



Lincolnshire Wildlife Trust



ANNUAL REPORT

and

FINANCIAL STATEMENTS

for the year ended

31 March 2011

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FINANCIAL STATEMENTS
for the year ended 31 March 2011**

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LINCOLNSHIRE WILDLIFE TRUST

REPORT OF THE TRUSTEES for the year ended 31 March 2011

The Board of Trustees & Directors are pleased to present their Annual Report and Financial Statements of the charity for the year ended 31 March 2011.

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 Chartered Accountants & Registered Auditors 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

Trustees/Directors:

Dr A E Smith CBE MA	(President)	
Mr D F Wright MSc MSB	(Vice President)	
Mr B Tear BSc	(Vice President)	
Mr D N Robinson OBE MSc	(Vice President)	
Sir J Mason CBE DL	(Chairman)	appointed 04.11.10
Mr T S Sands	(Deputy Chairman)	appointed 04.11.10
Dr D A Sheppard BSc PhD	(Deputy Chairman)	appointed 04.11.10
Mr G L Trinder ARPS	(Deputy Chairman)	appointed 04.11.10
Mr D A Cohen	(Honorary Treasurer)	
Mrs M A S Bates BSc		
Mrs C E Harrison BSc		
Mrs J Mellor MSc		appointed 04.11.10
Mrs A Quigley BA		appointed 04.11.10
Mr E J Redshaw		

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
Head of Nature Reserves:	David R Bromwich

LINCOLNSHIRE WILDLIFE TRUST

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 2011 was 25,025. Each member is committed to contributing £1 in the event of the charity winding up.

Appointment of Trustees

The changes to the Articles of Association now 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 Sir John Mason was appointed Chairman along with three deputies: Geoff Trinder, Dr David Sheppard and Tim Sands. Former Chairman, Don Wright, former Honorary Secretary, David Robinson and former Deputy Chairman, Brian Tear were appointed Vice Presidents. They remain as Trustees. Janet Mellor and Anita Quigley were appointed as Trustees.

Trustee Induction and Training

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

The Trustees have adopted 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, over 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 17 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 (based at education centres), public relations, membership and administration.

Related Parties

The Trust has two direct subsidiaries, Lapwings Consultants Limited and Lincolnshire Trust for Nature Conservation. Lapwings Consultants is the Trust's principal subsidiary. It exists as a trading company to support the charitable work of the Trust through donation of its profits. It has three strands – ecological consultancy, retail sales and The Point Café at Gibraltar Point. During the period the ecological consultancy was mothballed due to declining performance and difficult market conditions. Lincolnshire Trust for Nature Conservation is a vehicle for the management of Moulton Marsh nature reserve. In March 2011 the Boards of LTNC and the Trust agreed to transfer all assets of LTNC to the Trust directly. LTNC will be kept as a dormant company. This brings to an end a 30 year involvement of key volunteers Kay and Richard Heath. The Trust has an interest in Lincolnshire Nature Limited which provides education facilities at Whisby Nature Park near Lincoln.

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Lincolnshire Wildlife Trust is one of 47 independent Wildlife Trusts covering the UK which are corporate members of the Royal Society of Wildlife Trusts. The Society (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, particularly through the Wildlife Trusts' UK and England Forums on which the Trust is represented by two people appointed collectively by the Wildlife Trusts in the East Midlands, who also nominate a person for election as a Trustee to the Council of RSWT, current Vice President, Don Wright. The East Midlands Wildlife Trusts co-operate closely on regional matters and up until December 2010 jointly employed a Regional Conservation Policy Officer. In the Yorkshire and Humber Region we work in liaison with the Yorkshire and Sheffield Wildlife Trusts. There is also close liaison and co-ordination, chiefly through RSWT, among all Wildlife Trusts.

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. An important partnership for which the Trust acts as the host partner to employ staff is the Lincolnshire Biodiversity Partnership (covering the Lincolnshire Biodiversity Action Plan, the Lincolnshire Environmental Records Centre, and the management of the Local Wildlife Sites system).

Other important partnerships are:

South Humber Bank Wildlife & People Project (Environment Agency, English Heritage, Natural England and North Lincolnshire Council) up until January 2011

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

Trent Vale Landscape Partnership (British Waterways, Nottinghamshire County Council, EA, Lincolnshire County Council, NE and NWT)

Witham Valley Country Park (North Kesteven District Council, LCC, West Lindsey District Council, NE, EA and Lincoln City Council)

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

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

Lincolnshire Coastal Grazing Marshes Project (ELDC, EH, EA, Farming & Wildlife Advisory Group, LMDB, LCC and NE)

Lincolnshire & Rutland Limestone Natural Area/Life on the Verge Calcareous Grassland Project (Leicestershire & Rutland Wildlife Trust, NE and LCC)

South Lincolnshire Fenland Project (EA, FWAG, NE, Sustrans, South Kesteven District Council, South Holland District Council, LCC, Waterside Garden Centre and Welland & Deepings Internal Drainage Board)

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

Several of the Trust's nature reserves are operated in conjunction with local authorities, notably Gibraltar Point near Skegness (Lincolnshire County Council and East Lindsey District Council); Whisby Nature Park near Lincoln (Lincolnshire County Council and North Kesteven District Council); and Snipe Dales near Horncastle (Lincolnshire County Council).

The Trust works closely with Natural England in the management of the Saltfleetby-Theddlethorpe Dunes National Nature Reserve and with the Ministry of Defence in the management of the Donna Nook National Nature Reserve.

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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 they deliver the equivalent in working hours as the employed staff.

Staff

The staff structure is kept under constant review in order to ensure that it accords with our objectives and strategies. As at 31 March 2011 the Trust employed a total of 78 members of staff (43 full-time and 35 part-time). Of these, 11 relate to partnership projects with external funding; 9 are part-time assistants for the Point Café; 5 are part-time Future Jobs Fund placements and 53 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. Improvements to management of health and safety continue, business continuity and emergency planning has been taken forward with several key plans developed, Information Communications Technology (ICT) systems have been upgraded and insurance provision reviewed.

Public Benefit

In setting our objectives and planning our 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. First, 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 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 local authorities and others helps to ensure that planning 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 the Royal Society of Wildlife Trusts. 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.

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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

The objects are achieved through five principal activities:

- To create a Living Landscape
- To restore Living Seas
- 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

Objectives and Strategies for the Year

During the year effort has focussed on delivery of the newly adopted strategic plan covering the five years 2010 to 2015. At the heart of the Trust's strategy is a concept called Living Landscapes and Living Seas.

A Living Landscape is the aspirational end-point where the UK's environment, society and economy co-exist for the benefit of wildlife and people. It comprises a series of Living Landscapes, linked together at local, regional and country level. This presents a holistic approach, to re-connect our urban and rural areas, freshwater and coast.

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Beyond the coast, the connections continue to create Living Seas. Living Seas are a similar concept although identifying a series of living sea areas is more difficult to envisage. Rather, Living Seas includes all the seas around the UK, where the Trust is arguing that the biodiversity of seas should be rebuilt, through a network of marine protected areas and no-take zones and by exploiting marine resource in a holistic and sustainable manner through effective regulation.

At the heart of both concepts is the notion of an ecosystem approach, where land use and resource usage is contemplated with reference to the entire ecosystem and essential ecosystem services (eg biodiversity, clean air, clean water, pollination, flood prevention, fishing and so on) are maintained and enhanced. Threats to wildlife and the environment are essentially the result of human activity. The solutions must also be through human activity, whether it is changes to people's behaviour and lifestyles, decisions to take positive action or changes to land use policy and practice.

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ACHIEVEMENTS AND PERFORMANCE

To create a Living Landscape

Our priority areas to facilitate the development of Living Landscape schemes have been identified as:

- Lincolnshire Coast and Marshes
- South Humber Bank
- South Lincolnshire Fens
- South Lincolnshire Limestone
- Kirkby Moor and environs
- 'Witham Valley Country Park'
- Humberhead Levels

Develop strategic partnerships to promote and facilitate large area schemes, prioritising opportunities which can enhance and expand existing nature reserves. Areas where we are supporting partners include the Wolds AONB (Area of Outstanding Natural Beauty), Trent Vale, Limewoods and Wash.

Lincolnshire Coastal Grazing Marshes where the partnership has been successful in gaining funding from the Heritage Lottery Fund for a Landscape Partnerships project to run from 2011 to 2014. During the course of this year the Trust has employed a part-time adviser: funding was due to expire in October but because the post has been so successful, the Esmée Fairbairn Foundation agreed to an extension until June 2011, by which time recruitment of a full project team should be underway. Over the year the adviser has gained agreements for maintenance and restoration of grazing marsh covering 36 and 11ha respectively. This is a significant contribution to achievement of the county's BAP targets for this priority habitat in a time of uncertainty within the farming community. Continued monitoring of wintering and breeding bird populations is building up the evidence for the effectiveness of habitat management.

Lincolnshire Coastal Country Park where partnership working has resulted in a 2.2km continuous strip of land south of Anderby Creek all coming into conservation management. The 24ha of land acquired by the Trust in the last year, now known as Anderby Marsh, is developing as grazing marsh. The Trust has acquired a further small parcel of land. Major works have been carried out at Wolla Bank Reedbeds to restore them to favourable condition. A stretch of private land has been entered into Higher Level Stewardship as a result of advice from the Trust's Grazing Marsh adviser. Lincolnshire County Council has carried out major work at Chapel Six Marshes to enhance its biodiversity.

Public involvement is important and there have also been improvements to car parking and access. In addition, the Trust has secured a 'Your Heritage' grant from the Heritage Lottery Fund to run a programme of events throughout the summer.

South Humber Bank where we are working in partnership to develop a shared vision for the Humber. This should help to set the scene for the essential creation of new wetland habitat in advance of loss of Far Ings through sea level rise. Strategic mitigation proposals linked to development in the South Humber Gateway are progressing.

South Lincolnshire Fens where following the acquisition of 114ha of Willow Tree Fen work has focussed on the arable reversion and rewetting.

South Lincolnshire Limestone where the Life on the Verge project surveys resulted in sound, up-to-date information being available for over 1100 (c50%) sections out of a total of 2,236 sections of roadside verge within the project area. Each section is approximately 1km long on both sides of the road so approximately 2,200 km/550ha of verge have been surveyed. Many verges have been found to be species rich and 100km of verge have been designated as Local Wildlife Sites to date.

The results of the botanical surveys of verges in the project area in the summers of 2009 and 2010 were used to target management. Over the year 22ha of road verge have been cut and baled and scrub has been removed from 5.5ha of roadside verges to restore lowland calcareous grassland.

Kirkby Moor and Environs where the Trust is looking to extend and connect its existing nature reserve. Discussions continued.

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Witham Valley Country Park where Trust involvement centres on management of reserves at Whisby, Tunman Wood and Boultham Mere but partnership working is enabling development of strategies for future management of a larger area for the benefit of people and wildlife.

Humberhead Levels where national Wetland Vision funds have funded an adviser to assist landowners to enter agri-environment schemes within the Isle of Axholme. The Trust has contributed to development of a flood risk management strategy for the Isle of Axholme. Further surveys carried out by the Trust's Wildlife Sites Officer, on behalf of North Lincolnshire Council, are continuing to highlight the importance of the watercourses in this area. A small (2.8ha) arable field in the northwest corner of the Trust's landholding at Crowle Nature Reserve was acquired through generous funding from Natural England. Although this field may seem small in the context of the 160ha of the existing nature reserve, its impact will be huge. The field had a significant field drain in it, which now, having being dammed, is backing up water through the 40ha block. This will have a dramatic effect, as was seen when the "Yorkshire Triangle" area was dammed. The transformation from scrub woodland to something akin to a peat bog only took a few years and we are hoping for a similar result from this new initiative.

Trent Vale Landscape Partnership which has successfully gained a Heritage Lottery Fund grant and commenced work to enhance the area between Gainsborough and Newark, on both banks of the Trent.

Lincolnshire Wolds the Trust has secured a Heritage Lottery Fund 'Your Heritage' grant to transfer the very successful Life on the Verge project from the limestone south of Lincoln to the chalk landscape.

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

Great strides were made nationally by the Wildlife Trusts to achieve the government target of 95% of all SSSIs to be in favourable condition by 2010. We were thanked by Natural England for our efforts towards this. Fifty-two of the Trust's reserves are covered by 46 Sites of Special Scientific Interest designations, which consist of 82 individual "units". 68 of these units are in Favourable/Unfavourable recovering condition, with 14 in Unfavourable declining. Unfortunately this latter group is entirely due to issues outside the Trust's control – predominantly low ground water conditions.

Virtually all our potentially eligible nature reserves have now been entered into agri-environment schemes. The Sea Bank Clay Pits cluster added this year included the five SSSI pits and the new Anderby Marsh Nature Reserve.

Twenty eight Higher Level Stewardship Schemes (HLS) are now in operation covering 64 reserves. Despite personal attention from senior officials from the Rural Land Registry, they are still unable to complete an accurate inventory of our fields, which has caused continuing administrative problems. However, the management of the nature reserves goes from strength to strength. A checklist of field condition, as dictated by the prescriptions within each agreement, is in the process of being created. This will allow us to monitor the progress towards favourable condition. 220 fields have so far undergone condition assessment of which only four are in urgent need of remedial work.

The Anderby Marsh project and Willow Tree Fen dominated the Nature Reserves department agenda. The restoration for both sites was very similar – arable reversion requiring cultivation and reseeded with an associated re-wetting. Both sites benefitted from the construction of tilting weirs to assist with water management. The key element to the success of the projects was partnership working. LCC, NE, EA, local IDBs, LAs, adjacent landowners and other partner organisations worked closely on both projects with great success, adding 135ha of wet grassland/fen to the Trust's inventory.

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 and ensure appropriate policies are included in local and regional plans to protect nature conservation sites from inappropriate development and achieve more resilience to climate change and other pressures. During the year the Trust submitted comments to 5 Local Authorities on the following development documents:

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- County
Lincolnshire County Council
 - Lincolnshire Preferred Minerals and Waste Strategies and Sites
Local List of Information Requirements
- Unitary
North Lincolnshire Council
 - Local Development Framework Minerals and Waste Development Plan Document – Sustainability Appraisal & Habitats Regulations Scoping
 - Housing and employment allocations Development Plan Document submission draft
 - Core Strategy Development Plan Document – Submission Draft
- District
Central Lincolnshire
 - Core Strategy Preliminary Consultation and Draft Sustainability Appraisal Scoping Report
 - Central Lincolnshire Core Strategy issues and options consultationNorth Kesteven District Council
 - Sleaford MasterplanSouth Kesteven District Council
 - Local Development Framework Site Allocations and Policies Development Plan Document – Policies consultation
 - Additional housing and employment sites consultation
 - Draft Planning Obligations Supplementary Planning Document

Approximately 9,400 planning applications were reviewed and responses made to 329.

In addition the Trust made an input to a range of forward planning issues promoted by other agencies including:

- Catchment Management Strategies and Plans
- Humber Flood Risk Management Strategy
- Donna Nook Managed Re-alignment proposals
- South Humber Bank strategic mitigation strategy
- Shoreline Management Plans for the open coast
- Fens Waterways Link

The Trust is involved with all Local Strategic Partnerships (LSP) in Lincolnshire, either directly through volunteers or staff sitting on the full partnership Boards and/or their environment groups, or via Lincolnshire Biodiversity Partnership representation. The Trust has been responsible for reporting on progress towards the Lincolnshire Sustainable Community Strategy's aim of achieving 'Countryside, Coastline and Towns Much Richer in Biodiversity' in Lincolnshire by 2030. Over the course of the year changes in central and local government have reduced local authority enthusiasm for LSPs and Sustainable Community Strategies.

Play an active role in the Biodiversity Partnership to achieve positive conservation of Local Wildlife and Geological Sites, recognising we contribute directly to Biodiversity Action Plan targets.

The Trust makes a significant contribution to the achievement of Biodiversity Action Plan targets, 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 worked primarily with North Lincolnshire during the course of the year to survey their candidate LWSs, but has also identified important areas in other parts of the county, including roadside verges through the Life on the Verge project and woodlands in the Forestry Commissions' estate in West Lindsey. Partly as a result of encouragement by the Trust, the majority of the county now has an extremely good record of Local Wildlife Sites – the most important places for wildlife outside statutory Sites of Special Scientific Interest.

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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 Trust along with partners has developed a suite of evidence in support of the Lincolnshire Coastal Country Park and Lincolnshire Coastal Grazing Marsh Project. Significantly more work will be required across a range of benefit areas for different projects and for the County as a whole.

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 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.

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 Trust continues to play a major role in the Lincolnshire Biodiversity Partnership, hosting and providing line management for the staff. The records centre achieved the milestone of holding over one million records and was recognised for its systems being one of the first centres to receive a new accreditation.

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

The Lincoln Red cattle breeding herd (10 cows, one bull based at Kirkby Airfield) spent an enjoyable summer doing excellent work grazing on Moor Farm before returning to winter quarters. The cows started to calve on 22 January, with 8 having been born by the end of the reporting period – 4 heifers and 4 bull calves. The calves are registered with the Lincoln Red Cattle Society under the "Banovallum Herd". The first calf born was called "Banovallum Annabelle"

Hebridean sheep continue to be the mainstay of the Trust's own grazing effort, with some 200 lambs being born at Far Ings, Gibraltar Point and Kirkby Moor.

Grazing and hay cutting was carried out on 48 reserves and we are very grateful to the 27 farmers who have assisted us in this work.

Most of the tree felling work this year was on Epworth Turbary, birch from between two grazing enclosures which have now been joined to make a bigger area of heath. At Moor Farm, birch from the woodland area was cleared to join the Heath Field up with the Wet Heath. Sycamore is still being cleared from Rigsby Wood. The majority of this wood went to make Trust charcoal.

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 Trust's Roadside Nature Reserves Scheme (formerly Protected Roadside Verges Scheme) is operated in conjunction with Lincolnshire County Council and has run for fifty years. Lincolnshire was the pioneer county in establishing a conservation scheme for road verges, in 1960, when a close and successful partnership was forged between Lincolnshire Highways and the Lincolnshire Wildlife Trust.

The third successive wet summer affected the timing of management activity in 2010 so that some cutting and clearing went on into October. Cutting arrangements with farmers fell through on four verges but all the others received some form of site management, in whole or part, during the year.

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The RNR Scheme comprises 64 verges with a total length of about eighty kilometres. No new verges were added to the Scheme in 2010, though two extensions were incorporated. The Roadside Nature Reserves have been identified as having special floristic interest which the Trust and the County Council work to preserve through the Scheme, with the assistance of voluntary Wayside Wardens. Some verges have been designated Local Wildlife Sites, as have many others outside the Scheme. It has been decided that present financial and personnel constraints render it impossible to incorporate all LWS verges into the Scheme.

In 2008 Natural England and Sleaford and South Kesteven Highways asked the Trust to act as a partner with them in a project to restore and maintain the SSSI at The Drift, a section of the Viking Way south-west of Grantham. The Trust Reserves Department undertook to participate and placed responsibility for maintenance of The Drift with the RNR Team. Continued separate funding was provided by LCC Highways to allow for further levelling, felling and re-seeding as well as scrub control during 2010. A temporary closure order was issued and barriers to prevent vehicular access were put in place, resulting in excellent regeneration of the grassland. The closure order expires in March 2011.

As ever, the Trust is greatly indebted to the work of the volunteer surveyors who ensured that the verges selected for survey in 2010 were covered, many receiving several visits. Results are submitted to the Lincolnshire Biodiversity Partnership, which facilitates monitoring of the Scheme's long term effectiveness.

Through the Lowland Calcareous Grassland in the Lincolnshire and Rutland Limestone Natural Area Project (Life on the Verge) extensive survey work has identified botanically important verges which are currently outside the RNR scheme and which could link with existing RNRs to form wildlife corridors.

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 volunteer led Coast and Marine Team has considered the Trust's approach to this expanding area of work. The Trust secured funding for a Marine Spatial Planning Officer. This follows the decision by the government to commence its plan development in the North Sea as well as proposal for a number of massive windfarm developments. The Trust was however unsuccessful in a large joint application for funding wider marine work.

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.

A large contingent of staff and a Trustee representing all aspects of the Trust's work attended The Wildlife Trust's national marine conference. This has enabled and encouraged existing staff to support marine campaigning and education work. There are now marine displays at the three principal sites and temporary displays at events.

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

The Trust, jointly with other North Sea coastal Wildlife Trusts, appointed a North Sea Marine Advocacy Officer based with the Yorkshire Wildlife Trust. This role is instrumental in co-ordinating the Trust's work to identify and safeguard marine conservation zones. Trustees and senior staff from the Trust actively engaged in the stakeholder process which is expected to result in area designation in 2012 including a number of sites off the Lincolnshire coast.

LINCOLNSHIRE WILDLIFE TRUST

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

Staff and volunteer training in Shoresearch techniques was completed and events are planned for 2011-12. Funding has been secured to complete a number of dives off the Lincolnshire coast as part of the Seasearch programme in 2011-12. This will be a first and follows a successful programme off the Norfolk and Yorkshire coasts in recent years. The Trust is taking part in the national Sea Watch programme run by the Sea Watch Foundation recording sightings and strandings of cetaceans. Early sightings have been encouraging.

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.

A volunteer marine officer has opened a dialogue with a range of sea users particularly in support of the Sea Watch programme. The stakeholder process for the designation of marine protected areas has also enabled the Trust to work closely with a wide range of individuals and organisations including commercial fishing, aggregate industry and energy companies.

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

The Trust opened a dialogue with a number of venues who may help promote the Trust's Living Seas vision. Visitors to Donna Nook National Nature Reserve seals were relatively low due to bad weather, over 40,000 visitors compared with 60,000.

The North Sea Wildlife website (www.northseawildlife.org.uk) jointly established with other North Sea Trusts along with a wide range of high quality printed material, is available now for Lincolnshire and beyond allowing greater understanding of this unseen environment.

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 Trusts reach.

At Gibraltar Point, Whisby Nature Park and Far Ings (South Humber Wildlife & People Project) 230 schools, colleges and universities, over 10,000 students, participated in formal education visits. Over half of these were primary students with a quarter being secondary, others being higher education and adult. Forty-six schools were visited for outreach work, nearly double last year's figure, covering a range of curriculum based topics engaging with over 4,000 students. Eight training days were held for 129 classroom staff enabling them to deliver environmental and outdoor education to students.

Many of the educational activities at Far Ings have had to be adapted to allow delivery by one education officer following the departure of a member of staff and the ending of the Heritage Lottery funded project.

The 'Get Out There' Conference was hosted; 45 teachers and education providers attended a one day conference promoting schools to use the outdoor environment as a learning resource through various workshops and displays. Exhibitors included, YHA, various schools, CFBT, Activities Away, FACE, Rights of Way and PGL.

Bishop Grosseteste University College took part in a practical day of study at the Education Centre looking at best practise to leading groups safely in an outdoor environment. This was the third year the University has used the expertise of the Lincolnshire Wildlife Trust Education Team with much positive feedback from how much the trainee teachers gained from this practical day

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

Working with partners, an interpretation plan has been developed for the Lincolnshire Coastal Country Park incorporating a number of existing Trust reserves. Similar work is also underway for the Witham Valley Country Park. A 'Heritage Trail' for the South Humber bank was launched to great acclaim. First stage interpretation and route marking has been installed at the newly established Willow Tree Fen nature reserve.

LINCOLNSHIRE WILDLIFE TRUST

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

Throughout the year staff, volunteers and Area Groups organised over 350 events with over 10,000 (8,500 in 2010) 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 with an award winning display.

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

Unfortunately the number of Watch groups reduced to 7 with the closure of the High Dyke group. There is however plans for 2 new groups and existing groups continue to provide excellent experience for young members across the County. The Whisby Watch group was selected as the national Watch Group of the Year 2010 (best for the East Midlands 2009) another first for a Lincolnshire Watch group. Associate School membership remains stable.

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

Life on the Verge has been chosen by the Heritage Lottery Fund as an example of best practice in the field of digital learning and participation and commissioned a review of the project. The criteria judged against included: crowd sourcing - enabling participants to make decisions; reaching new audiences eg young people, communities; accessing teaching or interpretive material on-line, encouraging action and ability to contribute and/or edit content. In September the Junior Wardens at Whisby held their very first 24hr exploration in to Tunman Wood. This was recorded by the BBC for CBBC children's Saturday morning TV programme called 'Live and Deadly'.

Regular monthly updates were made to the news pages and home page of the Trust's website which continues to attract a large amount of interest with over 200,000 absolute unique visitors during the year (188,000 in 2010). The Watch website was completely updated and improved. The monthly newsletter, which is distributed by email, reached over 2,600 subscribers (2,000 in 2010). The Lapwings magazine issued to members continues to be well received for its high quality, particularly the inclusion of UK news with the incorporation of the Natural World magazine produced by the Royal Society of Wildlife Trusts.

Develop and implement a marketing and communications plan.

A draft marketing plan was written and while further development is required a number of actions have commenced.

During the year over 150 stories were covered in local newspapers (100 in 2010), 26 by local radio (20 in 2010) and 10 in the national press (9 in 2010), helped in part by an increase in press releases to 50 (from 37). 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, give advice on wildlife gardening, and on a variety of other wildlife related subjects.

To encourage individual action for wildlife and the environment

Invest in and give higher priority to volunteer support and staff capacity to enable this.

The Trust celebrated the contribution of its ultimate volunteer, President Ted Smith, to mark his 90th birthday by dedicating Gibraltar Point Nature Reserve to him, a place he has known for over 70 years.

European Funding through the Lincolnshire County Council enabled the appointment of a coastal based volunteer trainer and co-ordinator to be appointed, helping develop individuals across East Lindsey and delivering much needed support to nature reserves and other areas of nature conservation interest. As part of the project a new volunteer room and facilities have been built at Gibraltar Point.

For the first time all the Trust's Voluntary Reserve Managers were brought together for a training and meeting event, giving an opportunity to exchange ideas.

LINCOLNSHIRE WILDLIFE TRUST

The Life on the Verge project where 10 limestone grassland wildflower identification training days, 13 talks and 6 guided walks have raised awareness and increased understanding of calcareous grassland, highlighting the importance of this nationally important and threatened habitat and encouraged participation in the surveying of roadside verges. 134 volunteers signed up in total to carry out surveys.

A database of information on volunteer roles is maintained but because there is a great deal of overlap and unrecorded volunteer time it is not possible to give accurate figures for the voluntary contribution. However, 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.

Support further volunteer placements, internships and employment schemes.

Eighteen individuals were employed through the Future Jobs Fund as Conservation, Café and Nature Reserves Assistants. The programme was created by the government to support job creation for the long term unemployed. One left early, having secured full-time employment with another Wildlife Trust.

The Trust has also supported a number of work experience students from school, colleges and universities from the UK and across Europe. There are a number of long term volunteers.

Develop corporate volunteering.

The work area is yet to be fully developed however a new corporate supporter, HSBC, are determined to bring local staff to a Trust reserve for volunteering.

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

Membership numbers rose from 24,559 to 25,025, a great achievement during difficult economic times. The Trust's membership plays a vital role for the charity not only through significant financial support but by strengthening our advocacy position and providing a source of active volunteers. Recruiters, Area Groups, volunteers and staff have worked hard to improve recruitment and retention. A membership fee upgrade process proved very successful with a high take-up by members contacted and a new members' offer was popular.

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.

A limited number of community projects were completed during the year with schools and groups.

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

The work area is yet to be fully developed beyond Local Authority led health walk initiatives at a number of larger nature reserves.

Develop and deliver programmes for collective involvement, eg surveys.

Three years of survey by members has revealed swift populations in 129 towns and villages in Lincolnshire. Since then we have had reports of swifts in a further 11 villages.

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

A range of organisations continue to use the Trust's nature reserves for short-term and long-term research. A preliminary search of scientific literature found 155 mentions of Gibraltar Point Nature Reserve including birds, mycology, geomorphology and algae.

To be an effective and efficient organisation

Strengthen the Trust's green housekeeping policies and practice to reduce our ecological footprint.

A review of the Trust's environment policy commenced. A range of initiatives were carried out during the year to address vehicle and building energy consumption.

LINCOLNSHIRE WILDLIFE TRUST

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.

With the General Election during the year the Trust actively lobbied prospective parliamentary candidates and has subsequently met most of the new MPs on site or at events held in the House of Commons.

The Trust played an active part in the development of the County's Sustainable Communities Strategy which is led by Lincolnshire County Council. Biodiversity is an important feature of this strategy as a result of this work, however it is unclear how this will be taken forward under the new government's policy.

Regional work became less relevant during the year as a result of changes in government policy. The Head of Regional Conservation Policy role became redundant during the year.

A draft advocacy plan was prepared but with a fast moving environment this has been subject to change.

Ensure good health and safety practice across the whole organisation.

Health and safety practice continues to improve across the Trust with the health and safety plan focussing effort. Internal audits and inspections were completed across a range of activities and locations. Further guidance and procedures were produced and a policy review commenced. Trustees, staff and volunteers received training during the year with the first national conference hosted in Lincolnshire.

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.

The Area Group Forum, Voluntary Reserve Managers' meeting and the very popular Conservation Forum were held. Trustees and staff attended Area Group meetings across Lincolnshire meeting members.

Maximise income particularly restricted grant funding for major project delivery.

Successful funding applications this year enabled land purchase within the Coastal Country Park and Humberhead Levels, the extension of the Life on the Verge Project to the Wolds, purchase of a tractor for Willow Tree Fen and appointment of the Coastal Ranger and Marine Planning Officer.

Review Team structure and function.

A number of minor changes have been made to the Trust's Team structure which consists of volunteer and relevant staff, covering all aspects of the Trust's activities. A full review of structure and function is yet to commence.

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.

A thorough review of policies has been completed. An internal assessment of the Trust's performance against the Charity Commission's guidance CC10 - The Hallmarks of an Effective Charity resulted in a small number of actions for improvement but was generally positive.

Continue to invest in effective ICT and good information management.

The head office server, software and some other hardware was upgraded during the year. Further investment in some other specialist software including mapping is still required.

LINCOLNSHIRE WILDLIFE TRUST

Increase income from retail, catering and consultancy activities.

Based on the lack of growth seen over the last few years, the Trust decided that the consultancy arm of the subsidiary company should be mothballed. The consultancy business has seen a diminishing return over the past 4-5 years, despite intentions for it to grow organically.

Further work was undertaken to improve the performance of the Gibraltar Point Café and retail.

PLANS FOR FUTURE PERIODS

- Deliver major projects to support Living Landscape initiatives: Willow Tree Fen, Life on the Verge, Trent Vale Landscape Partnership, Witham Valley Country Park, Lincolnshire Coastal Grazing Marsh and Lincolnshire Coastal Country Park.
- Develop further Living Landscape initiatives and projects including the landscape surrounding Kirkby Moor.
- Deliver Higher Level Stewardship Scheme prescriptions to meet the targets as prescribed by the Indicators of Success.
- Reserve acquisition/extension Humberhead Levels, Kirkby Moor and Lincolnshire Coastal Country Park.
- Advocacy work to ensure effective Marine Conservation Zones and marine spatial planning in the North Sea and associated marine awareness campaign.
- Continue delivery of high quality education and learning including agreed resourcing for Far Ings education programme.
- Strengthen internal communications including Teams, Area Groups and use of IT.
- Increase membership to 26,000.
- Increase sales and profitability from café and shops.

LINCOLNSHIRE WILDLIFE TRUST

FINANCIAL REVIEW

Financial Management

The current year has been challenging on a number of fronts, with the austerity measures implemented by government having an impact on the level of funding made available by our partners to support ongoing projects. The Trust recognised these difficulties and has worked with its partners to minimise the impact on its operations and it is appropriate to record the Trust's appreciation of the very supportive approach adopted by Lincolnshire County Council, in particular.

The Trust has continued to benefit from legacy receipts of £192,398 which has enabled it to cover a small deficit between income and expenditure, maintain the Legacy Equalisation Fund at a figure of £600,000 and make a transfer of £111,466 to the Development Fund. The reserves maintained within the Development Fund are invaluable at a time when grants to support reserve acquisition are hard to find. These legacies therefore give the Trust the financial confidence and "muscle" to take advantage of opportunities to acquire or extend nature reserves when opportunities arise, and during the year under review the Trust was able to acquire important land holdings at Crowle and Chapel Six Marshes. The Trust is particularly grateful to those individuals who remember the Trust in their wills as this flow of income allows the Trust to budget and plan for the future with confidence and allows it to deliver the wide range of activities detailed elsewhere in this report.

Membership income has shown a modest increase as a result of some specific and well-targeted recruitment and our investment income has also increased following the additional investments completed in the last financial year. The Trust has continued to benefit from a range of environmental grants, which have financed essential work on our nature reserves.

Review of Investments

During the year, the Trust has benefitted from a relatively high level of return on its investments in Charibond and Charifund and, in the current economic climate, there is a concern that this may not be sustainable in the longer term. This uncertainty has prompted a full review of the Trust's Investment Policy, which, at the time of this report, is ongoing. It is anticipated that the review will be completed over the summer months with detailed recommendations made to the Board later in the year. In the meantime, the value of the Trust's investments has increased by £53,643, which is reflected in these accounts.

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 permanent source of investment income to support the work of the Trust. The chief justification for this is the need for the Trust to provide adequate revenue resources for the continued management of its growing nature reserves estate for which there is otherwise no permanent endowment. The main purposes are:

- to give strength and stability to income sources by providing reliable income flows which, unlike some other sources of income, are not subject to abrupt variation;
- to create headroom to allow for growth and expansion and to allow advantage to be taken of new opportunities;
- incidentally, to enhance financial strength by increasing asset levels: this can be a significant advantage in securing access to funding for major developments.

At the end of the period the fund held £3,073,221.

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 budgeted legacy income for revenue purposes, currently set at £600,000.

LINCOLNSHIRE WILDLIFE TRUST

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 opportunities. The timing and incidence of acquisition opportunities, together with their magnitude, is unpredictable but, taking account of current grant-aid opportunities and priorities, it is the Trust's aim to maintain this Fund at a minimum of £100,000 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 for important biodiversity sites arise. At the end of the period the fund held £791,269.

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 policy has been changed to maintain the Fund at a minimum of £500,000 in relation to Lincolnshire Wildlife Trust. A small reserve of £13,481 is held in the trading subsidiary, Lapwings Consultants Limited.

Principal Income and Expenditure

The Trust's largest source of regular unrestricted income is from membership subscriptions. Other regular sources of unrestricted income include income from properties, support grants, donations, interest on Conservation Fund investments and other interest. In addition unrestricted cash legacies are a principal income source. However, it is the Trust's policy to use a large proportion of legacy income for nature reserve acquisitions, development, and for generating long-term income. Together with other surpluses this has enabled a substantial transfer to the Development Fund this year as reported above. Unrestricted income is vital to the continued management of our nature reserves estate.

Other key objectives funded principally from unrestricted income are wider countryside work, championing wildlife, and campaigning, although some special funding was contributed from a variety of partnerships for special projects during the year. Our Wildlife & People programme relies partly on restricted grants but these were matched by a large amount of unrestricted income mainly from fees generated by the operations of our three education centres.

Investments

The Trust's current Investment Policy is:

"To protect, in so far as is reasonable with the avoidance of undue risk, the real value of the capital and income of the portfolio and to provide a reasonable level of current income. The target distribution ratio of funds in equities, bonds and cash is 35%:45%:20% respectively."

As mentioned above, there is a concern that the current level of income may not be sustainable in the longer term and a full review of the Trust's Investment Policy is being undertaken.

In the current year, the Conservation Fund has been fully invested with investments closely matched to the value of the Fund. The current investments are in Charibond and Charifund and in the year to 31 March 2011 the average yields were 6.0% and 5.1% respectively. Charibond is invested in a range of government and corporate bonds, whilst Charifund is equity based. Funds not required for immediate use are held on deposit in the Charities Official Investment Fund deposit account which generated a return of 0.5% in the year.

LINCOLNSHIRE WILDLIFE TRUST

FINANCIAL SUPPORT

We are grateful to the following for substantial financial support in 2010/2011 through donations, grants and the sponsorship of projects:

Andrew & Co LLP	Internal Drainage Boards
Biffaward	Lincolnshire County Council
Boston Borough Council	Lindsey Marsh Drainage Board
Cemex UK	Mackintosh Foundation
Centrica	Natural England
Conoco Philips (UK) Limited	North East Lincolnshire Council
DEFRA	North Kesteven District Council
East Lindsey District Council	North Lincolnshire Council
East Midlands Business Limited	Rural Development Agency
East Midlands Development Agency	Sibelco UK
English Heritage	SITA
Environment Agency	South Holland District Council
Esmée Fairbairn Foundation	South Kesteven District Council
Forestry Commission	Waste Recycling Environmental (WREN)
Heritage Lottery Fund	West Lindsey District Council

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

Aggregate Industries	J W Ruddock & Sons Limited
Alfred Enderby Limited	John E Haith Limited
Andrew & Co LLP	Kes Building Maintenance
Anglian Water Services	Lafarge Aggregates Limited
ARH Tucker & Sons	Lincolnshire Co-operative Society Limited
Associated British Ports	Lindsey Oil Refinery Limited
B A Bush & Son Limited	Lowfields Leisure Limited
Badley Ashton & Associates Limited	Mortons of Horncastle Limited
Chapel Garden Centre	Natureland Seal Sanctuary
Cleethorpes Builders Merchants	North East Lindsey Drainage Board
Clugston Group Limited	Novartis Grimsby
Conoco Philips (UK) Limited	Omex Agriculture Limited
Cray Valley Products Limited	Page Paper Limited
Creative Nature	Riva Construction
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
HSBC	TCS UK Spraying
Hornsby Travel Services Limited	Truelove Property & Construction
Humber Bridge Board	W Crowder & Sons Limited
J E Piccaver & Co	Yara (UK) Limited

We are delighted to record our appreciation to the following individuals whose legacies we were notified of in the year ended 31 March 2011:

Sheila Margaret Hill	Sydney O Bamber
Jean Mitchell	Cyril Cooke
Frances Ann Monks	George Ernest Clark
Vera Clorinda Tompkins	Audrey Selby
Thelma Bamford	Cyril Arthur Johnson
Jeffrey Levi Noble	

LINCOLNSHIRE WILDLIFE TRUST

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.

In so far as the trustees are aware there is no relevant audit information of which the charitable company's auditors are unaware; and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

By Order of the Board

26 July 2011

J Mason
Chairman

LINCOLNSHIRE WILDLIFE TRUST

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 2011 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 2011 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: 26 July 2011

LINCOLNSHIRE WILDLIFE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 March 2011

	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Endowment Funds £	Total 31/03/2011 £	Total 31/03/2010 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
<i>Voluntary income:</i>						
Subscriptions, donations & gift aid	595937	35	0	0	595972	593888
Legacies	192398	0	0	0	192398	582093
General donations	25652	0	0	0	25652	31951
Grants	13988	0	0	41550	55538	479206
<i>Activities for generating funds:</i>						
Merchandising and consultancy income	291124	0	0	0	291124	396351
<i>Investment income</i>						
	212017	0	0	0	212017	161421
Incoming resources from charitable activities:						
Nature reserve income	242239	858692	0	0	1100931	917540
Wider countryside conservation	0	342576	0	0	342576	234120
Inspiring people	186452	10312	0	0	196764	213648
Other incoming resources:						
Other income	8309	26	0	0	8335	16014
Net gain on disposal of fixed assets	2603	0	0	0	2603	3912
TOTAL INCOMING RESOURCES	1770719	1211641	0	41550	3023910	3630144
RESOURCES EXPENDED						
Cost of generating funds:						
Costs of generating voluntary income	61915	0	0	0	61915	35841
Merchandising and consultancy costs	289301	0	0	0	289301	367264
Charitable activities:						
Nature reserve management	486750	784818	0	0	1271568	1124905
Wider countryside conservation	225378	279969	0	0	505347	407916
Inspiring people	526890	105004	0	0	631894	617710
Governance costs	17088	0	0	0	17088	17433
TOTAL RESOURCES EXPENDED	1607322	1169791	0	0	2777113	2571069
NET INCOMING RESOURCES BEFORE TRANSFERS	163397	41850	0	41550	246797	1059075
Gross Transfers between funds	-50108	0	50108	0	0	0
NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES	113289	41850	50108	41550	246797	1059075
OTHER RECOGNISED GAINS/LOSSES:						
Gains/(Losses) on investment assets:						
Unrealised	53643	0	0	0	53643	404362
Actuarial losses on defined benefit pension scheme	0	0	0	0	0	0
NET MOVEMENT IN FUNDS	166932	41850	50108	41550	300440	1463437
Total funds brought forward	4811039	1353688	1439489	4254109	11858325	10394888
TOTAL FUNDS CARRIED FORWARD	4977971	1395538	1489597	4295659	12158765	11858325

The notes on pages 30 to 41 form part of these accounts

LINCOLNSHIRE WILDLIFE TRUST

CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT for the year ended 31 March 2011

	Note	2011 £	2010 £
Gross income of continuing operations		2691236	2776537
Non-charitable trading activities: gross income	2	291124	396351
Total income of continuing operations		2982360	3172888
Total expenditure of continuing operations	3	2487812	2203805
Non-charitable trading activities: expenditure	2 & 3	289301	367264
Net income for the year before transfers and investment asset disposals		205247	601819
Transfer to designated funds		(50108)	(48415)
Net income before investment asset disposals		155139	553404
Actuarial losses on defined benefit pension scheme		-	-
Unrealised gains (losses) on investment assets		53643	404362
Surplus for the year		208782	957766

- Gross income of the Trust for the year was £2,691,175.
- Total income comprises £1,770,719 for unrestricted funds and £1,211,641 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 income before investment asset disposals for the year of £155,139 comprises £113,289 net income of unrestricted funds and £41,850 net income 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 41 provides full information on the movements during the year on all the funds of the group.

The notes on pages 30 to 41 form part of these accounts

LINCOLNSHIRE WILDLIFE TRUST

BALANCE SHEET AS AT 31 MARCH 2011

	Notes	Group		Company	
		2011	2010	2011	2010
		£	£	£	£
Fixed Assets					
Heritage assets	7	5673926	5582268	5673926	5582268
Tangible assets	7	1564099	1513528	1531998	1488778
Investments	8	4006878	3953235	4006880	3953237
		<u>11244903</u>	<u>11049031</u>	<u>11212804</u>	<u>11024283</u>
Current Assets					
Stocks	9	77982	87839	15400	15700
Debtors	10	700875	674172	779503	856784
Cash at bank and in hand	11	985670	968904	964169	838913
		<u>1764527</u>	<u>1730915</u>	<u>1759072</u>	<u>1711397</u>
Current Liabilities					
Creditors: Amounts falling due within one year	12	487630	532552	470220	511934
Net Current Assets		1276897	1198363	1288852	1199463
Total Assets less Current Liabilities		12521800	12247394	12501656	12223746
Provision for Pension Liability	18	363035	389069	363035	389069
NET ASSETS		<u>12158765</u>	<u>11858325</u>	<u>12138621</u>	<u>11834677</u>
Capital Funds					
Endowment Funds	13	4295659	4254109	4295659	4254109
Designated Funds	13	1489597	1439489	1489597	1439489
Income Funds					
Restricted Funds	14	1395538	1353688	1388875	1341698
Unrestricted Funds	15	4977971	4811039	4964490	4799381
		<u>12158765</u>	<u>11858325</u>	<u>12138621</u>	<u>11834677</u>

The notes on pages 30 to 41 form part of these accounts

The financial statements were approved by the Board of Trustees on 26 July 2011 and were signed on its behalf by:

.....
D A Cohen - Treasurer

.....
J Mason - Chairman

LINCOLNSHIRE WILDLIFE TRUST

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2011

	2011 £		2010 £
Net movement in funds for the year	300440		1463437
Adjustments for items shown separately:			
Investment income	-212017		-161421
Deposit interest	-12692		-12692
Adjustments for items not involving movement of cash:			
Depreciation charges	140255		132214
(Profit)/loss on disposal of fixed assets	-2603		-3912
Unrealised losses/(gains) on investments	-53643		-404362
Adjustments for changes in working capital:			
(Increase)/decrease in stocks	9857		-7968
(Increase)/decrease in debtors	-26703		1120358
Increase/(decrease) in creditors due within one year	-44922		-491968
Increase/(decrease) in pension liability	-26034		-24794
Net cash flow from operating activities	71938		1608892
Returns on investments and servicing of finance			
Deposit interest received	12692		12692
Investment income	212017	224709	161421
			174113
Capital expenditure and financial investment			
Payments to acquire heritage assets	-91658		-505671
Payments to acquire tangible fixed assets	-191348		-82734
Payments to acquire fixed asset investments	0		-1850000
Proceeds from the sale of tangible fixed assets	3125	-279881	5818
			-2432587
Increase/ (decrease) in cash in the year	16766		-649582
Net cash resources at 1 April 2010	968904		1618486
Net cash resources at 31 March 2011	985670		968904

The notes on pages 30 to 41 form part of these accounts

LINCOLNSHIRE WILDLIFE TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2011

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LINCOLNSHIRE WILDLIFE TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2011

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 1995.

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.

LINCOLNSHIRE WILDLIFE TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2011 (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.

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 but are taken directly to the balance sheet.

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 20 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 1985 in order to give a true and fair view. The corresponding revaluation reserve is included in the Conservation Fund.

LINCOLNSHIRE WILDLIFE TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2011 (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 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.

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.

PROFIT AND LOSS ACCOUNT	2010/11	2009/10
	£	£
Turnover	291124	396351
Cost of sales	191663	198784
Gross Profit	<u>99461</u>	<u>197567</u>
Salaries and overheads	95889	165728
Interest payable	1750	2750
Profit before Taxation	<u>1822</u>	<u>29089</u>
Taxation	<u>-</u>	<u>-</u>
Profit after Taxation	<u>1822</u>	<u>29089</u>
Amount Gifted to Parent Undertaking	<u>-</u>	<u>27895</u>
Retained in Subsidiary	<u>1822</u>	<u>1194</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.

LINCOLNSHIRE WILDLIFE TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2011 (continued)

3. ANALYSIS OF TOTAL RESOURCES EXPENDED:

	Staff Costs £	Depreciation £	Auditors Remuneration £	Other Costs £	Total £
Nature reserve management	527772	67788	0	676008	1271568
Wider countryside conservation	296628	5313	0	203406	505347
Education	269773	63504	0	298617	631894
Fundraising costs	45714	0	0	16201	61915
Governance	11071	0	4750	1267	17088
Merchandising & Consultancy	115145	3650	900	169606	289301
	1266103	140255	5650	1365105	2777113

4. SURPLUS:

	2010/11 £	2009/10 £
This is stated after charging:		
Auditor's Remuneration	5650	5650
Plant and Machinery - Hire and Operating Leases	Nil	Nil
Directors' Remuneration	Nil	Nil
Depreciation - Owned Assets	140255	132214

LINCOLNSHIRE WILDLIFE TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2011 (continued)

5. <u>STAFF COSTS:</u>	2010/11	2009/10
	£	£
Wages and Salaries	1050611	885286
Social Security Costs	91974	87619
Other Pension Costs	38423	39962
Staff costs for the Company	1181008	1012867
Staff costs for Lapwings Consultants Limited	85095	121228
Staff costs for the Group	1266103	1134095
<hr/>		
The average weekly number of employees during the period was made up as follows:	2010/11	2009/10
Full time	43	41
Part time and Seasonal	24	20
Company Totals	67	61
Lapwings Consultants Limited	9	10
Group Totals	76	71
<hr/>		

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 £1,505 (2009/10 £2,145) were reimbursed to two (2009/10 two) members of the Board.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2009/10 Nil).

LINCOLNSHIRE WILDLIFE TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2011 (continued)

7. FIXED ASSETS:

Group	Heritage Assets	Tangible Assets				Total Tangible Assets £
	Nature Reserves £	Banovallum House £	Other Buildings £	Motor Vehicles £	Fixtures Fittings & Equipment £	
Cost:						
At 1 April 2010	5582268	327156	860489	160081	1027682	2375408
Additions	91658	-	74721	17675	98952	191348
Disposals	-	-	-	(4395)	(10059)	(14454)
COST AT 31 MARCH 2011	5673926	327156	935210	173361	1116575	2552302
Depreciation:						
At 1 April 2010	Nil	Nil	116889	114924	630067	861880
Provided for the period	-	-	31238	27584	81433	140255
Disposals	-	-	-	(4394)	(9538)	(13932)
DEPRECIATION AT 31 MARCH 2011	-	-	148127	138114	701962	988203
NET BOOK VALUE 31 MARCH 2011	5673926	327156	787083	35247	414613	1564099

Nature Reserves 2010/11

Additions:	£
Crowle	54988
Chapel Six Marshes	35000
Monks Wood legal costs	1670
Total:	91658

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 £32,101 (cost: £61,483; depreciation £29,382) which relates to the Fixtures and Fittings of Lapwings Consultants Limited.

At 31 March 2011 the group had commitments relating to uncompleted contracts and expenditure authorised but not incurred relating to capital expenditure of £Nil (2010: £Nil).

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

LINCOLNSHIRE WILDLIFE TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2011 (continued)

8. INVESTMENTS:

Group

	2011	2010
	£	£
Market value at 31 March 2010	3953235	1698874
Investments made in the year	-	1850000
Disposals	-	-
Add: Net (losses)/gains on revaluation at 31 March 2011	53643	404361
	4006878	3953235
Market Value at 31 March 2011	4006878	3953235
Historical cost as at 31 March 2011	3851431	3851431

The above market value can be analysed as follows:

	INVESTMENT INCOME		MARKET VALUE	
	2011	2010	2011	2010
	£	£	£	£
U.K. Listed Investments	212017	161421	3783309	3729666
U.K. Investment Property	4887	4968	223569	223569
	216904	166389	4006878	3953235
	216904	166389	4006878	3953235

The investment figure in the company balance sheet also includes £2 which is the nominal value of the shares held in its wholly owned subsidiary Lapwings Consultants Limited.

9. STOCK:

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Goods for resale	62582	72139	-	-
Livestock	10400	10700	10400	10700
Consumables	5000	5000	5000	5000
	77982	87839	15400	15700
	77982	87839	15400	15700

LINCOLNSHIRE WILDLIFE TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2011 (continued)

10. DEBTORS:

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Owed by group companies	-	-	80696	201690
Trade Debtors	17203	72495	17232	58190
Other Debtors	406565	246926	406535	246926
Prepayments	9507	9445	7440	7378
Accrued income	-	2706	-	-
Legacies Receivable	267600	342600	267600	342600
	700875	674172	779503	856784

The amount owed by Group Companies includes a loan to Lapwings Consultants Limited of £75,000 (2010: £46,393). Interest is payable on the loan at 2 per cent per annum.

11. CASH AT BANK & IN HAND:

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank balances	982125	965559	961394	836138
Cash in hand	3545	3345	2775	2775
	985670	968904	964169	838913

LINCOLNSHIRE WILDLIFE TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2011 (continued)

12. CREDITORS

Falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank Overdraft	65395	17097	65395	14120
Trade Creditors	117397	201642	110905	196285
Other Creditors	56273	54943	56273	54943
Accruals	40440	38715	29312	26221
Landfill Contributions	0	0	0	0
Owed to Group Companies	-	-	210	210
Deferred Income	208125	220155	208125	220155
	<u>487630</u>	<u>532552</u>	<u>470220</u>	<u>511934</u>

LANDFILL TAX INCOME AND EXPENDITURE ACCOUNT

	2011	2010
	£	£
Contributions from Landfill Operators	-	-
Transfers from other Environmental Bodies	-	-
Interest on Deposits	-	-
Total Income	<u>-</u>	<u>-</u>
Project Expenditure	-	3299
Total Expenditure	<u>-</u>	<u>3299</u>
Net Income/(Expenditure) for Year	-	(3299)
Balance as at 1 April 2009	0	3299
Balance as at 31 March 2010	<u>0</u>	<u>0</u>

The treatment of Landfill Tax follows the recommendation of the regulator, Entrust, so that a fair picture of income and expenditure is shown. Some Landfill Tax contributions (received from other Environmental Bodies) are restricted, but are usually received only when related expenditure has occurred.

LINCOLNSHIRE WILDLIFE TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2011 (continued)

13. PERMANENT ENDOWMENT AND DESIGNATED FUNDS

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

	<u>Endowment</u>	<u>Designated</u>	<u>Total</u>
	£	£	£
Fund balances as at April 2010:	4254109	1439489	5693598
Incoming endowment resources:	41550	-	41550
Designated from unrestricted Funds:	-	50108	50108
			<hr/>
Fund balances as at 31 March 2011:	<u>4295659</u>	<u>1489597</u>	<u>5785256</u>

The Funds are represented by the following:

	£
Nature Reserves* owned by the charity	5673926
Banovallum House (Trust Headquarters) - proportion	36812
Sykes Farm Improvements	74518
	<hr/>
	<u>5785256</u>

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

14. RESTRICTED FUNDS

	Balance	Net movement	Balance
	31 Mar 2010	in funds	31 Mar 2011
	£	£	£
Nature Reserves Management Fund	502197	100622	602819
Capital Grants Fund	839501	(53445)	786056
Lincs Trust for Nature Conservation	11990	(5327)	6663
			<hr/>
	<u>1353688</u>	<u>41850</u>	<u>1395538</u>

LINCOLNSHIRE WILDLIFE TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2011 (continued)

15. UNRESTRICTED FUNDS

	Balance 31 March 2010	Net movement in funds	Balance 31 March 2011
	£	£	£
Conservation Fund	3019578	53643	3073221
Legacy Equalisation Fund	600000	0	600000
Development Fund	679803	111466	791269
General Fund	511658	1823	513481
	<u>4811039</u>	<u>166932</u>	<u>4977971</u>

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 on page 20 and Investments on page 21.

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.

16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Designated Funds	Endowment Funds	Total Funds
	£	£	£	£	£
Fund Balances at 31 March 2011 are represented by:					
Heritage assets	-	-	1489597	4184329	5673926
Tangible assets	666713	786056	-	111330	1564099
Investments	4006878	-	-	-	4006878
Current assets	1155045	609482	-	-	1764527
Current liabilities	(487630)	-	-	-	(487630)
Long term liabilities	(363035)	-	-	-	(363035)
TOTAL NET ASSETS	<u>4977971</u>	<u>1395538</u>	<u>1489597</u>	<u>4295659</u>	<u>12158765</u>
Unrealised gains included above on investment assets (see note below)	155447	-	-	-	155447
Reconciliation of movements in unrealised gains on investment assets					
Unrealised gains at April 1 2010	101804	-	-	-	101804
Net gains arising on revaluations in year	53643	-	-	-	53643
Unrealised Gains at 31 March 2011	<u>155447</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>155447</u>

LINCOLNSHIRE WILDLIFE TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2011 (continued)

17. OPERATING LEASE COMMITMENTS

At 31 March 2011 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. A full actuarial valuation as at 31 March 2010 showed that the deficit applicable to the Trust was not materially out of line with the amount provided in the accounts, therefore no further provision has been made.

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.

LINCOLNSHIRE WILDLIFE TRUST

DETAILED INCOME AND EXPENDITURE ACCOUNT for the year ended 31 March 2011

	2011	2010
INCOMING RESOURCES		
Incoming resources from generated funds:		
<i>Voluntary income:</i>		
Subscriptions, donations & gift aid	595972	593888
Legacies	192398	582093
General donations	25652	31951
Grants	13988	21950
<i>Activities for generating funds:</i>		
Merchandising and consultancy income	291124	396351
Investment income	212017	161421
Incoming resources from charitable activities:		
Nature reserve income	1100931	902540
Wider countryside conservation	342576	249120
Inspiring people	196764	213648
Other incoming resources:		
Other income	8335	16014
Net gain on disposal of fixed assets	2603	3912
TOTAL INCOMING RESOURCES	2982360	3172888
RESOURCES EXPENDED		
Cost of generating funds:		
Costs of generating voluntary income	61915	35841
Merchandising and consultancy costs	289301	367264
Charitable activities:		
Nature reserve management	1271568	1124905
Wider countryside conservation	505347	407916
Inspiring people	631894	617710
Governance costs	17088	17433
TOTAL RESOURCES EXPENDED	2777113	2571069
NET INCOMING RESOURCES BEFORE TRANSFERS	205247	601819
Gross Transfers between funds	-50108	-48415
NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES	155139	553404
Gains/(Losses) on investment assets:		
Unrealised	53643	404362
Actuarial losses on defined benefit pension scheme	0	0
NET MOVEMENT IN FUNDS	208782	957766