light pollution, examples of actions people have taken, and advice on how individuals could both assess their own impacts and work to minimise the damage.

### **Sustainable funding**

We've continued to develop our individual giving programme with some notable successes. The Big Green Match Fund appeal in April was awarded £30,000 Champion Funding to support our Landscape Programme and raised a total of £63,185 plus Gift Aid - one of our biggest single appeal successes to date. We also launched a Butterfly Conservation Weekly Lottery. This raised £20,500 in 2023/24 and we believe it has great potential for future growth.

### **Lean and scalable organisation**

This year saw the launch of our Wild Spaces and Volunteer digital platforms. We've done extensive work to define what and how we need our supporter platform to work, and to examine available options. We identified improvements we need to make around General Data Protection Regulation (GDPR) compliance and have begun a review of the data we hold. We also undertook market research to inform the tender specification for a new Land Management Hub. This will be an online resource for land managers and advisors across the UK, giving easy access to our expert advice to help them improve their land for butterflies and moths. Time spent making the right decisions now will future proof the new systems and processes we introduce.

### **High performing staff and volunteer team**

#### **Focus on Volunteers**

Towards the end of 2023, we launched a new web portal just for volunteers - Assemble. The system helps us provide the best support possible for our volunteers and streamlines processes, meaning as much money as possible goes to conservation rather than administration. It also allows us to share

news and training resources directly with volunteers, and to organise events for those who so generously give their time to benefit butterflies, moths, and the environment.

The 2023 Volunteer Awards were revamped to better reflect our volunteer community both present and future. The Awards now have six categories celebrating everything from community engagement to those who have made a substantial impact on a species or landscape. The Marsh Charitable Trust have been extremely supportive of our review and have increased the prize money for winners. Very well done to all those who won or received a Highly Commended certificate this year!

## **Future priorities**

### **2024 - 2025**

#### **Threatened Species Review**

To inform our work over the second half of the decade, we will use the most up-to-date data to ensure our conservation work stays focussed on the species most in need and is targeted where it can make the greatest impact.

#### **Landscape recovery**

We will develop new landscape recovery collaborations in areas including Wales and Northern Ireland, to improve our UK coverage and tackle species declines more effectively.

#### **Youth Panel**

We will establish our first ever youth panel, and co-create the full remit with participants. Made up of ten 16-24 year olds, they will be supported and encouraged to not only contribute to the work of Butterfly Conservation, but also to lead it. They will ensure young people feel valued, inspired and included in our work to save butterflies and moths.

#### **Wild Spaces**

We plan to develop and launch new projects in Northern Ireland and Wales, and will continue to work with partners including City Councils, NGOs and community organisations to help spread the word and increase the impact of Wild Spaces.

#### **Broadening our community**

We will monitor changes in our diversity through our work, in particular our success in reaching three target audiences – young people (aged 16-34), people from a minority ethnic background, and people experiencing green space deprivation.

#### **Digital Innovation**

We will roll out a new customer management system, a Land Management Hub and a new finance system. These will enable staff, volunteers and partners to use all our data in the most efficient ways possible while ensuring it is secure and the systems we use are fit for purpose.

### **2025 – 2027**

#### **Launch our refreshed strategy**

We will launch our refreshed strategy to ensure Butterfly Conservation remains relevant and engaging and continues to build on our ambitious vision over the next five years.

### **Beyond 2027**

#### **Advocacy campaigns**

We will review our advocacy work, looking at the impact it makes and the subjects we cover, to ensure they meet our needs in the political arena and take account of what the latest science tells us.

#### **Risk management**

Risk management is well established and integrated into every aspect of our work. Our business contingency planning was thoroughly tested during the Coronavirus crisis and a COVID-19 contingency

plan was implemented at the start of the pandemic. This has continued to be updated and there has been a particular focus to ensure our IT disaster recovery planning is thoroughly up-to-date and fit for purpose.

Council takes all reasonable steps to ensure that major risks are identified and recorded in a Risk Register. In preparation for each Council meeting, the Audit & Risk Sub-committee reviews the full Risk Register and advises Council on the most significant risks, so that appropriate mitigating actions can be in place. Once a year, in December, the Audit & Risk Sub-committee undertakes a more robust, in-depth review of the Risk Register to ascertain the principal risks facing Butterfly Conservation. These reviews ensure the risks are accurately described, no significant risks are omitted, suitable mitigations are in place and are being satisfactorily managed. Council is aware that such processes are designed to mitigate rather than to eliminate major risks. We will continue to improve and refine risk management principles in all aspects of our work over the coming year.

## **Principal risks and uncertainties**

### **Fundraising**

Across the charity sector, there has been a reported 'cost of giving' crisis mirroring the cost-of-living crisis so many people are struggling with. The uncertainty in the fundraising environment is not just confined to pressure on individual budgets – the public sector is experiencing a severe squeeze on resources and environmental budgets are being reduced.

### **Staffing**

Recruitment, particularly for corporate roles (i.e. non-conservation), is proving challenging. Competition is high across the employment market for roles like finance, and within the charity sector for roles like fundraising.

As an organisation, we have embraced remote working – partly to widen our employment pool. This, however, poses its own challenges. For example, it's taking longer to onboard new staff, and there are time and budget implications in creating vital opportunities for staff to meet in person.

We also have key staff on short-term contracts that, ideally, we would like to be able to fund from General Funds.

### **IT security**

Within the broad area of Information Systems, trustees are particularly concerned about Cyber Security (especially fraud) and Data Privacy. The implementation of new digital platforms requires us to review our compliance with GDPR. This will impact on our staff and volunteers as we will need to introduce new processes and provide the relevant training.

### **Trustee succession**

With two trustees stepping down for personal reasons and another due to end their term in November, the Board is looking at succession planning. This includes looking at those skills not adequately represented on the Board, and co-opting new members in advance of elections.

### **Health and safety**

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

### **Safeguarding**

Butterfly Conservation is committed to ensuring the safety and welfare of children and vulnerable adults. We ensure our staff, volunteers and contractors comply with best practice and regulatory requirements across all the physical and virtual spaces where we operate. A Safeguarding update is reviewed quarterly by the Audit & Risk Sub-committee. We have clear procedures in place for reporting, recording

and acting upon any safeguarding allegations, concerns or queries. Our Safeguarding Policy is published on our website along with contact details for our three Designated Safeguarding Officers.

## **Equality, diversity and inclusion (EDI)**

Butterfly Conservation has begun a significant journey of improvement around equality, diversity and inclusion, and has undertaken several activities to support our ambitions to become an inclusive organisation that reaches diverse audiences.

This year we have continued to support the Route Map towards greater ethnic diversity in the environment sector, collaborating with Wildlife and Countryside Link partners. We have also participated in the RACE report for the second year to demonstrate our commitment to sharing data, transparency, and improvement. Our internal communications promote national awareness days and we have provided learning sessions on Neurodiversity and Menopause. We make reasonable adjustments for both new and existing staff.

In the latter part of 2023, an outline EDI strategy and action plan was put to a full organisational consultation, inviting all staff to engage in improving our diversity and inclusion. Feedback is being incorporated and will lead to a published EDI strategy and action plan setting out our activity for the next three years.

Our staff survey results in January 2024 show that 91% of our people feel they are encouraged to consider how they can embed equality, diversity and inclusion in their day-to-day work (increased from 58% in January 2023). This indicates that our work on equality and inclusion is having a positive impact on staff.

## **Sustainability policy**

The development of Butterfly Conservation's new Sustainability Policy and Action Plan was put on hold in 2020/21 due to the pandemic and subsequent staff changes. This year we received help from partners at Fit for the Future (National Trust, Chatsworth Estate and Royal British Legion) and produced a tender for a Sustainability Audit and Action Plan. This is now awaiting relevant staff to action. Alongside this we are developing a Sustainability Strategy that will help embed sustainability in all our decision-making and provide a platform for reporting.

## **Financial review**

Income increased by 5.9% to £6.62m (2023: £6.25m). Grant funding increased by 10.2% to £1.37m (2023: £1.24m). We are extremely grateful for a significant legacy. Income from donations and legacies increased by 3.8% to £3.00m (2023: £2.89m). Despite the challenging financial and political climate, we continued to have a good response to all our individual appeals and general donations (including Gift Aid). Membership subscription income reduced marginally to £1.24m (2023: £1.27m).

Expenditure increased by 22.8%, to £6.82m (2023: £5.56m). During the year we increased our average headcount by 15 - building capacity in the staff team was a strategic action to ensure we can deliver Butterfly Conservation's ambitious strategy.

The result was a net income of £0.13m (2023: £0.39m) and the closing total net assets were £12.83m (2023: £12.70m).

The balance on our endowment fund increased by £0.32m to £5.61m (2023: £5.28m) due to gains on investments.



## **Fundraising policy**

We are registered with the Fundraising Regulator and comply with the key principles embodied in their Code of Fundraising, as set out in our Fundraising Promise (available on our website).

Several safeguards are in place for our supporters. We include data protection permission options and a three-point 'Our promise to you' on all fundraising materials. A detailed Supporter Guarantee can be found on our website.

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

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

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

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

Butterfly Conservation has received one complaint regarding aspects of our fundraising during the year. This complaint was fully investigated, appropriate action was taken, and a detailed response was sent to individuals within seven days. We received one notification from the Fundraising Preference Service during 2023/24 and this were dealt with immediately.

## **Investment policy**

Our investment income is derived from an Endowment Fund intended to provide the charity with a permanent source of income. We are bound to invest this to seek a balanced return from income and capital growth. We aim to grow in line with inflation (CPI) over the long term. To achieve an appropriate balance between risk and return, we invest in a diversified portfolio of equities, bonds and alternative assets – a breakdown of investment holdings is given in Note 15. We invest through pooled funds and third-party managers.

On 31 March 2024 our Endowment Fund had a market value of £5.61m (2023: £5.28m). The Trustees have appointed Cazenove Capital Management as professional investment managers to manage the Endowment Fund in accordance with the investment policies.

At their meeting on 10 June 2020, Council passed a resolution to invest on a Total Return basis. The initial value of the trust for investment and the initial value of the Unapplied Total Return were established on 31 March 2020. The initial value of the Trust for investment was determined at £3.09m by reference to our records – the Unapplied Total Return was calculated as the difference between that value and the portfolio value at 31 March 2020. To ensure that we meet our obligations to balance the needs of current and future beneficiaries, trustees agreed a policy annually to allocate 3.25%, after fees, of the portfolio value to income and any remaining balance of the Total Return to be reinvested in the Endowment Fund. The percentage allocated to income is agreed each year with the investment managers, Cazenove Capital Management.

Council has further resolved that we should follow the principles of socially responsible investment. We will do so by holding sustainable assets, in particular those that support the United Nations Sustainable Development Goals. We seek to engage, through our investment managers, with companies to encourage changing behaviours to reduce consumption and emissions. We have no direct and de minimis indirect exposure to companies with fossil fuel reserves (0% at 31 March 2024). We identified

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

### **Financial reserves policy**

At 31 March 2024 Butterfly Conservation had total funds of £12.83m (2023: £12.69m), which is made up of:

- Permanent Endowment fund at 31 March 2024 of £5.61m (2023: £5.28m) which was given to be retained for the benefit of Butterfly Conservation as a capital fund and to provide income for the Charity.
- Restricted funds at 31 March 2024 of £0.40m (2023: £0.72m) to be applied to the specific purpose(s) intended by the donor.
- Unrestricted reserves at 31 March 2024 of £6.82m (2023: £6.69m) available to be applied at the discretion of the Trustees to any of Butterfly Conservation's charitable purposes, made up of:
  - General funds i.e. free financial reserves of £4.37m (2023: £3.99m).
  - Tangible fixed assets of £1.37m (2023: £1.39m) and Retained profits from Butterfly Conservation Trading of £20,000 (2023: £20,000). Both funds are central to Butterfly Conservation's charitable activities and not available to meet immediate future contingencies should they arise.
  - Designated funds of £1.06m (2023: £1.30m) to support our Branches and two funds to enhance our science and research work.

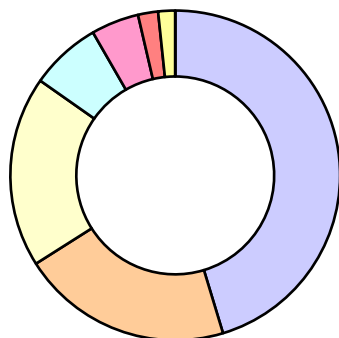
General funds i.e. free financial reserves are held to ensure that Butterfly Conservation:

- maintains sufficient levels of working capital to allow for seasonal fluctuations of our natural patterns of activity
- protects its essential conservation activities in the event of shortfalls in grant and general income within the next financial year
- maintains funds to respond to conservation opportunities.

These funds equate to approximately six months' operating costs. Council has reviewed the charity's Financial Reserves Policy with the designation of this money and has also taken into consideration the continued reduction in statutory agency funding and the need to invest financial resources into achieving our 2026 Strategy. Considering these factors, Council has calculated that the amount of financial reserves it needs to hold is £3.5m (2023: £3.5m). The members of Council are therefore satisfied with the year end reserves position. In 2024/25 we will continue to implement our Fundraising Strategy to maintain our conservation effort and financial reserves to the target level. However, ongoing uncertainties may have some negative impact on our finances during the next few years. Positive action is planned to mitigate potential reduction in income during this period.

### How we raised our funds

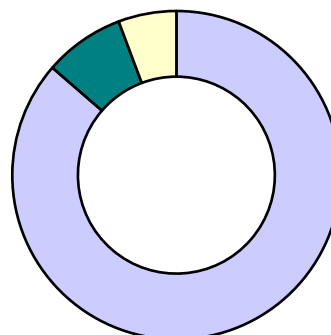
**Total Income £6.62m**  
(2022/23 £6.25m)



■ Donations and legacies	£3.00m
■ Conservation Activities - Grants	£1.37m
■ Membership Subscriptions	£1.24m
■ Contracts and Royalties	£0.46m
■ Investments	£0.31m
■ Primary purpose trading	£0.13m
■ Other Trading Activities	£0.11m

### How we spent our funds

**Total Expenditure £6.82m**  
(2022/23 £5.56m)



■ Conservation	£5.89m
■ Membership Services	£0.54m
■ Raising Funds	£0.39m

## Structure, governance and management

### 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. Constant regard is paid to refreshing the experience mix of members 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 2024 and served throughout that year (and up to the date of approval of this report) except where shown:

Council Members	Re-elected / resigned
Karen Goldie-Morrison (Chair until November 2023)	Retired in November 2023
Martin Spray (Chair Elect until November 2023, Chair from November 2023)	
Ilija Vukomanovic – Vice Chair until November 2023)	Resigned in November 2023
Hugh Ellerton – Honorary Treasurer	Re-elected in November 2023

Glenn Allison	Re-elected in November 2023 Resigned in January 2024
Apithanny Bourne	
Catrin Evans	Elected in November 2023
Prof Laurence Harwood	
Dr Elaine King	
Simon Saville	
Chris Winnick	

All members of Butterfly Conservation are eligible to seek election to Council at the Annual General Meeting (AGM). One-third of Council members (also known as trustees) stand down each year on rotation and new Council members are elected at Butterfly Conservation's AGM in November. New Council members receive comprehensive information to understand their roles and responsibilities to the charity. A detailed induction is arranged to provide new and re-elected Council members with a strategic and operational overview of Butterfly Conservation. The induction is also optional for all Council members to attend as a refresher.

A Board Buddy system was introduced in 2021 to assist new trustees joining Council to be paired with an existing trustee as a mentor. This system has been incorporated into the trustee cycle and forms part of the annual review process. To familiarise themselves with the work of the charity, Council members are invited to key meetings and events. The Chair holds annual review meetings with individual Council members, to discuss his/her contribution during the year and agree plans for self-development, as well as an annual Board performance review, which includes feedback from the Senior Leadership Team.

A trustee skills audit is undertaken each year to identify any gaps in expertise and highlight future requirements to ensure that Council has sufficient skills to operate as a diverse and effective Board. All Council members are encouraged to undertake training seminars from external professionals and are offered subscriptions to relevant governance resources. 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. Emphasis was applied this year to attempt to increase the diversity amongst new Council members. Various methods are used including widespread advertising through national recruitment platforms and social media, as well as in *Butterfly* magazine, and the Branch email updates.

Succession planning has been at the forefront of Council's agenda due to the past Chair's retirement in November 2023. In November 2023, following nine months as Chair Elect, Martin Spray became Chair, taking over from Karen Goldie-Morrison.

The AGM was held online in November 2023. Eligible members were able to vote on the Resolutions and Trustee Elections by proxy in advance of the AGM, and 163 people were recorded as present on the day. Next year, as in 2022, the AGM will be held both in person and online.

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. Details of any relevant transactions can be found in Notes 11 and 25 of the accounts.

Council continues to adopt the Charity Governance Code (CGC), which assists charities to develop and maintain a high level of governance through continuous development.

## Responsibilities of Council

The members of Council (who are also directors of Butterfly Conservation for the purposes of company law and trustees for the purposes of charity 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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
- 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.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The members of Council are responsible for the maintenance and integrity of the corporate and financial information contained on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Strategy and policy setting

Council determines the overall strategy and policy of Butterfly Conservation.

Council meets at least four times a year. During 2023/24 Council met five times – two of these meetings were held online, and three were held in person. Council delegates some of its responsibilities to three committees who report back to Council with recommendations – Audit & Risk, Governance, and Investment. 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 Leadership 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 106 members of staff (91 in 2022/23) who are grouped into six main work areas:

- Conservation
- Evidence & Policy
- Engagement & Volunteering
- Fundraising and Communications
- Finance and Operations
- Chief Executive's Office

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 our work. We are indebted to everyone who contributes to making our Branch network so strong and successful.

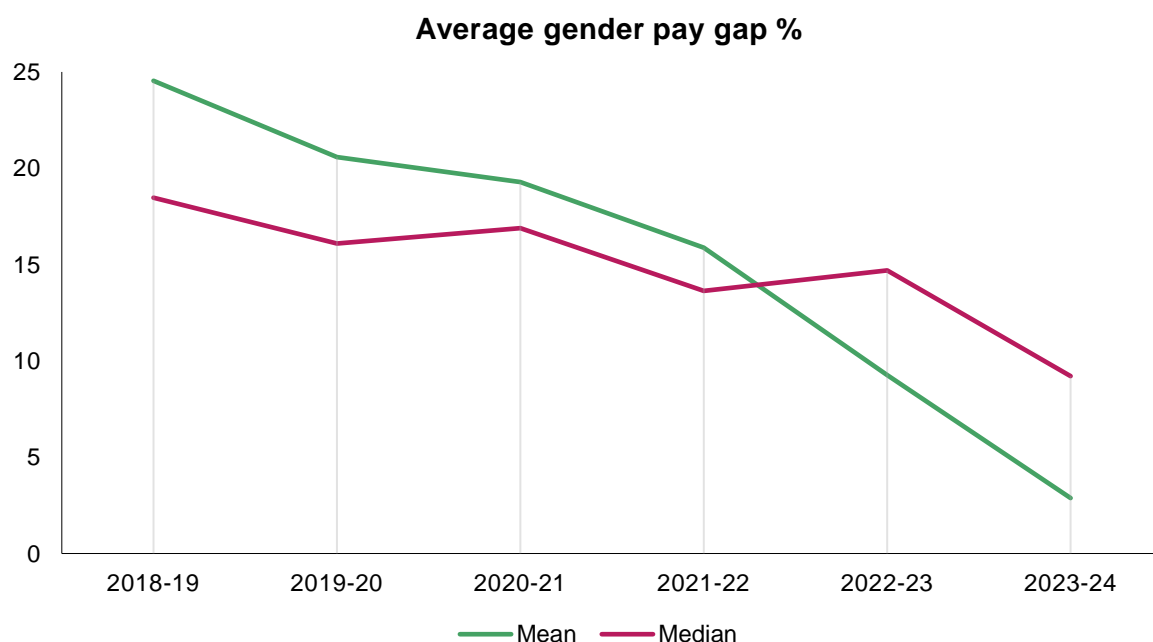
## **Pay and remuneration policy**

We are 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. We continue to be an accredited Living Wage employer and in 2023/24 have reviewed and enhanced our staff benefits package to include occupational maternity and paternity pay, a paid volunteering day, death in service benefit, career break policy, and changes to our flexible working policy in line with new employment law. We are in the process of undertaking a full pay and grading review for implementation in 2024/5.

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, Chief Executive and the Senior Leadership Team.

Butterfly Conservation conducts a fair recruitment process, with clear person specifications for each role to ensure objective criteria are used to shortlist and interview applicants. This includes values-based interviewing to support our commitment to our values of Excellence, Passionate, Inspiring, and Collaborative. Individuals are recruited based on their commitment and alignment to our values, as well as their skills and technical expertise. This helps to reduce unconscious bias, creates a positive work environment, and enhances staff engagement and morale.

The results of the gender pay gap calculations for 2023/24 show that the full time equivalent mean weekly earnings for men is 3% more than women. This demonstrates an improvement since 2022/23 when the mean weekly earnings for men was 9% more than women. The 2023/24 full-time equivalent median weekly earnings for men are 9% more than women (compared to 14% in 2021/22). The differential arises as currently 68% of our workforce are women, but more men hold senior positions within the organisation (60% of men fall within the top two pay quartiles).



The charity’s Pay and Remuneration Policy states how salary and pay awards are set, including remuneration for the Chief Executive and Senior Leadership Team. The same benefits arrangements, including pensions, and terms and conditions apply to all employees, including the Senior Leadership Team. Pay bands and salary increments are reviewed annually against several other NGOs and using benchmarking tools widely available in the voluntary sector. Further salary banding information on the Senior Leadership 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).

## 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 2024, the donation amounted to £21,365 (2023: £49,187).

## Thank you

We are extremely grateful to all our members, supporters and funders and the organisations that have generously continued to support the charity in 2023/24, including all donors who wish to remain anonymous.

On behalf of Butterfly Conservation, thank you to everyone who supported our work. Unfortunately, we do not have space to individually name all funders but would like to acknowledge the following, who provided support of £1,000 or more:

### Grant funders

Arnside & Silverdale National Landscape  
 Cairngorms National Park Authority  
 Carmarthenshire County Council

Ceredigion County Council  
Cotswolds National Landscape  
Exmoor National Park Authority  
H D H Wills 1965 Charitable Trust  
Hampshire County Council  
National Heritage Lottery Fund  
National Trust  
Natural England  
Natural Resources Wales  
NatureScot  
Neath Port Talbot County Borough Council  
North York Moors National Park Authority  
Northern Ireland Environment Agency  
Pembrokeshire County Council  
Rural Payments Agency  
Severn Trent  
South Downs National Park Authority  
The Amber River Foundation  
The Botanist Foundation  
The Britford Bridge Trust  
The Ernest Kleinwort Charitable Trust  
The Highland Council  
The Hiscox Foundation  
The John Swire 1989 Charitable Trust  
The Lawson Trust

#### **Charitable trusts and foundations**

D G Albright Charitable Trust  
DFN Charitable Foundation  
D'Oyly Carte Charitable Trust  
Goldman Sachs Annual Giving Fund  
Henocq Law Trust  
Kathleen Beryl Sleigh Charitable Trust  
Kilpatrick Fraser Charitable Trust  
Lady Eda Jardine Charitable Trust  
Marsh Charitable Trust  
The Chalk Cliff Trust  
The David Family Foundation  
The J & J R Wilson Trust  
The Leslie Mary Carter Charitable Trust  
The Orr Mackintosh Foundation  
The Valerie Ayton Charitable Trust

#### **Corporate partners and supporters**

FatFace  
Gilbert-Ash Limited  
Habitat Aid  
Henocq Law Trust  
South Downs Natural Park  
The Craignish Trust

#### **Corporate members**

The Botanist Foundation  
Highland Titles Nature Reserve  
CJ Wildlife Limited  
Northumbrian Water  
Landscaping Solutions Limited  
The Bathurst Estate



Nurture Landscapes Group  
Propology Boutique Properties  
Mariposa Nature Tours  
Stowe Family Law LLP  
Integrated Utility Services  
Gaia's Garden  
Chiswick Park  
Castelli Milano 1938 Limited  
Hallgarten Wines Limited  
Valley Provincial (Chalcraft Nurseries)

### **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:

Eileen Marjorie Allen  
Nigel Bachman  
Cordelia Banner  
Barry Stuart Barnacal  
John Bates  
Margaret Joyce Bristow  
Richard Colin Scott Burgess  
Edmund Burke  
Lady Lucy Bertha Chandler  
Ronald Colenso  
William John Farley-Hills  
Margaret Caroline Field  
Michael James Yates Foley  
Norah Margaret Harper  
Derek Michael Stanford Head  
Jessie Hill  
Sonia Hinton  
William Arthur Howard  
Dennis William Hudson  
Michael Bernard Jones  
Brian Lawrence  
Jacqueline Makinson  
Roger John Martin  
John Mclennan  
Jane Wyatt Paul  
Gillian Peachey  
Dr Malcolm Pines  
Kathleen Potterton  
Susan Roberts  
Terence John Robertson  
Marian Rushton  
Sylvia Ryman  
Edna Veronica Salmon  
Clem Shaw  
Roger Smith  
Trevor Standing  
William Stevens  
Phillip William Strachan  
Margaret Taylor  
John Lawrence Vetterlein  
George Weir  
Michael Richard White  
Nicholas James Williams

If you would like to find out more about leaving a gift in your will, please email Alison Adams at [aadams@butterfly-conservation.org](mailto:aadams@butterfly-conservation.org).

**REPORT OF THE COUNCIL APPROVED  
FOR ON AND BEHALF OF COUNCIL**

**Martin Spray, Chair**

Handwritten signature of Martin Spray in black ink.

**Julie Williams, Secretary**

Handwritten signature of Julie Williams in blue ink.

**Approved by Council on:** 17<sup>th</sup> July 2024

## **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 2024, which comprise the consolidated statement of financial activities, the group comparative statement of financial activities, the group and charitable parent company balance sheets, the consolidated 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 true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 March 2024 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 bases of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The members of Council (who are the trustees of the charitable parent company for the purposes of charity law and the directors of the charitable parent company for the purposes of company law) 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.

## Independent auditor's report on the financial statements 31 March 2024

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, which is also the directors' report for the purposes of company law and includes 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, which is also the directors' report for the purposes of company law and includes 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 trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

### **Responsibilities of Council**

As explained more fully in the Responsibilities of Council statement included within the Report of the Council, the members of Council (who are also the directors of the charitable parent company for the purposes of company law and trustees of the charitable parent company for the purposes of charity 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.

## Independent auditor's report on the financial statements 31 March 2024

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://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.

A handwritten signature in black ink that reads "Buzzacott LLP". The signature is stylized, with the 'B' being particularly large and the 'LLP' being written in a cursive, connected style.

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

Date: 26 July 2024

## Consolidated statement of financial activities Year to 31 March 2024

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2024 Total funds £'000	2023 Total funds £'000
<b>Income from:</b>						
Donations and legacies	1	2,948	50	—	<b>2,998</b>	2,888
Other trading activities	2	105	—	—	<b>105</b>	31
Investments & interest receivable	3	109	15	183	<b>307</b>	228
Charitable activities						
. Conservation activities – grants receivable	4	101	1,264	—	<b>1,365</b>	1,239
. Contracts and Royalties		437	26	—	<b>463</b>	499
. Primary purpose trading		135	1	—	<b>136</b>	95
. Membership subscriptions		1,242	—	—	<b>1,242</b>	1,268
<b>Total income</b>		<b>5,077</b>	<b>1,356</b>	<b>183</b>	<b>6,616</b>	<b>6,248</b>
<b>Expenditure on:</b>						
Raising funds	5,18	380	—	11	<b>391</b>	289
Charitable activities						
. Conservation	6	4,521	1,372	—	<b>5,893</b>	4,824
. Membership services	7	540	—	—	<b>540</b>	444
<b>Total expenditure</b>		<b>5,441</b>	<b>1,372</b>	<b>11</b>	<b>6,824</b>	<b>5,557</b>
<b>Net income (expenditure) before investment gains (losses)</b>						
		(364)	(16)	172	<b>(208)</b>	691
Net investment (losses) gains	15,18	—	—	338	<b>338</b>	(302)
<b>Net income (expenditure)</b>	10	<b>(364)</b>	<b>(16)</b>	<b>510</b>	<b>130</b>	<b>389</b>
Transfer between funds						
	18,19	486	(300)	(186)	—	—
<b>Net movement in funds</b>		<b>122</b>	<b>(316)</b>	<b>324</b>	<b>130</b>	<b>389</b>
<b>Reconciliation</b>						
Total funds brought forward at 1 April 2023		6,695	718	5,283	<b>12,696</b>	12,307
<b>Total funds carried forward at 31 March 2024</b>		<b>6,817</b>	<b>402</b>	<b>5,607</b>	<b>12,826</b>	<b>12,696</b>

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

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

No summary income and expenditure account has been produced as the only difference to the statement of financial activities would be the omission of endowed income of £183,000 (2023: £225,000) and endowed expenditure of £11,000 (2023: £13,000).

Balance Sheet Year to 31 March 2024

	Notes	Group		Charity	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Fixed assets</b>					
Intangible fixed assets	13	20	40	20	40
Tangible fixed assets	14				
. Freehold land		1,343	1,343	1,343	1,343
. Other tangible fixed assets		8	10	8	10
Investments	15	5,607	5,283	5,607	5,283
		<b>6,978</b>	<b>6,676</b>	<b>6,978</b>	<b>6,676</b>
<b>Current assets</b>					
Stocks		8	6	8	6
Debtors	16	2,408	1,363	2,455	1,389
Cash					
. Short term deposits and interest bearing accounts		1,189	2,914	1,189	2,914
. Money market accounts		1,797	248	1,797	248
. Current accounts		969	2,125	903	2,083
		<b>6,371</b>	<b>6,656</b>	<b>6,352</b>	<b>6,640</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	17	(523)	(636)	(524)	(640)
<b>Net current assets</b>		<b>5,848</b>	<b>6,020</b>	<b>5,828</b>	<b>6,000</b>
<b>Total net assets</b>		<b>12,826</b>	<b>12,696</b>	<b>12,806</b>	<b>12,676</b>
<b>Funds of the charity</b>					
Capital funds					
. Endowment funds	18	5,607	5,283	5,607	5,283
Income funds					
. Restricted funds	19	402	718	402	718
. Unrestricted funds					
.. General fund		4,371	3,983	4,371	3,983
.. Non-charitable trading funds		20	20	—	—
.. Tangible and intangible assets (including freehold nature reserves) fund	20	1,371	1,393	1,371	1,393
.. Designated fund	21	1,055	1,299	1,055	1,299
<b>Total funds</b>		<b>12,826</b>	<b>12,696</b>	<b>12,806</b>	<b>12,676</b>

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



Martin Spray  
Chair

Date: 17<sup>th</sup> July 2024



Consolidated Statement of Cash Flows Year to 31 March 2024

	Note	2024 £'000	2023 £'000
<b>Cash flows from operating activities</b>			
Net cash (used in) provided by operating activities	A	(1,652)	957
<b>Cash flows from investing activities</b>			
Investment income and interest received		293	228
Proceeds from the disposal of investments		15	—
Purchase of tangible fixed assets		10	—
<b>Net cash provided by investing activities</b>		<b>318</b>	<b>228</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(1,334)</b>	<b>1,185</b>
<b>Change in cash equivalents at 1 April 2023</b>	B	<b>5,290</b>	<b>4,105</b>
<b>Change in cash equivalents at 31 March 2024</b>	B	<b>3,956</b>	<b>5,290</b>

**Notes to the statement of cash flows for the year to 31 March 2024**

**A Reconciliation of net expenditure to net flows from operating activities**

	2024 £'000	2023 £'000
<b>Net income (as per the statement of financial activities)</b>	<b>130</b>	<b>389</b>
<b>Adjusted for:</b>		
Depreciation and amortisation charge	32	31
Losses/(gains) on investments	(338)	302
Investment income and interest receivable	(308)	(228)
(Increase) decrease in stocks	(2)	1
(Increase) decrease in debtors	(1,045)	117
(Decrease) increase in creditors	(121)	345
<b>Net cash (used in) provided by operating activities</b>	<b>(1,652)</b>	<b>957</b>

**A Analysis of cash and cash equivalents**

	2024 £'000	2023 £'000
Current accounts	969	2,125
Money market accounts	1,797	248
Short term deposits and interest bearing accounts	1,189	2,914
Cash held by investment managers	1	3
<b>Total cash and cash equivalents</b>	<b>3,956</b>	<b>5,290</b>

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

## Principal accounting policies      Year to 31 March 2024

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**

The financial statements have been prepared for the year to 31 March 2024 with comparative information provided in respect of the accounts are laid out below.

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

### **Basis of consolidation**

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

### **Critical accounting estimates and areas of judgement**

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

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

### **Assessment of going concern**

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

The members of Council have considered the impact of the cost of giving being experienced in the UK on the charity in their assessment of future income streams, expenditure levels, and the level of free reserves.

Following this review, the members of Council are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year

ending 31 March 2024, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy set out in the Report of the Council for more information).

### **Income**

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

- Income comprises:
- Donations
- Legacies
- income from fundraising events, royalties, and trading activities
- investment income and interest receivable
- and income from charitable activities including grants receivable, contracts for services, primary purpose trading and membership subscriptions.

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

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

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

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

In the event that the gift is in the form of an asset other than cash, or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having been transferred to the charity.

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

Income from trading activities includes the income from corporate sponsorship and the sale of products of the charity's trading subsidiary. Such income is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. It is measured

as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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

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

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

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

### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is stated inclusive of irrecoverable VAT.

Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings.

The classification between activities is as follows:

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

### **Allocation of support and governance costs**

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

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

### **Intangible fixed assets**

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

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

- Computer software 20% straight-line

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

### **Tangible fixed assets**

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

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

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

No depreciation is provided on freehold land.

### **Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The charity does not acquire put options, derivatives, or other complex financial instruments.

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

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

### **Stocks**

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

### **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

### **Cash at bank and in hand**

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

### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

### **Funds accounting**

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

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

Following a resolution of the members of Council on 10 June 2020, with effect from 1 July 2020, the charity has implemented a Total Return approach in respect of its endowment funds. The initial value of the trust for investment and the initial value of the Unapplied Total Return were established on 31 March 2020. The initial amount of the trust for investment was determined at £3.09m by reference to the charity's records: the Unapplied Total Return was calculated as the difference between that value and the portfolio value at 31 March 2020.

All investment income, gains and losses are taken to the part of the fund representing the accumulated Unapplied Total Return in the first instance. The members of Council have agreed a policy to allocate 3.25% of the portfolio value, after investment management fees, from the Unapplied Total Return to the charity's unrestricted funds each year, and this is shown as a transfer between funds on the statement of financial activities.

### **Fund structure**

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

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

The tangible and intangible fixed assets fund represents the net book value of those tangible and intangible fixed assets that are not part of the endowment or restricted funds of the charity. Each year one tenth of the cost of all land purchased from restricted funds will be transferred to the tangible fixed assets fund unless there is a specific deed/covenant in place to de-restrict the asset. The charity has adopted a formal policy of assessing all assets donated, other than cash, and valuing for account purposes only those with material value to the charitable work of the organisation.

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

**Contributory third party (CTP) and landfill community funds**

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

**Leased assets**

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

**Pension costs**

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

**1. Income from donations and legacies**

Group	Unrestricted Funds £'000	Restricted funds £'000	<b>2024 Total £'000</b>
Donations	684	50	<b>734</b>
Legacies	2,264	—	<b>2,264</b>
	<b>2,948</b>	<b>50</b>	<b>2,998</b>

Group	Unrestricted Funds £'000	Restricted funds £'000	2023 Total £'000
Donations	1,524	65	1,589
Legacies	1,299	—	1,299
	<b>2,823</b>	<b>65</b>	<b>2,888</b>

**2. Income from other trading activities**

Group	Unrestricted Funds £'000	<b>2024 Total £'000</b>	Unrestricted funds £'000	2023 Total £'000
Sales of goods/services - non-charitable material	29	<b>29</b>	13	13
Royalties and sponsorship – non-primary purpose	21	<b>21</b>	12	12
Fundraising	55	<b>55</b>	6	6
	<b>105</b>	<b>105</b>	<b>31</b>	<b>31</b>

**3. Income from investments and interest receivable**

Group	Unrestricted Funds £'000	Restricted funds £'000	Endowment funds £'000	<b>2024 Total £'000</b>
UK pooled investment funds and unit trusts	14	—	182	<b>196</b>
Bank interest	95	15	1	<b>111</b>
	<b>109</b>	<b>15</b>	<b>183</b>	<b>307</b>

Group	Unrestricted Funds £'000	Restricted funds £'000	Endowment funds £'000	2023 Total £'000
UK pooled investment funds and unit trusts	—	—	177	177
Bank interest	39	11	1	51
	<b>39</b>	<b>11</b>	<b>178</b>	<b>228</b>



**4. Income from charitable activities: conservation activities – grants receivable**

<b>Group</b>	Unrestricted funds £'000	Restricted funds £'000	<b>2024 Total £'000</b>	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>2023 Total £'000</i>
Natural Lottery Heritage Fund	—	349	<b>349</b>	—	483	483
Natural England	—	501	<b>501</b>	326	3	329
Natural Resources for Wales	5	45	<b>50</b>	—	55	55
Naturescot	—	166	<b>166</b>	—	74	74
Northern Ireland Environment Agency	—	54	<b>54</b>	—	43	43
Severn Trent Water Limited	—	35	<b>35</b>	—	103	103
The Dulverton Trust	—	—	—	35	—	35
The Hiscox Foundation	—	34	<b>34</b>	—	37	37
The Swire Charitable Trust	25	—	<b>25</b>	25	—	25
Grants received < £25,000	71	80	<b>151</b>	3	52	55
	101	1,264	<b>1,365</b>	389	850	1,239

**5. Expenditure on raising funds**

<b>Group</b>	Unrestricted funds £'000	Endowment funds £'000	<b>2024 Total £'000</b>
Staff costs (including support) (note 11)	265	—	<b>265</b>
Fundraising costs	81	—	<b>81</b>
Trading costs	24	—	<b>24</b>
Investment management charges	—	11	<b>11</b>
Other support costs (note 8)	10	—	<b>10</b>
	380	11	<b>391</b>

<b>Group</b>	<i>Unrestricted funds £'000</i>	<i>Endowment funds £'000</i>	<i>2023 Total £'000</i>
Staff costs (including support) (note 11)	198	—	198
Fundraising costs	60	—	60
Trading costs	10	—	10
Investment management charges	—	13	13
Other support costs (note 8)	8	—	8
	276	13	289

**6. Expenditure on charitable activities: conservation**

Group	Unrestricted funds £'000	Restricted funds £'000	<b>2024 Total £'000</b>
Staff costs (including support) (note 11)	2,923	521	<b>3,444</b>
Marketing and publicity	109	3	<b>112</b>
Management conservation	618	394	<b>1,012</b>
Information and education	264	34	<b>298</b>
Legal and professional	2	—	<b>2</b>
Other support costs (note 8)	605	420	<b>1,025</b>
	<b>4,521</b>	<b>1,372</b>	<b>5,893</b>

Group	Unrestricted funds £'000	Restricted funds £'000	2023 Total £'000
Staff costs (including support) (note 11)	2,485	521	3,006
Marketing and publicity	86	7	93
Management conservation	446	393	839
Information and education	52	2	54
Legal and professional	3	—	3
Other support costs (note 8)	441	388	829
	<b>3,513</b>	<b>1,311</b>	<b>4,824</b>

**7. Expenditure on charitable activities: membership services**

Group	Unrestricted funds £'000	<b>2024 Total £'000</b>	Unrestricted funds £'000	2023 Total £'000
Staff costs	247	<b>247</b>	194	194
Membership recruitment	7	<b>7</b>	1	1
Newsletter production and distribution	207	<b>207</b>	181	181
Membership servicing	65	<b>65</b>	55	55
Other support costs (note 8)	14	<b>14</b>	13	13
	<b>540</b>	<b>540</b>	<b>444</b>	<b>444</b>

**8. Support costs**

	Staff costs £'000	Other Support Costs £'000	<b>2024 Total £'000</b>
Staff costs	1,571	—	1,571
Governance costs (note 9)	—	127	127
Other	—	920	920
	<b>1,571</b>	<b>1,047</b>	<b>2,618</b>
Attributed to:			
Expenditure on raising funds (note 5)	265	10	<b>275</b>
Expenditure on charitable activities			
• Conservation (note 6)	1,188	1,025	<b>2,213</b>
• Membership services (note 7)	118	14	<b>132</b>
	<b>1,571</b>	<b>1,049</b>	<b>2,620</b>

	Staff costs £'000	Other Support Costs £'000	<b>2023 Total £'000</b>
Staff costs	1,337	—	1,337
Governance costs (note 9)	—	113	113
Other	—	737	737
	<b>1,337</b>	<b>850</b>	<b>2,187</b>
Attributed to:			
Expenditure on raising funds (note 5)	198	8	206
Expenditure on charitable activities			
• Conservation (note 6)	1,030	829	1,859
• Membership services (note 7)	109	13	122
	<b>1,337</b>	<b>850</b>	<b>2,187</b>

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

Our 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**

	<b>2024 Total £'000</b>	<b>2023 Total £'000</b>
Information and education	<b>36</b>	45
Legal and professional fees	<b>76</b>	48
Other governance expenses	<b>15</b>	20
	<b>127</b>	113

## 10. Net income (expenditure)

This is stated after charging:

Group	2024 Total £'000	2023 Total £'000
Staff costs (note 11)	3,955	3,398
Auditor's remuneration		
. Statutory audit services	20	20
.. Tax compliance	3	2
.. HR consultancy	57	30
Depreciation and amortisation	30	30
Operating lease rentals	66	93

## 11. Employees, staff costs and remuneration of key management personnel

Staff costs during the period are as follows:

Group	2024 Total £'000	2023 Total £'000
Wages and salaries	3,374	2,842
Social security costs	306	289
Other pension costs	271	222
	<b>3,951</b>	<b>3,353</b>
Agency staff costs	5	45
Total staff costs	<b>3,956</b>	<b>3,398</b>

Staff costs by function (after the allocation of those deemed support costs) were as follows:

Raising funds	265	198
Conservation	3,444	3,006
Membership services	247	194
	<b>3,956</b>	<b>3,398</b>

A total of £nil was paid in redundancy payments (2023: £22,100) and this amount is included within wages and salaries above.

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

	2024 Number	2023 Number
£80,001 - £90,000	1	1

Pension contributions of £6,720 (2023: £6,400) were paid into personal pension schemes in respect of these individuals during the year.

## 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	2024 Total £'000	2023 Total £'000
Raising funds	12	6
Conservation	87	81
Membership services	7	4
	<b>106</b>	<b>91</b>

The key management personnel of the charity comprises the members of Council and the Senior Leadership Team. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £443,471 (2023: £391,659).

No Council member received any remuneration in respect of his or her services as members of Council during the year (2022: £nil). However:

- ◆ A total of £279 (2023: £17,661) was reimbursed to (or paid by the charity on behalf of) 11 (2023: 11) Council members for expenditure incurred on behalf of the charity.
- ◆ No members of Council had any beneficial interest in any contract with the charity during the year (2023: 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 various exemptions available to registered charities.

## 13. Intangible fixed assets

Group and charity	Software £'000	Total £'000
<b>Cost</b>		
At 1 April 2023 and 31 March 2024	100	<b>100</b>
<b>Amortisation</b>		
At 1 April 2023	60	<b>60</b>
Charge for year	20	<b>20</b>
At 31 March 2024	80	<b>80</b>
<b>Net book values</b>		
At 31 March 2024	20	<b>20</b>
At 31 March 2023	40	<b>40</b>

**14. Tangible fixed assets**

Group and charity	Freehold land £'000	Office equipment , plant and machinery £'000	<b>Total £'000</b>
<b>Cost</b>			
At 1 April 2023	1,343	57	<b>1,400</b>
Additions	—	10	<b>10</b>
At 31 March 2024	<u>1,343</u>	<u>67</u>	<u><b>1,410</b></u>
<b>Depreciation</b>			
At 1 April 2023	—	47	<b>47</b>
Charge for year	—	12	<b>12</b>
At 31 March 2024	<u>—</u>	<u>59</u>	<u><b>59</b></u>
<b>Net book values</b>			
At 31 March 2024	<u>1,343</u>	<u>8</u>	<u><b>1,351</b></u>
At 31 March 2023	<u>1,343</u>	<u>10</u>	<u><b>1,353</b></u>

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

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

**15. Fixed asset investments**

	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Pooled investments (note a)	5,610	5,283	5,610	5,283
Investment in subsidiary company (note b)	—	—	—	—
	<b>5,610</b>	<b>5,283</b>	<b>5,610</b>	<b>5,283</b>

**a) Pooled investments and cash held for re-investment**

	2024 Total £'000	2023 Total £'000
Group and charity		
Market value at 1 April 2023	5,283	5,582
Disposals	(15)	—
Net gains/(losses)	338	(302)
<b>Market value at 31 March 2024</b>	<b>5,606</b>	<b>5,280</b>
Cash held by investment managers for re-investment	1	3
	<b>5,607</b>	<b>5,283</b>
Costs of listed investments at 31 March	5,342	5,342

Investments held at 31 March 2024 wholly comprised holdings in pooled investments funds as follows:

	Market value £'000	Proportion %
Group and charity		
Cazenove Charity Responsible Multi Asset Fund Accumulation units	1,167	21
Cazenove Charity Responsible Multi Asset Fund Distribution units	4,440	79
	<b>5,607</b>	<b>100</b>

**b) Investment in subsidiary company**

The charity holds 100% share of the issued share capital of Butterfly Conservation Trading Limited (£1). This holding was acquired on incorporation of the company on 23 February 2010.

The following is a summary of the financial statements of Butterfly Conservation Trading Limited for the year ended 31 March 2024, which have been included in the consolidated financial statements.

	<b>2024</b>	<i>2023</i>
	<b>Total</b>	<i>Total</i>
	<b>£'000</b>	<i>£'000</i>
Turnover	44	71
Cost of sales	(5)	(5)
<b>Gross profit</b>	<b>39</b>	<i>66</i>
Operating costs	(18)	(16)
<b>Net profit for the year before Gift Aid and taxation</b>	<b>21</b>	<i>50</i>
Donation under a Gift Aid compliant Deed of Covenant	(21)	(50)
Taxation	—	—
Profit for the financial period	—	—
Retained earnings at 31 March 2023	20	20
<b>Retained earnings at 31 March 2024</b>	<b>20</b>	<i>20</i>

**16. Debtors**

	Group		Charity	
	<b>2024</b>	<i>2023</i>	<b>2024</b>	<i>2023</i>
	<b>£'000</b>	<i>£'000</i>	<b>£'000</b>	<i>£'000</i>
Grants and other funding receivable	585	284	585	284
Prepayments and other accrued income	76	114	75	111
Legacies receivable	1,648	778	1,648	778
VAT recoverable	50	10	52	11
Amounts due from Butterfly Conservation Trading Limited	—	—	46	76
Gift Aid recoverable	35	74	35	74
Sundry debtors	14	103	14	55
	<b>2,408</b>	<i>1,363</i>	<b>2,455</b>	<i>1,389</i>



**17. Creditors: amounts falling due within one year**

	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Social Security and other taxes	82	150	82	150
Expense creditors	229	264	233	270
Accruals and deferred income	212	222	209	220
	<b>523</b>	<b>636</b>	<b>524</b>	<b>640</b>

Movements on deferred income during the year was as follows:

	Group		Charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Opening deferred income balance	92	17	92	17
Cash received in the year	5	92	5	92
Amounts released to income	(92)	(17)	(92)	(17)
Closing deferring income balance	5	92	5	92

**18. Endowment funds**

	2024 Total £'000	2023 Total £'000
At 1 April 2023	5,283	5,585
Less: value of endowment at 30 June 2020	(3,086)	(3,086)
<b>Opening value of unapplied total return at 1 July 2021</b>	<b>2,197</b>	<b>2,499</b>
Add: investment income	183	178
<b>Add: investment return: realised and unrealised gains (losses)</b>	<b>338</b>	<b>(302)</b>
Less: investment management costs	(11)	(13)
Total return before transfer to income	2,707	2,362
Less: total return applied	(186)	(165)
Unapplied total return at 31 March 2024	2,521	2,197
Add: value of endowment at 30 June 2020	3,086	3,086
Permanent endowment including unapplied total return as at 31 March 2024	<b>5,607</b>	<b>5,283</b>

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

## 19. 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 2023 £'000	Income £'000	Expenditure £'000	Funds Transfers £'000	At 31 March 2024 £'000
Butterfly Mosaics	93	38	(61)	—	70
Environparks Marsh Fritillary Mitigation	116	3	(11)	—	108
Leeds Wild Spaces	—	34	—	—	34
Reserve Acquisition & Management Fund	52	46	(20)	(10)	68
Restricted Legacies	189	4	—	(150)	43
Head Office Restricted balances where closing balance <£25,000	240	1,228	(1,275)	(138)	55
Branch Restricted Funds where closing balance <£25k	28	3	(5)	(2)	24
	718	1,356	(1,372)	(300)	402

Group and charity	At 1 April 2022 £'000	Income £'000	Expenditure £'000	Funds Transfers £'000	At 31 March 2023 £'000
Butterfly Mosaics	53	104	(64)	—	93
Development Scotland	19	118	(179)	76	34
Environparks Marsh Fritillary Mitigation	129	2	(15)	—	116
Perth & Stirling Wild Spaces	—	46	(20)	—	26
Prees Heath Fund	285	4	(11)	(246)	32
Reserve Acquisition & Management Fund	62	—	—	(10)	52
Restricted Legacies	197	3	(11)	—	189
Scottish Borderlands	18	27	(16)	—	29
Wild Spaces	—	37	(7)	—	30
Head Office Restricted balances where closing balance <£25,000	408	628	(987)	63	112
Branch Restricted Funds where closing balance <£25k	8	3	(1)	(5)	5
	1,179	972	(1,311)	(122)	718

The specific purposes for which the significant fund balances (>£25,000) are to be applied are as follows:

### **Butterfly Mosaics**

To enhance a series of sites and improve their connectivity across East and West Midlands to benefit threatened butterfly species and priority moths.

### **Environparks Marsh Fritillary mitigation**

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

### **Leeds Wildspaces**

To inspire people in an urban setting to develop wild spaces across Leeds for the benefit of butterflies and moths.

**Reserve Acquisition and Management Fund**

To purchase and manage nature reserves.

**Restricted Legacies Fund**

Legacies reserved for a specific purpose.

**Head Office Restricted Funds <£25,000**

All Head Office Restricted Funds with a balance less than £25,000

**Branch Restricted Funds <£25,000.**

All Branch Restricted Funds with a balance less than £25,000.

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

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

**20. Tangible and intangible fixed assets (including freehold and nature reserves) fund**

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

## 21. Designated funds

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

	At 1 April 2023 £'000	New Designations £'000	Utilised £'000	At 31 March 2024 £'000
<i>Group and charity</i>				
Branch fund	288	57	(124)	221
Heather Corrie Lepidoptera Research	984	—	(176)	808
Diarsia fund	27	—	(1)	26
	1,299	57	(301)	1,055

	At 1 April 2022 £'000	New Designations £'000	Utilised £'000	At 31 March 2023 £'000
<i>Group and charity</i>				
Branch fund	318	64	(94)	288
Heather Corrie Lepidoptera Research	—	1,000	(16)	984
Diarsia fund	—	30	(3)	27
	318	1,094	(113)	1,299

### **Branch Fund**

The Branch Fund comprises monies that Council has committed for work undertaken by the charity's Branches.

### **Heather Corrie Lepidoptera Fund**

To support research that will help the needs of butterflies and moths and make an impact of their conservation.

### **Diarsia Fund**

The Diarsia Fund supports young Lepidoptera scientists at the start of their careers.

**22. Analysis of net assets between funds**

Group	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2024 Total £'000
Funds balances at 31 March 2024 are represented by:				
Intangible assets	20	—	—	<b>20</b>
Tangible fixed assets	1,334	17	—	<b>1,351</b>
Fixed asset investment	—	—	5,607	<b>5,607</b>
Net current asset	5,463	385	—	<b>5,848</b>
	<b>6,817</b>	<b>402</b>	<b>5,607</b>	<b>12,826</b>
<hr/>				
Group	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2023 Total £'000
Funds balances at 31 March 2023 are represented by:				
Intangible assets	40	—	—	40
Tangible fixed assets	1,332	21	—	1,353
Fixed asset investment	—	—	5,283	5,283
Net current asset	5,323	697	—	6,020
	<b>6,695</b>	<b>718</b>	<b>—</b>	<b>12,696</b>
<hr/>				
Charity	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2024 Total £'000
Funds balances at 31 March 2024 are represented by:				
Intangible assets	20	—	—	<b>20</b>
Tangible fixed assets	1,334	17	—	<b>1,351</b>
Fixed asset investment	—	—	5,607	<b>5,607</b>
Net current asset	5,443	385	—	<b>5,828</b>
	<b>6,797</b>	<b>402</b>	<b>5,607</b>	<b>12,806</b>
<hr/>				
Charity	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2023 Total £'000
Funds balances at 31 March 2023 are represented by:				
Intangible assets	40	—	—	40
Tangible fixed assets	1,332	21	—	1,353
Fixed asset investment	—	—	5,283	5,283
Net current asset	5,303	697	—	6,000
	<b>6,675</b>	<b>718</b>	<b>5,283</b>	<b>12,676</b>
<hr/>				
Group and Charity	Endowment funds £'000	<b>2024 Total £'000</b>	Endowment funds £'000	2023 Total £'000
Reconciliation of movements in unrealised gains (losses) on investments				
Unrealised gain at 1 April 2023	(62)	<b>(62)</b>	240	240
Less: net unrealised gains/losses in period and gains released on disposal	326	<b>326</b>	(302)	(302)
Unrealised gains at 31 March 2024	<b>264</b>	<b>264</b>	<b>(62)</b>	<b>(62)</b>

**23. Leasing commitments**

At 31 March 2024 the group and charity had total future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Within one year	62	62	50	27
Within two to five years	54	110	15	42
After five years	12	13	—	—
	<b>128</b>	<b>185</b>	<b>65</b>	<b>69</b>

**24. Related party transactions**

During the year ended 31 March 2024, the charity received subscriptions from Council members and the Senior Leadership Team totalling £380 (2023: £537).

During the year ended 31 March 2024, the charity received unrestricted donations from Council members and the Senior Leadership Team totalling £788 (2022: £2,750) including gift in kind £nil (2023: £nil) and restricted donations totalling £nil (2023: £1,100).

Beyond these, there were no other related party transactions during the financial year which require disclosure (2022: none).

**25. 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.

**26. Comparative consolidated statement of financial activities: Year to 31 March 2023**

Notes	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Endowment funds £'000</i>	<i>2023 Total funds £'000</i>	
<b>Income from:</b>					
Donations and legacies	1	2,823	65	—	2,888
Other trading activities	2	31	—	—	31
Investments & interest receivable	3	39	11	178	228
Charitable activities					
. Conservation activities – grants receivable	4	389	850	—	1,239
. Contracts and Royalties		459	40	—	499
. Primary purpose trading		89	6	—	95
. Membership subscriptions		1,268	—	—	1,268
<b>Total income</b>		<u>5,098</u>	<u>972</u>	<u>178</u>	<u>6,248</u>
<b>Expenditure on:</b>					
Raising funds	5	276	—	13	289
Charitable activities					
. Conservation	6	3,513	1,311	—	4,824
. Membership services	7	444	—	—	444
<b>Total expenditure</b>	6	<u>4,233</u>	<u>1,311</u>	<u>13</u>	<u>5,557</u>
<b>Net income (expenditure) before investment gains (losses)</b>		865	(339)	165	691
Net investment (losses) gains	15,18	—	—	(302)	(302)
<b>Net income (expenditure)</b>	10	<u>865</u>	<u>(339)</u>	<u>(137)</u>	<u>389</u>
Transfer between funds	19,21	287	(122)	(165)	—
<b>Net movement in funds</b>		<u>1,152</u>	<u>(461)</u>	<u>(302)</u>	<u>389</u>
<b>Reconciliation</b>					
Total funds brought forward at 1 April 2022		5,543	1,179	5,585	12,307
<b>Total funds carried forward at 31 March 2023</b>		<u>6,695</u>	<u>718</u>	<u>5,283</u>	<u>12,696</u>

## Get involved

There are lots of ways you can get involved to help save butterflies, moths and the environment.

### Donate

Support our conservation work to secure the future for butterflies and moths. Every penny counts.

### Join

Become a member and join our community of people passionate about protecting butterflies and moths.

### Remember butterflies in your will

Help us make sure future generations can experience the joy of seeing butterflies and moths in the wild.

### Make space for nature

Create and register a Wild Space to help transform the UK into a haven for these beautiful creatures.

### Volunteer

Give the gift of your time. We need volunteers of all ages and abilities.

### Monitor

Help us track the health of butterfly and moth populations, so we can target our effort where it's needed most.

### Fundraise

Run a marathon, bake a cake or open your garden to visitors.

### Follow us

We're on Facebook, Instagram, TikTok and X as @savebutterflies.

### Find out more

For more information, visit [butterfly-conservation.org](https://butterfly-conservation.org).