



Lincolnshire Wildlife Trust



ANNUAL REPORT

and

FINANCIAL STATEMENTS

for the year ended

31 March 2013

**ANNUAL REPORT
and
FINANCIAL STATEMENTS
for the year ended 31 March 2013**

CONTENTS	Page
Report of the Trustees	3
– Objectives and Activities	3
– Achievements and Performance	4
– Plans for Future Periods	13
– Structure, Governance and Management	14
– Reference and Administrative Details	17
– Financial Review	19
– Financial Support	22
– Responsibility of the Trustees & Directors	23
Auditors' Report	24
Consolidated Statement of Financial Activities	25
Consolidated Summary Income & Expenditure Account	26
Balance Sheet	27
Consolidated Cash Flow Statement	28
Notes to the Financial Statements	30
Detailed Income & Expenditure Account	43

**REPORT OF THE TRUSTEES
for the year ended 31 March 2013**

The Board of Trustees & Directors is pleased to present the charity's Annual Report and Financial Statements for the year ended 31 March 2013. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' as issued in March 2005.

OBJECTIVES AND ACTIVITIES

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

4. *The Objects for which the Trust is established are, for the benefit of the public:-*
 - 4.1 *To advance, promote and further the conservation protection and enhancement of:*
 - (i) *wildlife and its habitats;*
 - (ii) *areas of natural beauty or heritage;*
 - (iii) *areas of zoological, botanical, mycological or other biological scientific interest;*
 - (iv) *areas with geological, geographical, geomorphological, archaeological or amenity value in particular, but not exclusively, in ways that further biodiversity.*
 - 4.2 *To advance education in:*
 - (i) *the principles and practice of biodiversity and geodiversity conservation;*
 - (ii) *the principles and practice of sustainable development. The Trust defines sustainable development as 'Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.'*
 - 4.3 *To promote research in all branches of study which advance the Objects specified previously and to publish the useful results thereof.*

Vision

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

Mission

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

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

Principal Activities and Strategies for the Year

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

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

ACHIEVEMENTS AND PERFORMANCE

To create a Living Landscape

Facilitate the development of Living Landscape schemes including development of strategic partnerships:

Lincolnshire Coastal Grazing Marshes

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

Lincolnshire Coastal Country Park

Restoration of the recently purchased land at Huttoft in partnership with Lincolnshire County Council (LCC) and with funding from the Environment Agency (EA) has been delayed due to technical difficulties. A revised proposal is being developed to establish coastal grazing marsh and dune habitat which will significantly extend the area of the Coastal Country Park managed for wildlife.

South Humber Bank

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

We are continuing to contribute to the establishment of a Local Nature Partnership spanning the estuary.

South Lincolnshire Fenlands

Following the drought earlier in the year the wet summer and winter has contributed to the development of wetland habitats at Willow Tree Fen Nature Reserve. Significant progress has been made to establish the site for wildlife and people with the completion of paths, hides and information centre. This project has been extended by a year to March 2014. The site hosted the launch of the regional Fens for the Future strategy.

South Lincolnshire Limestone

Action focused on continuation of the Life on the Verge (LotV) project. Over the four years 1,433 km have been surveyed, 66% of the total 2,179 km. This involved 170 volunteers. Thirteen communities have engaged in grassland wildflower conservation. Key discoveries have been the High Dike Waddington to Colsterworth and Limestone Heath, east of Grantham, connecting stretches between Roadside Nature Reserves near the Rutland border.

Kirkby Moor and Environs

The Trust completed the purchase of part of the former Woodhall Spa Airfield, 120 hectares of grass, wood, farm and wet land, some of which is already in conservation management. This is a significant strategic acquisition extending an already important selection of nature reserves and connecting areas of forestry, gravel pits and farming to form an important Living Landscape. This is the second significant acquisition in this area in the last two years.

Witham Valley Country Park

This project slowed due to the absence of a project officer; this post has now been filled by North Kesteven District Council (NKDC). Trust on the ground involvement is continuing to focus on management of reserves at Whisby, Tunman Wood and Boultham Mere and has led the Biodiversity Opportunity Mapping work in the area to highlight future potential.

Humberhead Levels

The Nature Improvement Area partnership project, working across part of the Humberhead Levels, is underway and alongside work to implement a Water Level Management Plan, is bringing about major improvements to the hydrology of Crowle Moor Nature Reserve. Major works have been undertaken on the site to remove scrub and establish conservation grazing.

Trent Vale Landscape Partnership

This HLF funded project covering areas in Lincolnshire and Nottinghamshire is nearing its conclusion. Land management advice and projects have been delivered to farmers along with education activities for schools as part of this diverse Landscape Partnership. Plans for the future are being developed.

Lincolnshire Wolds

Life on the Verge in the Wolds completed its second year with funding from a HLF Your Heritage grant, supplemented by funding from the Lincolnshire Wolds Joint Advisory Committee and LCC. Wild flower training days have been run and talks given to encourage volunteers to carry out surveys on roadside verges to discover remaining good quality chalk and neutral grassland habitat. Eighty volunteers have surveyed 727 km, 65% of total 1,127 km of verge with Hemingby/Fulletby area highlighted as having stretches with high restoration potential. Worked with five communities on grassland wildflower conservation in the Wolds.

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

Ensure management of nature reserves to favourable condition, as defined by statutory designation, management agreement or internal process and ensure appropriate recording and monitoring.

Fifty-two of the Trust's reserves are covered by 46 Sites of Special Scientific Interest designations, which consist of 81 individual "units". Sixty-eight of these units are in 'favourable/unfavourable recovering' condition, with 13 in 'unfavourable declining'. This is an improvement on the previous year, with part of Crowle Moor moving from 'unfavourable declining' due to improvements in vegetation cover resulting from active management.

Thirty Environmental Stewardship Schemes (ELS/HLS) are in place covering 68 out of a total of 98 nature reserves. The new addition for 2012 was Spendluffe Meadows. Four reserves remain in Countryside Stewardship with a termination date of September 2014. A checklist of site condition, as measured against the prescriptions within each agreement, has been underway since 2009. 229 fields are inspected regularly. 199 fields were assessed in 2012 of which 67 were considered 'excellent', 72 'good', 57 'needing attention' and only 3 in need of serious remedial work.

The only acquisition in the year was the freehold purchase of 120 hectares at Woodhall Spa Airfield. Sixty-three hectares was already in conservation management by the Trust (since 2004) and subject to an Environmental Stewardship Scheme. Part of the site is still subject to a farming tenancy and therefore yet to come under direct management by the Trust. This adds considerably to the "Kirkby Living Landscape" aspiration, with the extension making a contiguous block of 255 hectares, with only the minor road of Kirkby Lane forming a break in the continuous land holding. At the longest axis the site now runs for 2.5 miles north to south and 1.75 mile east to west, making it the Trust's largest inland nature reserve and the biggest freehold nature reserve.

Work on the reserves has continued apace and as can be seen from the above statistics, routine work to maintain favourable condition is going well. This is the frequently overlooked annual "chores" of grass cutting (and raking), weed control, scrub bashing, ditch clearing and the multitudinous other unglamorous tasks carried out by field staff and an army of dedicated volunteers.

The period saw some excellent initiatives. Enhancements and big projects included:

Willow Tree Fen – fish refuge on the River Glen (Environment Agency (EA) funding). Water levels achieved their highest yet at 1.35 metres AOD, just short of the target level of 1.4 metres.

Crowle Moor – new large grazing enclosure completed in the north reserve, with birch thinning for improved nightjar habitat (HLS and Water Framework Directive (WFD) funding). The re-wetting programme was aided by record spring rainfall.

Legbourne Wood – reinstatement of a coppice regime after a 50 year period of no management (Forestry Commission (FC) English Woodland Grant Scheme).

Kirkby Moor and Moor Farm water level management structures to maintain conditions for wet heath (EA funding).

Snipe Dales – stream enhancements to allow better fish migration (EA funding) and re-fencing in the nature reserve (HLS funding). Commencement of the woodland flora re-introduction programme in the Country Park.

Saltfleetby - Great Eau riverbank removal/washland creation (EA and The Wildlife Trusts' WFD funding).

Far Ings - fen scrapes rewetting (EA, BIFFA, North East Lindsey Drainage Board (NELDB) and Natural England (NE) funding).

The meetings of the newly established Endangered Species Panel have been enhanced by valuable information provided by the Greater Lincolnshire Nature Partnership (GLNP). Unfortunately this has only served to highlight the sheer amount of work involved; to protect the declining vulnerable and rare species and to fill in the large gaps in species recording on reserves. Mammals, amphibians, butterfly and dragonfly lists have been looked at and a number of reserves are poorly recorded. The panel are now seeking ways to move things forward. It has been decided that "reinforcement" of vulnerable species on existing sites may be more valuable than reintroductions to new sites. Greater effort will be made to encourage people to visit reserves and send in records as observations for many common species are missing for a number of reserves

Use Living Landscapes plan as an advocacy tool to promote multi-functional landscape restoration within, for example, Regional Plans, Local Development Frameworks, agricultural policy and working with partner organisations to deliver change on the ground.

The Trust remains actively involved in forward planning to try to ensure appropriate policies are included in local plans and strategies to protect nature conservation sites from inappropriate development 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 contributed to the following development documents:

- Lincolnshire County Council - 4th Lincolnshire Local Transport Plan; Lincolnshire Rights of Way Improvement Plan 2.
- North East Lincolnshire Council – Local Plan Issues and Options Paper.
- North Lincolnshire Council - Lincolnshire Lakes Area Action Plan Sustainability Appraisal Scoping Report.
- South East Lincolnshire (BBC, South Holland District Council (SHDC)) - Visioning Exercise.
- Central Lincolnshire (North Kesteven District Council (NKDC), City of Lincoln Council (CoLC), West Lindsey District Council (WLDC), LCC) - Local Plan Core Strategy – Proposed Sustainable Urban Extensions at Lincoln, Gainsborough and Sleaford – Initial Draft Policies for Consultation; Local Plan Core Strategy – Consultation on Area Policies for Lincoln, Gainsborough and Sleaford.
- East Lindsey District Council - Draft Biodiversity and Geodiversity Local Plan policy; Draft Core Strategy; Strategic Housing Land Availability Assessment.
- South Kesteven District Council - Grantham Southern Quadrant Masterplan options consultation for supplementary planning document; Wind Energy.

Approximately 8,200 planning applications were reviewed and responses made to 276. As a result of a significant increase in requests from some local authorities for advice a strategic approach was adopted from July 2012 to direct resources more effectively. Planning applications are now assessed against criteria set out in a statement agreed by the Board. All the local authorities were made aware of this change in approach in advance of its implementation and it was made clear that a lack of response from the Trust does not mean that there would be no effect on wildlife.

In addition, the Trust contributed to development of a range of strategies including the Lincolnshire County Council Natural Environment Strategy and others relating to water management, including the Lincolnshire Joint Local Flood Risk Management Strategy; the Upper and Lower Witham strategies and the Humber FRMS. The Trust remains involved with monitoring progress on other strategies such as the EA's Lincshire (beach nourishment).

The Trust plays an active role in national issues through The Wildlife Trusts, contributing local case studies and examples of best practice to development of national policies, particularly agriculture.

Play an active role in the Biodiversity Partnership (now Greater Lincolnshire Nature Partnership (GLNP)) to achieve positive conservation of Local Wildlife and Geological Sites, recognising we contribute directly to Biodiversity Action Plan targets.

The Trust has made a significant contribution to the establishment of one of the first and probably the strongest Local Nature Partnerships through hosting and engagement with its steering group. The Local Nature Partnership concept was established by the government following the Lawton review, Making Space for Nature published in 2011 and the Natural Environment White Paper, The Natural Choice. Launched in November 2012 in Lincolnshire the GLNP replaces the successful Biodiversity Partnership. The Trust contributes to the achievement of Biodiversity Action Plan targets through its practical management of nature reserves and its contributions to Living Landscape and Living Seas initiatives and development of plans, policies and strategies. The Trust provides expertise to the Local Wildlife Sites (LWS) Panel and provides survey records for the Environmental Records Centre through our volunteers and staff.

The Trust is also playing an active role in encouraging establishment of the Humber Nature Partnership which would be well placed to tackle the complex issues around the estuary.

Develop a range of landscape scale programmes that demonstrate economic and social benefits of nature conservation (ecosystem services) and seek to include capacity for research and analysis within those programmes.

The work area is yet to be fully developed, however work in the Fenland Region and with The Wildlife Trusts (TWT) across the UK a process is underway. Vital economic data was contributed by the Trust to the Marine Conservation Zone designation process.

Develop a survey framework/evidence base for monitoring change and demonstrating delivery of living landscapes schemes including socio-economic impact.

The work area is yet to be fully developed. National work with the Royal Society of Wildlife Trusts (RSWT) is helping to direct this activity.

Continue to collect and analyse biodiversity data to inform all of the Trust's work and involve volunteers and staff to develop their skills in surveying and monitoring. Provide information to the Lincolnshire Environmental Records Centre within the Biodiversity Partnership (now GLNP).

Voluntary Reserve Managers and Wayside Wardens (Roadside Nature Reserves) have completed annual recording of endangered species, climate change monitoring and updates to site species lists.

The Life of the Verge project has engaged over 250 volunteers in botanical surveys.

The Trust is leading on encouraging local people to discover the natural environment within the Coastal Grazing Marshes as part of the HLF funded project.

A programme of Shore Search and Sea Watching has engaged volunteers along the full length of Lincolnshire's coast providing some interesting early results for alien invasive species and more excitingly harbour porpoise sightings, this receiving national recognition.

Develop commercial operations (charcoal, fire wood, livestock etc) to complement conservation management of nature reserves.

The most significant development through the year was the use of forest contractors to deliver woodland conservation work through a commercial approach. This overcame some of the previously reported problems of extraction and marketing while achieving our conservation aims. Work was completed at Kirkby Low Wood and Rigsby Wood.

The Lincoln Red cattle breeding herd continues to expand and the Trust's Hebridean sheep flock were utilised on 10 reserves.

Grazing and hay cutting was carried out on 48 reserves and we are very grateful to the many farmers who have assisted us in this work. It was a very good year for hay following the wet conditions with record breaking yields.

Charcoal production continued, providing an attractive product for local markets.

Connect roadside nature reserves and establish contiguous corridors eg 'wild flower ways' throughout the Lincolnshire Wolds, the Lincolnshire and Rutland Limestone Natural Area and North Lincolnshire. Prioritise and implement the expansion, restoration, re-creation and buffering of linear roadside habitat with the transfer of responsibility and recruitment of local people.

The 64 Roadside Nature Reserves managed by the Trust on behalf of Lincolnshire County Council all received management during the year. As already reported significant progress was made through the two Life on the Verge projects to identify, survey and designate areas as Local Wildlife Sites. The survey results from the last four years are being used by LCC and Rutland County Council to target management. The Trust continued to actively lobby for better protection of important sites including The Drift.

To restore Living Seas

The Trust's Living Seas vision is that wildlife thrives from the depths of the ocean to the coast.

Develop a strategic Living Seas plan (recognising the need for increased resources) as a tool to manage and promote the Trusts contribution to the conservation of its neighbouring seas, including the development of a longer term Living Seas programme.

The Living Seas, marine nature conservation programme, is now well established across all Trust functions. This includes the employment of a Marine Planning Officer with funds from RSWT and North Sea Wildlife Trusts. This post supports TWT national marine planning work and during the year has focussed on the significant wind farms proposed across the North Sea including Dogger Bank and the new spatial planning pilot. Funds from HLF also supported enhanced visitor facilities and marine interpretation at Donna Nook National Nature Reserve for the grey seal breeding season.

Increase the profile of marine wildlife and the Trust's role in conserving marine wildlife by supporting policy and campaigning work by TWT (marine policy team), developing marine web-pages, developing marine education programmes at our main education sites, and by working with partners.

Over 5,000 people visiting the Lincolnshire coastal resorts including Cleethorpes and Skegness participated in Living Seas roadshows to raise awareness of marine species and habitats and their conservation. The Trust's website and Facebook sites included regular stories and images to promote the often overlooked North Sea wildlife. A highlight was the success in Lincolnshire of the national Whale and Dolphin Watch in July with good sightings generating local and national interest.

The over 14,000 Petition Fish signatures in support of marine protection gained in Lincolnshire, along with 250,000 from across England, were presented to MPs in January. Unfortunately no Lincolnshire sites were proposed in the first tranche of Marine Conservation Zone designations.

Staff and volunteers participated in a British Divers Marine Life Rescue (BDMLR) marine animal rescue medic's course.

Develop marine policy capacity linked closely to Natural England's marine protected area project.

The North Sea Marine Advocacy Officer based with the Yorkshire Wildlife Trust, working jointly with other North Sea Wildlife Trusts, has been instrumental in co-ordinating the Trust's work to identify and safeguard marine protected areas. In Lincolnshire this was supplemented with contributions from the Trust's Marine Planning Officer and other staff.

Staff and Trustees have been actively engaged in the shoreline management process led by the EA and LCC. This process has the potential to have long-term implications for the coastline and its wildlife.

Further our knowledge and understanding of the marine environment through collation of the Trust's archive and develop Seasearch and Shoresearch programmes.

A second Seasearch dive off the Lincolnshire coast, this time Donna Nook, produced exciting results. A full programme of Shoresearch (beach surveys) along the Lincolnshire coast has started to establish some good data, notably after the large wrecks of shell fish along with other animal groups in the spring or 2013. In partnership with the charity MARINElife staff and volunteers undertook training in the identification of cetaceans and participated in survey trips from Hull to various European destinations across the North Sea. This work will complement the Seawatch work already underway which has resulted in a significant increase in harbour porpoise sighting records along the coast.

Focus some aspects of work on identifying existing recreational users of the marine and coastal environment, such as sea anglers, divers and boat owners. Look at engaging these groups into Wildlife Trust work.

Meetings have taken place with key marine organisations notably the Marine Management Organisation, Eastern Inshore Fisheries and Conservation Authority, Wash European Marine Site Management Scheme, NE and Joint Nature Conservation Committee. Stakeholder meetings with these bodies have provided a useful opportunity to engage with a wide range of users.

Work with local stakeholders, visitor attractions, universities and businesses to find new opportunities to engage with the public and local communities.

Donna Nook NNR 'seal season' was again the highlight with the general public and university study groups and researchers visiting the site.

To inspire people and grow understanding about the natural world**Maintain strong formal education capacity as leaders and partners in environmental education at principal sites extending the Trust's reach.**

Over 9,000 students from 188 schools, colleges and universities participated in formal education visits at Gibraltar Point, Whisby Nature Park and Far Ings. This is a reduction from the 10,000 in 2012. Over half of these were primary students with a quarter being secondary, others being higher education and adult. Over 60 schools were visited for outreach work, engaging with a further 5,500 students.

Deliver access and interpretation plans for our reserves, visitor and education centres, offices and shops.

Interpretation at the new Willow Tree Fen Nature Reserve was completed. Interpretation for the Lincolnshire Coastal Country Park, incorporating a number of existing Trust reserves, is now in place with further plans proposed. New interpretation has been installed at Snipe Dales and Epworth Turbary. A full review of signage has been undertaken at Gibraltar Point NNR along with interpretation to the newly opened up woodland area, providing wheelchair access to viewing screens, bird feeding areas and ponds. A new footpath from the car park completes the visitor route around the whole site. New visitor facilities at Donna Nook enabled improved interpretation for the seal season. A new bird hide with wheelchair access at Far Ings NNR (overlooking a recently enhanced wetland area) has been installed.

Deliver high quality events to attract the broadest range of people.

Throughout the year staff, volunteers and Area Groups organised nearly 300 events with over 10,000 participants. The wide ranging events included guided walks, reserve open days and children's activities. The Trust attended over 30 external events including the Lincolnshire Show and Birdfair, both of which took place despite the dreadful weather during the events season, which saw the cancellation of many events including the Game Fair at Belvoir Castle at which the Trust was due to attend.

Maintain existing and expand Watch or equivalent groups in every 'Area' bringing a total of 16. Increase number of school affiliate Watch groups.

The recently established groups in Grimsby and Spalding increases the number of Watch groups to 11, giving good coverage across Lincolnshire. Two further groups are planned. Watch groups are predominantly run by dedicated volunteers; these groups have been shown to be nurturing the conservationists of the future.

Associate School membership remains stable with 17 groups.

Use new media to engage the public and introduce interactive ways of inspiring people about the natural environment.

Regular updates were made to the news pages and home page along with a specific piece of work to revise reserve details on the Trust's website, which attracted over 198,000 absolute unique visitors during the year, down from 215,000 in 2012. It has been agreed to replace the current website with a more modern platform developed by TWT as a national project. This work is expected to be completed in 2013. The monthly newsletter, which is distributed by email, reached over 3,700 subscribers (2,800 in 2012).

Develop and implement a marketing and communications plan.

During the year over 181 stories were covered in local newspapers (230 in 2012), 25 by local radio (37 in 2012) and 6 in the national press (12 in 2012), in line with a reduction in press releases, 33 from 46. There was an increase in the use of alternative methods of generating the media interest including Twitter. We were also regularly called upon to comment on other local and national wildlife stories. Throughout the year the Trust responded to over 1,500 requests from the public to identify wildlife they had seen, gave advice on wildlife gardening and on a variety of other wildlife related subjects.

A Marketing Team of volunteers and staff has been established and a number of actions undertaken. A revised marketing plan is to be developed

To encourage individual action for wildlife and the environment**Invest in and give higher priority to volunteer support and staff capacity to enable this.**

In 2012 TWT (originally the Society for the Promotion of Nature Reserves now Royal Society of Wildlife Trusts) celebrated its centenary. To mark the occasion, and in recognition of "his unique contribution to the first 100 years of nature conservation", Lincolnshire Wildlife Trust's founder and President, Ted Smith, was presented with the Society's Centenary Award (the only one of its kind) by Sir David Attenborough at a ceremony in Woodhall Spa.

The Trust presented the first President's Awards at events across the county to recognise the outstanding contribution of volunteers. The award, a silver lapwing pin, will continue to be awarded and further nominations are sought.

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

A temporary post at Donna Nook for the seal breeding season had a successful first year, providing support to the dedicated volunteer team. The Coastal Ranger and Volunteer Co-ordinator role continues to provide volunteer activities along the coast of East Lindsey. Volunteers have been registered into the structured programme with many going on to employment in the nature conservation sector. The Life on the Verge project, where 11 grassland wildflower identification training days and 25 talks have raised awareness and increased understanding of calcareous grassland, highlighted the importance of this nationally important and threatened habitat and encouraged participation in the surveying of roadside verges. Seventy-five volunteers signed up to carry out surveys. A new volunteer work party has been established in the north-west of the county complementing the active groups across Lincolnshire.

Support further volunteer placements, internships and employment schemes.

Long-term residential volunteer opportunities are now provided at Gibraltar Point and Far Ings. In the year three individuals went on to full-time employment in nature conservation, one with the Trust. A HLF funded training post, part of a national project called LEMUR, was established. The Trust has also supported a number of work experience students from schools, colleges and universities from the UK and across Europe.

Develop corporate volunteering.

A number of companies supported the Trust's activities through hands-on work across the county. The numbers however remain relatively small.

Increase membership to 30,000 (3.2% of population).

The Trust is grateful for the continuing support of so many people in Lincolnshire and beyond. Total membership reduced from 25,402 to 25,010 during the year. While disappointing, this fall can be explained by the failure mid-year of the fundraising company used by the Trust. This followed a period of gradual decline. In January 2013 the Trust joined a mutual company of eight other Wildlife Trusts to form Wildlife Fundraising (Central) Limited for the purpose of recruiting members. This company is already operating effectively in the county in its first two months. The target of 30,000 by 2015 now does look very challenging. The new Marketing Team has membership recruitment and retention as a priority.

Support others to develop a suite of community greenspace projects as part of creating permeable (to wildlife) landscapes, eg gardens, churchyards, parks, school grounds, river and canal corridors, allotments, orchards etc particularly in both rural and urban areas.

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

The Life on the Verge Project engaged with 18 communities providing land management advice in the limestone and Wolds areas supporting wildlife enhancements for churchyards and greens.

Link nature reserves into the health agenda by encouraging activity walks, walking for health, fitness etc.

Initial discussions have taken place with NKDC to highlight the opportunities available, notably at Whisby Nature Park. This was prompted by a request for competitive running on the site which was deemed incompatible and was declined. Local Authority led health walk initiatives and use by informal groups such as Nordic walking occurs at a number of larger nature reserves.

This is a work stream of the GLNP in which the Trust will participate.

Develop and deliver programmes for collective involvement, eg surveys.

The Trust has contributed to the development of technical and general survey methodologies with TWT and the British Trust for Ornithology.

The Bioblitz held at Whisby Nature Park over 24 hours identified 260 species and involved experts, keen amateurs and members of the public.

Encourage use of nature reserves by higher education and other organisations for graduate and post-graduate research projects.

Donna Nook, Snipe Dales and Gibraltar Point have again been the subject of under graduate and post graduate research projects. Other sites have also been used for dissertations including by Trust staff.

To be an effective and efficient organisation**Strengthen the Trust's green housekeeping policies and practice to reduce our ecological footprint.**

Completion of the extension to the head office which, while providing more work space, also delivered reduced energy and water consumption with energy efficient heating system, insulation and low water plumbing.

Develop strong influential relationships with key decision makers including MPs, local planning authorities and Regional bodies to keep biodiversity issues at the top of the agenda and support national Wildlife Trust campaigns including Living Seas and Living Landscapes. Produce an advocacy plan – identify who, what and how we need to influence and then lead and coordinate its delivery.

An advocacy plan has been produced covering a wide range of nature conservation priorities relevant to both Living Seas and Living Landscapes.

A small number of local MPs have been met either in constituency or at Westminster. With important decisions relevant to the Trust's objectives in the European Parliament on Common Agricultural and Fisheries Policies, Lincolnshire and East Midland MEPs have been contacted. Both policies show signs of improvement over some earlier drafts.

Ensure good health and safety practice across the whole organisation.

An external audit of health and safety has been undertaken. This indicated some very positive aspects of current practice and areas for improvement. Improvement actions are underway or already completed with the health and safety plan focussing efforts. Internal audits and inspections were completed across a range of activities and locations. Further guidance and procedures were produced and the policy revised. Trustees, staff and volunteers received training during the year.

Establish stronger internal communications within staff, volunteer teams and Area Groups eg consider newsletter, website, use of Wildnet (TWTs' intranet system), staff meetings and internal forums for information exchange.

Staff and Trustees participated in a number of national conferences and seminars run by TWT. The Area Group Forum and the very popular Conservation Forum were held with a total of over 150 participants. Wildnet, teleconferences and webinars are now well established as a valuable communication tools. Websites, Facebook and Twitter have been increasingly used for communication.

Maximise income particularly restricted grant funding for major project delivery.

A wide range of successful applications resulted in funding for wetland creation, other habitat enhancement and visitor facilities. A one year extension to the Willow Tree Fen Project has been agreed by HLF enabling completion of the work.

Review Team structure and function.

A number of changes have been made to the Trust's Team structure, most notably the establishment of the Marketing Team, replacing the Promotions and Membership Team. Teams consisting of volunteers and relevant staff cover many aspects of the Trust's activities, providing advice and guidance.

Develop the Trust's risk management processes, clearly setting out key business risks and developing actions to mitigate those risks. This would include assessing the Trust against the Charity Commissions guidance CC10 - The Hallmarks of an Effective Charity, a framework of good practice which includes the relevant regulatory requirements.

The Trustees continue to keep under review their assessment of the major risks to which the charity is exposed and have taken steps to mitigate the risks that have been identified. The risk register was significantly reviewed and updated. The Trust contributed to a national analysis of risk faced by the 47 Wildlife Trusts.

Continue to invest in effective ICT and good information management.

A small trial of smartphones was undertaken with varying success across different users. The Trust contributed expertise to a national ICT initiative undertaken by TWT.

Increase income from retail, catering and consultancy activities.

The Trust retail operation and Gibraltar Point Café struggled during difficult trading conditions. A restructuring of the retail operation resulted in the role of Sales Officer becoming redundant and the decision to close the Lincoln Shop (due summer 2013). There is currently no prospect of resuming consultancy activities though this remains under consideration.

PLANS FOR FUTURE PERIODS

- Deliver Kirkby Moor extension (airfield acquisition phase II) – fundraising requirements and opportunity for increasing profile arising from the project and anniversaries.
- Continue delivery of Living Landscape projects on which we lead or are a partner: significant input on Life on the Verge 2 (the Wolds), South Lincolnshire Fens, Lincolnshire Coastal Grazing Marshes and Coastal Country Park, Witham Valley Country Park and Humberhead Levels. A particular focus on securing continuity funding for key project posts and new officer for the Fens.
- Deliver marine planning and Marine Conservation Zone advocacy and data collection.
- Input to the critical South Humber Bank mitigation strategy.
- Maximise opportunities arising from the establishment of two Nature Partnerships in Lincolnshire.
- Actions to achieve membership growth.
- Enhance web and social media presence.
- Commence strategic planning for next five year period (2015-20).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The 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 2013 was 25,010. Each member is committed to contributing £1 in the event of the charity winding up. The charitable company is controlled by its Board of Trustees.

Appointment of Trustees

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

During the year Don Wright, David Robinson and Brian Tear were re-appointed as Trustees. An advert was placed in Lapwings Magazine inviting applications to join the Board. A selection process commenced.

Trustee Induction and Training

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

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

Organisational Structure

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

Related Parties

Lincolnshire Wildlife Trust is one of 47 independent Wildlife Trusts covering the UK which are corporate members of RSWT. RSWT helps to develop UK and national policies, provides operational advice and services to the Trusts, and acts as our collective voice. The Trust plays a full part in its affairs. Governance arrangements of RSWT changed in 2012-13.

The Trust has a direct subsidiary, Lapwings Consultants Limited. It exists as a trading company to support the charitable work of the Trust through donation of its profits. It now has two strands – retail sales and The Point Café at Gibraltar Point. The Trust has an interest in Lincolnshire Nature Limited which provides education facilities at Whisby Nature Park near Lincoln. The Board agreed in March to close this business and bring this function fully into the main charity.

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

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

Wider Network

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

Other important partnerships are:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Volunteers

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

Staff

The staff structure is kept under regular review in order to ensure that it accords with the Trust's objectives and strategies. As at 31 March 2013, the Trust employed a total of 67 members of staff (41 full-time and 26 part-time), a slight reduction from 2012. Of these, 4 relate to the GLNP with external funding; 9 are part-time assistants for the Point Café and 54 relate to the Trust's core activities.

Risk Management

The Trustees continue to keep under review their assessment of the major risks to which the charity is exposed, and have taken steps to mitigate the risks that have been identified. The risk register was reviewed and maintained. Macro environmental threats at local, national and European level came to the fore including reform of planning policy, Common Agricultural Policy and Common Fisheries Policy along with the continued economic crisis. Improvements to management of health and safety continue and business continuity and emergency planning has developed with systems tested.

Public Benefit

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

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

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

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

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

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

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>	461863
<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>The Board of Trustees and Directors:</u>	The Board currently consists of the six Honorary Officers and eight 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.

LINCOLNSHIRE WILDLIFE TRUST

Company No: 461863
Charity No: 218895

Trustees/Directors:

Dr A E Smith CBE MA	(President)	
Mr D F Wright MSc MSB	(Vice President)	resigned 01.05.13
Mr B Tear BSc	(Vice President)	resigned 01.05.13
Mr D N Robinson OBE MSc	(Vice President)	re-appointed 01.11.12
Sir J Mason CBE DL	(Chairman)	resigned 23.04.13
Mr G L Trinder ARPS	(Chairman)	appointed 25.06.13
Mr T S Sands	(Deputy Chairman)	
Dr D A Sheppard BSc PhD	(Deputy Chairman)	
Mr D A Cohen	(Honorary Treasurer)	
Mrs M A S Bates BSc		
Mrs C E Harrison BSc		
Mrs J Mellor MSc		
Mrs A Quigley BA		
Mr E J Redshaw		
Mr C Morrison CSci		appointed 01.05.13
Mr J Purvis BSc FCA		appointed 01.05.13
Ms T Smalley MSc		appointed 01.05.13

Patrons:

The Earl of Yarborough
Baroness Willoughby de Eresby

Senior Staff:

Chief Executive:	Paul V Learoyd	
Head of Conservation:	Caroline E Steel	
Head of Finance:	Peter J Thorpe	retired 31.12.12
	Sarah J Smith	appointed 21.01.13
Head of Nature Reserves:	David R Bromwich	

FINANCIAL REVIEW

Financial Management

During the financial year, the Trust completed the acquisition of 120 hectares of grass, wood, farm and wetland, some of which has been managed by the Trust for a number of years. This represents a significant addition to our land holdings in the Kirkby Moor Living Landscape area and leaves the Trust well placed in negotiations for the remainder of the site, which will become available once CEMEX have completed their programme of gravel and sand extraction. The cost of £900k was met from the Trust's cash reserves held within the Development Fund.

During the year, the Trust has undertaken a review of the properties it owns outside of its nature reserves and has identified a number of properties with little or no conservation value. The sale of a number of these investment properties during the year realised a net gain of £86,825. Other non-core properties will be disposed of when appropriate.

In these difficult times, membership numbers have dipped and currently stand at 25,010. This situation has been exacerbated by the failure of the recruitment company used by a number of Wildlife Trusts and the Trust has played a pivotal role in establishing Wildlife Funding (Central) Limited with the support of loan funding of £15,000. Investment income has held up well in a period of low interest rates and our legacy income has again been at a satisfactory level. The Trust is particularly grateful to Iain Banks who very kindly donated a plot of land with planning permission. This will be sold in due course with the funds being used in furtherance of the Trust's aims.

In response to changing economic circumstances, the Trust has undertaken a review of its Investment Policy and details of the new policy are set out at the end of this report. In the light of these changes, the Trust conducted an assessment of five investment houses and, after full consideration of the alternatives, decided to invest £2.4m into the COIF Charities Investment Fund and £0.6m into the COIF Charities Property Fund, whilst retaining c£1m with the current providers, M&G's Charifund and Charibond. This will improve the risk profile of the Trust's investments and allow the Trust to continue to benefit from a high level of income to support our on-going work. Whilst agreement was reached prior to the end of the year, implementation was delayed until May 2013 to allow the Trust to benefit from the income from M & G, declared on 1 May and paid at the end of that month.

Following the sale of investments earlier in the financial year to complete the acquisition at Kirkby, the Trust posted a realised small gain on investments of £6,378. In addition, there is a significant unrealised gain of £311,946 which was achieved on the back of a strong performance in the UK's stock markets. Taking into account the profit from the disposals of property mentioned above, this takes the Conservation Fund to a figure in excess of £3m – close to the figure recorded, prior to the purchase of land at Kirkby mentioned above.

Following a welcome number of legacies, the Legacy Equalisation Fund has been retained at £600k, to cover potential budget deficits. The surplus for the year has been transferred to the Development Fund, which stands at £291,570 and is available to cover the acquisition of land of conservation importance, where grant funding may not be available.

Within the terms of this report, it is usually the Treasurer's duty to thank the Head of Finance and their team for their assistance during the year. This is particularly appropriate in the current year as the Trust said farewell to Peter Thorpe who retired after eighteen years service. His replacement, Sarah J Smith has settled in well and brings a wealth of experience from her time as Finance Manager with a group of local newspapers and more recently through her finance work with Natural England. We wish her well in her new role and hope that Peter enjoys his well-earned retirement.

In summary, the Trust has enjoyed another successful year, boosted by a range of legacies and grants with income in the year totalling £2,774,951 and expenditure of £2,701,269, producing net incoming resources of £73,682. The difficulties within the subsidiary company, referred to in the last accounts, have been addressed and there is an expectation that our retail and café business will be able to contribute positively in the future. The proposed reform of the Common Agricultural Policy will no doubt present

further challenges but these changes, when agreed, are likely to take some time to implement. In the meantime, the Trust can take comfort from the fact that a good proportion of its current CAP related funding is contracted for a number of years to come.

Financial Reserves Policy

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

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

The **Conservation Fund** has been established in order to provide a regular and secure source of investment income to support the work of the Trust. In general terms, the Trust looks to its membership and investment income to support its core costs of operation. The Conservation Fund provides:

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

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

The **Legacy Equalisation Fund** enables the Trust to dampen the effect of annual fluctuations in the flow of legacy income. The objective is to maintain the Fund at a level which provides not less than three years assured flow of anticipated legacy income for revenue purposes, currently set at £600,000.

The **Development Fund** allows for a variety of new development opportunities as well as providing a readily accessible pool of money for urgent and important land acquisitions. The Fund is especially important in providing matching resources for external funding applications. The timing of acquisition opportunities, together with their magnitude, is unpredictable and it is the Trust's aim to maintain this Fund at a minimum of £200,000 dependent on the flow of available income, chiefly from legacies. No accurate estimate of the timing of future expenditure can be given since one of the main purposes of the Fund is to allow action when unexpected opportunities arise.

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

Investment Policy

1. Introduction

The Trust currently has an investment portfolio of c£4m, invested in two M&G Funds (Charifund and Charibond) and a COIF deposit account. 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.

The value of the investments is broadly in line with the value of the Trust's "Unrestricted Funds".

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 a time when income from cash deposits is at a historically low level, income of c5% per annum is required from a spread of diversified assets.

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

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

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

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

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 matches the current value of the Development Fund and may be increased by the Trust up to a maximum of 10% of the Investment Fund or any other sum that may be required to match the value of the Development Fund.

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. Adopted by the Board 6 November 2012

FINANCIAL SUPPORT

We are grateful to the following for substantial financial support in 2012/2013 through donations, grants and the sponsorship of projects:

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

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

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

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

We are delighted to record our appreciation to the following individuals whose legacies we were notified of in the year ended 31 March 2013:

Pauline Sandra Hopkins	Charles Ian Lee
Iris Mary Bauckham	Judith Ann Bartlett
Frank Wilson	James Gordon Wallace
Mary Holt	William Arthur Markham
John Monks	Neil Anthony Taylor
Joan Rosaline Thomas	Alexander George Parker

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR AN INCORPORATED CHARITY

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

By Order of the Board

23 July 2013

G L Trinder
Chairman

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LINCOLNSHIRE WILDLIFE TRUST**

We have audited the financial statements of Lincolnshire Wildlife Trust for the year ended 31 March 2013 on pages 25 to 42. The financial statements have been prepared under the accounting policies set out therein.

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 trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 auditors

The Trustees' (who are also the directors of the charitable company for the purposes of company law) responsibilities for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out on page 23.

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

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

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

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

Basis of audit opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the group's and charitable parent company's affairs as at 31 March 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities;
- the group financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Report of the Trustees is consistent with the financial statements.

Mrs B Starling MA ACA CTA DChA (Senior Statutory Auditor)
for and on behalf of Wright Vigar Limited
Statutory Auditors
Chartered Accountants & Business Advisers
15 Newland
Lincoln
Lincolnshire
LN1 1XG

Date: 23 July 2013

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2013

	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Endowment Funds £	Total 31/03/2013 £	Total 31/03/2012 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income:						
Subscriptions, donations & gift aid	580509	0	0	0	580509	596961
Legacies	139519	23000	0	0	162519	334508
General donations	105427	0	0	0	105427	45013
Grants	3656	0	0	0	3656	228540
Activities for generating funds:						
Merchandising income	217479	0	0	0	217479	247342
Investment income	193595	0	0	0	193595	195198
Incoming resources from charitable activities:						
Nature reserve income	294137	778134	0	0	1072271	1123529
Wider countryside conservation	0	292930	0	0	292930	275019
Inspiring people	140920	0	0	0	140920	172606
Other incoming resources:						
Other income	3523	0	0	0	3523	7243
Net gain on disposal of fixed assets	2122	0	0	0	2122	3444
TOTAL INCOMING RESOURCES	1680887	1094064	0	0	2774951	3229403
RESOURCES EXPENDED						
Cost of generating funds:						
Costs of generating voluntary income	59376	0	0	0	59376	73670
Merchandising costs	219746	0	0	0	219746	259756
Charitable activities:						
Nature reserve management	587810	755616	0	0	1343426	1417769
Wider countryside conservation	232085	265446	0	0	497531	512808
Inspiring people	514204	49409	0	0	563613	558086
Governance costs	17577	0	0	0	17577	17060
TOTAL RESOURCES EXPENDED	1630798	1070471	0	0	2701269	2839149
NET INCOMING RESOURCES BEFORE TRANSFERS	50089	23593	0	0	73682	390254
Gross Transfers between funds	-963302	0	963302	0	0	0
NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES	-913213	23593	963302	0	73682	390254
OTHER RECOGNISED GAINS/LOSSES:						
Gains/(Losses) on investment assets:						
Unrealised	311946	0	0	0	311946	68167
Realised	93203				93203	0
Actuarial losses on defined benefit pension scheme	0	0	0	0	0	0
NET MOVEMENT IN FUNDS	-508064	23593	963302	0	478831	458421
Total funds brought forward	4946171	1307565	1851203	4512248	12617187	12158766
TOTAL FUNDS CARRIED FORWARD	4438107	1331158	2814505	4512248	13096018	12617187

All incoming resources and resources expended arise from continuing activities.

The notes on pages 30 to 42 form part of these accounts

CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2013

	Note	2013 £	2012 £
Gross income of continuing operations		2557472	2765472
Non-charitable trading activities: gross income	2	217479	247342
Total income of continuing operations		<u>2774951</u>	<u>3012814</u>
Total expenditure of continuing operations	3	2481523	2579393
Non-charitable trading activities: expenditure	2 & 3	219746	259756
Net income for the year before transfers and investment asset disposals		<u>73682</u>	<u>173665</u>
Transfer to designated funds		(963302)	(361606)
Net deficit/income before investment asset disposals		<u>(889620)</u>	<u>(187941)</u>
Actuarial losses on defined benefit pension scheme		-	-
Unrealised gains (losses) on investment assets		311946	68167
Realised gains		93203	0
Deficit/Surplus for the year		<u><u>(484471)</u></u>	<u><u>(119774)</u></u>

- Gross income of the Trust for the year was £2,557,472.
- Total income comprises £1,680,887 for unrestricted funds and £1,094,064 for restricted funds. A detailed analysis of income by source is provided in the Statement of Financial Activities.
- Detailed analyses of the expenditure are provided in the Statement of Financial Activities and Note 3.
- Net deficit before investment asset disposals for the year of £889,620 comprises £913,213 net deficit of unrestricted funds and £23,593 net surplus of restricted funds as shown in the Statement of Financial Activities.
- The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 25 which, together with the notes to the accounts on pages 30 to 42 provides full information on the movements during the year on all the funds of the group.

The notes on pages 30 to 42 form part of these accounts

BALANCE SHEET AS AT 31 MARCH 2013

	Notes	Group		Company	
		2013	2012	2013	2012
		£	£	£	£
Fixed Assets					
Heritage assets	7	7134684	6252121	7134684	6252121
Tangible assets	7	1548468	1527754	1526010	1500474
Investments	8	4238369	4075045	4263369	4075047
		<u>12921521</u>	<u>11854920</u>	<u>12924063</u>	<u>11827642</u>
Current Assets					
Stocks	9	50179	49465	17400	15950
Debtors	10	240243	527378	285886	586559
Cash at bank and in hand	11	532416	1120474	500695	1103665
		<u>822838</u>	<u>1697317</u>	<u>803981</u>	<u>1706174</u>
Current Liabilities					
Creditors: Amounts falling due within one year	12	<u>361350</u>	<u>607424</u>	<u>343844</u>	<u>590280</u>
Net Current Assets		461488	1089893	460137	1115894
Total Assets less Current Liabilities		13383009	12944813	13384200	12943536
Provision for Pension Liability	18	<u>286991</u>	<u>327626</u>	<u>286991</u>	<u>327626</u>
NET ASSETS		<u>13096018</u>	<u>12617187</u>	<u>13097209</u>	<u>12615910</u>
Capital Funds					
Endowment Funds	13	4512248	4512248	4512248	4512248
Designated Funds	13	2814505	1851203	2814505	1851203
Income Funds					
Restricted Funds	14	1331158	1307565	1331158	1307355
Unrestricted Funds	15	4438107	4946171	4439298	4945104
		<u>13096018</u>	<u>12617187</u>	<u>13097209</u>	<u>12615910</u>

The notes on pages 30 to 42 form part of these accounts

The financial statements were approved by the Board of Trustees on 23 July 2013 and were signed on its behalf by:

.....
D A Cohen - Treasurer

.....
G L Trinder - Chairman

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 March 2013

	2013 £	2012 £
Net movement in funds for the year	478831	458421
Adjustments for items shown separately:		
Investment income	-193595	-195198
Deposit interest	-1960	-4743
	-195555	-199941
Adjustments for items not involving movement of cash:		
Depreciation charges	135072	133228
(Profit)/loss on disposal of fixed assets	-2122	-3444
(Profit)/loss on disposal of fixed asset investments	-93203	0
Unrealised losses/(gains) on investments	-311946	-68167
Living Legacy – Friskney Building Plot	-65000	0
	-337199	61617
Adjustments for changes in working capital:		
(Increase)/decrease in stocks	-714	28517
(Increase)/decrease in debtors	287135	173497
Increase/(decrease) in creditors due within one year	-246074	119794
Increase/(decrease) in pension liability	-40635	-35409
	-288	286399
Net cash flow from operating activities	-54211	606496
Returns on investments and servicing of finance		
Deposit interest received	1960	4743
Investment income	193595	195198
	195555	199941
Capital expenditure and financial investment		
Payments to acquire heritage assets	-904724	-578195
Payments to acquire tangible fixed assets	-155864	-97168
Proceeds from the sale of fixed asset investments	200000	0
Proceeds from the sale of tangible fixed assets	131186	3730
	-729402	-671633
Increase/(decrease) in cash in the year	-588058	134804
Net cash resources at 1 April 2012	1120474	985670
Net cash resources at 31 March 2013	532416	1120474

The notes on pages 30 to 42 form part of these accounts

for the year ended 31 March 2013

CONTENTS	Page No
1. Accounting Policies	30
2. Net income from trading activities of Subsidiary	32
3. Analysis of Total Resources Expended	33
4. Surplus	33
5. Staff costs	34
6. Trustee Remuneration and Related Party Transactions	34
7. Fixed Assets	35
8. Investments	36
9. Stock	36
10. Debtors	37
11. Cash at bank and in hand	37
12. Creditors - falling due within one year	38
13. Permanent Endowment and Designated Funds	39
14. Restricted Funds	39
15. Unrestricted Funds	40
16. Analysis of Group net assets between funds	40
17. Operating Lease Commitments	41
18. Pension arrangements	41

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013**1. ACCOUNTING POLICIES****Basis of Preparation**

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

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

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

Consolidation

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

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

Voluntary Income

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

Legacies

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

Grants Received

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

Investment Income

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

Deferred Income

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

Expenditure

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013 (continued)

1. ACCOUNTING POLICIES: (continued)

Fixed Assets

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

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

Depreciation

No depreciation is provided on Freehold Land.

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

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

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

Stock

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

Permanent Endowment Fund

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

Restricted Funds

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

Pensions

The company operates a defined benefit pension scheme and a money purchase scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. Further details of the pension arrangements are given in Note 18 to these accounts.

Investments

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013 (continued)**1. ACCOUNTING POLICIES: (continued)****Leased Assets**

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

Heritage Assets

Heritage assets are Nature Reserves, capitalised at cost at the date of addition. Any assets donated, where the cost is unknown, are capitalised at valuation at the date of addition. Further details are disclosed within note 7 to the financial statements.

2. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY:

The charity has a wholly owned trading subsidiary which is incorporated in the United Kingdom. The principal activities of Lapwings Consultants Limited are data services, environmental surveys and restoration projects. The global recession has seen a significant decline in construction industry work and the decision was made during the year to mothball these activities. The retail outlets also operate under this Company trading as Lapwings Gifts. All turnover arises in the UK. The Company gifts its taxable profits to the Lincolnshire Wildlife Trust and also pays interest on loans from the parent company. A summary of the trading results is shown below. For more information see separate Annual Report and Financial Statements which are filed with the Registrar of Companies.

	<u>2013</u>	<u>2012</u>
	£	£
Turnover	217479	247342
Cost of Sales	158049	189045
Gross Profit	<u>59430</u>	<u>58297</u>
Salaries and overheads	61183	69209
Interest Payable	500	1500
Loss/Profit before taxation	<u>(2253)</u>	<u>(12412)</u>
Taxation	3	-
Loss/Profit after taxation	<u>(2256)</u>	<u>(12412)</u>
Amount Gifted to Parent Undertaking	-	-
Retained in Subsidiary	<u><u>(2256)</u></u>	<u><u>(12412)</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013 (continued)**3. ANALYSIS OF TOTAL RESOURCES EXPENDED:**

	Staff Costs £	Depreciation £	Auditors Remuneration £	Other Costs £	Total £
Nature reserve management	561850	71171	0	710405	1343426
Wider countryside conservation	321740	5312	0	170479	497531
Inspiring people	271808	53768	0	238037	563613
Fundraising costs	43129	0	0	16247	59376
Governance	12008	0	5450	119	17577
Merchandising & Consultancy	58458	4821	1100	155367	219746
	<u>1268993</u>	<u>135072</u>	<u>6550</u>	<u>1290654</u>	<u>2701269</u>

4. SURPLUS:

	2012/13 £	2011/12 £
This is stated after charging:		
Auditor's Remuneration	6550	6100
Depreciation - Owned Assets	135072	133228

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013 (continued)

5. <u>STAFF COSTS:</u>	2012/13	2011/12
	£	£
Wages and Salaries	1073914	1094244
Social Security Costs	93305	93650
Other Pension Costs	43316	40801
Staff costs for the Company	1210535	1228695
Staff costs for Lapwings Consultants Limited	58458	73013
Staff costs for the Group	1268993	1301708
The average weekly number of employees during the period was made up as follows:	2012/13	2011/12
Full time	41	44
Part time and Seasonal	21	24
Company Totals	62	68
Lapwings Consultants Limited	8	9
Group Totals	70	77

There are no employees with remuneration over £60,000 per annum.

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 £1,245 (2011/12 £975) were reimbursed to four (2011/12 three) members of the Board

No related party (including Trustees and senior staff) had any personal interest in any contract or transaction entered into by the charity during the year (2011/12 Nil).

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

Recruitment costs of £13,821 were incurred in the year in respect of services received from Wildlife Fundraising (Central) Limited and this amount was owed to them as at the 31st March 2013. It is included in the Accruals figure in Note 12 on page 38. A loan of £15,000 was made to this company in March 2013 and this is included in Other Debtors in Note 10 on page 37.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013 (continued)

7. FIXED ASSETS:

Group	Heritage Assets	Tangible Assets				
	Nature Reserves £	Banovallum House £	Other Buildings £	Motor Vehicles £	Fixtures & Fittings & Equipment £	Total Tangible Assets £
Cost:						
At 1 April 2012	6252121	335641	957729	180560	1129069	2602999
Additions	904724	80739	14076	19172	41877	155864
Disposals	(22161)	-	-	(15648)	(741)	(16389)
COST AT 31 MARCH 2013	7134684	416380	971805	184084	1170205	2742474
Depreciation:						
At 1 April 2012	Nil	Nil	179644	147925	747676	1075245
Provided for the period	-	-	31796	21613	81663	135072
Disposals	-	-	-	(15647)	(664)	(16311)
DEPRECIATION AT 31 MARCH 2013	-	-	211440	153891	828675	1194006
NET BOOK VALUE 31 MARCH 2013	7134684	416380	760365	30193	341530	1548468
Nature Reserves Additions at Cost		2008/09	2009/10	2010/11	2011/12	2012/13
Willow Tree Fen		1310079				
Ashing Lane		171340				
Riverslea			146002			
Anderby			356669			
Kirkby Wood					103017	
Huttoft Bank					116589	
Sea View Farm					312730	1684
Others under £100k		109993	3000	91658	45859	
Kirkby Airfield						903040
Total:		1591412	505671	91658	578195	904724

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

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

Included within the net book value above is £22,459 (cost: £61,483; depreciation £39,024) which relates to the Fixtures and Fittings of Lapwings Consultants Limited.

At 31 March 2013 the group had commitments relating to uncompleted contracts and expenditure authorised but not incurred relating to capital expenditure of £Nil (2012: £Nil).

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013 (continued)

8. INVESTMENTS:

Group

	2013	2012
	£	£
Market value at 31 March 2012	4075045	4006878
Investments made in the year	-	-
Living Legacy	65000	-
Disposals	(213622)	-
Add: Net (losses)/gains on revaluation at 31 March 2013	311946	68167
Market Value at 31 March 2013	4238369	4075045
Historical cost as at 31 March 2013	3637809	3851431

The above market value can be analysed as follows:

	INVESTMENT INCOME		MARKET VALUE	
	2013	2012	2013	2012
	£	£	£	£
Common Investment Funds	193595	195198	3969800	3851476
UK Investment Property	4002	5494	268569	223569
	197597	200692	4238369	4075045
	197597	200692	4238369	4075045

UK Common Investment Funds are split between UK Equity Fund (Charifund) and Gilt & Fixed Interest Fund (Charibond). The investment income from Charibond is shown net of an annual management charge of 0.3%. The annual management charge from Charifund amounts to 0.46% and is taken from the capital of the fund.

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

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

9. STOCK:

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Goods for resale	32779	33515	-	-
Livestock	12400	10950	12400	10950
Consumables	5000	5000	5000	5000
	50179	49465	17400	15950
	50179	49465	17400	15950

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013 (continued)

10. DEBTORS:

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Owed by group companies	-	-	49464	61538
Trade Debtors	43984	119131	43984	118841
Other Debtors	133126	382585	133069	382585
Prepayments	44570	10662	40806	8595
Legacies Receivable	18563	15000	18563	15000
	<u>240243</u>	<u>527378</u>	<u>285886</u>	<u>586559</u>

The amount owed by Group Companies includes a loan to Lapwings Consultants Limited of £25,002 (2012: £50,000). Interest is payable on the loan at 2 per cent per annum.

Legacies

Legacies with an estimated value of £260,000 have not been recognised within the SOFA as they have not met the conditions or the Trust's policy on recognition.

11. CASH AT BANK & IN HAND:

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Bank balances	528771	1116829	497820	1100790
Cash in hand	3645	3645	2875	2875
	<u>532416</u>	<u>1120474</u>	<u>500695</u>	<u>1103665</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013 (continued)**12. CREDITORS****Falling due within one year**

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade Creditors	93681	103904	90300	98946
Other Creditors	12618	23667	12618	23667
Accruals	56301	275478	42176	263082
Owed to Group Companies	-	-	-	210
Deferred Income	198750	204375	198750	204375
	361350	607424	343844	590280

Deferred Income Resources

Deferred Income:	2013	2012
	£	£
Deferred income at 1 April 2012	204375	208125
Amount released from previous year	(5625)	(5625)
Incoming resources deferred in the year	-	1875
Deferred income at 31 March 2013	198750	204375

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013 (continued)

13. PERMANENT ENDOWMENT AND DESIGNATED FUNDS

	<u>Endowment</u>	<u>Designated</u>	<u>Total</u>
	£	£	£
Fund balances as at April 2012:	4512248	1851203	6363451
Incoming endowment resources:			
Designated from unrestricted Funds:		963302	963302
Fund balances as at 31 March 2013:	<u>4512248</u>	<u>2814505</u>	<u>7326753</u>

The Funds are represented by the following:

	£
Nature Reserves owned by the charity	7134684
Banovallum House (Trust Headquarters) - proportion	117551
Sykes Farm Improvements	74518
	<u>7326753</u>

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

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

14. RESTRICTED FUNDS

	Balance	Net movement	Balance
	31 Mar 2012	in funds	31 Mar 2013
	£	£	£
Nature Reserves Management Fund	584088	37354	621442
Capital Grants Fund	723267	(13551)	709716
Lincs Trust for Nature Conservation	210	(210)	0
	<u>1307565</u>	<u>23593</u>	<u>1331158</u>

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013 (continued)

15. UNRESTRICTED FUNDS

	Balance 31 March 2012 £	Net movement in funds £	Balance 31 March 2013 £
Conservation Fund	2641388	405149	3046537
Legacy Equalisation Fund	600000	0	600000
Development Fund	1203716	-912146	291570
General Fund	501067	-1067	500000
	<hr/> 4946171	<hr/> -508064	<hr/> 4438107 <hr/>

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

The Conservation Fund exists to provide a stable financial base to generate annual income to support the management of the Trust's nature reserves and other activities. The Fund is kept fully invested and is represented by the market value of the investments. See also Financial Reserves Policy and Investments Policy on page 20.

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

The Development Fund comprises funds designated to provide a readily accessible pool of money for urgent and important land acquisitions. The Fund is especially important in providing matching resources for external funding applications. The timing of acquisition opportunities, together with their magnitude, is unpredictable and it is the Trust's aim to maintain this Fund at a minimum of £200,000 dependent on the flow of available income.

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

Transfers Between Funds

During the period the Trust made a transfer of £963,302 from general funds into designated funds. This is in line with the Trust's policy to top up the designated funds to match the historical value of fixed assets.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013 (continued)**16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds	Restricted Funds	Designated Funds	Endowment Funds	Total Funds
	£	£	£	£	£
<u>Fund Balances at 31 March 2013 are:</u>					
Heritage assets	-	-	2733766	4400918	7134684
Tangible assets	646683	709716	80739	111330	1548468
Investments	4238369	-	-	-	4238369
Current assets	201396	621442	-	-	822838
Current liabilities	(361350)	-	-	-	(361350)
Long term liabilities	(286991)	-	-	-	(286991)
TOTAL NET ASSETS	4438107	1331158	2814505	4512248	13096018
<u>Unrealised gains included above:</u>					
Investment assets (see note below)	600560	-	-	-	600560
Reconciliation of movements in unrealised gains on investment assets					
Unrealised gains at 1 April 2012	223614	-	-	-	223614
Living Legacy	65000	-	-	-	65000
Net gains arising on revaluations in year	311946	-	-	-	311946
Unrealised Gains at 31 March 2013	600560	-	-	-	600560

17. OPERATING LEASE COMMITMENTS

At 31 March 2013 the Group had no operating lease commitments.

18. PENSION ARRANGEMENTS

The Trust participates in the Wildlife Trusts Pension Scheme, a hybrid, multi-employer pension scheme which provides benefits to members on a defined benefit or a defined contribution basis, as decided by each employer. The defined benefit scheme applies to employees who joined the scheme prior to 1 April 1998 and the defined contribution scheme applies to employees who joined the scheme from 1 April 1998 onwards.

a) Defined Benefit Scheme

The Scheme fell short of the statutory Minimum Funding Requirement and a decision was made by the Royal Society of Wildlife Trusts to close the Scheme with effect from 30 September 2005. Existing pension rights were frozen on that date. The pension scheme deficit applicable to the Trust was estimated at £262,596 at that date. The latest full actuarial valuation as at 31 March 2010 and the deficit applicable to the Trust was reconfirmed at that date. A reworking of the 2010 valuation as at 31st March 2013 gives a liability of £326,117. In view of the high level of assumptions involved in arriving at this figure and considering the fact that it is not materially different from the provision currently in the balance sheet, no adjustment is proposed at the year end.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013 (continued)

The movement on the provision for the year ended 31 March 2013 is shown below:

	£
Balance brought forward	327,626
Repayments in the year	40,635
Balance carried forward	286,991

Alternative pension arrangements have been put in place for the five members of staff affected and the Trust is making monthly contributions to reduce the deficit.

b) Money Purchase Scheme

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

c) Stakeholder Scheme

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

DETAILED INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2013

	2013	2012
INCOMING RESOURCES		
Incoming resources from generated funds:		
<i>Voluntary income:</i>		
Subscriptions, donations & gift aid	580509	596961
Legacies	162519	334508
General donations	105427	45013
Grants	3656	11951
 <i>Activities for generating funds:</i>		
Merchandising and consultancy income	217479	247342
Investment income	193595	195198
 Incoming resources from charitable activities:		
Nature reserve income	1072271	1123529
Wider countryside conservation	292930	275019
Inspiring people	140920	172606
Other incoming resources:		
Other income	3523	7243
Net gain on disposal of fixed assets	2122	3444
	<u>2774951</u>	<u>3012814</u>
TOTAL INCOMING RESOURCES		
RESOURCES EXPENDED		
Cost of generating funds:		
Costs of generating voluntary income	59376	73670
Merchandising and consultancy costs	219746	259756
Charitable activities:		
Nature reserve management	1343426	1417769
Wider countryside conservation	497531	512808
Inspiring people	563613	558086
Governance costs	<u>17577</u>	<u>17060</u>
	<u>2701269</u>	<u>2839149</u>
TOTAL RESOURCES EXPENDED		
NET INCOMING RESOURCES BEFORE TRANSFERS		
	73682	173665
Gross Transfers between funds	<u>-963302</u>	<u>-361606</u>
NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES		
	<u>-889620</u>	<u>-187941</u>
 <i>Gains/(Losses) on investment assets:</i>		
Unrealised	311946	68167
Realised	93203	0
Actuarial losses on defined benefit pension scheme	<u>0</u>	<u>0</u>
	<u>-484471</u>	<u>-119774</u>
NET MOVEMENT IN FUNDS		

This page does not form part of the statutory financial statements