

British Dragonfly Society



Annual Report

for the year ended **31 March 2019**

Registered Charity No 1168300

British Dragonfly Society

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Legal and Administrative Information

Patron

Sir David Attenborough OM CH FRS

President

Mike Dilger

Charity's principal address

23 Bowker Way, Whittlesey, Peterborough PE7 1PY

Trustees and Committee Members as at 31st March 2018

Mr Brian Walker, Chairman

Mr Henry Curry, Hon. Secretary

Mr Nigel Scott, Hon Treasurer

Dr Pam Taylor, Convenor of Dragonfly Conservation Group

Mr Michael Parfitt

Dr Val Perrin (resigned 31 December 2018)

Mr Peter Brown

Staff

Miss Genevieve Dalley, Conservation Officer (to 8 October 2018)

Miss Eleanor Colver, Conservation Officer

Ms Daniele Muir, Scottish Officer (Conservation)

Ms Andrea Hudspeth, Scottish Officer (Projects)

Mrs Sarah Miller, Fundraiser (to 31 January 2019)

Miss Fiona McKenna, Conservation Outreach Officer

Bankers

The Bankers of the Society are Lloyds plc and CCLA Investments.

1. About the Society

Aims

The aims of the British Dragonfly Society (BDS), as stated in Article II of our Constitution, are “*to promote and encourage the study, conservation and understanding of Odonata and their natural habitats, especially in the United Kingdom, and to raise public awareness of dragonflies*”. Membership is open to anyone with an interest in the aims of the Society. The BDS is a non-profit making Society with no political affiliations or stance.

Study and conservation

Within the BDS there are two main inter-linked areas of interest, dragonfly recording and dragonfly conservation. The first of these consists of a dedicated group of individual enthusiasts each collecting and supplying records to the BDS Recording Scheme of County Dragonfly Recorders (CDR). The purpose of these records is not simply to document what is present, but also to identify topics and aspects which would benefit from research and inform the second main area of interest, that of dragonfly conservation. Records help us to understand the value of a site and information about population size and breeding behaviour allows us to assess the importance of an area for species survival. Dragonflies are good indicators of the health of a habitat; if they are thriving then it is a good indication that the smaller insects on which they prey are also abundant and thus that there is a high level of biodiversity. Any variation in distribution or population size can indicate that changes on a wider environmental scale are occurring and need to be investigated. Education and training are important weapons in conservation. Raising public awareness is vital because people need to appreciate something in order to want to preserve it, so providing information to an ever-widening audience is an important objective for the BDS. We aim to share the knowledge gained with both those working in conservation and with the general public. This is achieved both through direct contact and through public events, other meetings and publicity in the national press and social media.

2. Chair's Overview

We have made significant strides this year to develop our conservation and outreach activities following receipt of the three year grants from the John Ellerman and Esmée Fairbairn Foundations. We launched our first Dragonfly Hotspot at the Shropshire Hills Discovery Centre with a very well attended event and held other dragonfly focused events at the site later in the year. We made good progress with the arrangements to launch two further Dragonfly Hotspots but these took time and the launches would have been towards the end of the dragonfly flight season. As it became clear with a hot summer that the main flight season would end somewhat early we took the decision to postpone the launch events to 2019 when better public engagement could be achieved.

This was a lesson that we need to think about the time needed to make arrangements, and the timing of events for maximum impact, more carefully. We are also learning from our experiences with projects and initiatives to improve the value for both participants and for dragonflies. Based on feedback we have received, Dragonfly Challenge has developed from a project to get people started with dragonfly recording in a very direct way, to much more of a way of getting people interested in dragonflies in the first place. This has been achieved by highlighting facts of interest, as well as featuring dragonflies that they are likely to see.

Our big challenge going forward is to increase the number of active volunteers so that we can take full advantage of the opportunities that the creation of Dragonfly Hotspots and other initiatives provide

to continue to develop the Society and its aims of promoting and conserving dragonflies and their habitats.

3. Funding Successes

Having secured two large 3-year grants last year our focus was on developing the projects that these will fund while identifying smaller projects and the funding for these to build on the larger initiatives.

4. Conservation and Outreach in England and Wales

Our conservation focus in England and Wales remains with Southern Damselfly, Norfolk Hawker and White-faced Darter the only three species of dragonfly in this area that are Endangered on the Odonata Red List. This work includes monitoring populations, conserving and improving habitats in discussion with site managers and, where necessary, aiming to re-establish populations at sites where they have been lost, once the habitat has been restored to a suitable state. We are also involved in projects to reintroduce White-faced Darter, a species which has been declining in England at least partially from loss of habitat, to suitable sites.

Outreach is intended to connect the public with dragonflies and to highlight the importance of their habitats to the overall health of the environment. Also to provide support, both direct and through increasing understanding of the need for study and conservation. The main activities that we continue to operate are walks and talks run by individual volunteers, but increasingly we are attending events which attract larger numbers of people who are likely to have an interest. The creation of Dragonfly Hotspots in Scotland has provided a better focus for walks and training type events and plans are being developed to extend this approach to England and Wales.

Communications are important and our monthly Newsletter “Hawker” has developed further during the year and the circulation has continued to increase beyond our membership. We have also been more active on social media sites and commissioned an update for our website in the course of the year. This will go live in Spring 2019. Our more conventional publications in the form of Dragonfly News, the BDS Journal and Darter, our annual report on recording activities, continue to be appreciated by members.

Particular points of note were:

- Reviewed Dorset’s Southern Damselfly report and developed a funding proposal for habitat restoration work and further survey work.
- Our Conservation Officer continued to contribute to the steering group managing the re-introduction of White-faced Darter to Delamere Forest and joined the new steering group examining new introduction projects for the species in the Solway Mosses.
- A number of developments which had the potential to impact on dragonfly habitats supporting rarer species or significant diversity were reviewed and constructive feedback given. These included the local plan in Eastleigh, the potential impact of HS2, tree felling along the Dee in Cheshire and A3 widening at Bolder Mere.
- The leaflets ‘Life and Times of Dragonflies’ and ‘Brief guide to garden ponds’ which are particularly useful have been redesigned and stocks procured.
- There has been considerable discussion on the issue of Water Soldier occurring in water bodies. Its presence is closely associated with the presence of Norfolk Hawker (and some other rare invertebrates) but it is regarded as invasive at some sites. BDS has developed a position statement which recognises the need for control in some cases but sets out guidance

for site managers on the best approach to avoid the plant choking the water body while preserving a habitat for Norfolk Hawker and the other invertebrates which use it.

5. Recording and Monitoring

Increasing our knowledge of our dragonflies remains a key objective and recording is a key contributor to this. The data coming from general recording has allowed us to identify issues which would benefit from more specific study. 2018 saw the second full year of Clubtail Count after a pilot in Shropshire in 2016 and a successful first year of surveying in 2017. The level of interest and participation was rather lower in 2018, but the results have added further to our limited knowledge of Common Clubtail in the UK, although they are not easy to interpret at a detailed level. Similarly, we are tracking dragonfly species which are in the process of colonising the country, particularly Willow Emerald Damselfly, but recording effort is also allowing us to monitor the continuing spread of Small Red-eyed Damselfly, an earlier coloniser, and other migrants which may well be in the process of establishing themselves as residents, such as Southern Migrant Hawker and Southern Emerald Damselfly, both of which saw a significant increase in records in 2018.

Points of note were:

- **Launch of the Dragonfly Challenge 2018:** Following a disappointing response to the challenge which we first ran in Dragonfly Week in 2017, we concluded that running it over one week was too short with the chance of poor weather limiting time for observations and decided to run it over the whole of July in 2018 and also ask observers to focus on a limited selection of common and easily identified species. The formal response in terms of input of records was again disappointing but there was a significant level of interest on social media. The results are being reviewed with the provisional conclusion that we will continue to run the Dragonfly Challenge but with the primary aim of encouraging interest in dragonflies rather than generating records.
- **The Clubtail Count project:** The project achieved somewhat less participation in 2018 than in the first full year in 2017, with a reduction in the number of surveyors, monads surveyed and records received. However, 461 records of the species were received. Some new sites along river systems which the species is known from were identified in 2018, but it was also not found during surveys at sites where it was previously present. The overall picture is unclear although it appears that the population is stable and may be expanding on some river systems, notably the Dee, but with worrying declines that outweigh this elsewhere.
- **White-legged Damselfly Investigation:** This is another riverine species of dragonfly which occurs on the same rivers as Common Clubtail but more widely than this species. Reports from recorders suggest that it has declined or disappeared from some historic sites, although it seems to be doing well and possibly expanding in other areas. Clubtail Count surveyors were asked to also note White-legged Damselflies in 2018 to provide further information with a view to launching a survey beginning in 2019 along similar lines to that for Common Clubtail.
- **The State of Dragonflies 2020:** Work continued on developing the data for this publication with a dataset extracted from our records to allow the Biological Research Centre to carry out preliminary trend analysis. This will identify the species where the most significant changes are occurring and these will be the focus of the report. The trend analysis will be updated with any further records received in 2019 and recorders have been encouraged to input their records promptly to ensure that they can be included.

6. Our Work in Scotland

Scotland is an important area for dragonfly conservation because it supports a number of species not occurring elsewhere in Britain and others with the bulk of their population in Scotland. A number of other species which have previously only occurred to the south of the English/Scottish border are starting to be recorded in Scotland. There is concern that climate change may pose a threat to the species with a more northerly distribution in Britain as a warmer climate may not favour their life cycle and may also adversely affect the habitats that they occupy. They are also likely to face strong competition from the species which are now able to spread north into the areas that they inhabit.

While we cannot affect the natural consequences of climate change, we are trying to monitor what is happening to better understand the issues through developing a clearer understanding of current distribution of the key species and habitat condition. Improving habitat conditions and preventing existing sites from being degraded are actions that we can take and these will help to maintain the species and provide a clearer picture of the reasons for any changes which do occur. We therefore have a particular focus on Northern Damselfly and Azure Hawker, which occur only in Scotland within the British Isles, and have a restricted distribution even there.

Particular points of note were:

- A number of historic sites for Azure Hawker and surrounding areas which appeared to have suitable habitat were surveyed by staff and volunteers during 2018. This work identified a number of new, discrete sites in some areas but others where no evidence could be found. The latter included finding no evidence of the species at historic sites in Dumfries and Galloway, previously the most southerly site and it is now believed to have been lost from this area.
- Surveys for Azure Hawker late in the season found that some of the shallow bog pools which it inhabits had dried out in the hot dry summer of 2018.
- Staff held discussions with managers in the Cairngorm National Park to discuss their species action plan which includes work to conserve Northern Damselfly; the Park contains a number of important sites for this species. Discussions were also held with other landowners to discuss conservation and improvements for sites occupied by Northern Damselfly.
- A number of walks and training days were run during the summer to involve both the public and conservation professionals and volunteers. The latter were particularly aimed at setting up regular monitoring programmes at reserves and other important sites and to encourage site staff to organise and lead dragonfly walks.
- The number of dragonfly records received from Scotland in 2018 was the highest ever, undoubtedly helped by the good weather. However, the number of people submitting records through the various schemes was also at its highest which suggests an increasing level of interest and involvement.
- We welcomed back Danielle Muir to a larger role after she had completed her MSc and she now shares a full time Scottish Officer role with Andrea Hudspeth.

7. Partnerships

We have continued to cooperate with other organisations with similar aims to gain mutual benefits. Habitats which are attractive to dragonflies also support a wide range of other plants and creatures and working with other bodies and landowners to manage and improve aspects which support dragonflies, helps conservation more generally and can add to the attractiveness of sites for visitors.

Hotspot Partners: We launched our first English Hotspot at the Shropshire Hills Discovery Centre and held several events at the site as well as seeking funding to work with the site to improve the dragonfly habitat, train volunteers and provide pond dipping equipment to be used on the site. We have worked with partners at the Stover Country Park in Devon, Rodley Nature Reserve in Yorkshire and Thursley Common Nature Reserve in Surrey to agree arrangements for these sites to become Dragonfly Hotspots and dates have been agreed for launch events in 2019.

Wales Invertebrate Task Force: We have set up an action group with representatives from Butterfly Conservation, Freshwater Habitats Trust, Bumblebee Conservation, the National Museum Cardiff and Plantlife, to plan invertebrate conservation activity in Wales.

Scottish Partners: We continued our partnership work with Scottish Wildlife Trust, the RSPB and the Forestry Commission, running training courses for their staff and supporting their recording and surveying activities. Scottish Natural Heritage have continued to contribute to the cost of our Scottish Officer, this year giving £7,398.

Ministry of Justice (MoJ): We have participated in a number of events following the establishment of a Memorandum of Understanding with MoJ, including providing training for their biodiversity staff and attending a Biodiversity Day at the MoJ London HQ and an Ecology Workshop at HMP Hewell.

Dragonfly Centre: Our Dragonfly Centre at Wicken Fen Nature Reserve owned by the National Trust has continued to be a focus for activities through the summer with the Centre manned on most weekends and guided walks and training days operated, as well as a Dragonfly Day in July with several events. The National Trust informed us during the year that they will not be renewing our lease on the building when it expires at the end of 2019 but have suggested various ways in which we can continue to work together at the site and these are under consideration.

Wildfowl & Wetlands Trust, Barnes: For a third year our volunteers were present during Dragonfly Week, leading walks, showing dragonflies to interested visitors and encouraging children to take part in Dragonfly Challenge.

British Trust for Ornithology: We continue to receive records of dragonflies through the Birdtrack and Garden Birdwatch schemes and BTO Mapping Software was used to allow participants to self-select their survey areas for Clubtail Count. Discussions are underway to use this system for further surveys.

8. A Look Ahead

Our strategy will continue to be to improve our knowledge of our dragonflies, the changes they are undergoing and their needs in terms of habitat condition; and promoting dragonflies and their place in conservation through public engagement. We want to attract more people to join British Dragonfly Society and become active by recording dragonflies and/or volunteering to assist in the partnership activities that we are developing.

Points of note are:

- **Hotspot Launches:** We will launch three further Dragonfly Hotspots in 2019. The launch of the Hotspots at Stover Country Park in Devon and Thursley Common in Surrey, which were originally planned for late summer 2018 were postponed as the very hot summer led to an early end to the dragonfly flight season and it was felt that a launch event when visitors could actually see some dragonflies would be preferable. Dates have now been agreed for launch events in June and August 2019 respectively. The third Dragonfly Hotspot launch will be at Rodley Nature Reserve in Yorkshire in June 2019. Rodley Nature Reserve was created on the

site of the old Rodley Water Treatment Works near Leeds when this was closed in 1993. The River Aire borders the reserve and wetland habitat was created by digging out ponds in rough grassland including ponds to create suitable habitat for dragonflies.

Discussions are underway to identify 2 or 3 further Dragonfly Hotspots to launch in 2020. We also aim to recruit and train volunteers to run a programme of activities at the Hotspots in conjunction with the site managers.

- **Dragonfly Challenge:** Based on our experience with this project to date we will continue to promote it in 2019 but much more as a social media based exercise to promote interest in dragonflies and encourage people to take an interest and get involved, through daily email updates to encourage participation.
- **State of Dragonflies 2020:** This will be an important report which will be published electronically in 2020 and will identify the dragonfly species which are undergoing the most significant changes based on trend analysis from our records. As well as providing an up to date view on the present state of our dragonfly species it will provide a basis for determining future research priorities.
- **New Website:** Our new website was completed by the end of the year but the launch has been delayed to avoid confusion or any teething problems during the period of membership renewals in April. It will be launched in May 2019.

9. Legal and Administrative requirements

Structure, Governance and Management

The charity was registered as a Charitable Incorporated Organisation with the Charity Commission in July 2016. As at 1st September 2016 it took over the assets and liabilities of the previous unincorporated charity of the same name.

The Society's governing document is the CIO Constitution agreed by the Charity Commission in July 2016.

Recruitment and appointment of new Trustees

Trustees are elected by the membership at the Society's AGM. One-third of the Trustees retire by rotation on an annual basis. Trustees may serve a maximum of 9 years.

The Society seeks new Trustees from its membership and from other interested parties. The new CIO allows greater numbers than the former unincorporated charity and the Society is seeking to recruit new Trustees with appropriate skills.

Potential Trustees are invited to observe a Trustee Meeting before appointment. Their induction includes an information pack on the Society's status and legal position as well as discussions with the Officers and relevant staff.

Organisational structure

The Society is governed by its Trustees who meet formally four times a year. The Society has 5 staff, a full-time Conservation Officer based at the Natural England offices on Telford, Shropshire, two part-time Scottish Officers based at home near Perth, a part-time Fundraiser based at home in East Sussex and a full-time Conservation Outreach Officer based at home in Lincolnshire.

The Officers of the Society, the Chairman, Hon Secretary and Hon Treasurer carry out activities linked to their roles as well as supervising the staff. The Convenor of the Dragonfly Conservation Group also has responsibility for delivering policies and projects of the Society through the Society's networks.

Risk management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls and actions are in place to manage these risks. The Society considers that the main risks to which it is exposed are future income streams which it manages through a multi-year Budget and regular reporting.

Financial position

Gross income for the year was £113,720 (2018 - £122,342). This income, together with legacy income received in previous years has enabled the Trustees to invest in the future of the charity. During the year the Trustees were able to appoint a Conservation Outreach Officer, funded by the Esmée Fairbairn Foundation. The Trustees believe this and prior year investments will provide a good return for the Society through increased activity, greater awareness and increased future income.

The Trustees also decided to close the Restricted Fund reflecting Life Membership payments. These were contributions made some years ago. At the normal rate of Membership, these funds would all have been received by now, so the Trustees have decided to release this fund to Unrestricted Funds to be spent on the objects of the Society.

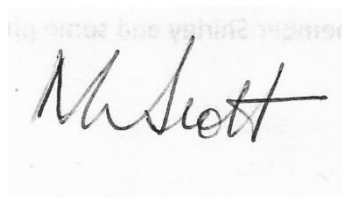
Expenditure for the year was £156,358 (2018 - £109,052), reflecting the continuing of the investment described above.

Reserves policy

The policy of the charity is to hold sufficient funds to allow for the maintenance of existing activities, to cover any significant shortfall in income and to allow for future investment.

With the Expendable Endowment described above, the Trustees have considerable reserves which will be invested over the next three years. The value of Unrestricted funds and the Expendable Endowment at the year-end was £290,190 (2018 - £326,044). The Trustees plan to reduce this figure to between 9 and 12 months of total expenditure over the next three financial years.

The trustees' report was approved by the Board of Trustees on Friday 16th November and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Mr Scott', is written over a faint, mirrored watermark of the same signature.

Mr N Scott – Hon Treasurer

BRITISH DRAGONFLY SOCIETY

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF BRITISH DRAGONFLY SOCIETY

I report to the trustees on my examination of the financial statements of British Dragonfly Society (the charity) for the year ended 31 March 2019.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

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



Frances Wilde FCCA DChA

Warner Wilde
Chartered Certified Accountants
4 Marigold Drive
Bisley
Surrey
GU24 9SF

Dated: 4 February 2020

BRITISH DRAGONFLY SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total 2019 £	Total 2018 £
Income from:						
Donations and legacies	3	69,121	32,398	-	101,519	114,827
Charitable activities	4	10,669	-	-	10,669	6,865
Investments	5	1,532	-	-	1,532	650
Total income		81,322	32,398	-	113,720	122,342
Expenditure on:						
Raising funds	6	10,801	-	9,959	20,760	23,372
Charitable activities	7	78,823	56,775	-	135,598	85,680
Total resources expended		89,624	56,775	9,959	156,358	109,052
Net (outgoing)/incoming resources before transfers		(8,302)	(24,377)	(9,959)	(42,638)	13,290
Gross transfers between funds		(17,593)	17,593	-	-	-
Net movement in funds		(25,895)	(6,784)	(9,959)	(42,638)	13,290
Fund balances at 1 April 2018		186,042	28,553	140,002	354,597	341,307
Fund balances at 31 March 2019		160,147	21,769	130,043	311,959	354,597

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

All income and expenditure derive from continuing activities.

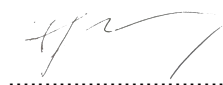
BRITISH DRAGONFLY SOCIETY

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Current assets					
Stocks	11	865		2,832	
Debtors	12	43,111		12,000	
Investments	13	247,000		278,894	
Cash at bank and in hand		22,919		61,786	
		<u>313,895</u>		<u>355,512</u>	
Creditors: amounts falling due within one year	14	(1,936)		(915)	
Net current assets			<u>311,959</u>		<u>354,597</u>
Capital funds					
<u>Endowment funds - general</u>					
General endowment funds		130,043		140,002	
		<u>130,043</u>		<u>140,002</u>	
Expendable endowment		<u>130,043</u>		<u>140,002</u>	
	16		130,043		140,002
Income funds					
Restricted funds	17		21,769		28,553
Unrestricted funds			160,147		186,042
			<u>311,959</u>		<u>354,597</u>

The financial statements were approved by the Trustees on 03/02/2020



Mr H G Curry
Trustee



Mr N Scott
Trustee

BRITISH DRAGONFLY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Charity information

British Dragonfly Society is a Charitable Incorporated Organisation.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 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 UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

BRITISH DRAGONFLY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

BRITISH DRAGONFLY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2019 £	2019 £	2019 £	2018 £
Donations and gifts	5,821	-	5,821	6,892
Grants Receivable	29,100	32,398	61,498	73,352
Membership fees	34,200	-	34,200	34,583
	<u>69,121</u>	<u>32,398</u>	<u>101,519</u>	<u>114,827</u>
For the year ended 31 March 2018	<u>77,225</u>	<u>37,602</u>		<u>114,827</u>

BRITISH DRAGONFLY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

3 Donations and legacies

(Continued)

Grants receivable for core activities

Esmee Fairbairn Foundation	-	25,000	25,000	25,000
John Spedan Lewis Trust	-	-	-	5,100
Scottish National Heritage	-	7,398	7,398	7,502
John Ellerman Foundation	25,000	-	25,000	25,000
Schroder Charity Trust	-	-	-	3,000
EM Sage Charitable Trust	-	-	-	2,000
Spear Charitable Trust	-	-	-	2,000
R & SB Clark Trust	-	-	-	500
Schroder Charity Trust	3,000	-	3,000	-
Other	1,100	-	1,100	3,250
	<u>29,100</u>	<u>32,398</u>	<u>61,498</u>	<u>73,352</u>

4 Charitable activities

	2019 £	2018 £
Sales within charitable activities	10,051	5,462
Services provided under contract	618	1,403
	<u>10,669</u>	<u>6,865</u>

5 Investments

	Unrestricted funds	Total
	2019 £	2018 £
Interest receivable	<u>1,532</u>	<u>650</u>

BRITISH DRAGONFLY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

6 Raising funds

	Unrestricted funds	Endowment funds general	Total	Total
	2019	2019	2019	2018
	£	£	£	£
<u>Fundraising and publicity</u>				
Membership schemes and social lotteries	2,721	-	2,721	2,543
Staff costs	-	9,959	9,959	18,149
	<u>2,721</u>	<u>9,959</u>	<u>12,680</u>	<u>20,692</u>
<u>Trading costs</u>				
Operating a charity shop	8,080	-	8,080	2,680
	<u>10,801</u>	<u>9,959</u>	<u>20,760</u>	<u>23,372</u>
For the year ended 31 March 2018				
Fundraising and publicity	2,543	18,149		20,692
Trading costs	2,680	-		2,680
	<u>5,223</u>	<u>18,149</u>		<u>23,372</u>

BRITISH DRAGONFLY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

7 Charitable activities

	2019 £	2018 £
Staff costs	89,977	44,693
Direct Project costs	5,458	-
Recording costs	10,313	7,271
Storage costs	1,053	1,053
Publications	11,941	16,265
Exhibitions and Fairs	2,029	2,574
Members' Days	2,409	1,984
Dragonfly Centre	1,000	1,159
Dragonfly Challenge	-	2,834
Clubtail sculpture	-	500
	<u>124,180</u>	<u>78,333</u>
Share of support costs (see note 8)	9,320	4,294
Share of governance costs (see note 8)	2,098	3,053
	<u>135,598</u>	<u>85,680</u>
Analysis by fund		
Unrestricted funds	78,823	63,535
Restricted funds	56,775	22,145
	<u>135,598</u>	<u>85,680</u>
For the year ended 31 March 2018		
Unrestricted funds	63,535	
Restricted funds	22,145	
	<u>85,680</u>	

BRITISH DRAGONFLY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

8 Support costs

	Support costs	Governance costs	2019	2018
	£	£	£	£
Insurance	866	-	866	982
Conservation Outreach costs	-	-	-	1,548
Recruitment	247	-	247	1,230
Payroll and Accounting	809	-	809	482
Subscriptions	10	-	10	52
Website	7,388	-	7,388	-
Independent Examiner fees	-	930	930	900
Bank charges	-	896	896	1,071
Trustee costs	-	272	272	1,082
	<u>9,320</u>	<u>2,098</u>	<u>11,418</u>	<u>7,347</u>
Analysed between				
Charitable activities	<u>9,320</u>	<u>2,098</u>	<u>11,418</u>	<u>7,347</u>

Governance costs includes Independent Examiners fees of £930 (2018- £900)

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
	<u>4</u>	<u>4</u>
Employment costs	2019 £	2018 £
Wages and salaries	96,795	61,859
Social security costs	2,700	250
Other pension costs	441	733
	<u>99,936</u>	<u>62,842</u>

BRITISH DRAGONFLY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

11 Stocks

	2019 £	2018 £
Finished goods and goods for resale	865	2,832

12 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Other debtors	43,111	12,000

13 Current asset investments

	2019 £	2018 £
Unlisted investments	247,000	278,894

14 Creditors: amounts falling due within one year

	2019 £	2018 £
Other taxation and social security	-	15
Other creditors	1,906	-
Accruals and deferred income	30	900
	1,936	915

15 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £441 (2018 - £733).

BRITISH DRAGONFLY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

16 Endowment funds

	Movement in funds					
	Balance at 1 April 2018	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Balance at 31 March 2019
	£	£	£	£	£	£
Expendable endowments						
Expendable Endowment	140,002	-	(9,959)	-	-	130,043
	<u>140,002</u>	<u>-</u>	<u>(9,959)</u>	<u>-</u>	<u>-</u>	<u>130,043</u>
	<u><u>140,002</u></u>	<u><u>-</u></u>	<u><u>(9,959)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>130,043</u></u>

Expendable Endowment - This fund is legacies received in 2016 and 2017 which the charity cannot be reasonably expect to spend in one financial year. The Trustees have decided to classify this as an expendable endowment and to treat it as investment in staff posts in 2017/18 and subsequent years to grow the work of the Society.

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				
	Balance at 1 April 2018	Incoming resources	Resources expended	Transfers	Balance at 31 March 2019
	£	£	£	£	£
Scottish Office	-	7,398	(24,991)	17,593	-
Esmee Fairbairn Foundation	23,453	25,000	(30,468)	-	17,985
John Spedan Lewis	5,100	-	(1,316)	-	3,784
	<u>28,553</u>	<u>32,398</u>	<u>(56,775)</u>	<u>17,593</u>	<u>21,769</u>
	<u><u>28,553</u></u>	<u><u>32,398</u></u>	<u><u>(56,775)</u></u>	<u><u>17,593</u></u>	<u><u>21,769</u></u>

Scottish Office - This fund aggregates all grants for work by our Scottish Officer and the related costs. The main income is a grant from Scottish Natural Heritage.

Esmee Fairbairn Foundation - This Fund represents a grant to fund Conservation Outreach, initially through a staff member over 3 years.

John Spedan Lewis - This fund represents a grant to fund signage at newly designated Hotspots in England.

BRITISH DRAGONFLY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

18 Analysis of net assets between funds

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Expendable Endowment 2019 £	Total 2019 £	Total 2018 £
Fund balances at 31 March 2019 are represented by:					
Current assets/(liabilities)	160,147	21,769	130,043	311,959	354,597
	<u>160,147</u>	<u>21,769</u>	<u>130,043</u>	<u>311,959</u>	<u>354,597</u>

19 Related party transactions

There were no disclosable related party transactions during the year (2018 - none).