



Lincolnshire

Wildlife Trust

ANNUAL REPORT

and

FINANCIAL STATEMENTS

for the year ended

31 March 2017

**ANNUAL REPORT
and
FINANCIAL STATEMENTS
for the year ended 31 March 2017**

CONTENTS	Page
Chairman's Annual Report	1
Report of the Trustees	
- Objectives and Activities	3
- Strategic Report	4
- Financial Review	9
- Future Plans	13
- Structure, Governance and Management	14
- Reference and Administrative Details	17
- Financial Support	19
- Statement of the Board's Responsibilities	20
Statement as to Disclosure of Information to Auditors	21
Consolidated Statement of Financial Activities	22
Consolidated and Charity Balance Sheet	23
Consolidated Cash Flow Statement	24
Notes to the Financial Statements	25

**CHAIRMAN'S ANNUAL REPORT
for the year ended 31 March 2017**

The decision to leave the European Union has been at centre stage for most of the year under review and the implications are still clearly very uncertain and subject to much media interest and comment.

From our point of view there are a number of important issues to be resolved:

- the retention of the European Directives which have played an important role in the protection of wildlife habitats on land and at sea and have encouraged a significant improvement in the quality of our water and air supply;
- the retention of agri-environment schemes, which have allowed this Trust to significantly improve the quality of its nature reserves and which also encourage other landowners to manage land in a more environmentally-friendly fashion.

These issues are being addressed through the Royal Society of Wildlife Trusts which has linked up with 13 major environmental organisations with a combined public membership of 7.9 million. This coalition, Greener UK, has issued its own manifesto and one of the challenges will be to mobilise support for these plans during the BREXIT negotiations.

Tony Juniper, President of RSWT, made this point very clearly when he addressed members at the Trust's AGM in October, highlighting all the important things the natural world can bring to the table under the heading "What Nature does for Britain". Tony will be campaigning on our behalf throughout the UK over the next two years.

Geoff Trinder stepped down as a Trustee and Chairman in November following an involvement with the Trust going back 40 years, allowing me to take on the role of Chairman. Whilst this is a great honour, I am very much aware of the quality of the people who have filled this role in the past and I will endeavour to do all I can to ensure that the Trust continues to prosper. I am delighted that Geoff has agreed to stay in touch by accepting the position of Vice President, which means that we will continue to benefit from his enthusiasm and wisdom as we chart our way through the choppy political waters that lie ahead.



Geoff Trinder (former Chairman), Tony Juniper (guest speaker at 2016 AGM)
& David Cohen (current Chairman)

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

Following the sad loss of Ted Smith in September 2015, David Robinson was unanimously elected as our new President at the Council meeting in June 2016. David's experience with the Trust from the early years was clearly an influencing factor and made him the obvious candidate. Unfortunately his tenure was all too short and he passed away after a brief illness on 25 July 2017.

One of David's last official duties was to celebrate the formal opening of our new Visitor Centre at Gibraltar Point in 2016, which Simon King supported in his usual professional manner. We are grateful to Simon for the time he committed with members, volunteers, staff and guests on the day and also to members of Lincolnshire County Council for their ongoing support.



Gibraltar Point Visitor Centre Opening Ceremony
Simon King, Cllr Colin Davie (LCC) & David Robinson (Trust President)



Gibraltar Point Visitor Centre

After a gestation period of over 5 years, we were finally able to open up the Woodhall Spa Airfield nature reserve at an Open Day which formed part of the Heritage Weekend. We had a good number of visitors on the day; an osprey paid a brief visit over the lakes and there was a sighting of a Spitfire to round off a very successful day. The reserve goes from strength to strength and plans are in hand for further development work over the coming years.

**REPORT OF THE TRUSTEES
for the year ended 31 March 2017**

The Board of Trustees has pleasure in presenting its report together with the audited accounts for the year ended 31 March 2017. The Board has adopted the provisions of the Charities SORP (FRS 102) – Accounting and Reporting by Charities: Statement of Recommended practice applicable to charities preparing its accounts in accordance with the Financial Reporting Standard applicable in the UK in preparing the annual report and financial statements of the charity. The accounts have been prepared in accordance with the Companies Act 2006.

OBJECTIVES AND ACTIVITIES

Lincolnshire Wildlife Trust is required by charity and company law to act within the objects of its Memorandum of Association, which are as follows:

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 all.

Mission

To safeguard wildlife in Lincolnshire and in the neighbouring sea and estuaries by:

- protecting existing wild places as reservoirs of biodiversity;
- restoring and creating wildlife habitats;
- 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;
- promoting research projects which lead to a better understanding and appreciation of the natural world.

Principal Activities and Strategies for the Year

During the year effort has focused on delivery of the new five year Strategic Plan which commenced April 2015. These are under three principal headings:

- **To create Living Landscapes - a resilient and healthy environment rich in wildlife**
- **To restore Living Seas - where marine wildlife thrives, from the depths of our seas, to our estuaries and coastal shallows**
- **To inspire people, organisations and communities to value and safeguard wildlife**

STRATEGIC REPORT

Achievements and Performance

Looking at the three strategic headings:

To create Living Landscapes - a resilient and healthy environment rich in wildlife

- *Work in partnership to develop more, bigger, better and joined areas of wildlife value, influencing organisational and individual policies and practices.*
- *Expand the wildlife rich core of Living Landscapes by extending and connecting our nature reserves through acquisition and working with farmers and other land managers.*
- *Manage nature reserves well and achieve conservation objectives for appropriate land management.*
- *Develop and implement a strategic approach to the management of alien invasive species.*
- *Assemble the social, economic and environmental evidence which shows the benefits of Living Landscapes.*

Lincolnshire Coast and Grazing Marshes

Work led by the Trust with partners to establish 'Heritage Coast' status gained significant traction with senior members of LCC, ELDC and NE supporting the approach. This initiative is a follow up to the Coastal Grazing Marshes and Coastal Country Park projects in partnership with Lincolnshire County Council and others.

The Trust continued nature reserve management of Saltfleetby-Theddlethorpe Dunes National Nature Reserve in support of NE. Discussions are underway to achieve a 'super NNR' combining this NNR with the adjacent Donna Nook NNR. This will enable more coordinated planning and delivery of reserve management across a large nature reserve. Ambitious plans for establishment of residential training on site are also being considered.

The 50 acre Swinn Wood near Alford was purchased by the Trust. This important woodland site, located near the existing Trust nature reserves of Rigsby and Muckton Woods was put on the open market. With a significant legacy, money from a dedicated appeal and the Trust's Development Fund the purchase was made possible against stiff competition and completed in December 2016. Work to establish access and a management plan are underway.

An externally funded 'nature reserve trainee' has been posted to coastal reserves, contributing to delivery of reserve management work while supporting the individual's development for a career in nature conservation.

South Humber Bank

The first areas of land were acquired by partners on the Humber Bank to establish strategic mitigation for development. This has been achieved after many years of discussion and negotiation with industry and authorities. It will ensure that there is no net loss and potentially a net gain of habitat for internationally important species along the Humber Estuary.

At the Trust's Far Ings NNR another winter of major reserve management works by staff, volunteers and a team from NLC has seen significant areas of reedbed enhanced for breeding birds such as bittern. While too early to see the breeding results this year, visitors were rewarded with incredible starling murmurations during the winter months.

The Trust made important contributions to the Flood Risk Management Strategy and the Humber Landscape and Investment Study. The Trust also plays an active role in the Humber Nature Partnership which is well placed to tackle the complex issues around the estuary. The Chief Executive is a director.

South Lincolnshire Fenlands

The major nature reserve, Willow Tree Fen, continued to amaze. Good habitat management of this young nature reserve pulled in record breaking numbers of birds over winter and a surprise visitor, the unmistakable bluethroat, pulled in a record number of human visitors. Abnormally high winds during February hastened the planned management work by blowing over a large number of unwanted trees providing a valuable resource for wildlife in the wet woodland.

The Trust has contributed to the thinking on water resources in the area. An integrated approach to this has the potential to add greatly to the area of land under sympathetic nature conservation management. Surveys of fenland drains, as part of Local Wildlife Site identification work, has found a network of botanically rich drains. Further work with partners including land owners, IDBs and Anglian Water is required to identify more and better understand the opportunities.

The Trust is contributing to the county minerals and waste plan, highlighting the potential for landscape scale habitat creation in this area.

The Trust provides secretariat to the regional Fens partnership, Fens for the Future, covering the whole natural area across four counties, seeking opportunities to learn from one another and to secure joint funds to deliver landscape scale improvements. The Trust also hosts the South Lincolnshire Fenlands Partnership Project Officer and provides secretariat. This partnership has secured grants for wildlife enhancement for local land managers, worked with the local community to develop an application for 'Nature Improvement Area' status, and delivered numerous events.

Kirkby Moor and Environs

The major works to restore the former Woodhall Spa Airfield to a nature reserve were completed. Long term management and ongoing investment in infrastructure will see the establishment of internationally rare habitat over time. Plans to link the adjacent SSSI Kirkby Moor Nature Reserve are being developed to achieve a joined up wildlife rich landscape. The Forestry Commission commenced control of alien invasive piri piri burr on land adjacent to the site at Ostler's Plantation. A range of visitor infrastructure is now in place.

Management of the Trust's 3,850 hectares estate of nature reserves protected some of the richest areas for wildlife in the county. Volunteers and staff commit a huge amount of effort as demonstrated at Rauceby Warren nature reserve where, after 15 years of work by dedicated volunteers and staff, the 1km of dry stone wall has been restored. This is now a distinctive feature for passers-by as well as a haven for wildlife.

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.

During the year the Trust worked closely with all the county's local planning authorities and other strategic planning bodies, and contributed to the following development documents, for example:

- Environment Agency – the Saltfleet to Gibraltar Point Strategy and various elements of the Humber Strategy.
- Natural England – the English Coastal Path on The Wash from Sutton Bridge to Skegness, Skegness to Mablethorpe, and most recently starting from Mablethorpe to the Humber Bridge.
- Lincolnshire County Council - Minerals and Waste Local Plan core strategy was adopted in June 2016, and consultation on the Sites Location Document was in December 2016.
- East Lindsey District Council – Local Plan: resubmissions.
- North East Lincolnshire Council – Local Plan: resubmissions.
- South East Lincs Local Plan – for South Holland District & Boston Borough Council areas for preferred sites.

Of the 370 planning applications reviewed in detail, 75 were responded to by the Trust which involved developments that could adversely impact on Local Wildlife & Geological Sites, Trust Nature Reserves and/or offered significant opportunities to enhance biodiversity.

The Trust plays an active role in the Greater Lincolnshire Nature Partnership (GLNP), which it hosts. The Partnership compliments the Trust's advocacy work, particularly on planning, agriculture, tourism and health. The Nature Partnership's conference in November titled "Being well with nature, health benefits from the natural environment" featured a number of local and national speakers on the subject. More details of the activity and achievements are available in its Annual Review 2016-17.

To restore Living Seas – where marine wildlife thrives, from the depths of our seas, to our estuaries and coastal shallows

- *Work to increase the coverage of and protection afforded by Marine Protected Areas in 'Lincolnshire Waters'.*
- *Work to improve marine planning, policies, laws and practices and work with stakeholders to improve the marine environment.*
- *Raise the profile of the North Sea's wildlife and the Wildlife Trust's role in protecting it.*
- *Work to increase knowledge of Lincolnshire's marine environment through monitoring and surveys.*

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. The Trust continues to push for designation including the publication of a national report and publicity campaign with young people through the making of friendship bracelets.

The Trust, through its Living Seas Sustainable Development 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.

For the fifth year the Trust contributed to the Seawatch Foundation's coordinated National Whale and Dolphin Watch in July; a number of harbour porpoise sightings were again reported.

The seal colony at Donna Nook had another successful year with an increase in pups born. Visitors showed increased support for the Trust through increased sales of goods, donations and the numbers of members recruited during the season.

Another breeding success for a marine dependent species was little terns at Gibraltar Point NNR. With increased wardening and improved protective fencing, little terns had another good breeding season.

Beach cleans with groups and volunteers were undertaken all year round on a number of Lincolnshire's beaches. Along with ELDC the Trust highlighted the issue of littering; this complemented national and international campaigns highlighting the issue of marine litter.

To inspire people, organisations and communities to value and safeguard wildlife

- *Influence decision makers (public and private) to improve the status of wildlife in Lincolnshire.*
- *Increase the value that people place on Lincolnshire's wildlife and environment.*
- *Inspire people to be Wildlife Trust members, donors and supporters.*
- *Engage a wide range of people with a presence at public events and locations.*
- *Recruit, train and develop volunteers to contribute where they are most needed.*
- *Develop digital technology to complement traditional approaches to communication.*
- *Maintain high quality centres and satellite sites to deliver life-long learning.*

The highlight of the year was the opening and then official opening of the new visitor centre at Gibraltar Point. This gateway to the nature reserve offers the opportunity to engage with an estimated 100,000 visitors every year. The official opening brought together key decision makers, local people, members and supporters to celebrate. Events held during the year range from bats to a high tide breakfast.

Lincolnshire Co-op provided substantial financial support for the Trust's education and community activity as well as engaging with hands-on activities across the county with their staff and members. Trust representatives joined Lincs Co-op members at the launch of their 'environment quarter' with The Wildlife Trusts' Vice President, naturalist and broadcaster Nick Baker.

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

A major funding application to the Heritage Lottery Fund was submitted; the project aims to inspire the botanists of the future. With the Natural History Museum, Sir Joseph Banks Society and Lincolnshire Naturalists' Union the project is planned to commence in late summer 2017 and will bring considerable resource to the Trust for engaging people over the next three years. This compliments the work achieved through the HLF funded Meadows Network Project which saw the establishment of 24 meadow sites and was showcased at the Lincolnshire Show.

The new Wildlife Watch Group established by the volunteers of the Louth Area Group went from strength to strength, and the Alford Watch Group was highly commended in the national Watch awards.

Area Groups and staff laid on a huge range of events throughout the year across the county. It was a particularly notable year for music with big band playing in Colsterworth, folk at Grimsby and Gibraltar Point (with the sun setting) and international guitarist at Scunthorpe.

Social media plays an increasing role in promoting the work of the Trust. Area Group representatives received training resulting in the majority of areas now being active on Facebook. The new presence on Instagram has been growing. Facebook and Twitter have been the major platforms. Flickr has prompted photographers to post images from across Lincolnshire, some of them being used in publications. A year end film highlighting the Trust's work was positively received and had over 10,000 views.

Following the EU referendum decision the Trust worked with local MPs to encourage support for the 'Pledge for the Environment'. With the subsequent General Election in May 2017, work to promote this will continue.

Far Ings, Gibraltar Point and Whisby education centres continued to deliver excellent opportunities, particularly for young people to learn about wildlife. Gibraltar Point particularly benefited from the increased profile following the opening of the new visitor centre and was the first opportunity to trial new facilities established at the Old Coastguard Station, though the temporary tipis were again utilised. Donna Nook, during the seal season, and Snipe Dales nature reserves offered a popular alternative education offer for schools. At Willow Tree Fen delivery of education with the support of an external provider was trialled for the first time.

The zoology prize, named in honour of former Trust president Ted Smith, was presented for the first time to the top student at the University of Lincoln. This is just one element of a growing relationship with this successful and expanding institution.

Volunteers

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. 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. Without this support the Trust could not function as volunteers deliver the equivalent in working hours as the employed staff.

Public Benefit Statement

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

The Trust's public benefit is enshrined in its charitable objects as outlined above.

Fundraising

The Trust's approach to fundraising is to be honest and transparent with its donors and supporters about where their money goes and why the charity asks for donations. The Trust publishes information widely about its work and seeks to keep everyone informed. The Trust communicates clearly why it needs donations and what activities money will be spent on.

During the last two years there have been several important changes to the way charity fundraising is regulated. Responsibility for the Code of Fundraising Practice is now with the Fundraising Regulator. The Trust complies with the Fundraising Regulator's Code of Fundraising Practice and the six guiding principles identified in CC20, the Charity Commission guidance for Trustees on charity fundraising.

Trustees are very aware of the need to uphold the highest standards of fundraising practice to safeguard the good reputation of the Trust, which has built up through many years of accumulated good work. Whilst day-to-day responsibility for fundraising is delegated to staff, the Trustees remain ultimately responsible and fundraising practice is regularly discussed through the work of the Board. Membership income targets are set through the budgeting process and with the recruitment company. The actual income achieved in 16/17 exceeded budget by 6.5%. Fundraising is included on the Trust's risk register which is monitored by Trustees. There is a process, including escalation to Trustees, to review complaints from members and the wider public to ensure our fundraising practice is consistently carried out and any lessons learned.

Together with eight other Wildlife Trusts, the Trust established a wholly owned Wildlife Trust membership recruitment company. The company is managed by a Board of Trustees which is represented by Wildlife Trusts and other experts. This company is transparent in its fundraising techniques, regulated by the Institute of Fundraising and meets with its member Trusts every 6 months. There is a written agreement between the Wildlife Trusts agreeing fundraising standards, monitoring of fundraisers and compliance. A membership recruiter is also employed directly by the Trust. There is a process in place to deal with complaints. Those of significance would be brought to the attention of the Board.

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, in a revised format, was reviewed and maintained. The process of the UK leaving the European Union (EU) has resulted in significant uncertainties for the Trust impacting on land management, environmental legislation and funding. The full impact is yet to be fully understood and the Trust is working closely with RSWT to mitigate the risks and take opportunities which might arise.

There are concerns over the current implementation of the EU's Common Agricultural Policy, particularly agri-environment payments. This has a bearing on income for the Trust but also impacts on nature conservation in the wider countryside by other landowners. The Trust has good systems in place to manage the current system; these will be kept under review.

A range of key partners, particularly those in the public sector, are under significant financial strain, this impacts on the direct funding that they can provide the Trust and also their capacity to support delivery of the Trust's objectives through joint working. Advocacy remains a key element of the Trust's work to maximise the benefit of these relationships even during difficult times.

Adequate financial reserves and financial controls are maintained.

A continuing focus has been placed on cyber security following a number of threats identified locally and nationally, new policies and procedures have been implemented.

FINANCIAL REVIEW

Financial Review of the Year

During the course of the year the Trust received income of £2,812,000 and spent £3,047,000, which, together with unrealised gains on its listed investments and a further pension provision, produced a deficit of £23,000 for the year. The income sources are well spread with the majority coming from membership income, legacies, a variety of environmental and Local Authority funding and income from investments. The increase in revenue year on year is partly due to the revenue generated from the newly opened Gibraltar Point Visitor Centre.

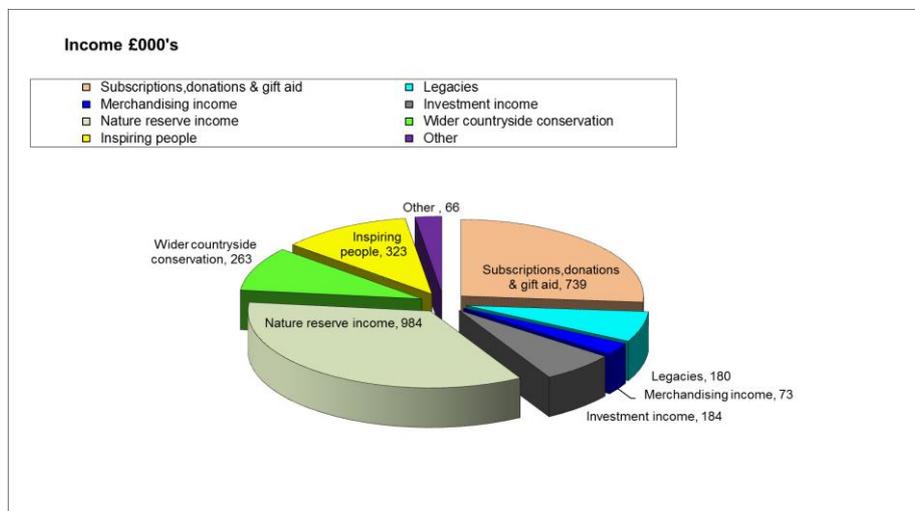
Membership numbers have risen to 28,225 at the year end, boosted by another excellent recruitment campaign. The Board takes a keen interest in the levels of membership recruitment and retention and ensures that the Trust meets its moral and legal obligations.

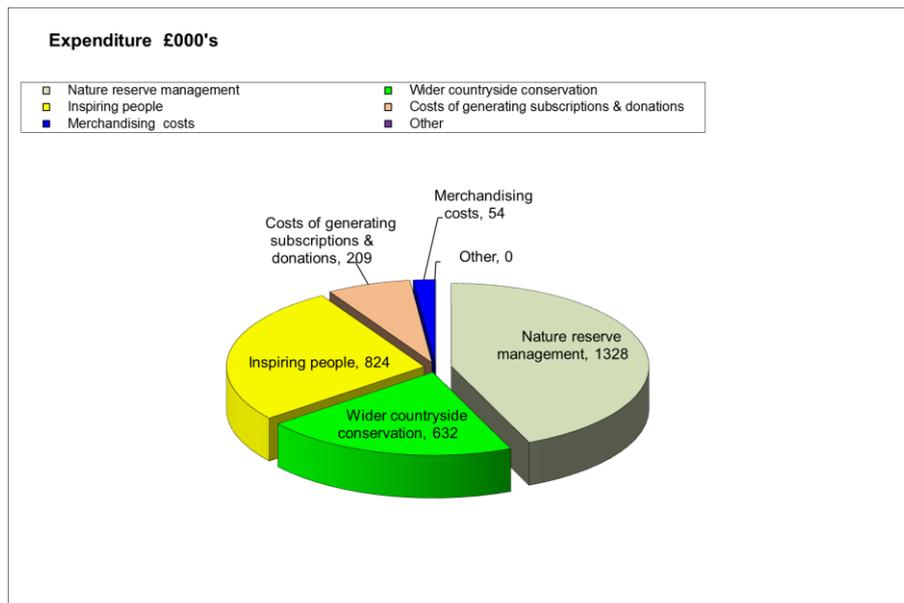
The Trust has again benefitted from a healthy number of legacies and is indebted to everyone who has supported the Trust’s work through a gift in a will. Over the years, this source of income has enabled the Trust to acquire new reserves, this year Swinn Wood was purchased for £252k, manage them better and improve visitor facilities, whilst building up financial reserves to support the ongoing work of the Trust.

For this year, the value of the Trust’s investments has reflected the buoyant state of the stock market. The accounts show an unrealised gain of £452k compared to unrealised losses of £130k last year. The Trustees review investment performance each quarter and have taken advice on the structure of the Trust’s investments. In broad terms, the Trust’s advisers have recommended that its investments are well spread and support the investment strategy. The Trust does need to generate a high level of income from its investments to continue to fund its work, so the potential to move funds into cash or a safer form of investment would have a significant impact on the level of income received. The Trust’s investment policy does recognise and accept the risk of a short-term fall in value in order to benefit from a higher level of income.

With the opening of the new visitor centre at Gibraltar Point the Trust has reviewed the commercial operations; retail and catering. All retail remains within a subsidiary company (Lapwings Consultants Limited) and the Gibraltar Point catering operates within the main charity. This change, and the significant increase in visitors, is reflected in the financial results. Negotiations for a renewed lease with Lincolnshire County Council are still ongoing and the Trust has agreed to contribute £200k towards the cost of the new Visitor Centre, once the lease is completed.

The Trust has spent £2,784,000 on its charitable activities during the course of the year, which represents 91.3% of total expenditure. This has been spread across Nature Reserves, Wider Countryside Conservation and Inspiring People and details of the split appear in the pie charts below and the Notes to the Accounts.





The Trust has experienced continued difficulties with its former pension arrangements, and there is a need to make a further provision of £239,000 to cover the Trust's share of the latest reported shortfall in the scheme. The Defined Benefit Scheme operated by RSWT and a number of other Wildlife Trusts, including Lincolnshire, was closed to the further accrual of benefits in October 2005 and this Trust has subsequently reported the level of its share of the deficit in the Pension Fund in its financial accounts. The Trust makes regular monthly contributions to reduce the actuarial shortfall but with life expectancy increasing and adequate returns difficult to find, there is unfortunately a need to recognise the increased deficit. Further details are included within the Notes to the Accounts.

On balance, the Trust can be proud of what has been achieved during the course of the current year and whilst there are issues to address over the next few years, the Trust is well capitalised and has the financial strength to resolve them.

Financial Reserves Policy

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

- The Conservation Fund
- The Legacy Equalisation Fund
- The Capital Grants Fund
- The Development Fund
- The General Fund

The **Conservation Fund** has been established over a number of years to provide a regular and secure source of investment income to support the essential 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 also demonstrates the inherent strength of the organisation, which can be important when approaching funding sources for finance to undertake long-term projects in line with the strategic objectives.

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 Conservation Fund remains fully invested and any increases or decreases in value at the year-end are reflected in the fund. At the year-end the fund stood at £3,822k.

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

The **Legacy Equalisation Fund** was established to enable the Trust to dampen the effect of annual fluctuations in the flow of legacy income and cope with a year when legacy income is lower than the historical ten-year average of £492k. The current reserve of £900k therefore provides a “safety net” for a minimum of two years.

The **Capital Grants Fund** represents grants received for capital assets. Amounts are released over the life of the underlying assets. The value of this fund at the year end was £82k.

The **Development Fund** represents the Trust’s disposable income outside the existing annual budgetary process and provides a pool of finance for a variety of opportunities, including urgent and important land acquisitions, providing matching resources for external funding applications and the financing of specific short-term posts or projects.

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 £200k dependent on the flow of available income, chiefly from legacies. The Fund currently stands at £418k although £200k has been allocated to cover our contribution to the Gibraltar Point Visitor Centre.

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 £500k.

The Trust also holds a variety of restricted financial reserves, which support a variety of projects and posts. The balance of the restricted funds held at the year end is £475k. Further details appear within the Notes to the Accounts.

Investment Policy

1. Introduction

The Trust currently has an investment portfolio of c£4.8m, invested in two M&G Funds (Charifund and Charibond) and two funds managed by CCLA (COIF Investment Fund and COIF Property Fund), together with a COIF deposit account of £620k. In addition, the Trust has a small number of investment properties, which have been acquired in a variety of ways but mainly through legacies. Continued ownership of these properties is reviewed on a regular basis and where circumstances allow, properties are sold to generate cash to support the Trust’s activities or for further investment.

Investment income provides an important source of revenue to augment membership subscriptions in support of the Trust’s core operating costs. As such, a steady and regular income is key to the long-term viability of the Trust’s operations.

Investment powers are provided within the Trust’s Memorandum and Articles. The Board of Trustees is responsible for setting the Investment Policy following recommendations made by the Finance Monitoring Group.

2. 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 the current time, investments valued at £4.8m produce an income of c£184,000 per annum (a yield of 3.8%). When contemplating new investments the Trust should seek to achieve a return in the region of 4% in the current economic circumstances.

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.

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

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.

3. 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 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.

4. 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.

FUTURE PLANS

During the year ahead effort will focus on delivery of the new five-year Strategic Plan which commenced April 2015. These are under three principal headings:

- To create Living Landscapes - a resilient and healthy environment rich in wildlife
- To restore Living Seas - where marine wildlife thrives, from the depths of our seas, to our estuaries and coastal shallows
- To inspire people, organisations and communities to value and safeguard wildlife

Particular activities in the year and indicative *measures of success* are:

- Brexit and Government 25 year environment plan - *through campaigning and lobbying with partners secure strong commitment to safeguard the environment.*
- Heritage Coast - *push forward with the partners the coastal strategy and effective implementation of coastal access.*
- Saltfleetby-Theddlethorpe Dunes NNR - *implement agreed medium term operational arrangements.*
- Lincolnshire County Council - *engage with new administration (post-election May 2017).*
- Fens - *maintain South Lincolnshire Fen as a key element of a regional fenland strategy.*
- Lincolnshire's Plants: Past and Future - *commence delivery of this Heritage Lottery funded project (in partnership with Lincolnshire Naturalists' Union, Sir Joseph Banks Society and the Natural History Museum).*
- Communications and marketing - *membership retention and legacy promotion.*
- Fundraising - *identify and pursue project funding opportunities, particularly time limited EU funds.*
- Countryside Stewardship - *first tranche of agreements in place. Influence future approach.*

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 2017 increased to 28,225, up from 27,014 in 2016. 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. The Trust is grateful for the continuing support of so many people in Lincolnshire and beyond.

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 period, former Honorary Secretary and Trustee, David Robinson, was appointed President. Geoff Trinder stepped down as Chair and Trustee; he continues to make a valuable contribution as Vice President. David Cohen, former Honorary Treasurer and Trustee, was appointed Chair and Peter Stapleton, Trustee, was appointed Honorary Treasurer. Matthew Capper, Amy Rose, Stephanie Round and Robert Oates filled vacancies as new Trustees.

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.

Trustees' skills are reviewed regularly to ensure that the balance is suitable. New Trustees are inducted into the charity by discussions between themselves and other Trustees, and members of staff, as opportunities arise. They are presented with background information and have access to the Charity Commission's website.

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, Teams, consisting of volunteers and relevant staff, cover a range of Trust 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 (including membership and administration), Conservation (includes the GLNP) 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) and public relations.

Staff

Good staff and volunteers are fundamental to achieving the Trust's objectives. The staff structure is kept under regular review in order to ensure that it accords with the Trust's objectives and strategies. As at 31 March 2017, the Trust employed a total of 74 members of staff (43 full-time and 31 part-time), a significant increase with the opening of the new catering facilities. Of these, 4 relate to the GLNP with external funding and 70 relate to the Trust's core activities.

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

The arrangement for setting staff remuneration is common for all employees. The Trustees agree an annual cost of living increase (usually based on the Consumer Price Index) with a small panel agreeing any individual changes to reflect increased responsibilities and good performance. RSWT carries out internal and external benchmarking of salaries. This information informs the Trust's approach to remuneration for new and existing staff.

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.

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 from retail sales.

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 is a director of the company.

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:

- **Greater Lincolnshire Local Enterprise Partnership:** The Chief Executive sits on the Visitor Economy Board. The Head of Conservation sits on Greater Lincolnshire Forum for Agriculture & Horticulture.
- **Campaign for the Farmed Environment in Lincolnshire:** working with Anglian Water, CLA, EA, GLNP, LWCS, NE, NFU, individual farmers and farm businesses to introduce jointly opportunities for farmers to new techniques in and grants for farm management that benefit the environment.
- **Humber Nature Partnership:** numerous corporate, local authorities, statutory agencies, voluntary organisations and individual members. The Chief Executive is a director. The Head of Conservation sits on the Relevant Authorities Group for the Humber Estuary European Marine Site on behalf of the RSPB and Yorkshire Wildlife Trust.
- **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.
- **Lincolnshire Wildflower Meadows Network:** LCC, NE, Lincolnshire Wolds Countryside Service, NLC, NELC.
- **Lincolnshire Wolds AONB Joint Advisory Committee & Countryside Service:** working with a wide variety of partners and the team to ensure the special qualities of the area are maintained and enhanced. **The Lincolnshire Chalk Streams Project** is also hosted by them which the Trust contributes expertise too.
- **South Lincolnshire Fenlands:** EA, NE, Sustrans, SKDC, SHDC, LCC, Waterside Garden Centre and Welland & Deepings Internal Drainage Board.
- **South Lincolnshire Water Partnership:** working with Anglian Water, Black Sluice IDB, EA, LCC, NE, NFU, Welland & Deeping IDB, UK Irrigation Association, individual farmers and farm businesses. This partnership is directly making a case to the Steering Group, **Water Resource East**, that is considering options for long-term public water resources needs in the East of England.
- **The Wash & North Norfolk Coast Marine Partnership:** the Trust sits on the Full Management Board, on behalf of NWT and RSPB, with the relevant authorities and the three local advisory group representatives. Reserves and conservation input to the Boston Advisory Group.
- **Witham Partnership:** a river catchment approach working with Anglian Water, BDAA, Canal & River Trust, EA, GAA FFS, Lincolnshire Rivers Trust, NFU, SNT, Witham 1st, 3rd & Upper Witham IDBs.

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

- **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.

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**.

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 & 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>Investment Managers</u>	CCLA Senator House 85 Queen Victoria Street London EC4V 4ET M&G Laurence Pountney Hill London EC4R 0HH
<u>The Board of Trustees and Directors:</u>	The Board currently consists of the 5 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

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

<u>Presidents:</u>	Mr D N Robinson OBE MSc	(President)	Appointed 16.6.16 Stepped down as Trustee 16.6.16 Deceased 24.7.17
	Mr B Tear BSc	(Vice President)	
	Mr G L Trinder ARPS	(Vice President)	Appointed 3.11.16 Stepped down as Chairman & Trustee 3.11.16
<u>Trustees/Directors:</u>	Mr D A Cohen	(Chairman)	Appointed 3.11.16
	Mrs J Mellor MSc	(Deputy Chairman)	
	Mr T S Sands	(Deputy Chairman)	
	Dr D A Sheppard BSc PhD	(Deputy Chairman)	
	Mr P Stapleton FCA	(Honorary Treasurer)	Appointed 3.11.16
	Mr M Capper		Appointed 2.2.17
	Mrs C E Harrison BSc		
	Mr C Morrison CSci		
	Mr R Oates		Appointed 2.2.17
	Mr J Purvis BSc FCA		
	Mrs A Quigley BA		
	Mr E J Redshaw		Retired 3.11.16
	Mrs S Round BA MSc (Econ)		Appointed 2.2.17
	Mrs A Rose		Appointed 2.2.17
Ms T Smalley MSc		Stepped down 12.10.16	
	Mrs B Tyrrel MIBC		
<u>Senior Staff:</u>	Chief Executive:	Paul V Learoyd	
	Head of Conservation:	Caroline E Steel	Retired 31.04.17
	Head of Conservation:	Tammy Smalley	Appointed 31.10.16
	Head of Finance:	Sarah J Smith	
	Head of Nature Reserves:	David R Bromwich	

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

FINANCIAL SUPPORT

We are grateful to the following for substantial financial support in 2016/2017 through donations, grants and the sponsorship of projects:

Anglian Water Services	Lincolnshire County Council
Cargill plc	Lincolnshire Co-op
Centrica	Lincolnshire Wolds Countryside Service
Defra	Lincs Wind Farm Limited
East Lindsey District Council	Ministry of Defence
Environment Agency	Natural England
Esmée Fairburn Foundation	North Kesteven District Council
European Union, The	RSPB
Forestry Commission	RSWT
Heritage Lottery Fund	Vine House Farm

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	J E Piccaver & Co
Alfred Enderby Limited	J W Ruddock & Sons Limited
Andrew & Co LLP	John E Haith Limited
Anglian Water Services	John Kinch Group
ARH Tucker & Sons	Jolly Common Caravan Park
Associated British Ports	Lafarge Aggregates Limited
B A Bush & Son Limited	Lincolnshire Co-operative Society Limited
Badley Ashton & Associates Limited	Lindsey Oil Refinery Limited
Cargill plc	Mortons of Horncastle Limited
Chapel Garden Centre	Natureland Seal Sanctuary
Cleethorpes Builders Merchants	North East Lindsey Drainage Board
Clugston Group Limited	Novartis Grimsby
ConocoPhillips (UK) Limited	Page Paper Limited
Cray Valley Products Limited	Riva Construction
Creative Nature	Rowhire Limited
Crowder & Sons Ltd	SCS Technology Solutions Limited
F W Cupit (Printers) Limited	Sibelco UK
Fenland Laundries Limited	Singleton Birch Limited
Grange & Links Hotel	TCS UK Spraying
Growing Wild Limited	Truelove Property & Construction
Hornsby Travel Services Limited	Yara (UK) Limited
Humber Bridge Board	

We are delighted to record our appreciation to the following individuals whose legacies we received or were notified of in the year ended 31 March 2017

Doris Elizabeth Bullen	Andrew Sang
Denis Peter Cawdron	Josephine Edith Sharpe
David Andrew Charles Court	Ted Smith
Florence Vera King	Frank Arthur West
Rosemary Eileen Lawrence	Ralph John Willingham
Stephen Perkins	

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

STATEMENT OF THE BOARD'S RESPONSIBILITIES

The Trustees (who are also directors of 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 judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity 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

The members of Board who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the members of the Board have confirmed that they have taken all steps that they ought to have taken as members of the Board in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Report of the Members of the Board, which includes the Strategic Report on pages 4 to 8, were approved by the Board on 25 July 2017 and signed on its behalf.

By Order of the Board

25 July 2017

D A Cohen
Chairman

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

Independent Auditor's Report to the members of Lincolnshire Wildlife Trust

We have audited the financial statements of Lincolnshire Wildlife Trust for the year ended 31 March 2017 which comprise the Group Statement of Financial Activities, the Group and the Parent Charitable Company Balance Sheet, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and its Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Board's Responsibilities Statement set out on page 20, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2017, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

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

Christopher Shelbourne MA FCA
for and on behalf of Wright Vigar Limited
Statutory Auditors, Chartered Accountants & Business Advisers
15 Newland
Lincoln
LN1 1XG

25 July 2017

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating the consolidated income and expenditure account) For the year ended 31 March 2017

	Notes	Unrestricted Income £	Restricted Income £	Designated & Endowment Funds £	Total 2017 £	Total 2016 £
Income and endowments from:						
Donations and legacies	2	878,211	40,500	0	918,711	1,097,877
Charitable activities	3	766,828	802,977	0	1,569,805	1,098,649
Other trading activities	9	73,427	0	0	73,427	66,215
Investments	11	183,905	0	0	183,905	192,105
Other		66,418	0	0	66,418	11,846
Total		1,968,789	843,477	0	2,812,266	2,466,692
Expenditure on:						
Raising Funds	4	263,586	0	0	263,586	214,323
Charitable activities	8	1,912,046	871,555	0	2,783,601	2,316,317
Other		0	0	0	0	3,048
Total		2,175,632	871,555	0	3,047,187	2,533,688
Net (losses)/gains on investments	11	451,561	0	0	451,561	(130,441)
Tidal Surge Impact		0	0	0	0	92,953
Net income/(expenditure)		244,718	(28,078)	0	216,640	(104,484)
Transfers between funds		(129,368)	(122,316)	251,684	0	0
Other recognised gains/(losses):						
Actuarial (losses) on defined benefit pension schemes	21	(239,275)			(239,275)	(144,251)
Net movement in funds		(123,925)	(150,394)	251,684	(22,635)	(248,735)
Reconciliation of funds:						
Total funds brought forward		5,846,014	625,256	7,956,288	14,427,558	14,676,293
Total funds carried forward		5,722,089	474,862	8,207,972	14,404,923	14,427,558

The statement of financial activities contains all gains and losses for the year and all activities relate to continuing operations.

The profit for the purposes of the Companies Act 2006 is the net incoming resources before unrealised losses/gains.

The notes on pages 25 to 37 form part of these financial statements

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

CONSOLIDATED AND CHARITY BALANCE SHEET As at 31 March 2017

	Notes	Group		Charity	
		2017 £	2016 £	2017 £	2016 £
Fixed Assets					
Heritage assets	10	8,015,903	7,764,219	8,015,903	7,764,219
Tangible assets	10	1,077,004	1,001,000	1,071,245	1,000,948
Investments	11	4,808,811	4,357,250	4,833,811	4,382,250
Total fixed assets		13,901,718	13,122,469	13,920,959	13,147,417
Current Assets					
Investments	12	0	245,000	0	245,000
Stocks	13	42,266	32,733	19,650	17,400
Debtors	14	485,905	1,038,992	591,465	1,044,853
Cash at bank and in hand	15	1,009,519	843,648	896,323	826,810
Total current assets		1,537,690	2,160,373	1,507,438	2,134,063
Liabilities					
Creditors:					
Amounts falling due within one year	16	227,434	225,103	223,915	220,201
Net current assets		1,310,256	1,935,270	1,283,523	1,913,862
Net assets less current liabilities		15,211,974	15,057,739	15,204,482	15,061,279
Creditors:					
Amounts falling due after one year	10	168,750	174,375	168,750	174,375
Pension provision	21	638,301	455,806	638,301	455,806
Total net assets or liabilities		14,404,923	14,427,558	14,397,431	14,431,098
The funds of the charity					
Endowment & Designated funds	17	8,207,972	7,956,288	8,207,972	7,956,288
Restricted income funds	18	474,862	625,256	474,862	625,256
Unrestricted funds	19	5,722,089	5,846,014	5,714,597	5,849,554
Total funds		14,404,923	14,427,558	14,397,431	14,431,098

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 25 July 2017.

..... P Stapleton - Honorary Treasurer

..... D A Cohen - Chairman

Company Number 00461863

The notes on pages 25 to 37 form part of these financial statements.

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2017

	2017 £	2017 £	2016 £	2016 £
Cash flows from operating activities:				
Net cash provided by (used in) operating activities		164,311		(233,038)
Cash flows from investing activities:				
Dividends, interest and rents from investments	183,905		195,608	
Proceeds from the sale of property, plant and equipment	624		2,000	
Purchase of property, plant, equipment and heritage assets	(427,969)		(72,583)	
Transfer of bequeathed property - current asset investment	245,000		(245,000)	
Net cash provided by (used in) investing activities		1,560		(119,975)
Change in cash and cash equivalents in the reporting period		165,871		(353,013)
Cash and cash equivalents at the beginning of the reporting period		843,648		1,196,661
Cash and cash equivalents at the end of the reporting period		1,009,519		843,648
Net income/(expenditure) for the reporting period (as per statement of financial activities)		(22,635)		(248,735)
Adjustments for:				
Depreciation		100,020		95,164
(Gains)/losses of investments		(451,561)		130,441
Dividends, interest and rents from investments		(183,905)		(195,608)
Loss/(profit) on the sale of fixed assets		(363)		3,048
(Increase)/decrease in stock		(9,533)		852
(Increase)/decrease in debtors		553,087		(225,297)
Increase/(decrease) in creditors		(3,294)		118,078
Pension provision in period		239,275		144,251
Pension contributions in period		(56,780)		(55,232)
Net cash inflow from operating activity		164,311		(233,038)
Total cash and cash equivalents		1,009,519		843,648

The notes on pages 25 to 37 form part of these financial statements

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2017

1. ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared in accordance with Charity Commission Statement of Recommended Practice - Accounting and Reporting by provisions of the Charities SORP (FRS 102) – 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 (effective 1 January 2015) and the Companies Act 2006.

Lincolnshire Wildlife Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements have been prepared under the historic cost convention, with the exception of listed investments which are included at their market value.

None of the group's activities were acquired or discontinued during the financial year.

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

The Lincolnshire Wildlife Trust is a private company registered in England and Wales. The company's registered number and registered office address can be found in the Reference and Administrative Details of the report of the Trustees.

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 fund raising activities. This income is credited to the income and expenditure account on the earlier of receipt or when receipt is probable, the value can be ascertained and the Trust gets the legal right to the income. Tax refunds on gift aid income are however accrued as earned.

Legacies

Legacies are recognised when the conditions of 'entitlement, probability and measurement' are met. Each bequest is recognised once a reasonable estimate of its value can be made and providing there is no evidence of any significant contentious claims against the deceased's estate. Where the Trust is left part of the residue of an estate, the deceased's Will, initial statement of assets and liabilities and draft estate accounts are used to calculate the estimated value of the bequest. This estimate is only recognised as income once the executors have proved the Will (ie obtained probate). Probate values will normally be used to measure value.

Grants Received

Capital grants received for Fixed Assets are taken to the Capital Grants Fund and are released to the Income and Expenditure Account in instalments relating to the relevant asset lives to match the associated depreciation charge. Grants are treated as restricted whilst restrictions exist on the underlying assets and are transferred to unrestricted when such restrictions cease to apply. Revenue grants are credited to the Income and Expenditure account in the period in which they are receivable.

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

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 and recognised when the charity gains legal entitlement to the rent.

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.

Investment Properties

Investment properties are valued at the lower of cost or fair value at the year end.

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, which is considered to have a useful life of more than 50 years.

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:

Motor vehicles	25%
Plant fixtures and fittings	10-25%
Other buildings	0-10%
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 or grant giving body has imposed restrictions on their use.

Pensions

The company offers two pension arrangements; there is a Royal London Group Personal Pension 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 WTPS defined contribution and the Royal London Group Personal Pension 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, a provision has been made for future liabilities and repayments made in the year are set against the provision. Further details of the pension arrangements are given in Note 21 to these accounts.

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863

Charity No: 218895

Investments

Investments which can be publically traded have been measured at fair value (middle market value) in accordance with SORP 2015 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.

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 10 to the financial statements.

Financial Instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. DONATIONS & LEGACIES

	Unrestricted £	Restricted income £	2017 £	2016 £
Membership income	686,038	0	686,038	623,437
Grants and donations	52,734	0	52,734	42,411
Legacies	139,439	40,500	179,939	432,029
	878,211	40,500	918,711	1,097,877

At 31 March 2017, our estimate of the value of legacies that had been bequeathed to Lincolnshire Wildlife Trust, but which had not been included in the financial statements was £14,000 (2016: £121k).

3. CHARITABLE ACTIVITIES

	Unrestricted Income £	Restricted Income £	Total 2017 £	Total 2017 £	Total 2016 £
Nature Reserves					
Environmental Funding	197,254	352,791	550,045		507,767
Local Authority Funding	0	56,690	56,690		84,164
Central Government Funding	54,001	16,867	70,868		30,308
Other Grant Income	0	3,776	3,776		41,883
Donations	0	24,386	24,386		1,505
Earned Income	0	35,509	35,509		59,847
Income from properties	200,138	0	200,138		47,587
Other Incoming resources	0	42,931	42,931	984,343	0
Wider Countryside Conservation					
Local Authority Funding	0	57,174	57,174		95,815
Central Government Funding	0	32,402	32,402		24,452
Other Public Bodies	0	6,530	6,530		
Other Grant Income	0	132,229	132,229		99,397
Earned Income	0	34,023	34,023		33,243
Donations	0	400	400	262,758	0
Inspiring People					
Local Authority Funding	7,090	0	7,090		17,600
Other Grant Income	0	4,026	4,026		0
Earned Income	225,037	0	225,037		52,946
Donations	83,308	3,243	86,551	322,704	2,135
	766,828	802,977	1,569,805	1,569,805	1,098,649

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

4. EXPENDITURE ON RAISING FUNDS

	Notes	Unrestricted £	Restricted income £	2017 £	2016 £
Supporter recruitment		202,660	0	202,660	145,536
Recruitment overheads		6,804	0	6,804	5,768
Merchandising	9	54,122	0	54,122	63,019
Total		263,586	0	263,586	214,323

5. EMPLOYEE INFORMATION

	2017 £	2016 £
The movement in the year is after charging:		
Salaries and wages	1,326,197	1,182,619
Social security costs	107,796	100,464
Other pension costs	69,212	66,216
Staff costs for the Company	1,503,205	1,349,299
Staff costs for Lapwings Consultants Limited	500	8,326
	<u>1,503,705</u>	<u>1,357,625</u>

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

Full time	45	44
Part time	26	16
Company Totals	<u>71</u>	<u>60</u>
Lapwings Consultants Limited	0	2
Group Totals	<u>71</u>	<u>62</u>

The average number of employees, during the period, by activity was made up as follows:

Nature Reserves	26	25
Wider Countryside Conservation	13	12
Inspiring People	23	14
Raising Funds	1	1
Management and Administration	8	8
Company Totals	<u>71</u>	<u>60</u>
Lapwings Consultants Limited	0	2
Group Totals	<u>71</u>	<u>62</u>

The Trust operates a Royal London Group Personal Pension defined contribution scheme that all members of staff are eligible to join. The Trust contributes a minimum of 4% of employees' salaries and will match employee contributions to a maximum of 7.5%. The Trust also participates in the Wildlife Trust Pension Scheme, a multi-employer scheme. The levels of contributions into this scheme match are the same as those of the Royal London scheme.

59 members of staff (2016: 50) were members of a scheme at the end of the year.

Pension contributions of £4,832 (2016: £4,760) were made on behalf of higher paid employees.

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

The total value of employee benefits received by key management personnel , (our senior staff), were £231,504 (2016: £213,580)

	2017	2016
Employees paid £60,000 or more		
£60,000-£69,999		1
£70,000-£79,999	1	

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 £140 (2016: £461) were reimbursed to one (2016: three) members of the Board.

During the year, the Trust paid one of its Trustees for environmental survey work. This was approved by the Board in advance of the work taking place. The Trustee is considered to be an expert in the relevant field of study and is best placed to complete the study. This was also the case in 2015/2016.

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) is a joint venture with 7 other Wildlife Trusts to provide membership recruitment services to the founding members. Recruitment costs of £173,230 (2016: £104,717) were incurred in the year in respect of services received from Wildlife Fundraising (Central) Limited. £15,546 (2016: £140) was owed to them as at 31 March 2017 and is included in the Trade Creditors figure in Note 16 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 14 on page 34.

The Chief Executive of Lincolnshire Wildlife Trust, Paul Learoyd, is a director of this company.

7. ANALYSIS OF SUPPORT COSTS BY CHARITABLE ACTIVITY

	Overhead £	IT & HR £	Finance £	Premises £	Governance £	Total £
Nature Reserves	130,749	15,477	30,579	19,717	9,703	206,225
Wider Countryside Conservation	87,881	10,402	20,553	13,253	6,522	138,611
Inspiring People	87,575	10,366	20,482	13,206	6,499	138,128
Total	306,205	36,245	71,614	46,176	22,724	482,964

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

8. ANALYSIS OF TOTAL EXPENDITURE

	Direct Employment Costs £	Support Costs £	Direct Costs £	2017 Total £	2016 Total £
Nature Reserves	507,159	206,225	614,271	1,327,655	1,239,395
Wider Countryside Conservation	340,890	138,611	152,453	631,954	532,031
Inspiring People	339,976	138,128	345,888	823,992	544,891
Charitable Activities	1,188,025	482,964	1,112,612	2,783,601	2,316,317
Raising Funds	33,010	6,804	169,650	209,464	151,304
Merchandising	500	5,287	48,335	54,122	63,019
Other	0	0	0	0	3,048
Total expenditure	1,221,535	495,055	1,330,597	3,047,187	2,533,688

Total resources expended are stated after charging:

Auditor's remuneration

The amounts payable to Wright Vigar were:

	2017 £	2016 £
Statutory	8,635	8,688
General	0	725
	<u>8,635</u>	<u>9,413</u>

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

9. TRADING SUBSIDIARY

Lapwings Consultants Limited

Profit and Loss Account

	Notes	2017 £	2016 £
Turnover		73,427	66,215
Cost of sales		<u>(43,459)</u>	<u>(42,882)</u>
Gross profit		29,968	23,333
Administrative expenses		<u>(10,659)</u>	<u>(20,037)</u>
Trading profit		19,309	3,296
Interest receivable		<u>4</u>	<u>7</u>
Interest payable to LWT		<u>(100)</u>	<u>(100)</u>
Operating (loss)/profit on ordinary activities before taxation		19,213	3,203
Tax on profit on ordinary activities		(4)	0
Profit on ordinary activities after taxation		19,209	3,203
Gift Aid to LWT		(8,177)	0
Retained Profit		11,032	3,203
Reserves brought forward		(3,540)	(6,743)
Reserves carried forward		<u><u>7,492</u></u>	<u><u>(3,540)</u></u>

Balance Sheet as at 31 March 2017

	2017		2016	
	£	£	£	£
Fixed assets		5,759		52
Current assets	22,616		15,333	
Debtors	7,543		7,319	
Cash at bank and in hand	<u>113,196</u>		<u>16,838</u>	
	143,355		39,490	
Creditors: Amounts falling due within one year	(3,519)		(4,902)	
Amount owed by group companies	(113,103)		(13,180)	
Net current assets/(liabilities)		<u>26,733</u>		<u>21,408</u>
Total assets less current liabilities		<u>32,492</u>		<u>21,460</u>
Capital and Reserves				
Share Capital	11	25,000		25,000
Profit and Loss Account		<u>7,492</u>		<u>(3,540)</u>
		<u>32,492</u>		<u>21,460</u>

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

10. 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 2016	7,764,219	417,047	384,464	242,777	882,725	1,927,013
Additions	251,684	0	7,027	22,025	147,233	176,285
Disposals	0	0	0	(15,776)	(5,639)	(21,415)
COST AT 31 MARCH 2017	8,015,903	417,047	391,491	249,026	1,024,319	2,081,883
Depreciation:						
At 1 April 2016	0	0	56,350	197,864	671,799	926,013
Provided for the period	0	0	15,891	15,483	68,646	100,020
Disposals	0	0	0	(15,775)	(5,379)	(21,154)
DEPRECIATION AT 31 MARCH 2017	0	0	72,241	197,572	735,066	1,004,879
NET BOOK VALUE 31 MARCH 2017	8,015,903	417,047	319,250	51,454	289,253	1,077,004
NET BOOK VALUE 31 MARCH 2016	7,764,219	417,047	328,114	44,913	210,926	1,001,000
Nature Reserves 2016/17						
Additions:						£
Swinn Wood						251,684
Total:						251,684
Nature Reserves Additions at Cost		2012/13	2013/14	2014/15	2015/16	2016/17
		£	£	£	£	£
Kirkby Wood				4,185		
Sea View Farm		1,684				
Rush Furlong			3,459			
Woodhall Spa Airfield (Kirkby)		903,040		621,658	232	
Birds Wood				1		
Swinn Wood						251,684
		904,724	3,459	625,844	232	251,684

Tangible assets with a net book value of £1,071,245 and Heritage assets with a net book value of £8,015,903 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 their opinion the existing use value exceeds net book 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 100 nature reserves, 73 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 £5,759 (cost: £17,142; depreciation £11,383) which relates to the Fixtures and Fittings of Lapwings Consultants Limited.

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

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

11. INVESTMENTS

Group

	2017 £	2016 £
Market value at 31 March 2016	4,357,250	4,487,691
Investments made in the year	0	0
Disposals	0	0
Add: Net (losses)/gains on revaluation at 31 March 2017	451,561	(130,441)
Market Value at 31 March 2017	<u>4,808,811</u>	<u>4,357,250</u>
Historical cost as at 31 March 2017	<u>3,526,226</u>	<u>3,526,226</u>

The above market value can be analysed as follows:

	INVESTMENT INCOME		MARKET VALUE	
	2017 £	2016 £	2017 £	2016 £
UK Listed Investments	183,905	192,105	4,743,811	4,292,250
UK Investment Property	0	0	65,000	65,000
	<u>183,905</u>	<u>192,105</u>	<u>4,808,811</u>	<u>4,357,250</u>

UK Listed 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 Policy aims to achieve an income from the Trust's investments of c4%. In the year end March 2017, income of 3.8% was achieved, together with significant growth in the underlying capital.

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. Information concerning the trading subsidiary can be found in note 9.

12. CURRENT ASSET INVESTMENTS

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Property bequeathed to the Trust - held for resale	0	245,000	0	245,000
	<u>0</u>	<u>245,000</u>	<u>0</u>	<u>245,000</u>

13. STOCK

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Goods for resale	22,616	15,333	0	0
Café stock	2,250	0	2,250	0
Livestock	12,400	12,400	12,400	12,400
Consumables	5,000	5,000	5,000	5,000
	<u>42,266</u>	<u>32,733</u>	<u>19,650</u>	<u>17,400</u>

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

14. DEBTORS

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Owed by group companies	0	0	113,103	13,180
Trade Debtors	94,735	117,493	94,735	117,493
Other Debtors	277,950	297,881	275,199	293,050
VAT	4,400	6	4,380	0
Prepayments	80,096	65,509	75,324	63,027
Legacies Receivable	28,724	409,357	28,724	409,357
Insurance Proceeds	0	148,746	0	148,746
	485,905	1,038,992	591,465	1,044,853

The amount owed by Group Companies includes a loan to Lapwings Consultants Limited of £5,000 (2016: £5,000). Interest is payable on the loan at 2 per cent per annum.

15. CASH AT BANK & IN HAND

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Bank balances	386,274	220,503	273,848	204,435
COIF Charities Deposit Fund	620,000	620,000	620,000	620,000
Cash in hand	3,245	3,145	2,475	2,375
	1,009,519	843,648	896,323	826,810

16. CREDITORS

Falling due within one year

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Trade Creditors	137,251	150,163	135,640	149,033
Other Creditors	0	15	0	15
Accruals	76,726	61,626	74,818	57,852
Pension	7,832	7,676	7,832	7,676
Corporation Tax	0	(2)	0	0
Deferred Income re: Badger Farm	5,625	5,625	5,625	5,625
	227,434	225,103	223,915	220,201

Falling due after one year

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Deferred Income re: Badger Farm	168,750	174,375	168,750	174,375
	168,750	174,375	168,750	174,375

Badger Farm consists of land and buildings acquired by the Trust in 2008. The house and garden is leased to the former owner, a lifetime tenancy. The deferred income is in lieu of rent.

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

Deferred Income Resources

	2017	2016
	£	£
Deferred Income:		
Deferred Income at 1 April 2016	180,000	185,625
Amount released in year	(5,625)	(5,625)
Deferred Income at 1 April 2017	<u>174,375</u>	<u>180,000</u>

17. 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 would not be disposed of, but the restricted portion of the value is theoretically disposable.

	<u>Endowment</u>	<u>Designated</u>	<u>Total</u>
	£	£	£
Fund balances as at April 2016:	4,512,248	3,444,040	7,956,288
Incoming endowment resources:			
Designated from unrestricted Funds:		251,684	251,684
Fund balances as at 31 March 2017:	<u>4,512,248</u>	<u>3,695,724</u>	<u>8,207,972</u>

The Funds are represented by the following:

	£
Nature Reserves* owned by the charity	8,015,903
Banovallum House (Trust Headquarters) - proportion	117,551
Sykes Farm Improvements	74,518
	<u>8,207,972</u>

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

18. RESTRICTED FUNDS

	Fund Balances as at 31 March 2016	Incoming Resources	Resources Expended	Funds Transfer	Fund Balance as at 31 March 2017
	£	£	£	£	£
Coastal Grazing Marshes	36,369	1,160	(8,100)	0	29,429
Greater Lincolnshire Nature Partnership	273,278	121,622	(139,384)	0	255,516
Fens for the Future	11,358	0	(2,838)	0	8,520
Wildflower Meadow Network HLF	23,164	1,800	(20,707)	0	4,257
Lincolnshire Plants Past & Future HLF	0	21,400	(10,700)	0	10,700
Nature Reserve Trainee	11,630	21,000	(14,963)	0	17,667
South Lincolnshire Fens	4,556	23,889	(16,989)	0	11,456
Little Tern Project	6,678		(6,623)	0	55
Coastal Ranger	2,500	10,000	(12,500)	0	0
Marine Planning Officer	25,336	51,580	(58,451)	0	18,465
Capital Grants Fund	90,643	9,807	(18,134)	(82,316)	0
Environmental Funding	0	352,791	(352,791)	0	0
Local Authority Funding	0	74,699	(74,699)	0	0
Central Government Funding	0	9,700	(9,700)	0	0
Other funds	139,744	144,029	(124,976)	(40,000)	118,797
Total	<u>625,256</u>	<u>843,477</u>	<u>(871,555)</u>	<u>(122,316)</u>	<u>474,862</u>

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or grant making body.

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

19. UNRESTRICTED FUNDS

	Balance as at 1 April 2016	Incoming Resources	Resources Expended	Funds Transfer	Balance as at 31 March 2017
	£	£	£	£	£
Conservation Fund	3,370,166	451,561	0	0	3,821,727
Legacy Equalisation Fund	900,000	0	0	0	900,000
Capital Grants Fund	0	0	0	82,316	82,316
Development Fund	1,075,848	1,968,789	(2,626,591)	0	418,046
General Fund	500,000	0	0	0	500,000
Total	5,846,014	2,420,350	(2,626,591)	82,316	5,722,089

The funds transfer in the period represents restricted capital funds being expended on assets for which they were given. Therefore on purchase, the restriction was fulfilled and the transfer to unrestricted funds was undertaken.

20. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Designated Funds	Endowment Funds	Total Funds
	£	£	£	£	£
Fund Balances at 31 March 2017 are represented by:					
Heritage assets		0	3,614,985	4,400,918	8,015,903
Tangible assets	884,935	0	80,739	111,330	1,077,004
Investments	4,808,811	0	0	0	4,808,811
Current assets	1,062,828	474,862	0	0	1,537,690
Current liabilities	(227,434)	0	0	0	(227,434)
Long term liabilities	(168,750)	0	0	0	(168,750)
Pension Provision	(638,301)				(638,301)
TOTAL NET ASSETS	5,722,089	474,862	3,695,724	4,512,248	14,404,923

21. PENSION ARRANGEMENTS

Lincolnshire Wildlife Trust operates two pension arrangements: a Royal London group personal pension, and The Wildlife Trusts Pension Scheme. Auto-enrolment into the group personal pension scheme commenced in July 2014.

The Wildlife Trusts Pension Scheme (WTPS)

The WTPS is a multi-employer scheme with RSWT acting as the lead employer on behalf of 25 other Wildlife Trusts, including Lincolnshire. The Scheme's assets are held separately from those of RSWT and the Wildlife Trusts. The WTPS has two categories of membership: defined benefit and defined contribution.

The defined benefit or 'final salary' category closed to future accrual of benefits in October 2005. Due to ongoing matters regarding historical debts it is not currently possible to consistently identify the assets and liabilities of the WTPS that are attributable to the Trust. As allowed by section 17 of FRS 102 'Retirement and post-employment benefits', the Trust accounts for this scheme as if it were a defined contribution scheme. The Trust continues to make contributions to eliminate the scheme deficit. The level of contributions is agreed with WTPS trustees following triennial actuarial valuations. The latest triennial valuation (also known as the 'scheme funding assessment') was carried out for 1 April 2016. The valuation at 1 April 2016 indicated that the scheme was 65% funded on an ongoing basis, with a funding shortfall of £5.9 million. The main assumptions used in this calculation are shown below:

Discount rate: pre-retirement	4.45%
Discount rate: post-retirement	2.20%
Price inflation: RPI%	3.00%
Price inflation: CPI%	2.20%

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

The latest recovery plan requires the Trust to make contributions towards the deficit of £58,899 per annum from August 2017, increasing by 21% in 2018 and thereafter increasing by 3% per annum for a period of 8 years to August 2026. This equates to 8.4% of the total contribution being paid by The Wildlife Trusts.

The net present value of RSWT's contributions (discounted using a rate of 2.51%, which is based on ibox's 15 year AA rated corporate bond yield) is £638,301. This has been recognised as a liability in the Trust's accounts.

The movement in the provision for the year ended 31 March 2017 is shown below:

	£
Balance brought forward	(455,806)
Repayments in the year	56,780
Additional provision in the year	<u>(239,275)</u>
Balance carried forward	<u><u>(638,301)</u></u>

22. CAPITAL COMMITMENTS

The group had no capital commitments at 31 March 2017 (2016: £15k).