



# **Lincolnshire**

## **Wildlife Trust**

### **ANNUAL REPORT**

and

### **FINANCIAL STATEMENTS**

for the year ended

31 March 2014



**ANNUAL REPORT  
and  
FINANCIAL STATEMENTS  
for the year ended 31 March 2014**

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**REPORT OF THE TRUSTEES  
for the year ended 31 March 2014**

The Board of Trustees & Directors is pleased to present the charity's Annual Report and Financial Statements for the year ended 31 March 2014. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' as issued in March 2005.

**OBJECTIVES AND ACTIVITIES**

The objects of the Trust as set out in its Memorandum of Association:

4. *The Objects for which the Trust is established are, for the benefit of the public:-*

4.1 *To advance, promote and further the conservation protection and enhancement of:*

- (i) wildlife and its habitats;*
- (ii) areas of natural beauty or heritage;*
- (iii) areas of zoological, botanical, mycological or other biological scientific interest;*
- (iv) areas with geological, geographical, geomorphological, archaeological or amenity value in particular, but not exclusively, in ways that further biodiversity.*

4.2 *To advance education in:*

- (i) the principles and practice of biodiversity and geodiversity conservation;*
- (ii) the principles and practice of sustainable development. The Trust defines sustainable development as 'Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.'*

4.3 *To promote research in all branches of study which advance the Objects specified previously and to publish the useful results thereof.*

**Vision**

Lincolnshire and the neighbouring sea and estuaries to be rich in wildlife for the benefit of everyone.

**Mission**

Safeguard wildlife in Lincolnshire and in the neighbouring sea and estuaries by:

- protecting existing wild places as reservoirs of biodiversity and by restoring and creating wildlife habitats to contribute to healthy functioning ecosystems and an environment more resilient to climate change and other challenges;
- sharing this vision with others, particularly relevant decision makers;
- encouraging more people to enjoy Lincolnshire's natural environment and to understand the need to conserve it; and by
- encouraging research projects which lead to a better understanding of the complexities of the natural world.

**Principal Activities and Strategies for the Year**

During the year effort has focussed on delivery of the Strategic Plan covering the five years from 2010 to 2015. These are under five headings:

- To create a Living Landscape - a resilient and healthy environment rich in wildlife and provide ecological security for people.
- To restore Living Seas – where marine wildlife thrives, from the depths of the ocean to the coastal shallows.
- To inspire people and grow understanding about the natural world.
- To encourage individual action for wildlife and the environment.
- To be an effective and efficient organisation.

## ACHIEVEMENTS AND PERFORMANCE

The year ultimately became dominated by the damage caused by the tidal flooding in December 2013. On the evening of 5 December 2013 a tidal surge in the North Sea resulted in the highest tides ever recorded in Britain, exceeding those 60 years earlier in the winter of 1953, estimated 2m higher than would be usually expected.

The surge of water caused overtopping of the Humber Bank and extensive flooding along the North Sea coast including Lincolnshire, causing considerable damage, including to Trust nature reserves, buildings, paths, fences and other infrastructure. The sites most affected were Far Ings, Donna Nook and Gibraltar Point; many smaller sites on the Humber and Wash also suffered damage.

It is difficult to understand the full scale of the impact on nature reserves and associated visitor facilities though it is estimated that the Trust's insured losses could be in the region of £1million, this is equivalent to half its total annual operating budget. The response to the event will have implications on the Trust's operations for many years to come.

### **To create a Living Landscape**

To create a Living Landscape - a resilient and healthy environment rich in wildlife and provide ecological security for people. Work in priority areas during the year included:

#### ***Lincolnshire Coastal Grazing Marshes and Lincolnshire Coastal Country Park***

The delivery phase of the Heritage Lottery Fund (HLF) Landscape Partnership scheme is well underway, hosted by East Lindsey District Council (ELDC). The Trust sits on the Project Executive Board and 'Discover, Explore, Celebrate' Group and chairs the 'Protect and Sustain' Group.

Work on restoration of the Trust's new Huttoft Marsh nature reserve has been delayed due to technical difficulties but is now proceeding to establish coastal grazing marsh and dune habitat which will significantly extend the area of the Coastal Country Park managed for wildlife. The area is being considered as one of the county's first local designated Nature Improvement Areas.

Rigsby Wood nature reserve is showing positive signs of improved ground flora after extensive felling and understory management by volunteers.

Major works were undertaken at Gibraltar Point National Nature Reserve to deal with the immediate aftermath of the flooding in December 2013. Efforts to drain saline water from the freshwater marsh and reduce the chances of an immediate re-occurrence were carried out. Long lengths of fencing were replaced to enable conservation grazing and paths were rebuilt. The reserve was quickly re-opened.

#### ***South Humber Bank***

The Trust played a key role in the establishment of the Humber Nature Partnership spanning the estuary.

Work with local authorities, industry and other bodies to develop a strategic mitigation plan for the South Humber Gateway has been delayed. Such a plan is being considered for the wider Humber and would ensure that measures are put in place in advance of new development so that the future of habitats and species in and linked to the estuary are not jeopardised.

Major works were undertaken at Far Ings National Nature Reserve to deal with the immediate aftermath of the flooding in December 2013. Natural flows of freshwater into the lakes saw rapid reduction in salinity. Long lengths of fencing were replaced to enable conservation grazing and paths were rebuilt. The reserve was partially re-opened but major repairs to the Humber Bank by the Environment Agency have greatly limited access.

#### ***South Lincolnshire Fenlands***

The Trust hosts the South Lincolnshire Fenlands Project Officer on behalf of the partnership. Along with the Regional Fens Project Officer good progress is being made to improve the area for wildlife in this intensively farmed area.

Winter 2013/2014 saw the highest water levels so far achieved at Willow Tree Fen nature reserve five years after its purchase. This has contributed to the development of wetland habitats and further significant progress has been made to establish the site for wildlife and people with the completion of alternative visitor routes and new hides. Invertebrate surveys have shown some nationally important species present on site in addition to establishment of a good range of plants.

### ***South Lincolnshire Limestone***

Work has very much focussed on the legacy of the Life on the Verge (LotV) project which achieved surveys of over nearly 1,500km of road identifying 75 new road verge Local Wildlife Sites (now formally designated). A successful public campaign resulted in greater protection from damaging vehicles for the Drift, a SSSI green lane near Grantham.

The pasque flower at Ancaster Valley nature reserve had a very successful year following changes in management and the benefit of good weather.

The Trust has taken on a long lease with a view to future ownership of Bloxholm Wood thanks to the generosity of Ralph and Mary Timms. This is the only woodland of its type managed by the Trust as a nature reserve.

### ***Kirkby Moor and Environs***

Following the purchase of part of the former Woodhall Spa Airfield, 120 hectares of grass, wood, farm and wetland work is underway to transform the habitats for the benefit of wildlife. Cessation of the adjacent gravel extraction and processing operations has seen a dramatic change in water levels with a positive rise resulting in attractive wet flushes. This has caused outline plans to be revised and agri-environment agreements for funding to be reconsidered.

The Trust has secured funds from WREN to complete the purchase of the remaining area of previously quarried land at the old airfield. Plans to restore it to a nature reserve while retaining some of the military heritage are underway. An extensive consultation was carried out in the community and with interested parties.

### ***Witham Valley Country Park***

A Biodiversity Opportunity Map produced in collaboration with the Greater Lincolnshire Nature Partnership (GLNP) and other partners has highlighted areas of potential interest across the central Lincolnshire area.

A major wetland project to provide islands and shallows was completed in Teal Lake at Whisby nature reserve funded by Biffaward and Cargill.

### ***Humberhead Levels***

The Nature Improvement Area (NIA) partnership project, working across part of the Humberhead Levels, is underway.

A small but valuable extension to Rush Furlong nature reserve (3 selions in old measurements – appropriate given the name of the reserve) was complemented by an impressive display of green winged orchids. The purchase was made possible by a generous gift from Stanley Johnson, a longstanding supporter of the Trust.

The Trust agreed to acquire land around Birds Wood, a site currently owned by the Trust but leased to Sibelco, with a view to a long term wetland habitat creation. The acquisition is expected to be completed in 2014 but the work, involving gravel extraction, will take many years to complete. Phased restoration for wildlife will take place.

### ***Lincolnshire Wolds***

Life on the Verge in the Wolds project was successfully completed resulting in 100% of the road verges being surveyed, a length of over 1,100km of road identifying 71 new road verge Local Wildlife Sites (now formally designated).

# LINCOLNSHIRE WILDLIFE TRUST

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Charity No: 218895

The Trust continues as a partner on the Area of Outstanding Natural Beauty (AONB) Joint Advisory Committee and in the Lincolnshire Chalk Streams Project which is improving watercourse habitats in the Wolds.

Red Hill nature reserve was selected as one of the country's Coronation Meadows to mark Queen Elizabeth II's landmark year. The meadow will provide source seed for further extensions on the site and new meadows across the county.

Snipe Dales Nature Reserve and Country Park showed clear evidence of the importance of the river restoration work completed only a year ago with impressive results from a fish survey carried out by the Environment Agency. Good numbers of brown trout, lamprey and bullhead were in evidence. The Trust joined the Lincolnshire Rivers Trust and the Sustainable Eel Group releasing young eels into the River Lymn. The woodland flora project on the site is also delivering some promising early results both aesthetically and scientifically.

The Trust remains actively involved in forward planning to try to ensure appropriate policies are included in local and national plans and strategies to protect nature conservation sites from inappropriate development and other activity and achieve more resilience to climate change and other pressures.

This year a significant focus has been on Europe as the EU considered the new Common Agricultural Policy (CAP). During the year the Trust worked closely with all the county's local planning authorities and contributed to the following development documents:

- Lincolnshire County Council - Minerals and Waste Local Plan core strategy and development management policies. (South Lincolnshire Fens, Kirkby on Bain, Witham Valley Country Park)
- North Lincolnshire Council - Lincolnshire Lakes Area Action Plan options (within Humberhead Levels NIA); infrastructure planning and Community Infrastructure Levy: request for information. (Humberhead Levels NIA, Coversands, Wolds NCA)
- South East Lincolnshire (Boston Borough Council, South Holland District Council) - Local Plan: strategy and policies development plan document preferred options. (South Lincs Fens)
- Central Lincolnshire (North Kesteven District Council, City of Lincoln Council, West Lindsey District Council, Lincolnshire County Council) - Local Plan: core strategy publication version; site allocations preliminary engagement maps and technical document; Community Infrastructure Levy charging schedule, infrastructure delivery plan, and Regulation 123 list. (Witham Valley Country Park, South Lincolnshire Limestone, Lincolnshire Limewoods, Trent Vale)
- South Kesteven District Council - Local Plan: site allocation and policies development plan document and Sustainability Appraisal/Strategic Environment Assessment addendum report. (South Lincs Limestone, South Lincs Fens)

The Trust responded to 129 planning applications, a significant reduction on previous years resulting from the adoption of a new approach to planning after the Trust's policy changes in 2012.

The Endangered Species Panel has continued its work to identify species at risk of local extinction and make recommendations to address this. Work on a local version of the State of Nature (published May 2013) commenced, coinciding with the publication 25 years earlier of Lincolnshire's red data report on the subject.

A data project at Gibraltar Point NNR supported by Centrica and the efforts of staff and volunteers (over 1,460 volunteer hours) has succeeded in validating and digitising 50 years of records for the site enabling 587,000 records to be provided to the local records centre and nationally through NBN.

The GLNP has made significant progress in its first full year in existence. Hosted by the Trust more details of the activity and achievements are available in its Annual Review 2013-14. The Trust has also played an active role in establishing the Humber Nature Partnership which is well placed to tackle the complex issues around the estuary. The Chief Executive is a director.

## **To restore Living Seas**

The Trust's Living Seas vision is that wildlife thrives from the depths of our seas, estuaries and coastal shallows.

The Trust, through its Marine Planning Officer, a unique role in the NGO sector, has actively engaged in major developments and plans in the North Sea and around the UK, most notably windfarms. Survey work has been completed from land and sea however no dive (Seasearch) was undertaken due to conditions. Seawatching has continued to deliver good records of harbour porpoise and raising public interest. Despite considerable efforts to promote sites off the Lincolnshire coast, no Marine Conservation Zones (MCZ) previously recommended to government have been included in the first two tranches to be considered for designation. Byelaws and associated Regulatory Notices relating to European Marine Sites were proposed for ministerial assent. The first four Regulatory Notices introduced under the Byelaw were to protect Sabellaria spinulosa (Ross worm) reef and Boulder and Cobble Communities in The Wash and Zostera spp. (eelgrass) beds on the Lincolnshire coast on Haile Sand between Northcoates Point and Donna Nook.

Donna Nook Seal Colony was recognised by Humber INCA for its contribution to the Humber environment; a successful breeding season sees it as the largest English breeding colony with an estimated 6,000 animals. Major works were undertaken at Donna Nook National Nature Reserve to deal with the immediate aftermath of the flooding in December 2013. Seal safety was a key priority and a higher number of rescues than normal were undertaken. Quick action on the night by Trust staff and volunteers, along with relatively gentle conditions and the timing of the event (late in the season) saw mortality levels remain very low. The seal viewing area remained officially closed through to the end of the season for visitor safety however limited access was provided to the many people who still visited; over 1,000 the first weekend.

## **To inspire people and grow understanding about the natural world**

Students from 195 schools, colleges and universities participated in formal education visits at Gibraltar Point, Whisby Nature Park and Far Ings. Whisby Education Centre had its busiest year ever with over 10,500 people using the centre during the year. Delivery in 2014/2015 will be greatly affected by the flood damage in December 2013 which has significantly reduced capacity at Far Ings and Gibraltar Point. Over 60 schools were visited for outreach work, engaging with a further 8,000 pupils. This is a significant increase from the 5,500 in 2013 and was very positively received.

The recently established group in Grimsby, an urban group, is going from strength to strength. The total number of Watch groups is 11, giving good coverage across Lincolnshire. Watch groups are predominantly run by dedicated volunteers; these groups have been shown to be nurturing the conservationists of the future. Associate School membership remains stable with 17 groups. There is an initiative to increase this through promotion to schools visiting education centres.

Throughout the year staff, volunteers and Area Groups organised nearly 300 events with over 10,000 participants. The wide ranging events included guided walks, reserve open days and children's activities. The Trust attended over 30 external events including the Lincolnshire Show and the Birdfair.

New hides were installed at Epworth Turbary and Far Ings nature reserves however others at a number of sites were damaged and abused. Anti-social activities are a regular problem including littering and disturbance.

The website was replaced with a more modern platform developed by The Wildlife Trusts as a national project. Introduced in March 2014, slightly later than planned due to the flood event, the site is already proving popular with users and 'authors'. It is anticipated absolute unique visitors to the website will considerably increase during 2014/15 with optimisation. The monthly newsletter, which is distributed by email, continues to reach over 3,700 readers. Most significantly in the year was the increase in Social Media traffic through Facebook and Twitter. Users peaked during the December 2013 flood with 92,480 people reached on Facebook at the height of the event.

## **To encourage individual action for wildlife and the environment**

A database of information on volunteer roles is maintained. While it is not possible to give a precise figure for the voluntary contribution because there is a great deal of overlap and unrecorded volunteer time, it is estimated that there are 1,500 regular volunteers engaged in Trust work who contributed more than 12,000 days of work during the year; equivalent to over 50 full-time staff. A voluntary volunteer administrator supports this important aspect of the Trust's work.

In some cases projects record detailed volunteer input. At Willow Tree Fen regular volunteer workdays established on the reserve involved over 40 people, contributing 1,700 volunteer days during the project.

A Heritage Lottery Fund funded training post, part of a national project called LEMUR, was successfully completed with the individual securing employment in the environmental sector soon after completion. The Trust has also supported a number of work experience students from schools, colleges and universities from the UK and across Europe.

The Trust is grateful for the continuing support of so many people in Lincolnshire and beyond. Total membership returned after its drop in the previous year to 25,530 (25,010 in 2013). This recovery happened early in the year and levels remained static for much of the period.

The on-line Save the Drift petition achieved 1,200 responses and no doubt contributed to the decision by Lincolnshire County Council to safeguard the SSSI through increased controls.

The Lincolnshire Environment Awards, in partnership with Lindum Rotary, recognised and promoted the best community projects from schools, communities and business.

The Trust has contributed to the development of technical and general survey methodologies with TWT and the British Trust for Ornithology. 'Wild Walks', a first output of this was launched with a number covering Lincolnshire Living Landscape Areas.

'Take a Closer Look' is a local initiative at Whisby Nature Park run by volunteers engaging on average 100 visitors each day with some of the wildlife present on the site.

## **To be an effective and efficient organisation**

The Lincoln shop, located for 30 years in the Bailgate, was closed due to difficult trading conditions and growing competition. The intention to focus retail effort at Trust visitor centres was proving effective over the summer period however this has been significantly set back by the floods of December 2013, which resulted in the loss of the Gibraltar Point shop for the remainder of the period and is yet to be replaced; temporary relocation of the Far Ings shop; and the premature closure of the Donna Nook seal season shop.

## **PLANS FOR FUTURE PERIODS**

- Deliver plans for post flood recovery particularly focused at Far Ings, Donna Nook and Gibraltar Point National Nature Reserves.
- Continue delivery of Living Landscape projects on which we lead or are a partner: particularly the transition phase for Life on the Verge, Lincolnshire Coastal Grazing Marshes and Coastal Country Park, Humberhead Levels NIA, and complete Kirkby Moor extension (airfield acquisition phase 2).
- Advocate the establishment of the first Marine Conservation Zone off the Lincolnshire coast and influence other Marine Protected Areas, marine plans and developments for benefit of wildlife.
- Achieve a nature conservation success through both the Greater Lincolnshire Nature Partnership and the Humber Nature Partnership.
- Achieve growth in membership numbers and income.
- Implement changes to pensions (auto enrolment) and VAT arrangements.
- Agree the Strategic Plan for the next five year period (2015-20).

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing Document**

Lincolnshire Wildlife Trust is a membership body, a registered charity and a company limited by guarantee. It is governed by its Memorandum and Articles of Association, originally dated 2 December 1948 and amended on 23 October 2010 to update governance arrangements. Membership of the Trust is open to all, and the total number of subscribing members at 1 April 2014 was 25,530, up from 25,010 in 2013. Each member is committed to contributing £1 in the event of the charity winding up. The charitable company is controlled by its Board of Trustees.

### **Appointment of Trustees**

The Articles of Association provide for a Board consisting of Honorary Officers (Chairman, Treasurer and others if required) elected at each annual meeting of Council, and others up to a total of 15 appointed for a 3 year term with option for re-election. The Board has no power of co-option but may fill a vacancy until the next following annual meeting of the Council.

During the year John Mason, Don Wright and Brian Tear stepped down as Trustees. John Mason resigned due to ill health having served as Chairman for 3 years. Don Wright and Brian Tear, after many years of valued service, were appointed Vice Presidents (along with David Robinson who remains a Trustee). An advert was placed in Lapwings Magazine inviting applications to join the Board of Trustees. After a selection process 4 new Trustees were appointed: Cliff Morrison, Julian Purvis, Tammy Smalley and Peter Stapleton.

### **Trustee Induction and Training**

The Trustees are directly involved in planning and implementing activities through the work of the Board and through the Team system. Some Trustees also take part in other work such as biodiversity recording, and providing expert advice. All Trustees are well informed about the practical work of the charity. They receive reports and recommendations at their meetings and they attend a variety of Team meetings and other events throughout the year which help to keep them fully engaged with the charity's business.

The Trustees have a policy for the selection, recruitment and induction of new Trustees which includes a checklist of required reading, and an induction programme covering visits to the Trust's principal establishments; training in the work of Teams; organisation and governance; representing the charity; and financial management.

### **Organisational Structure**

The Board of Trustees, of up to 15 members with a quorum minimum of 3, meets bi-monthly and is responsible for the governance of the charity. It makes decisions on all matters of strategic policy. There are no sub-committees but a Finance Monitoring Group is appointed to maintain an overview of financial matters and to advise the Board accordingly. In addition, 20 Teams, consisting of volunteers and relevant staff, cover all aspects of the Trust's activities and advise the Board where appropriate. The Board is also advised on broad policy direction by the Council which has up to 15 members (limited to 9 by resolution in General Meeting) elected at the Annual General Meeting who represent the subscribing members, and 16 members appointed by Area Groups. A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity. The staff structure is organised around three Heads of Department for Finance, Conservation and Nature Reserves (the majority of this department is field based) with additional staff positions covering other functions such as education and community (based at education centres), public relations, health and safety, membership and administration.

### **Related Parties**

Lincolnshire Wildlife Trust is one of 47 independent Wildlife Trusts covering the UK which are corporate members of RSWT. RSWT helps to develop UK and national policies, provides operational advice and services to the Trusts, and acts as our collective voice.

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The Trust has a direct subsidiary, Lapwings Consultants Limited. It exists as a trading company to support the charitable work of the Trust through donation of its profits. It now has two strands – retail sales and The Point Café at Gibraltar Point; both of these have been adversely affected by the flood damage to visitor centres in December 2013.

The Trust has an interest in Lincolnshire Nature Limited which provides education facilities at Whisby Nature Park near Lincoln. The Board agreed in March to close this business and ultimately bring its function fully into the main charity.

The Trust acts as the host partner as well as active member of the GLNP responsible for the Lincolnshire Biodiversity Action Plan, the Lincolnshire Environmental Records Centre, and the management of the Local Wildlife Sites system.

The Trust joined a mutual company of 8 other Wildlife Trusts to form Wildlife Fundraising (Central) Limited in 2013 for the purpose of recruiting members. The Trust's Chief Executive has been appointed to the board of directors of the company. The company is hosted by Berkshire, Buckinghamshire and Oxfordshire Wildlife Trust.

## Wider Network

The Trust works with a large number of organisations in pursuing its aims. Partnerships with local authorities, statutory agencies and other voluntary bodies are a hallmark of our way of working.

Other important partnerships are:

**Humberhead Levels Partnership** (Yorkshire Wildlife Trust, Nottinghamshire Wildlife Trust, NE, EA, North Lincolnshire Council, Doncaster Metropolitan Borough Council, East Riding of Yorkshire Council, RSPB, English Heritage, Internal Drainage Boards)

**Humber Nature Partnership** (previously Humber INCA with numerous corporate, local authorities, statutory agencies, voluntary organisations and individual members)

**Trent Vale Landscape Partnership** (Canal and River Trust, NWT, Nottinghamshire County Council, EA, LCC and NE)

**Witham Valley Country Park** (NKDC, LCC, WLDC, NE, EA and CoLC)

**Lincolnshire Limewoods Project** (LCC, ELDC, FC, NE, WLDC, Bardney Development Trust, EH and Heritage Trust of Lincolnshire)

**Lincolnshire Coastal Country Park** (LCC, NE, EA, ELDC, Lindsey Marsh Drainage Board, National Trust and National Farmers Union)

**Lincolnshire Coastal Grazing Marshes Project** (ELDC, LCC, NE, EH, EA, LMDB and NFU)

**South Lincolnshire Limestone (Life on the Verge)** (NE and LCC)

**South Lincolnshire Fenlands** (EA, NE, Sustrans, SKDC, SHDC, LCC, Waterside Garden Centre and Welland & Deepings Internal Drainage Board)

**Life on the Verge – Wolds** (LCC, NE, Lincolnshire Wolds Countryside Service, NLC, NELC)

**North Sea Wildlife Trusts** (Northumberland, Durham, Tees Valley, Yorkshire, Sheffield, Lincolnshire, Derbyshire, Nottinghamshire, Leicester and Rutland, Bedfordshire, Cambridgeshire & Northamptonshire, Norfolk, Suffolk Wildlife Trusts)

**East Midlands Wildlife Trusts** (Derbyshire, Nottinghamshire, Leicester and Rutland, Bedfordshire, Cambridgeshire & Northamptonshire)

Several of the Trust's nature reserves are operated in conjunction with local authorities, notably:

**Gibraltar Point** near Skegness (LCC and ELDC); **Whisby Nature Park** near Lincoln (LCC and NKDC); and **Snipe Dales** near Horncastle (LCC).

The Trust works closely with NE in the management of **Saltfleetby-Theddlethorpe Dunes NNR** and with the Ministry of Defence in the management of **Donna Nook NNR** and **Wainfleet Range**.

## **Volunteers**

The Trust is essentially a voluntary organisation with activities organised on the basis that volunteers play an essential part in managing the charity's affairs, in deciding on its priorities and in conducting a large part of its business. As well as harnessing great resources of expertise, knowledge and energy, our voluntary character has great benefits for involving individuals and communities and lends local grassroots credibility to our work. This philosophy is reflected in the approach of staff to their work and in our governance structures. Volunteers are involved at every level and in every aspect of the charity's work. Volunteer roles include membership of the Board, Council and Teams; participation in one of 16 Area Groups which exist to support our work locally; centrally appointed roles such as Voluntary Reserve Managers, wardens, Watch Leaders, professional advisors and representatives on a variety of other bodies; and helping with sales outlets, events and administration. Without this support the Trust could not function as volunteers deliver the equivalent in working hours as the employed staff.

## **Staff**

The staff structure is kept under regular review in order to ensure that it accords with the Trust's objectives and strategies. During the year 2 members of staff were made redundant as a result of changes in operation caused by the December 2013 flooding. As at 31 March 2014, the Trust employed a total of 63 members of staff (42 full-time and 21 part-time). Of these, 4 relate to the GLNP with external funding; 5 are part-time assistants for the Point Café and 54 relate to the Trust's core activities. This is a reduction from 2013, primarily due to the situation at Gibraltar Point.

## **Risk Management**

The Trustees continue to keep under review their assessment of the major risks to which the charity is exposed, and have taken steps to mitigate the risks that have been identified. The risk register was reviewed and maintained. During the period the Trust has experienced a number of significant events, most notably the tidal flooding in December 2013 which inhibited operations in its delivery for wildlife and people. The learning from such events has informed activity and plans for the years to come.

## **Public Benefit**

In setting objectives and planning activities Trustees have given careful consideration to the Charity Commission's guidance on public benefit.

The Trust's philosophy is based on the belief that the natural world deserves conserving for its own sake and, since this is widely perceived to be a worthy aim of public policy, it may fairly be regarded as a benefit to the public at large. However, the public benefits provided by the Trust go much further.

Firstly, all our nature reserves are used by the public and the vast majority have open access or access on waymarked routes. At many sites information and interpretation is provided to visitors. There are a few cases where there may be a conflict between management requirements and unfettered access, but where this occurs we strive to keep any restrictions to a minimum.

Secondly, our education and community programmes are aimed at schools, colleges, adult groups and the wider public. Education is also, of course, recognised as a charitable activity in its own right.

Thirdly, our information gathering and provision of expert advice and opinion to public bodies and other organisations helps to ensure that planning and policy decisions are made on a rational basis taking full account of the public benefit of wildlife.

Fourthly, we can exert influence through our substantial membership at local level, and nationally through our membership of RSWT. It is also our belief that the involvement of many volunteers in our work provides an outlet for altruistic endeavour which is of special benefit to those involved as well as delivering benefits to the wider public. Promotion of enjoyment of the natural world is an important part of what we do: contact with the natural world and the appreciation of wildlife and wild places provides great pleasure to many people, provides spiritual experiences, and contributes towards wellbeing and health. Our nature reserves and activities are available to all and we try to make special provision wherever possible for the disabled and disadvantaged.

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

## REFERENCE AND ADMINISTRATIVE DETAILS

<u>Charity Name</u>	Lincolnshire Wildlife Trust The organisation is sometimes referred to simply as The Lincolnshire Trust. Former names were The Lincolnshire Naturalists' Trust, The Lincolnshire Trust for Nature Conservation and The Lincolnshire & South Humberside Trust for Nature Conservation.
<u>Charity number:</u>	218895
<u>Company number:</u>	00461863
<u>Headquarters &amp; Registered office:</u>	Banovallum House Manor House Street Horncastle Lincolnshire LN9 5HF Tel: 01507 526667
<u>Auditors:</u>	Wright Vigar Limited Statutory Auditors Chartered Accountants & Business Advisers 15 Newland Lincoln LN1 1XG
<u>Bankers:</u>	Barclays Bank plc 5 Market Place Alford Lincolnshire LN13 9EA
<u>Solicitors:</u>	Andrew & Co LLP St Swithin's Court 1 Flavian Road Nettleham Road Lincoln LN2 4GR
<u>The Board of Trustees and Directors:</u>	The Board currently consists of the 6 Honorary Officers and 9 others elected at the Annual Meeting of the Trust's Council. Members of the Board are Trustees for the purpose of charity law and are also company directors. They are collectively referred to throughout this report as the Trustees.
<u>Patrons:</u>	The Earl of Yarborough Baroness Willoughby de Eresby
<u>Presidents:</u>	Dr A E Smith CBE MA (President and Trustee) Mr D N Robinson OBE MSc (Vice President and Trustee) Mr B Tear BSc (Vice President) Mr D F Wright MSc MSB (Vice President)

## LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
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<u>Trustees/Directors:</u>	Mr G L Trinder ARPS	(Chairman)	
	Mrs J Mellor MSc	(Deputy Chairman)	
	Mr T S Sands	(Deputy Chairman)	
	Dr D A Sheppard BSc PhD	(Deputy Chairman)	
	Mr D A Cohen	(Honorary Treasurer)	
	Mrs M A S Bates BSc		
	Mrs C E Harrison BSc		
	Mr C Morrison CSci		appointed 01.05.13
	Mr J Purvis BSc FCA		appointed 01.05.13
	Mrs A Quigley BA		
	Ms T Smalley MSc		appointed 01.05.13
	Mr P Stapleton		appointed 01.11.13
	Mr E J Redshaw		

<u>Senior Staff:</u>	Chief Executive:	Paul V Learoyd
	Head of Conservation:	Caroline E Steel
	Head of Finance:	Sarah J Smith
	Head of Nature Reserves:	David R Bromwich

## **FINANCIAL REVIEW**

### **Financial Management**

The current financial year and the set of accounts presented herewith have been influenced by two major events.

The first was the tidal surge on 5 December, which caused extensive damage to a number of Trust reserves and led to a significant reduction in income, particularly at Gibraltar Point, for the remainder of the accounting period. Following advice from our auditors, all the assets that have been lost or damaged beyond economic use have been written off in these accounts (£567k) and this has enabled the Trust to transfer the Capital Grant Reserve for Gibraltar Point and Far Ings, amounting to £523k from restricted funds to unrestricted. The accounts also recognise £307k of insurance proceeds, which have either been received or agreed prior to the accounts being signed in September. The impact of the flood is to reduce the surplus in the accounts by £259k. Further sums are expected from the insurance claim, but as these have yet to be agreed, they cannot be included in this year's figures.

The second was the agreement to acquire the final phase of the old CEMEX works at Woodhall Spa Airfield at a cost of £620k. The Trust is extremely grateful to WREN, who provided a very generous grant of £450k during the current financial year, alongside a number of other individuals who supported the Trust's appeal for funds. This sum is included in our year-end cash balances and will be spent once the legal formalities have been completed. The acquisition will add significant scale to our land holdings in the Kirkby Moor Living Landscape area.

Unrestricted income from membership, investments and legacies has held up well with membership income benefitting from a "gift aid" campaign in the last quarter. This produced an additional £4k and will generate further income in the future. Additional resources have been expended to increase membership numbers and at the year-end the Trust had 25,530 members, up from 25,010 during the year.

The Trust is particularly grateful for the legacies received in the current year. At £436k, these represent a very valuable source of income and allow the Trust to achieve its objectives by increasing the number of projects it is able to complete during the year. The Legacy Equalisation Fund was originally established at a figure of £600k to provide three years assured flow of anticipated legacy income for revenue purposes and the decision has been taken to increase this to a level of £690k to provide a greater degree of protection in the future.

At the end of November, the subsidiary company, Lapwings Consultants Ltd, was on course to deliver an "above budget" performance following the remedial action taken in the previous year. Unfortunately, that promise has been impacted by the decline in retail and catering turnover following the tidal surge. However, insurance is in place and the performance of the business is being carefully monitored pending its re-establishment in new premises.

I would like to take this opportunity to record our thanks to Sarah J Smith, our Head of Finance, and her team. The impact of the tidal surge has required them to "pull out all the stops" to keep the business of the Trust on an even keel and they have been extremely diligent in dealing with all the issues that have been thrown at them.

In summary, this has been a challenging year and the events of 5 December highlight the importance of having a strong Balance Sheet. With the ongoing support of members and volunteers working alongside a committed team of staff, the Trust is well placed to weather any further storms – financial or climate-related - that may occur.

### **Financial Reserves Policy**

The Trust's unrestricted financial reserves are divided between four Funds:

The Conservation Fund  
The Legacy Equalisation Fund  
The Development Fund  
The General Fund

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
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The **Conservation Fund** has been established in order to provide a regular and secure source of investment income to support the work of the Trust. In general terms, the Trust looks to its membership and investment income to support its core costs of operation. The Conservation Fund provides:

- strength and stability to the budgeting process by providing reliable income flows which, unlike some other sources of income, are not subject to abrupt variation;
- headroom to allow for growth and expansion and to allow advantage to be taken of new opportunities; and
- enhanced financial strength, which can be a significant advantage in securing access to funding for major developments.

From time to time the Trust may transfer funds from the Conservation Fund to support major acquisitions and in such circumstances there is a clear determination for such sums to be restored over a period of time as and when surplus funds are available.

The **Legacy Equalisation Fund** enables the Trust to dampen the effect of annual fluctuations in the flow of legacy income. The objective is to maintain the Fund at a level which provides not less than three years assured flow of anticipated legacy income for revenue purposes. Whilst this was originally set at £600,000, this has been increased to a level of £690,000 at the end of March 2014 to reflect the more challenging environment.

The **Development Fund** allows for a variety of new development opportunities as well as providing a readily accessible pool of money for urgent and important land acquisitions. The Fund is especially important in providing matching resources for external funding applications. The timing of acquisition opportunities, together with their magnitude, is unpredictable and it is the Trust's aim to maintain this Fund at a minimum of £200,000 dependent on the flow of available income, chiefly from legacies. No accurate estimate of the timing of future expenditure can be given since one of the main purposes of the Fund is to allow action when unexpected opportunities arise. The higher balance on the Development Fund at the end of March 2014 has been caused by the accrual of insurance monies, which had been agreed at the time the accounts were signed. These monies had either not yet been spent or had not been reflected in the fixed asset register relating to Gibraltar Point, Far Ings and Donna Nook at the year end.

The **General Fund** represents the working capital of the organisation, providing headroom for stocks, debtors and cash-flow fluctuations. Based on current turnover and needs the Fund is maintained at a figure of £500,000.

## **Investment Policy**

### 1. Investment Objectives and Attitude to Risk

The Trust requires a regular and secure level of investment income to support its core operational costs, whilst protecting the capital value of the investments in the longer term. At a time when income from cash deposits is at a historically low level, income of c5% per annum is required from a spread of diversified assets.

The Trust will hold its investments in a variety of ways, which may include the creation of a specific portfolio of direct share and bond holdings, managed by well regarded and highly rated investment houses. In addition, the Trust may purchase units in a variety of "charitable income funds", which allow ready access to liquidity in times of need.

In order to mitigate risk, there is a preference to invest with a number of providers, with a minimum of two and a maximum of four investment houses.

The Trust does not have a specific ethical policy but given the Trust's charitable status there is a clear preference to invest in "charitable investment funds" which have an appropriate ethical policy.

The Trust recognises that by focusing on a high level of investment income, there is a risk that the value of the investments may not keep pace with inflation and it is determined to increase the value of the portfolio by making additional investments when surplus funds are available.

# LINCOLNSHIRE WILDLIFE TRUST

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## 2. Liquidity Requirements

In the light of current low interest rates, there is a preference to keep the majority of the funds invested to provide a higher level of income. The Trust will always maintain sufficient working capital to cover its on-going requirements outside this Investment Policy and will maintain a minimum of £200k in a cash deposit with COIF or a similar institution. This sum matches the current value of the Development Fund and may be increased by the Trust up to a maximum of 10% of the Investment Fund or any other sum that may be required to match the value of the Development Fund.

## 3. Review, Reporting and Monitoring

An annual review of this policy will be undertaken by the Finance Monitoring Group at its August meeting to ensure that the policy remains relevant to the current economic circumstances. A formal report will be delivered to the Board at a subsequent meeting – usually in September. By using different providers, the Trust will be able to compare the performance of each Investment House on an annual basis and seek explanations for differing results and change providers where this is considered to be necessary.

Adopted by the Board 6 November 2012.

# LINCOLNSHIRE WILDLIFE TRUST

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## FINANCIAL SUPPORT

We are grateful to the following for substantial financial support in 2013/2014 through donations, grants and the sponsorship of projects:

Anglian Water	Ministry of Defence
Anglia Regional Co-op	Natural England
Biffaward	North East Lindsey Drainage Board
Cargill PLC	North Kesteven District Council
Centrica	North Lincolnshire Council
Defra	Paw Print Charitable Trust
East Lindsey District Council	RSPB
Environment Agency	RSWT
Esmée Fairburn Foundation	South Holland District Council
The European Union	Vine House Farm
Forestry Commission	Wash Fens Rural Development Programme
Heritage Lottery Fund	Waste Recycling Environmental (WREN)
Lincolnshire County Council	Wolds AONB

Partner contributions to the Greater Lincolnshire Nature Partnership (hosted by the Lincolnshire Wildlife Trust) are acknowledged in its Annual Review and therefore not individually here.

**Corporate Membership** of the Trust is designed to provide an effective means for companies to demonstrate care for the local environment. The following were Corporate Members during the reporting period:

Aggregate Industries	John Kinch Group
Alfred Enderby Limited	Jolly Common Caravan Park
Andrew & Co LLP	Kes Building Maintenance
Anglian Water Services	Lafarge Aggregates Ltd
ARH Tucker & Sons	Lincolnshire Co-operative Society Limited
Associated British Ports	Lindsey Oil Refinery Limited
B A Bush & Son Limited	Lowfields Leisure Limited
Badley Ashton & Associates Limited	Mortons of Horncastle Limited
Cargill PLC	Natureland Seal Sanctuary
Chapel Garden Centre	North East Lindsey Drainage Board
Cleethorpes Builders Merchants	Novartis Grimsby
Clugston Group Limited	Omex Agriculture Limited
ConocoPhillips (UK) Limited	Page Paper Limited
Cray Valley Products Limited	Red Dog Film
Creative Nature	Riva Construction
Crowder & Sons Ltd	Rowhire Limited
Exeter Street Veterinary Centre	S Betteridge Paving Contractor
F W Cupit (Printers) Limited	SCS Technology Solutions Limited
Fenland Laundries Limited	Sibelco UK
Growing Wild Limited	Singleton Birch Limited
Hornsby Travel Services Limited	Tata Steel UK Limited
Humber Bridge Board	TCS UK Spraying
J E Piccaver & Co	Truelove Property & Construction
J W Ruddock & Sons Limited	Yara (UK) Limited
John E Haith Limited	

We are delighted to record our appreciation to the following individuals whose legacies we received in the year ended 31 March 2014:

Mary Holt	John Monks
Iris Mary Bauckham	Robert Thomas Pearson
Marguerite Parker	Peter Grant
Alexander George Parker	Charles Ian Lee
Winifred Margery Fox	Mavis Dorothy Adams
Victor Holt	Herbert James Sharman
Neil Anthony Taylor	Elinor Woodward

# LINCOLNSHIRE WILDLIFE TRUST

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## STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR AN INCORPORATED CHARITY

The Trustees (who are also directors of the Lincolnshire Wildlife Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 business.

The Trustees 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. 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.

## STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

By Order of the Board

16 September 2014

G L Trinder  
Chairman

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
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## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LINCOLNSHIRE WILDLIFE TRUST

We have audited the financial statements of Lincolnshire Wildlife Trust for the year ended 31 March 2014 on pages 20 to 38. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the group and parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group and parent company's trustees those matters we are required to state to them in an auditors' 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 group and parent company and the group and parent company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

The Trustees' (who are also the directors of the group and parent company for the purposes of company law) responsibilities for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out on page 18.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and are prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion the information given in the Report of the Trustees is consistent with those financial statements.

In addition, we report to you if, in our opinion, the group and parent company has not kept adequate accounting records, if the group and parent company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group and parent company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities;
- the group financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Report of the Trustees is consistent with the financial statements.

Christopher Shelbourne MA FCA  
for and on behalf of Wright Vigar Limited  
Statutory Auditors  
Chartered Accountants & Business Advisers  
15 Newland  
Lincoln  
Lincolnshire  
LN1 1XG  
Date: 16 September 2014

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 March 2014

	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Endowment Funds £	Total 31/03/2014 £	Total 31/03/2013 £
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from generated funds:</b>						
<i>Voluntary income:</i>						
Subscriptions, donations & gift aid	587531	0	0	0	587531	580509
Legacies	436015	0	0	0	436015	162519
General donations	32989	0	0	0	32989	105427
Grants	3656	0	0	0	3656	3656
<i>Activities for generating funds:</i>						
Merchandising income	166949	0	0	0	166949	217479
<i>Investment income</i>						
	195308	0	0	0	195308	193595
<b>Incoming resources from charitable activities:</b>						
Nature reserve income	292673	1080045	0	0	1372718	1072271
Wider countryside conservation	0	288608	0	0	288608	292930
Inspiring people	153103	0	0	0	153103	140920
<b>Other incoming resources:</b>						
Other income	3831	0	0	0	3831	3523
Net loss on disposal of fixed assets	-639	0	0	0	-639	2122
<b>TOTAL INCOMING RESOURCES</b>	<b>1871416</b>	<b>1368653</b>	<b>0</b>	<b>0</b>	<b>3240069</b>	<b>2774951</b>
<b>RESOURCES EXPENDED</b>						
<b>Cost of generating funds:</b>						
Costs of generating voluntary income	90544	0	0	0	90544	59376
Merchandising costs	160320	0	0	0	160320	219746
<b>Charitable activities:</b>						
Nature reserve management	519545	704943	0	0	1224488	1343426
Wider countryside conservation	231979	276823	0	0	508802	497531
Inspiring people	564645	49222	0	0	613867	563613
<b>Governance costs</b>						
	17653	0	0	0	17653	17577
<b>TOTAL RESOURCES EXPENDED</b>	<b>1584686</b>	<b>1030988</b>	<b>0</b>	<b>0</b>	<b>2615674</b>	<b>2701269</b>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS BEFORE EXCEPTIONAL ITEMS</b>	<b>286730</b>	<b>337665</b>	<b>0</b>	<b>0</b>	<b>624395</b>	<b>73682</b>
Impact of Tidal Surge	-259154	0	0	0	-259154	0
Gross Transfers between funds	519690	-523149	3459	0	0	0
<b>NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>	<b>547266</b>	<b>-185484</b>	<b>3459</b>	<b>0</b>	<b>365241</b>	<b>73682</b>
<b>OTHER RECOGNISED GAINS/LOSSES:</b>						
Gains/(Losses) on investment assets:						
Unrealised	53871	0	0	0	53871	311946
Realised	45199				45199	93203
Actuarial losses on defined benefit pension scheme	-171759	0	0	0	-171759	0
<b>NET MOVEMENT IN FUNDS</b>	<b>474577</b>	<b>-185484</b>	<b>3459</b>	<b>0</b>	<b>292552</b>	<b>478831</b>
Total funds brought forward	4438107	1331158	2814505	4512248	13096018	12617187
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>4912684</b>	<b>1145674</b>	<b>2817964</b>	<b>4512248</b>	<b>13388570</b>	<b>13096018</b>

All incoming resources and resources expended arise from continuing activities.

The notes on pages 25 to 38 form part of these accounts

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
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## CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT for the year ended 31 March 2014

	Note	2014 £	2013 £
Gross income of continuing operations		3073120	2557472
Non-charitable trading activities: gross income	2	166949	217479
Total income of continuing operations		<u>3240069</u>	<u>2774951</u>
Total expenditure of continuing operations	4	(2455354)	(2481523)
Non-charitable trading activities: expenditure	2 & 4	(160320)	(219746)
Net income for the year before transfers and investment asset disposals		<u>624395</u>	<u>73682</u>
Impact of Tidal Surge	8	(259154)	0
Transfer to designated funds		(3459)	(963302)
Net deficit/income before investment asset disposals		<u>361782</u>	<u>(889620)</u>
Actuarial losses on defined benefit pension scheme		0	0
Unrealised gains (losses) on investment assets		53871	311946
Realised gains		45199	93203
Actuarial losses on defined benefit scheme	19	(171759)	0
Deficit/Surplus for the year		<u><u>289093</u></u>	<u><u>(484471)</u></u>

- Gross income of the Trust for the year was £3,240,069.
- Total income comprises £1,871,416 for unrestricted funds and £1,368,653 for restricted funds. A detailed analysis of income by source is provided in the Statement of Financial Activities.
- Detailed analyses of the expenditure are provided in the Statement of Financial Activities and Note 4.
- Net surplus before investment asset gains and pension deficit adjustment for the year of £361,782 comprises £547,266 net surplus of unrestricted funds and (£185,484) net deficit of restricted funds as shown in the Statement of Financial Activities.
- The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 20 which, together with the notes to the accounts on pages 25 to 38 provides full information on the movements during the year on all the funds of the group.

The notes on pages 25 to 38 form part of these accounts

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

## BALANCE SHEET for the year ended 31 March 2014

	Notes	Group		Company	
		2014	2013	2014	2013
		£	£	£	£
<b>Fixed Assets</b>					
Heritage assets	9	7138143	7134684	7138143	7134684
Tangible assets	9	897884	1548468	897728	1526010
Investments	10	4180655	4238369	4205655	4263369
		<u>12216682</u>	<u>12921521</u>	<u>12241526</u>	<u>12924063</u>
<b>Current Assets</b>					
Stocks	11	37238	50179	17400	17400
Debtors	12	713814	240243	719685	285886
Cash at bank and in hand	13	1219523	532416	1213121	500695
		<u>1970575</u>	<u>822838</u>	<u>1950206</u>	<u>803981</u>
<b>Current Liabilities</b>					
Creditors: Amounts falling due within one year	14	381705	361350	384573	343844
Net Current Assets		1588870	461488	1565633	460137
Total Assets less Current Liabilities		13805552	13383009	13807159	13384200
Provision for Pension Liability	19	416982	286991	416982	286991
<b>NET ASSETS</b>		<u>13388570</u>	<u>13096018</u>	<u>13390177</u>	<u>13097209</u>
<b>Capital Funds</b>					
Endowment Funds	15	4512248	4512248	4512248	4512248
Designated Funds	15	2817964	2814505	2817964	2814505
Income Funds					
Restricted Funds	16	1145674	1331158	1145674	1331158
Unrestricted Funds	17	4912684	4438107	4914291	4439298
		<u>13388570</u>	<u>13096018</u>	<u>13390177</u>	<u>13097209</u>

The notes on pages 25 to 38 form part of these accounts

The financial statements were approved by the Board of Trustees on 16 September 2014 and were signed on its behalf by:

.....  
D A Cohen - Treasurer

.....  
G L Trinder - Chairman

# LINCOLNSHIRE WILDLIFE TRUST

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Charity No: 218895

## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2014

	2014		2013
	£		£
<b>Net incoming resources before transfers</b>	<b>365241</b>		<b>73683</b>
Depreciation charges	138630		135072
(Profit)/loss on disposal of fixed assets	567666		-95325
Investment income	-195308		-193595
Deposit interest	-903		-1960
(Increase)/decrease in stocks	12941		-714
(Increase)/decrease in debtors	-473571		287135
Increase/(decrease) in creditors due within one year	20355		-246074
Pension contributions in the period	-41768		-40636
Prior year tax adjustment - trading subsidiary	3		
<b>Net cash flow from operating activities</b>	<b>393286</b>		<b>-82414</b>
<b>Returns on investments and servicing of finance</b>			
Deposit interest received	903		1960
Investment income	195308	<b>196211</b>	193595
			<b>195555</b>
<b>Capital expenditure and financial investment</b>			
Payments to acquire heritage assets	-3459		-904724
Payments to acquire tangible fixed assets	-61913		-155864
Payments to acquire fixed asset investments	-3000000		0
Proceeds from the sale of fixed asset investments	3111582		200000
Realised gains on the sale of fixed asset investments	45199		93203
Proceeds from the sale of fixed asset	6201	<b>97610</b>	131186
			<b>-636199</b>
<b>Adjustments for items not involving movement of cash:</b>			
Living Legacy - Friskney Building Plot		0	-65000
<b>Increase/(decrease) in cash in the year</b>	<b>687107</b>		<b>-588058</b>
<b>Net cash resources at 1 April 2013</b>	<b>532416</b>		<b>1120474</b>
<b>Net cash resources at 31 March 2014</b>	<b>1219523</b>		<b>532416</b>

The notes on pages 25 to 38 form part of these accounts

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2014

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2014

**1. ACCOUNTING POLICIES**

**Basis of Preparation**

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with applicable accounting standards. The recommendations of SORP 2005 Accounting and Reporting by Charities and the Charities Act and the Companies Act have been followed in the preparation of the accounts.

None of the group's activities were acquired or discontinued during the above two financial years.

The recognised gains or losses of the group for the above two financial years are disclosed in the consolidated statement of financial activities.

**Consolidation**

The results of Lincolnshire Wildlife Trust and its wholly owned subsidiaries, Lapwings Consultants Limited and Lincolnshire Trust for Nature Conservation Limited, have been consolidated and group accounts have been presented.

A separate income and expenditure account for the holding company is not presented as permitted by section 230 of the Companies Act 2006.

**Voluntary Income**

Voluntary income is received by way of donations and gifts, legacies, subscriptions and covenants and fund raising activities. This income is all credited to the income and expenditure account on a receipts basis. Tax refunds on gift aid income are however accrued.

**Legacies**

Legacies are recognised at the earlier of receipt or at the time the amount can be measured with reasonable certainty.

**Grants Received**

Capital grants received for plant and equipment are taken to the Capital Grants Restricted Fund and are released to the Income and Expenditure Account in instalments relating to the relevant asset lives by deduction from the depreciation charge. Revenue grants are credited to the Income and Expenditure account in the period in which the expenditure is incurred.

**Investment Income**

Income on fixed interest investments is accounted for on an accruals basis. Dividends on investments are credited to revenue when the income becomes payable.

**Deferred Income**

Rents received in advance are spread over the expected term of the lease.

**Expenditure**

All expenditure, other than that which has been capitalised, is included in the income and expenditure account. Account is also taken of goods and services received at the year end but not invoiced until after this date. Support costs are allocated to charitable activities and other cost centres with reference to the percentage of payroll costs attributable to each cost centre.

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2014 (continued)**

**1. ACCOUNTING POLICIES: (continued)**

**Fixed Assets**

Tangible fixed assets costing more than £500 are capitalised and included at cost, including any incidental expenses of acquisition.

Nature reserves incur expenditure on structures such as hides and fencing on land. Such expenditure is not capitalised unless it will enhance the value of the Reserve.

**Depreciation**

No depreciation is provided on Freehold Land.

The estimated remaining useful life of the Freehold Buildings exceeds 50 years and it is considered that the depreciation charge and accumulated depreciation are immaterial.

Depreciation is provided on a straight line basis to write off the depreciable value of all other fixed assets over their expected useful lives as follows:

Tractors and AMT	10 years
Gibraltar Point Visitor Centre Buildings	25 years
Gibraltar Point furnishings	10 years
Motor vehicles	4 years
Other fixtures, fittings and tools	4 years
Agricultural buildings	25 years
Heritage assets	Not depreciated

**Stock**

Stock is stated at the lower of cost and net realisable value.

**Permanent Endowment Fund**

Transactions and other events which increase or decrease the amount of this fund are not dealt with in the income and expenditure account. The movement is recognised within the Statement of Financial Activities.

**Restricted Funds**

The charity's restricted funds are those where the donor has imposed restrictions on their use.

**Pensions**

The company offers two pension arrangements; a Standard Life stakeholder scheme and The Wildlife Trust Pension Scheme (WTPS). The WTPS has two categories of membership: defined benefit and defined contribution. Contributions in respect of both the defined contribution and the stakeholder scheme are charged to the profit and loss account as they become payable in accordance with the rules of the schemes. The defined benefit scheme is closed to new members and repayments made in the year are set against the provision. Further details of the pension arrangements are given in Note 19 to these accounts.

**Investments**

Investments have been valued at middle market prices in accordance with SORP 2005 Accounting and Reporting by Charities but contrary to the Companies Act 2006 in order to give a true and fair view. The corresponding revaluation reserve is included in the Conservation Fund.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2014 (continued)

**1. ACCOUNTING POLICIES: (continued)**

**Leased Assets**

Where assets are financed by leasing agreements which give rights approximating to ownership (finance leases) the assets are treated as if they had been purchased outright and the corresponding leasing commitments are included in creditors. Lease payments are treated as consisting of capital and interest elements and this interest is charged in the profit and loss account on a sum of digits basis. All other leases are operating leases and the annual rentals are charged in the profit and loss account on a straight line basis over the term of the lease.

**Heritage Assets**

Heritage assets are Nature Reserves, capitalised at cost at the date of addition. Any assets donated, where the cost is unknown, are capitalised at valuation at the date of addition. Further details are disclosed within note 9 to the financial statements.

**2. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY:**

The charity has a wholly owned trading subsidiary which is incorporated in the United Kingdom. The retail outlets operate under this Company trading as Lapwings Gifts. All turnover arises in the UK. The Company gifts any taxable profits to the Lincolnshire Wildlife Trust and also pays interest on loans from the parent company. A summary of the trading results is shown below. For more information see separate Annual Report and Financial Statements which are filed with the Registrar of Companies.

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Turnover	166949	217479
Cost of Sales	(141488)	(158049)
Gross Profit	<u>25461</u>	<u>59430</u>
Salaries and overheads	(40376)	(61183)
Interim Insurance proceeds	15000	
Interest Payable	(500)	(500)
Loss/Profit before taxation	<u>(415)</u>	<u>(2253)</u>
Taxation	0	(3)
Loss/Profit after taxation	<u>(415)</u>	<u>(2256)</u>
Amount Gifted to Parent Undertaking	0	0
Retained in Subsidiary	<u><u>(415)</u></u>	<u><u>(2256)</u></u>

In addition the Charity has a wholly owned non trading subsidiary, Lincolnshire Trust for Nature Conservation Limited, whose principal activity is the conservation of nature in South Lincolnshire.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2014 (continued)

**3. ANALYSIS OF INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Activity	2014 £	2013 £
Environmental Funding	Nature reserves	575273	521628
Grant Income	Nature reserves	530286	339661
Local Authority Income	Nature reserves	142410	91510
Donations	Nature reserves	22242	8567
Earned Income	Nature reserves	68427	70586
Rent Receivable	Nature reserves	32696	38955
Other Incoming Resources	Nature reserves	1384	1364
Grants	Wider countryside conservation	256861	240990
Earned Income	Wider countryside conservation	31747	41940
Donations	Wider countryside conservation	0	10000
Earned Income	Inspiring People	140503	128320
Local Authority Income	Inspiring People	12600	12600
		<b>1814429</b>	<b>1506121</b>

During the year ended March 2014, a grant of £450,000 was made from the Landfill Tax Community Fund and this has been included in Nature reserves grant income. The money was received to part fund the purchase of the second phase of the Woodhall Spa Airfield, which was completed after the year end in September 2014. The sum appears in our year end cash balances.

**4. ANALYSIS OF TOTAL RESOURCES EXPENDED**

	Staff Costs £	Depreciation £	Auditors Remuneration £	Other Costs £	Total £
Nature reserve management	545915	71345	0	607228	1224488
Wider countryside conservation	344392	5089	0	159321	508802
Education	287029	53929	0	272909	613867
Fundraising costs	60510	0	0	30034	90544
Governance	12233	0	5300	120	17653
Merchandising	53982	8267	1300	96771	160320
	<b>1304061</b>	<b>138630</b>	<b>6600</b>	<b>1166383</b>	<b>2615674</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2014 (continued)

**5. STAFF COSTS**

	<b>2013/14</b>	<b>2012/13</b>
	<b>£</b>	<b>£</b>
Wages and Salaries	1107162	1073914
Social Security Costs	96565	93305
Other Pension Costs	46352	43316
Staff costs for the Company	1250079	1210535
Staff costs for Lapwings Consultants Limited	53982	58458
Staff costs for the Group	1304061	1268993

There were no high paid staff receiving over £60,000 in the year.

The average weekly number of employees during the period was made up as follows:

Full time	42	41
Part time and Seasonal	16	21
Company Totals	58	62
Lapwings Consultants Limited	9	8
Group Totals	67	70

**6. TRUSTEE REMUNERATION AND RELATED PARTY TRANSACTIONS**

No members of the Board of Trustees and Directors received any remuneration during the year. Travel costs amounting to £673 (2012/13 £1,245) were reimbursed to five (2012/2013 four) members of the Board.

No related party (including Trustees and senior staff) had any personal interest in any contract or transaction entered into by the charity during the year (2012/13 Nil).

The Trust owns a number of residential properties. During the year one of these was let, on arms-length terms, to members of staff.

Wildlife Fundraising (Central) Limited is a joint venture with 7 other Wildlife Trusts to provide membership recruitment services to the founding members and the Chief Executive of Lincolnshire Wildlife Trust, Paul Learoyd, is a director of this company. Recruitment costs of £79,489 were incurred in the year in respect of services received from Wildlife Fundraising (Central) Limited and £6,990 was owed to them as at the 31 March 2014. It is included in the Trade Creditors and Accruals figure in Note 14 on page 34. A loan of £15,000 was made to this company in March 2013 to enable it to commence trade and this is included in Other Debtors in Note 12 on page 33.

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2014 (continued)

### 7. SURPLUS

	2013/14	2012/13
	£	£
This is stated after charging:		
Auditor's Remuneration	6600	6550
Depreciation - Owned Assets	138630	135072

### 8. IMPACT OF TIDAL SURGE

	2014
	£
Interim Insurance Proceeds	307090
Flood Recovery Funding	54218
Write off of Flood Damaged Assets	-567027
Interim Flood Recovery Expenditure	-53435
	<hr/>
	-259154
	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2014 (continued)

**9. FIXED ASSETS**

Group	Heritage Assets		Tangible Assets			Total Tangible Assets £
	Nature Reserves £	Banovallum House £	Other Buildings £	Motor Vehicles £	Fixtures Fittings & Equipment £	
Cost:						
At 1 April 2013	7134684	416380	971805	184084	1170205	2742474
Additions	3459	667	10154	17575	33517	61913
Disposals	0		(716106)	(10400)	(418144)	(1144650)
<b>COST AT 31 MARCH 2014</b>	<b>7138143</b>	<b>417047</b>	<b>265853</b>	<b>191259</b>	<b>785578</b>	<b>1659737</b>
Depreciation:						
At 1 April 2013	0	0	211440	153892	828675	1194007
Provided for the period	0	0	32991	19823	85816	138630
Disposals	0	0	(217390)	(10399)	(342995)	(570784)
<b>DEPRECIATION AT 31 MARCH 2014</b>	<b>0</b>	<b>0</b>	<b>27041</b>	<b>163316</b>	<b>571496</b>	<b>761853</b>
<b>NET BOOK VALUE 31 MARCH 2014</b>	<b>7138143</b>	<b>417047</b>	<b>238812</b>	<b>27943</b>	<b>214082</b>	<b>897884</b>
<b>Nature Reserves Additions at Cost</b>			<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
Kirkby Wood				103017		
Huttoft Bank				116589		
Sea View Farm				312730	1684	
Others under £100k			91658	45859		
Kirkby Airfield					903040	
Rush Furlong						3459
<b>Total:</b>			<b>91658</b>	<b>578195</b>	<b>904724</b>	<b>3459</b>

Tangible assets with a net book value of £897,728 and Heritage assets with a net book value of £7,138,143 are owned by the Parent Company.

The Trustees have consulted a Chartered Surveyor in respect of the net book value of Banovallum House and in his opinion this exceeds the existing use value and therefore depreciation is not charged in respect of this property.

The book value shown for Nature Reserves is based on historical cost and relates to areas of land which the Trust owns and which it manages and maintains. Of the Trust's 99 Nature Reserves, 72 are partly or wholly freehold. The Trustees believe that the market value of the Nature Reserves is significantly higher than the book value but they do not propose to carry out a revaluation at the present time since this would be complicated and expensive. The Nature Reserve values are in any case mostly not realisable and represent a long-term maintenance liability rather than a real asset.

Included within the net book value above is £156 (cost: £9674; depreciation £9518) which relates to the Fixtures and Fittings of Lapwings Consultants Limited.

At 31 March 2014 the group had commitments relating to uncompleted contracts and expenditure authorised but not incurred relating to capital expenditure of £Nil (2013: £Nil).

Nature Reserves include properties at book value £353,922 which are subject to a life tenancy.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2014 (continued)

**10. INVESTMENTS**

**Group**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Market value at 31 March 2013	4238369	4075045
Investments made in the year	3000000	0
Living Legacy	0	65000
Disposals	(3111585)	(213622)
Add: Net (losses)/gains on revaluation at 31 March 2014	53871	311946
Market Value at 31 March 2014	<u>4180655</u>	<u>4238369</u>
Historical cost as at 31 March 2014	<u>3526226</u>	<u>3637809</u>

The above market value can be analysed as follows:

	<b>INVESTMENT INCOME</b>		<b>MARKET VALUE</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
UK Listed Investments	195308	193595	4068988	3969800
UK Investment Property	2773	4002	111667	268569
	<u>198081</u>	<u>197597</u>	<u>4180655</u>	<u>4238369</u>

UK Common Investment Funds are split between M&G UK Equity Fund (Charifund), M&G Gilt & Fixed Interest Fund (Charibond), CCLA Charities Investment Fund and CCLA Charities Property Fund. The investment income from Charibond is shown net of an annual management charge of 0.3%. The annual management charge from Charifund amounts to 0.46% and is taken from the capital of the fund. Both the CCLA funds have an annual management charge taken from capital; 0.6% applies to the Investment Fund and 0.65% applies to the Property Fund.

The UK Investment Property income is shown within Nature Reserves in the consolidated statement of financial activities.

The investment figure in the company balance sheet also includes £25,000 which is the nominal value of the shares held in its wholly owned subsidiary Lapwings Consultants Limited.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2014 (continued)

**11. STOCK**

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Goods for resale	19838	32779	0	0
Livestock	12400	12400	12400	12400
Consumables	5000	5000	5000	5000
	<u>37238</u>	<u>50179</u>	<u>17400</u>	<u>17400</u>

**12. DEBTORS**

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Owed by group companies	0	0	15000	49464
Trade Debtors	19066	43984	19066	43984
Other Debtors	365516	133126	365505	133069
Insurance Debtor	257090	0	257090	0
Prepayments	62142	44570	53024	40806
Legacies Receivable	10000	18563	10000	18563
	<u>713814</u>	<u>240243</u>	<u>719685</u>	<u>285886</u>

The amount owed by Group Companies comprises a loan to Lapwings Consultants Limited of £15,000 (2013: £25,002). Interest is payable on the loan at 2 per cent per annum.

**13. CASH AT BANK & IN HAND**

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank balances	1216178	528771	1210546	497820
Cash in hand	3345	3645	2575	2875
	<u>1219523</u>	<u>532416</u>	<u>1213121</u>	<u>500695</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2014 (continued)

**14. CREDITORS**

Falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank Overdraft	0	0	0	0
Trade Creditors	166754	93681	159841	90300
Other Creditors	310	12618	310	12618
Accruals	21516	56301	17881	42176
Owed to Group Companies	0	0	13416	0
Deferred Income	193125	198750	193125	198750
	<u>381705</u>	<u>361350</u>	<u>384573</u>	<u>343844</u>

**Deferred Income Resources**

Deferred Income:	2014	2013
	£	£
Deferred income at 1 April 2013	198750	204375
Amount released in previous year	(5625)	(5625)
Deferred income at 31 March 2014	<u>193125</u>	<u>198750</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2014 (continued)

**15. PERMANENT ENDOWMENT AND DESIGNATED FUNDS**

In accordance with the Trust's accounting policies (see Note 1) the Trust's freehold nature reserves and other heritage assets are capitalised at the date of acquisition. No re-valuation is made subsequently. Most nature reserve acquisitions are made with the assistance of restricted grants and donations. It is the Trust's practice to designate sufficient unrestricted income to top up the funds to match the historical value. The funds are therefore presented in two parts: endowment (restricted and non-expendable) and designated (unrestricted and theoretically expendable). For all practical purposes the nature reserve assets cannot be disposed of, but the designated portion of the value is theoretically disposable.

	<u>Endowment</u>	<u>Designated</u>	<u>Total</u>
	£	£	£
Fund balances as at April 2013:	4512248	2814505	7326753
Incoming endowment resources:			
Designated from unrestricted Funds:		3459	3459
Fund balances as at 31 March 2014:	<u>4512248</u>	<u>2817964</u>	<u>7330212</u>

The Funds are represented by the following:

Nature Reserves* owned by the charity	£ 7138143
Banovallum House (Trust headquarters) - proportion	117551
Sykes Farm Improvements	74518
	<u>7330212</u>

\* Nature Reserves includes other land held for conservation purposes but not formally designated as nature reserves.

**16. RESTRICTED FUNDS**

	<b>Balance</b>	<b>Net</b>	<b>Balance</b>
	<b>31 Mar 2013</b>	<b>movement</b>	<b>31 Mar 2014</b>
	£	in funds	£
	£	£	£
Nature Reserves Management Fund	621442	421666	1043108
Capital Grants Fund	709716	(607150)	102566
	<u>1331158</u>	<u>(185484)</u>	<u>1145674</u>

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2014 (continued)**17. UNRESTRICTED FUNDS**

	<b>Balance</b> <b>31 Mar 2013</b> <b>£</b>	<b>Net</b> <b>movement</b> <b>in funds</b> <b>£</b>	<b>Balance</b> <b>31 Mar 2014</b> <b>£</b>
Conservation Fund	3046537	99070	3145607
Legacy Equalisation Fund	600000	90000	690000
Development Fund	291570	285507	577077
General Fund	500000	0	500000
	<hr/> <b>4438107</b> <hr/>	<hr/> <b>474577</b> <hr/>	<hr/> <b>4912684</b> <hr/>

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

The Conservation Fund exists to provide a stable financial base to generate annual income to support the management of the Trust's nature reserves and other activities. The Fund is kept fully invested and is represented by the market value of the investments. See also Financial Reserves Policy and Investments Policy on page 14 and 15.

The Legacy Equalisation Fund has been reinstated in order to dampen the effect of annual fluctuations in the flow of legacy income. The objective is to maintain the Fund at a level which provides not less than three years' assured flow of budgeted legacy income for revenue purposes.

The Development Fund comprises funds designated to provide a readily accessible pool of money for urgent and important land acquisitions. The Fund is especially important in providing matching resources for external funding applications. The timing of acquisition opportunities, together with their magnitude, is unpredictable and it is the Trust's aim to maintain this Fund at a minimum of £200,000 dependent on the flow of available income. The higher balance on the Development Fund at the end of March 2014 has been caused by the accrual of insurance monies, which had been agreed at the time the accounts were signed. These monies had either not yet been spent or had not been reflected in the fixed asset register relating to Gibraltar Point, Far Ings and Donna Nook at the year end.

The General Fund represents the working capital of the organisation, providing headroom for stocks, debtors and cash-flow fluctuations. Based on current turnover and needs the Fund is maintained at a figure of £500,000.

**Transfers Between Funds**

During the period the Trust made a transfer of £3,459 from general funds into designated funds. This is in line with the Trust's policy to top up the designated funds to match the historical value of fixed assets.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2014 (continued)

**18. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Endowment Funds £	Total Funds £
<b>Fund Balances at 31 March 2014 are represented by:</b>					
Heritage assets	0	0	2737225	4400918	7138143
Tangible assets	603249	102566	80739	111330	897884
Investments	4180654	0	0	0	4180655
Current assets	927468	1043108	0	0	1970575
Current liabilities	(381705)	0	0	0	(381705)
Long term liabilities	(416982)	0	0	0	(416982)
<b>TOTAL NET ASSETS</b>	<b>4912684</b>	<b>1145674</b>	<b>2817964</b>	<b>4512248</b>	<b>13388570</b>
Unrealised gains included above on investment assets (see note below)	589431	0	0	0	589431
<b>Reconciliation of movements in unrealised gains on investment assets:</b>					
Unrealised gains at April 1 2013	535560	0	0	0	535560
Net gains arising on revaluations in year	53871	0	0	0	53871
Unrealised Gains at 31 March 2014	589431	0	0	0	589431

**19. PENSION ARRANGEMENTS**

The Trust participates in the Wildlife Trusts Pension Scheme (WTPS), a multi-employer pension scheme which has two categories of membership: defined benefit and defined contribution. The defined benefit or 'final salary' category closed to the further accrual of benefits in October 2005. The Trust also offers a Standard Life stakeholder scheme.

**a) Defined Benefit Scheme**

The latest actuarial valuation for 2013 has been completed and the deficit applicable to the Trust has been confirmed at that date. The Trust's allocation as at 31 March 2014 gives a liability of £416,982. An adjustment has been made in the accounts to reflect this higher liability.

No separate actuarial valuation has been carried out for the charity but full details of the assumptions used in calculating the deficit in the multi-employer scheme can be found in the notes to the accounts of the Royal Society of Wildlife Trusts.

The movement on the provision for the year ended 31 March 2014 is shown below:

	£
Balance brought forward	286991
Additional Provision required	171759
Repayments in the year	(41768)
Balance carried forward	416982

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2014 (continued)

**b) Defined Contribution Scheme**

Contributions to the scheme are invested in individual accounts for the benefit of the members.

**c) Stakeholder Scheme**

Contributions to the scheme are invested in individual accounts for the benefit of the members.

**20. CONTROLLING PARTY**

Lincolnshire Wildlife Trust is controlled by its Board of Trustees.

**DETAILED INCOME AND EXPENDITURE ACCOUNT**  
for the year ended 31 March 2014

	<b>2014</b>	<b>2013</b>
<b>INCOMING RESOURCES</b>		
<b>Incoming resources from generated funds:</b>		
<i>Voluntary income:</i>		
Subscriptions, donations & gift aid	587531	580509
Legacies	436015	162519
General donations	32989	105427
Grants	3656	3656
<i>Activities for generating funds:</i>		
Merchandising income	166949	217479
Investment income	195308	193595
<b>Incoming resources from charitable activities:</b>		
Nature reserve income	1372718	1072271
Wider countryside conservation	288608	292930
Inspiring people	153103	140920
<b>Other incoming resources:</b>		
Other income	3831	3523
Net loss on disposal of fixed assets	-639	2122
<b>TOTAL INCOMING RESOURCES</b>	3240069	2774951
<b>RESOURCES EXPENDED</b>		
<b>Cost of generating funds:</b>		
Costs of generating voluntary income	90544	59376
Merchandising costs	160320	219746
<b>Charitable activities:</b>		
Nature reserve management	1224488	1343426
Wider countryside conservation	508802	497531
Inspiring people	613867	563613
<b>Governance costs</b>	17653	17577
<b>TOTAL RESOURCES EXPENDED</b>	2615674	2701269
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>	624395	73682
Impact of Tidal Surge	-259154	0
Gross Transfers between funds	-3459	-963302
<b>NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>	361782	-889620
Gains/(Losses) on investment assets:		
Unrealised	53871	311946
Realised	45199	93203
Actuarial losses on defined benefit pension scheme	-171759	0
<b>NET MOVEMENT IN FUNDS</b>	289093	-484471

This page does not form part of the statutory financial statements