



Lincolnshire Wildlife Trust



**ANNUAL REPORT**

and

**FINANCIAL STATEMENTS**

for the year ended

31 March 2012



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and  
FINANCIAL STATEMENTS**  
for the year ended 31 March 2012

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**REPORT OF THE TRUSTEES  
for the year ended 31 March 2012**

The Board of Trustees & Directors is pleased to present the charity's Annual Report and Financial Statements for the year ended 31 March 2012. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' as issued in March 2005.

**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 &amp; Registered office:</u>	Banovallum House Manor House Street Horncastle Lincolnshire LN9 5HF Tel: 01507 526667
<u>Auditors:</u>	Wright Vigar Limited Statutory Auditors Chartered Accountants & Business Advisers 15 Newland Lincoln LN1 1XG
<u>Bankers:</u>	Barclays Bank plc 5 Market Place Alford Lincolnshire LN13 9EA
<u>Solicitors:</u>	Andrew & Co LLP St Swithin's Court 1 Flavian Road Nettleham Road Lincoln LN2 4GR
<u>The Board of Trustees and Directors:</u>	The Board currently consists of the six Honorary Officers and eight others elected at the Annual Meeting of the Trust's Council. Members of the Board are Trustees for the purpose of charity law and are also company directors. They are collectively referred to throughout this report as the Trustees.

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 461863  
Charity No: 218895

Trustees/Directors:

Dr A E Smith CBE MA	(President)	re-appointed 03.11.11
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)	
Mr T S Sands	(Deputy Chairman)	
Dr D A Sheppard BSc PhD	(Deputy Chairman)	
Mr G L Trinder ARPS	(Deputy Chairman)	
Mr D A Cohen	(Honorary Treasurer)	re-appointed 03.11.11
Mrs M A S Bates BSc		re-appointed 03.11.11
Mrs C E Harrison BSc		re-appointed 03.11.11
Mrs J Mellor MSc		
Mrs A Quigley BA		
Mr E J Redshaw		re-appointed 03.11.11

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

## **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 2012 was 25,402. Each member is committed to contributing £1 in the event of the charity winding up.

### **Appointment of Trustees**

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

During the year Ted Smith, David Cohen, Angela Bates, Clare Harrison and John Redshaw were reappointed 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.

New role guidelines were written for honorary officers and an appointment/appraisal process agreed.

### **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 and community (based at education centres), public relations, membership and administration.

### **Related Parties**

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

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. These governance arrangements have been reviewed and will lead to changes in 2012-13.

### **Wider Network**

The Trust acts as the host partner to employ staff of the Lincolnshire Biodiversity Partnership (covering the Lincolnshire Biodiversity Action Plan, the Lincolnshire Environmental Records Centre, and the management of the Local Wildlife Sites system). The Trust works with a large number of organisations in pursuing its aims. Partnerships with local authorities, statutory agencies and other voluntary bodies are a hallmark of our way of working.

Other important partnerships are:

**Humberhead Levels Nature Improvement Area Partnership** (Yorkshire Wildlife Trust, Nottinghamshire Wildlife Trust, Natural England, Environment Agency, North Lincolnshire Council, Doncaster Metropolitan Borough Council, East Riding of Yorkshire Council, RSPB, English Heritage, 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 City of Lincoln 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, LCC, NE, EH, EA, LMDB and NFU)

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

**South Lincolnshire Fenlands** (EA, 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, Norfolk, Suffolk Wildlife Trusts)

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

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 and Wainfleet Range.

### **Volunteers**

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



**Staff**

The staff structure is kept under constant review in order to ensure that it accords with the Trust's objectives and strategies. As at 31 March 2012 the Trust employed a total of 70 members of staff (42 full-time and 28 part-time). Of these, 9 relate to partnership projects with external funding; 9 are part-time assistants for the Point Café and 52 relate to the Trust's core activities. This is a reduction since 2011 (from 78) due particularly to the end of Future Jobs Fund placements (government employment scheme) from which a number of individuals went on to posts in the environment sector.

**Risk Management**

The Trustees continue to keep under review their assessment of the major risks to which the charity is exposed, and has 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 developed with new systems tested and information security improved with the upgrade of the Invu document management system.

**Public Benefit**

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

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

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

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

Thirdly, our information gathering and provision of expert advice and opinion to public bodies and other organisations helps to ensure that planning 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.

## OBJECTIVES AND ACTIVITIES

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

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

### **Vision**

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

### **Mission**

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

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

### **Principal Activities and Strategies for the Year**

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

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

## ACHIEVEMENTS AND PERFORMANCE

### To create a Living Landscape

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

#### *Lincolnshire Coastal Grazing Marshes*

The delivery phase of the Heritage Lottery Fund Landscape Partnership scheme commenced with the appointment of a team of staff, hosted by East Lindsey District Council, the awarding of the first Landscape Enhancement grants from a £250,000 pot and the running of workshops and training sessions to stimulate interest in surveying for grazing marsh species. The Trust sits on the Project Executive Board and 'Discover, Explore, Celebrate' Group and chairs the 'Protect and Sustain' Group. Provision of free advice to farmers is a key element of the work, carrying on that initiated by the Trust in 2007 with funding from the Esmée Fairbairn Foundation: over the four years during which a part-time adviser was employed, we succeeded in maintaining, restoring or re-creating 469ha of functioning grazing marsh, a priority BAP habitat. Breeding and wintering bird surveys continued and a substantial body of evidence is now available to demonstrate the potential of the marshes if managed with wildlife in mind.

The Trust also completed the purchase of Sea View Farm, Saltfleetby. This property completes the jigsaw connecting a stretch of land from Saltfleet village (Paradise Field) to Rimac some 1.5 miles on the seaward side of the River Eau bordering the Saltfleetby Theddlethorpe National Nature Reserve.

#### *Lincolnshire Coastal Country Park*

With a Your Heritage grant from the Heritage Lottery Fund, the Trust ran a full programme of events during the summer, attracting more than 1,400 people and promoting the value of this stretch of coast as a critical part of the grazing marshes Living Landscape.

The Trust purchased land at Huttoft in partnership with the County Council and with funding from the Environment Agency. Restoration of the land to coastal grazing marsh and dune habitat is proposed and will significantly extend the area of the Coastal Country Park managed for wildlife.

#### *South Humber Bank*

We have continued to work with local authorities, industry and other bodies to develop a strategic mitigation plan for the South Humber Gateway which would ensure that measures are put in place in advance of new development so that the future of habitats and species in and linked to the estuary are not jeopardised. We are contributing to development of a 'vision' for the Humber as part of the process of initiating a Local Nature Partnership spanning the estuary.

#### *South Lincolnshire Fenlands*

Willow Tree Fen has provided the main focus of activity over the year and, despite the drought, the reserve has begun to develop wetland habitats attractive to wetland birds.

#### *South Lincolnshire Limestone*

Action focused on continuation of volunteer Life on the Verge (LoTV) surveys with our LoTV officer spending 20% of his time on practical issues including drawing attention to the damage being caused to The Drift by motor vehicles. Volunteers continued to survey roadside verges within the project area. Sound, up-to-date information is now available for over 1,200 (c57%) sections out of a total of 2,236 sections of roadside verge within the project area. The survey results from the last three years are being used by Lincolnshire County Council and Rutland County Council to target management.

#### *Kirkby Moor and Environs*

Following liaison with potential partners, the Trust's thinking on the future of a Living Landscape scheme for the area progressed: there is considerable scope for improvements to biodiversity to tie in with flood risk management and other ecosystem services. A bid was submitted to Defra for the area to become a pilot Nature Improvement Area however it was not one of the twelve finally selected. Funding has however been secured for improvements to water management contributing to the Water Framework Directive objectives.

The Trust purchased woodland connecting the two SSSI nature reserves of Moor Farm and Kirkby Moor. A major acquisition has been agreed for completion in 2012.

#### *Witham Valley Country Park*

Trust involvement is continuing to focus on management of reserves at Whisby, Tunman Wood and Boultham Mere but resources were also devoted to assisting the City of Lincoln Council to produce management plans for the three Commons in the City. Together, the Commons cover around 200ha and so are a significant wildlife asset.

#### *Humberhead Levels*

A partnership bid for Nature Improvement Area status for a part of the Humberhead Levels was successful and, alongside work to implement a Water Level Management Plan, will be bringing about major improvements to the hydrology of Crowle Moors.

The Trust completed a land swap and purchase at Crowle Moor Nature Reserve giving improved connectivity between the north and south parts of the reserve.

#### *Trent Vale Landscape Partnership.*

The majority of the HLF supported Landscape Partnership scheme area is within Nottinghamshire, but a number of Lincolnshire landowners have carried out work to enhance biodiversity.

#### *Lincolnshire Wolds*

Life on the Verge in the Wolds completed its first year with funding from a HLF Your Heritage grant supplemented by funding from the Lincolnshire Wolds Joint Advisory Committee and North Lincolnshire Council. Wild flower training days have been run and talks given to encourage volunteers to carry out surveys on roadside verges to discover remaining good quality chalk and neutral grassland habitat. In the first year 30% of the area has been surveyed with 44 sections of verge meeting Local Wildlife Site criteria for calcareous or neutral grassland.

The Trust continues as a partner in the Lincolnshire Chalk Streams Project which is improving watercourse habitats in the Wolds.

#### *Lincolnshire Limewoods*

Although Lottery funding has come to an end, partners are continuing to work together to manage woodlands. The Trust is concentrating its activity on Goslings Corner nature reserve.

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

Fifty-two of the Trust's reserves are covered by 46 Sites of Special Scientific Interest designations, which consist of 81 individual "units". Sixty-seven of these units are in 'favourable/unfavourable recovering' condition, with 14 in 'unfavourable declining'. Unfortunately this latter group is almost entirely due to issues outside the Trust's control – predominantly low ground water conditions, although one is due to inappropriate fish stocking and should be retrievable.

Kingerby Beck Meadows and Pickerings Meadow were coming to the end of their 10 year Countryside Stewardship agreement and they were entered into a new HLS scheme, along with Watts Wood. Four reserves remain in Countryside Stewardship with a termination date of September 2014. That now makes 29 Environmental Stewardship Schemes (ELS/HLS) in operation covering 67 out of a total of 98 nature reserves. A checklist of site condition, as measured against the prescriptions within each agreement, has been underway since 2009 and is now showing the evolving situation in the progression towards favourable condition. Through Rural Land Registry mapping we have 646 'field parcels', but many of these are woodlands, waterbodies, ditches, hedges and buildings/yards and do not need to be surveyed every year. 229 more typical fields are inspected regularly. 140 fields were assessed in 2011 of which 48 were considered 'excellent', 45 'good', 43 'needing attention' and only 4 in need of serious remedial work.

The Nature Reserves Development Team has created an Endangered Species Panel to look specifically at rare species on the Trust's nature reserves. Ted Smith and Barrie Wilkinson have been compiling a list of plants which are now virtually confined to the reserves in the county. The seemingly simple question of a list of "endangered" birds was also looked at, but there is a whole host of designations, which means 89 species that occur on Trust reserves are considered "Birds of Conservation Concern" for a variety of reasons.

The Endangered Species panel has also started to look at invertebrates. This has been greatly aided by the excellent record-keeping that is now available through the Lincolnshire Environmental Records Centre. Of the 40 species of butterfly regularly recorded in the county, all have been recorded on Trust reserves. This is also true for the 16 confirmed species of grasshoppers/crickets. Only one of the confirmed 27 species of dragonfly/damselflies recorded spoils the record – white-legged damselfly is confined to the River Welland near Stamford. Considering Trust reserves cover less than 1% of the county, this dramatically highlights the importance of the reserves for invertebrate conservation.

Four acquisitions were made in the year 2011/12, three of which were strategically important reserve extensions and one constituted a new reserve.

At Crowle Moor 8.6 hectares of birch woodland were acquired adjacent to the southern reserve, which provides a vital link to join the south and north reserves together.

At Moor Farm 13.2 hectares of conifer woodland was acquired adjacent to the southern boundary. This also links to the strip of SSSI woodland on the northern side of Kirkby Lane which is considered part of the Kirkby Moor SSSI. This acquisition, which the Trust has subsequently learned was historically part of Kirkby Low Wood, has given a contiguous length of nature reserve (apart from 4 metres of tarmac) of 2.5 km from north to south covering 136 hectares.

On the coast the Trust has been fortunate to be able to acquire 6 hectares of land at Sea View, Saltfleetby. The land had been farmed for many years by Bert Richardson, who had been an excellent neighbour and supporter of the Trust's work. Following his death the Trust was able to deal directly with the family, who were keen to see the land remain as coastal grazing grassland, which lies between the River Eau and the dunes of Saltfleetby National Nature Reserve. Bert's field gives a contiguous frontage 2.4 km of grass fields from Paradise in the north to Rimac in the south, between the Eau and the NNR. The purchase was made possible by generous legacies received from Diana Loy of Alford and Neville Thompson of Brackenborough near Louth and with funding from Natural England.

The only completely new nature reserve has been the acquisition of 17 hectares of grassland adjacent to the Huttoft car terrace. The land had been earmarked for an extension to the Sandilands golf course. The area will be known as Huttoft Marsh and it is intended to develop it into grazing marsh and wetland, similar to the Croftmarsh area of Gibraltar Point. The Trust is grateful to Lincolnshire County Council (joint owners) and the Environment Agency for funding the purchase and future enhancement work.

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

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

During the year the Trust worked closely with all the county's local planning authorities and contributed to the following development documents:

- North Lincolnshire Council - Renewable Energy draft Supplementary Planning Document
- North East Lincolnshire Council - Environmental Sustainability Framework
- Central Lincolnshire (NKDC, CoLC, WLDC, LCC) - Green Infrastructure Strategy; Draft Core Strategy policies
- South East Lincolnshire (BBC, SHDC) - Statement of Community Involvement questionnaire; Draft methodology for Strategic Housing Land Availability Assessment; Core Strategy and Policies Development Plan Document Sustainability Appraisal Scoping Report
- East Lindsey District Council - Single Plot Exceptions Supplementary Planning Document

- South Kesteven District Council - Grantham Southern Quadrant Supplementary Planning Document baseline evidence; Planning Obligations Supplementary Planning Document; Grantham Area Action Plan Development Plan Document; Site Allocations and Policies Development Plan Document

Approximately 8,500 planning applications were reviewed and responses made to 391.

In addition, the Trust contributed to development of a range of strategies relating to water management, particularly the Lincolnshire Joint Local Flood Risk Management Strategy; the Upper Witham FRMS and the Humber FRMS. For much of the year the Trust's Head of Conservation represented conservation interests on the Environment Agency's Regional Flood and Coastal Committee.

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

**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 through its practical management of nature reserves and its contributions to Living Landscape initiatives and development of plans, policies and strategies. A third edition was completed during the period which the Trust supported. The Trust provides expertise to the Local Wildlife Sites (LWS) Panel and provides survey records for the Environmental Records Centre through our volunteers and staff.

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

The work area is yet to be fully developed.

**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 Trust worked primarily with North Lincolnshire and South Holland Councils during the course of the year to survey their candidate Local Wildlife Sites, 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 Commission's 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.

**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) continues to expand. Last year's calves, 5 heifers and 5 steers have done very well, with perhaps two of the steers being ready for market by the autumn of 2012. The heifers will be put to the bull in summer of 2013. Nine of the cows became pregnant again, with the first of the "new batch" being born on 26 February 2012. Three heifers and a steer were born by the end of the reporting period.

The Trust's Hebridean sheep flock were utilised on 10 reserves, with some 200 lambs being born at Far Ings, Gibraltar Point and Kirkby Moor. The Gibraltar Point lambs are largely sold, but the other lambs are used for replacements. There has been a slight increase in grazing requirements at Moor Farm following the heathland expansion programme.

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. It was a poor year for hay following the dry conditions and yields were considerably reduced.

Stuart Gill, who had been the pivotal figure in providing Trust charcoal and woodland products, hung up his chainsaw in March 2012. The Trust is very grateful for Stuart's efforts and cooperation over the years with trying to evolve its sustainable woodland management programme. The Trust looks forward to working with Paul Rodgers and taking the woodland work further.

The firewood market is proving rather difficult to break into as extraction difficulties and transport costs play havoc with profit margins. However with carbon fuel prices still increasing, more people moved to wood burners, rapidly followed by a rush of firewood merchants. Prices were such that for the first time, as long as sufficient volume was available, the Trust was able to start carrying out woodland operations for the price of the timber extracted, rather than having to pay contractors to come and fell trees at a cost. This is a welcome development, which means that a network of local firewood operators might be able to be formed which can sympathetically and sustainably manage the Trust's woodlands, similar to the network of local graziers that has developed over the years for managing the grasslands.

**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.**

Significant progress was made through the two Life on the Verge projects to identify, survey and designate areas as Local Wildlife Sites. In the first year in the Wolds 30% of the area has been surveyed with 44 sections of verge meeting Local Wildlife Site criteria for calcareous or neutral grassland. Failure of statutory planning and licensing systems resulted in damage to important potential sites for restoration in the South Lincolnshire Limestone area. The Trust was actively involved lobbying for better protection of important sites.

### **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.**

Marine nature conservation work is now well established across all Trust functions and is now greatly supported by the appointment of a Marine Planning Officer with funds from RSWT and North Sea Wildlife Trusts. The focus of this work has been the significant wind farms proposed for across the North Sea including Dogger Bank and the new spatial planning process being piloted.

**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 successful campaign to raise support for Marine Conservation Zones, Petition Fish 2, gained around 15,000 signatures with notable success at Donna Nook and the Lincolnshire Show. 5,000 school children participated in Trust led school assemblies with an undersea theme. The Trust's 2011 Conservation Forum (a gathering of key volunteers, staff and partners involved in nature conservation) was dominated by the theme of marine conservation. Participants heard from a range of international speakers from all sides of the issue. The marine aquaria at Gibraltar Point visitor centre were refurbished by volunteer and local fisherman Ian Martin providing an insight into the unseen wildlife in the North Sea.

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

The anticipated area designation (expected in 2012) to include a number of sites off the Lincolnshire coast was delayed. A major campaign to have the 127 sites identified designated was instigated by RSWT and supported by local activity across the Trust.

Staff made presentations at national conferences and to the Board of the government's Joint Nature Conservancy Council on the subject of marine protected areas.

The North Sea Marine Advocacy Officer based with the Yorkshire Wildlife Trust, working jointly with other North Sea coastal Wildlife Trusts, has been instrumental in co-ordinating the Trust's work to identify and safeguard marine protected areas.

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

A first Seasearch dive off the Lincolnshire coast produced exciting results; a programme of further dives is planned for 2012. A survey of east coast seaweeds disappointingly produced no Lincolnshire records but a full programme of Shoresearch (beach surveys) along the Lincolnshire coast has started to establish some good data. In partnership with the charity MARINElife staff and volunteers undertook training in the identification of cetaceans. This work will complement the Seawatch work already underway which has resulted in a significant increase in harbour porpoise sighting records along the coast.

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

The stakeholder process for the designation of marine protected areas has enabled the Trust to work closely with a wide range of individuals and organisations including commercial fishing, aggregate industry and energy companies. Further work in this area is to be developed.

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

The number of visitors to the Donna Nook National Nature Reserve grey seal rookeries was the highest recorded at 68,000 over the three months. The Trust took the opportunity to highlight the marine conservation issues relating to these large marine mammals. A number of university groups visited the site and two researchers carried out work. Further work in this area is to be developed.

**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 229 schools, colleges and universities, over 10,000 students, participated in formal education visits (unchanged from 2011). Over half of these were primary students with a quarter being secondary, others being higher education and adult. Over sixty schools were visited for outreach work, focusing on marine wildlife, engaging with over 5,000 students.

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

A full suite of interpretation is under development for the newly established Willow Tree Fen nature reserve. 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 which now has a dedicated website. Further work in this area is to be developed.



**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 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.

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

New groups established in Grimsby and Spalding brings the number of Watch groups to 9, giving good coverage across Lincolnshire. Predominantly run by dedicated volunteers these groups have been shown to be nurturing the conservationists of the future.

Associate School membership remains stable.

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

Regular monthly updates were made to the news pages and home page along with a specific piece of work to revise reserve details on the Trust's website, which continues to attract a large amount of interest with over 215,000 absolute unique visitors during the year (200,000 in 2011). The monthly newsletter, which is distributed by email, reached over 2,800 subscribers (2,600 in 2011).

**Develop and implement a marketing and communications plan.**

During the year over 230 stories were covered in local newspapers (150 in 2011), 37 by local radio (26 in 2010) and 12 in the national press (10 in 2011), despite a slight reduction in press releases, 46 from 50. We were also regularly called upon to comment on other local and national wildlife stories. Throughout the year the Trust responded to over 1,500 requests from the public to identify wildlife they had seen, gave advice on wildlife gardening and on a variety of other wildlife related subjects.

A revised marketing plan was developed and a number of actions have commenced. A Marketing Team of volunteers and staff is to be established. Further work in this area is to be developed.

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

The appointment of Dave Miller as Coastal Ranger and Volunteer Coordinator with CAZLAG (European funding through Lincolnshire County Council) gave increased capacity for volunteer activities across the coast of East Lindsey. Seventeen volunteers have been registered into the structured programme with 5 already going on to employment in the nature conservation sector.

The Life on the Verge project where 11 grassland wildflower identification training days and 25 talks have raised awareness and increased understanding of calcareous grassland, highlighting the importance of this nationally important and threatened habitat and encouraged participation in the surveying of roadside verges. Seventy-five volunteers signed up to carry out surveys.

A 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.**

The Trust has also supported a number of work experience students from schools, colleges and universities from the UK and across Europe. There are a number of long term volunteers including the newly established residential volunteer post at Far Ings

**Develop corporate volunteering.**

The work area is yet to be fully developed however a new corporate supporter, Cargill (international producer and marketer of food, agricultural, financial and industrial products and services) has brought local staff to a Trust reserve for volunteering.

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

The number of individual members rose from 25,025 to 25,402 a steady sustained growth, 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.

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

The Lincolnshire Best Kept Villages and Small Towns Competition, organised by Community Lincs, encourages communities to take pride in their surroundings and work together to raise local environmental standards. Communities are judged on features such as green spaces, community buildings and good environmental practice. Lincolnshire Biodiversity Partnership and Lincolnshire Wildlife Trust joined together with Community Lincs to offer four training workshops for competition entrants. These were designed to give people ideas and advice about ways to manage community spaces while keeping wildlife in mind. Over 60 attendees learned about managing ponds, village greens and hedges; and providing homes for birds, butterflies and other animals. There were also opportunities to share ideas and experiences, and to hear about case studies of communities that are already taking action to benefit Lincolnshire's wildlife. Feedback was very positive, virtually all respondents said the workshops would help them do more to encourage and provide for wildlife in their area.

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

A number of school grounds projects were completed in Gainsborough through the Trent Vale Landscape project.

**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 and use by informal groups such as Nordic walking at a number of larger nature reserves.

**Develop and deliver programmes for collective involvement, eg surveys.**

No significant activity in this area during the period.

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

A number of post graduate research projects were undertaken during the period on a variety of subjects. A programme of coastal and marine projects is to be undertaken during 2012 supported by the Lincolnshire Coastal Country Park project.

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

Continuous improvement in this area was demonstrated by the reduction in waste produced from the head office, moving from a commercial skip to the equivalent of a small domestic bin. Work started on an extension to the head office which, while providing more work space, is also expected to deliver reduced energy and water consumption.

Education centres all underwent a green housekeeping review with a range of changes implemented.

**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.**

The period was challenging with a number of national and local proposals or decisions requiring considerable reactive input including the National Planning Policy Framework (draft), delayed designation of Marine Conservation Zones and criticism of European habitat and species protection legislation. The Trust's Head of Conservation was seconded to a national role to address the latter of these issues which resulted in a positive reversal in government position.

**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 efforts. Internal audits and inspections were completed across a range of activities and locations. Further guidance and procedures were produced and a policy review completed. Trustees, staff and volunteers received training during the year.

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

The Area Group Forum, Voluntary Reserve Managers' meeting and the very popular Conservation Forum, this year on the subject of marine nature conservation, were held. Staff and Trustees participated in a number of national conferences and seminars run by The Wildlife Trusts nationally. Wildnet is becoming established as a valuable tool for many to maintain these national links.

**Maximise income particularly restricted grant funding for major project delivery.**

A wide range of successful applications resulted in funding for nature reserve acquisition, water management and wildlife gardens. A number of staff posts are part or fully funded by grants including Willow Tree Fen, Volunteer Co-ordinator and Marine Planning.

**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.

**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.**

Business continuity and emergency planning has developed with new systems tested and information security improved. The assessment of the Trust's performance against the Charity Commission's guidance CC10 - The Hallmarks of an Effective Charity completed in 2011 resulted in a number of minor governance and management changes being implemented.

**Continue to invest in effective ICT and good information management.**

The Invu document management system and Mapinfo mapping system were both upgraded following the previous year's head office server, software and hardware upgrade.

**Increase income from retail, catering and consultancy activities.**

The Trust retail operation and Gibraltar Point Café struggled during difficult trading conditions. A major review of the retail operation was undertaken with changes to be implemented in the next period. There is currently no prospect of resuming consultancy activities though this remains under consideration.

**PLANS FOR FUTURE PERIODS**

- Deliver Kirkby Moor extension (airfield acquisition) and commence biodiversity and enhancement and access improvements, a core to the Living Landscape project.
- Continue delivery of Living Landscape projects on which we lead or are a partner: significant input on Life on the Verge 2 (the Wolds), South Lincolnshire Fens, Lincolnshire Coastal Grazing Marshes and Coastal Country Park, Witham Valley Country Park and Humberhead Levels (including partnership funding applications – NIA & HLF).
- Establish the recently purchased Huttoft Marsh Nature Reserve and integrate new Lincolnshire Coastal Country Park visitor infrastructure.
- Develop Donna Nook facilities and fully engage in the EA's managed realignment scheme.
- Deliver marine planning and Marine Conservation Zone advocacy, Shoresearch and Seasearch, and input to European Marine Sites Humber and Wash.
- Maximise opportunities arising from The Wildlife Trusts centenary celebrations, notably membership and legacy promotion.
- Complete extension of Banovallum House.
- Improve profitability of retail and catering subsidiary activities.

## FINANCIAL REVIEW

### Financial Management

Despite the current economic uncertainties, the Trust has enjoyed a successful year and has added a number of properties to its stock of Heritage Assets with the purchase of Sea View Farm being particularly noteworthy. Whilst the Trust is extremely grateful to Natural England for its financial support towards this purchase, the majority of the cost of this acquisition was provided by two significant legacies from the late Neville Thompson and Diana Loy, both of whom lived in the vicinity. This does indicate the importance of legacies to the Trust as they allow us to take advantage of opportunities of this nature.

During the financial year, negotiations were concluded for a further significant acquisition and the Board of the Trust took the unprecedented decision to release £500k from the Conservation Fund to enable this to proceed. These funds have been accumulated over the life of the Trust and this decision indicates the importance of this particular site to our strategic vision of creating a Living Landscape. Whilst this deal was not concluded within this accounting year, funds were transferred into the Development Fund in readiness for formal completion.

In these difficult times, our Head of Finance has done well to control costs whilst maintaining membership income at a similar level, following some targeted cost-effective marketing. Investment income has been under pressure but capital values have remained positive and posted a welcome unrealised gain of £68k which has been added to the Conservation Fund.

Unfortunately, the area of business impacted most by the economic conditions is our subsidiary company, Lapwings Consultants Ltd, through which the Trust operates the Gibraltar Point Cafe and the retail outlets in Lincoln, Gibraltar Point, Far Ings and Horncastle. Poor weather, lower footfall and reduced spending levels have led to a loss of £12k for the year. Remedial action has been taken to address the cost base and whilst current conditions are little changed from last year, there is an expectation that the business is capable of being turned round over a reasonable period of time. To demonstrate its commitment to its subsidiary the Trust has recently increased the share capital invested in the business by £25k and this transaction will be formally recorded in next year's accounts.

The continued income from legacies - £335k in total – has enabled us to cover a small deficit between income and expenditure, whilst maintaining the Legacy Equalisation Fund at a figure of £600,000. During the year, the Trust has utilised £362k of its unrestricted funds in the Development Fund to support the acquisitions mentioned in these accounts whilst, at the end of the year, the Fund remains well capitalised to cover the significant purchase to come.

### Review of Investments

During the year, the Trust has received a lower level of return on its investments in Charibond and Charifund and, in the current economic climate, there is a concern that this may continue in the short term. The Board continues to review performance on a regular basis and, for the moment, no significant changes are proposed. It is worth recording that despite the economic difficulties, the value of the Trust's investments has increased by £68,167, 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 £2,641,388.

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.

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 £1,203,716.

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 £1,067 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 on-going. Cash generation has been strong in the current year and the Trust has adequate cash resources to cover its future requirements.

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 2012 the average yields were 5.2% 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 0.7% in the year.

## FINANCIAL SUPPORT

We are grateful to the following for substantial financial support in 2011/2012 through donations, grants and the sponsorship of projects:

Biffaward	Heritage Lottery Fund
Cargill PLC	Lincolnshire County Council
Cemex UK	Lindsey Marsh Drainage Board
Centrica	Natural England
Conoco Philips (UK) Limited	North Kesteven District Council
DEFRA	Rural Development Agency
East Lindsey District Council	Sibelco UK
East Midlands Development Agency	SITA
Environment Agency	South Holland District Council
Esmée Fairbairn Foundation	Waste Recycling Environmental (WREN)
Forestry Commission	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	John E Haith Limited
Alfred Enderby Limited	John Kinch Group
Andrew & Co LLP	Jolly Common Caravan Park
Anglian Water Services	Kes Building Maintenance
ARH Tucker & Sons	Lincolnshire Co-operative Society Limited
B A Bush & Son Limited	Lindsey Oil Refinery Limited
Badley Ashton & Associates Limited	Lowfields Leisure Limited
Cargill PLC	Mortons of Horncastle Limited
Chapel Garden Centre	Natureland Seal Sanctuary
Cleethorpes Builders Merchants	North East Lindsey Drainage Board
Clugston Group Limited	Novartis Grimsby
Conoco Philips (UK) Limited	Omex Agriculture Limited
Cray Valley Products Limited	Page Paper Limited
Creative Nature	Riva Construction
Exeter Street Veterinary Centre	Rowhire Limited
F W Cupit (Printers) Limited	SCS Technology Solutions Limited
Fenland Laundries Limited	Sibelco UK
Growing Wild Limited	Singleton Birch Limited
HSBC	Tata Steel UK Limited
Hornsby Travel Services Limited	TCS UK Spraying
Humber Bridge Board	Truelove Property & Construction
J E Piccaver & Co	W Crowder & Sons Limited
J W Ruddock & Sons Limited	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 2012:

Anne Naylor	Joyce Fowler
Audrey Mary Preston	Mrs H M Osgerby
Diana Mary Loy	Robert Trevor Meed
Dorothy Margaret Nixon	Sydney Smith
John Martin Keily	Vivian May Loury

**STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR AN INCORPORATED CHARITY**

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

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

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

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

By Order of the Board

24 July 2012

J Mason  
Chairman



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

We have audited the financial statements of Lincolnshire Wildlife Trust for the year ended 31 March 2012 on pages 24 to 41. 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 2012 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: 24 July 2012

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
for the year ended 31 March 2012

	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Endowment Funds £	Total 31/03/2012 £	Total 31/03/2011 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income:						
Subscriptions, donations & gift aid	596961	0	0	0	596961	595972
Legacies	334508	0	0	0	334508	192398
General donations	45013	0	0	0	45013	25652
Grants	11951	0	0	216589	228540	55538
Activities for generating funds:						
Merchandising income	247342	0	0	0	247342	291124
Investment income	195198	0	0	0	195198	212017
Incoming resources from charitable activities:						
Nature reserve income	293131	830398	0	0	1123529	1100931
Wider countryside conservation	0	275019	0	0	275019	342576
Inspiring people	172106	500	0	0	172606	196764
Other incoming resources:						
Other income	7243	0	0	0	7243	8335
Net gain on disposal of fixed assets	3410	34	0	0	3444	2603
<b>TOTAL INCOMING RESOURCES</b>	<b>1906863</b>	<b>1105951</b>	<b>0</b>	<b>216589</b>	<b>3229403</b>	<b>3023910</b>
<b>RESOURCES EXPENDED</b>						
Cost of generating funds:						
Costs of generating voluntary income	73670	0	0	0	73670	61915
Merchandising costs	259756	0	0	0	259756	289301
Charitable activities:						
Nature reserve management	580486	837283	0	0	1417769	1271568
Wider countryside conservation	218947	293861	0	0	512808	505347
Inspiring people	495305	62781	0	0	558086	631894
Governance costs	17060	0	0	0	17060	17088
<b>TOTAL RESOURCES EXPENDED</b>	<b>1645224</b>	<b>1193925</b>	<b>0</b>	<b>0</b>	<b>2839149</b>	<b>2777113</b>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>	<b>261639</b>	<b>-87974</b>	<b>0</b>	<b>216589</b>	<b>390254</b>	<b>246797</b>
Gross Transfers between funds	-361606	0	361606	0	0	0
<b>NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>	<b>-99967</b>	<b>-87974</b>	<b>361606</b>	<b>216589</b>	<b>390254</b>	<b>246797</b>
<b>OTHER RECOGNISED GAINS/LOSSES:</b>						
Gains/(Losses) on investment assets:						
Unrealised	68167	0	0	0	68167	53643
Actuarial losses on defined benefit pension scheme	0	0	0	0	0	0
<b>NET MOVEMENT IN FUNDS</b>	<b>-31800</b>	<b>-87974</b>	<b>361606</b>	<b>216589</b>	<b>458421</b>	<b>300440</b>
Total funds brought forward	4977971	1395539	1489597	4295659	12158766	11858325
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>4946171</b>	<b>1307565</b>	<b>1851203</b>	<b>4512248</b>	<b>12617187</b>	<b>12158765</b>

The notes on pages 29 to 40 form part of these accounts

**CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT**  
for the year ended 31 March 2012

	<b>Note</b>	<b>2012</b> <b>£</b>	<b>2011</b> <b>£</b>
Gross income of continuing operations		2765472	2691236
Non-charitable trading activities: gross income	2	247342	291124
Total income of continuing operations		<u>3012814</u>	<u>2982360</u>
Total expenditure of continuing operations	3	2579393	2487812
Non-charitable trading activities: expenditure	2 & 3	259756	289301
Net income for the year before transfers and investment asset disposals		<u>173665</u>	<u>205247</u>
Transfer to designated funds		(361606)	(50108)
Net deficit/income before investment asset disposals		<u>(187941)</u>	<u>155139</u>
Actuarial losses on defined benefit pension scheme		-	-
Unrealised gains (losses) on investment assets		68167	53643
Deficit/Surplus for the year		<u><u>(119774)</u></u>	<u><u>208782</u></u>

- Gross income of the Trust for the year was £2,765,438. Also included above is income of £34 from the Lincolnshire Trust for Nature Conservation.
- Total income comprises £1,906,863 for unrestricted funds and £1,105,951 for restricted funds. A detailed analysis of income by source is provided in the Statement of Financial Activities.
- Detailed analyses of the expenditure are provided in the Statement of Financial Activities and Note 3.
- Net deficit before investment asset disposals for the year of £187,941 comprises £99,967 net deficit of unrestricted funds and £87,974 net deficit of restricted funds as shown in the Statement of Financial Activities.
- The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 24 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 29 to 40 form part of these accounts  
**BALANCE SHEET AS AT 31 MARCH 2012**

	Notes	Group 2012	2011	Company 2012	2011
		£	£	£	£
<b>Fixed Assets</b>					
Heritage assets	7	6252121	5673926	6252121	5673926
Tangible assets	7	1527754	1564099	1500474	1531998
Investments	8	4075045	4006878	4075047	4006880
		<u>11854920</u>	<u>11244903</u>	<u>11827642</u>	<u>11212804</u>
<b>Current Assets</b>					
Stocks	9	49465	77982	15950	15400
Debtors	10	527378	700875	586559	779503
Cash at bank and in hand	11	1120474	985670	1103665	964169
		<u>1697317</u>	<u>1764527</u>	<u>1706174</u>	<u>1759072</u>
<b>Current Liabilities</b>					
Creditors: Amounts falling due within one year	12	607424	487630	590280	470220
Net Current Assets		1089893	1276897	1115894	1288852
Total Assets less Current Liabilities		12944813	12521800	12943536	12501656
Provision for Pension Liability	18	327626	363035	327626	363035
<b>NET ASSETS</b>		<u>12617187</u>	<u>12158765</u>	<u>12615910</u>	<u>12138621</u>
<b>Capital Funds</b>					
Endowment Funds	13	4512248	4295659	4512248	4295659
Designated Funds	13	1851203	1489597	1851203	1489597
Income Funds					
Restricted Funds	14	1307565	1395538	1307355	1388875
Unrestricted Funds	15	4946171	4977971	4945104	4964490
		<u>12617187</u>	<u>12158765</u>	<u>12615910</u>	<u>12138621</u>

The notes on pages 29 to 40 form part of these accounts

The financial statements were approved by the Board of Trustees on 24 July 2012 and were signed on its behalf by:

.....  
D A Cohen - Treasurer

.....  
J Mason - Chairman

**CONSOLIDATED CASH FLOW STATEMENT**  
for the year ended 31 March 2012

	2012		2011
	£		£
<b>Net movement in funds for the year</b>	<b>458421</b>		<b>300440</b>
<b>Adjustments for items shown separately:</b>			
Investment income	-195198		-212017
Deposit interest	-4743		-12692
<b>Adjustments for items not involving movement of cash:</b>			
Depreciation charges	133228		140255
(Profit)/loss on disposal of fixed assets	-3444		-2603
Unrealised losses/(gains) on investments	-68167		-53643
<b>Adjustments for changes in working capital:</b>			
(Increase)/decrease in stocks	28517		9857
(Increase)/decrease in debtors	173497		-26703
Increase/(decrease) in creditors due within one year	119794		-44922
Increase/(decrease) in pension liability	-35409		-26034
<b>Net cash flow from operating activities</b>	<b>606496</b>		<b>71938</b>
<b>Returns on investments and servicing of finance</b>			
Deposit interest received	4743		12692
Investment income	195198	<b>199941</b>	212017
			<b>224709</b>
<b>Capital expenditure and financial investment</b>			
Payments to acquire heritage assets	-578195		-91658
Payments to acquire tangible fixed assets	-97168		-191348
Payments to acquire fixed asset investments	0		0
Proceeds from the sale of tangible fixed assets	3730	<b>-671633</b>	3125
			<b>-279881</b>
<b>Increase/ (decrease) in cash in the year</b>	<b>134804</b>		<b>16766</b>
<b>Net cash resources at 1 April 2011</b>	<b>985670</b>		<b>968904</b>
<b>Net cash resources at 31 March 2012</b>	<b>1120474</b>		<b>985670</b>

The notes on pages 29 to 40 form part of these accounts

**for the year ended 31 March 2012**

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2012**1. ACCOUNTING POLICIES****Basis of Preparation**

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

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

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

**Consolidation**

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

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

**Voluntary Income**

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

**Legacies**

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

**Grants Received**

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

**Investment Income**

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

**Deferred Income**

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

**Expenditure**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2012 (continued)

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

**Fixed Assets**

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

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

**Depreciation**

No depreciation is provided on Freehold Land.

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

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

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

**Stock**

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

**Permanent Endowment Fund**

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

**Restricted Funds**

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

**Pensions**

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

**Investments**

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



**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2012 (continued)

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

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

**Heritage Assets**

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

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

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

	<u>Notes</u>	<u>2012</u>	<u>2011</u>
		£	£
Turnover		247,342	291124
Cost of Sales		189,045	191663
Gross Profit		<hr/> 58,297	<hr/> 99461
Salaries and overheads		69,209	95889
Interest Payable		1,500	1750
Loss/Profit before taxation		<hr/> (12,412)	<hr/> 1822
Taxation		-	-
Loss/Profit after taxation		<hr/> (12,412)	<hr/> 1822
Amount Gifted to Parent Undertaking		-	-
		<hr/>	<hr/>
Retained in Subsidiary		<u><u>(12,412)</u></u>	<u><u>1822</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2012 (continued)**3. ANALYSIS OF TOTAL RESOURCES EXPENDED:**

	Staff Costs £	Depreciation £	Auditors Remuneration £	Other Costs £	Total £
Nature reserve management	569493	67980	0	780296	1417769
Wider countryside conservation	330797	5312	0	176699	512808
Inspiring people	269369	55115	0	233602	558086
Fundraising costs	47626	0	0	26044	73670
Governance	11410	0	5000	650	17060
Merchandising & Consultancy	73013	4821	1100	180822	259756
	<u>1301708</u>	<u>133228</u>	<u>6100</u>	<u>1398113</u>	<u>2839149</u>

**4. SURPLUS:**

	2011/12 £	2010/11 £
This is stated after charging:		
Auditor's Remuneration	6100	5650
Depreciation - Owned Assets	133228	140255

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2012 (continued)

<b>5. <u>STAFF COSTS:</u></b>	<b>2011/12</b>	<b>2010/11</b>
	<b>£</b>	<b>£</b>
Wages and Salaries	1094244	1050611
Social Security Costs	93650	91974
Other Pension Costs	40801	38423
Staff costs for the Company	1228695	1181008
Staff costs for Lapwings Consultants Limited	73013	85095
Staff costs for the Group	1301708	1266103
The average weekly number of employees during the period was made up as follows:		
Full time	44	43
Part time and Seasonal	24	24
Company Totals	68	67
Lapwings Consultants Limited	9	9
Group Totals	77	76

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 £975 (2010/11 £1,505) were reimbursed to three (2010/11 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 (2010/11 Nil).

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2012 (continued)

**7. FIXED ASSETS:**

Group	Heritage	Tangible Assets				Total
	Assets					
	Nature Reserves £	Banovallum House £	Other Buildings £	Motor Vehicles £	Fixtures Fittings & Equipment £	
Cost:						
At 1 April 2011	5673926	327156	935210	173361	1116575	2552302
Additions	578195	8485	22519	17614	48550	97168
Disposals	0	-	-	(10415)	(36056)	(46471)
<b>COST AT 31 MARCH 2012</b>	<b>6252121</b>	<b>335641</b>	<b>957729</b>	<b>180560</b>	<b>1129069</b>	<b>2602999</b>
Depreciation:						
At 1 April 2011	Nil	Nil	148127	138114	701962	988203
Provided for the period	-	-	31517	20225	81486	133228
Disposals	-	-	-	(10414)	(35772)	(46186)
<b>DEPRECIATION AT 31 MARCH 2012</b>	<b>-</b>	<b>-</b>	<b>179644</b>	<b>147925</b>	<b>747676</b>	<b>1075245</b>
<b>NET BOOK VALUE 31 MARCH 2012</b>	<b>6252121</b>	<b>335641</b>	<b>778085</b>	<b>32635</b>	<b>381393</b>	<b>1527754</b>

Nature Reserves Additions at Cost	2008/09	2009/10	2010/11	2011/12
Willow Tree Fen	1310079			
Ashing Lane	171340			
Riverslea		146002		
Anderby		356669		
Kirkby Wood				103017
Huttoft Bank				116589
Sea View Farm				312730
Others under £100k	109993	3000	91658	45859
<b>Total:</b>	<b>1591412</b>	<b>505671</b>	<b>91658</b>	<b>578195</b>

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 £27,280 (cost: £61,483; depreciation £34,203) which relates to the Fixtures and Fittings of Lapwings Consultants Limited.

At 31 March 2012 the group had commitments relating to uncompleted contracts and expenditure authorised but not incurred relating to capital expenditure of £Nil (2011: £Nil).

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

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2012 (continued)

**8. INVESTMENTS:**

Group	2012	2011
	£	£
Market value at 31 March 2011	4006878	3953235
Investments made in the year	-	-
Disposals	-	-
Add: Net (losses)/gains on revaluation at 31 March 2012	68167	53643
Market Value at 31 March 2012	<u>4075045</u>	<u>4006878</u>
Historical cost as at 31 March 2012	<u>3851431</u>	<u>3851431</u>

The above market value can be analysed as follows:

	INVESTMENT INCOME		MARKET VALUE	
	2012	2011	2012	2011
	£	£	£	£
U.K. Listed Investments	195198	212017	3851476	3783309
U.K. Investment Property	5494	4887	223569	223569
	<u>200692</u>	<u>216904</u>	<u>4075045</u>	<u>4006878</u>

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	
	2012	2011	2012	2011
	£	£	£	£
Goods for resale	33515	62582	-	-
Livestock	10950	10400	10950	10400
Consumables	5000	5000	5000	5000
	<u>49465</u>	<u>77982</u>	<u>15950</u>	<u>15400</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2012 (continued)

**10. DEBTORS:**

	<b>Group</b>		<b>Company</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Owed by group companies	-	-	61538	80696
Trade Debtors	119131	17203	118841	17232
Other Debtors	382585	406565	382585	406535
Prepayments	10662	9507	8595	7440
Accrued income	-	-	-	-
Legacies Receivable	15000	267600	15000	267600
	<b>527378</b>	<b>700875</b>	<b>586559</b>	<b>779503</b>

The amount owed by Group Companies includes a loan to Lapwings Consultants Limited of £50,000 (2011: £75,000). Interest is payable on the loan at 2 per cent per annum.

**11. CASH AT BANK & IN HAND:**

	<b>Group</b>		<b>Company</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank balances	1116829	982125	1100790	961394
Cash in hand	3645	3545	2875	2775
	<b>1120474</b>	<b>985670</b>	<b>1103665</b>	<b>964169</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2012 (continued)

12. **CREDITORS**

Falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank Overdraft	0	65395	0	65395
Trade Creditors	103904	117397	98946	110905
Other Creditors	23667	56273	23667	56273
Accruals	275478	40440	263082	29312
Owed to Group Companies	-	-	210	210
Deferred Income	204375	208125	204375	208125
	<hr/>	<hr/>	<hr/>	<hr/>
	607424	487630	590280	470220
	<hr/>	<hr/>	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2012 (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 2011:	4295659	1489597	5785256
Incoming endowment resources:	216589		216589
Designated from unrestricted Funds:		361606	361606
Fund balances as at 31 March 2012:	4512248	1851203	6363451

The Funds are represented by the following:

	£
Nature Reserves* owned by the charity	6252121
Banovallum House (Trust Headquarters) - proportion	36812
Sykes Farm Improvements	74518
	6363451

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

**14. RESTRICTED FUNDS**

	<u>Balance</u>	<u>Net movement</u>	<u>Balance</u>
	31 Mar 2011	in funds	31 Mar 2012
	£	£	£
Nature Reserves Management Fund	602819	(18731)	584088
Capital Grants Fund	786056	(62789)	723267
Lincs Trust for Nature Conservation	6663	(6453)	210
	1395538	(87973)	1307565



## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 March 2012 (continued)

#### 15. UNRESTRICTED FUNDS

	Balance 31 March 2011 £	Net movement in funds £	Balance 31 March 2012 £
Conservation Fund	3073221	-431833	2641388
Legacy Equalisation Fund	600000	0	600000
Development Fund	791269	412447	1203716
General Fund	513481	-12414	501067
	4977971	-31800	4946171

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 19 and Investments on page 20.

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

#### Transfers Between Funds

During the period the Trust made a transfer of £361,606 from general funds into designated funds. This is in line with the Trust's policy to top up the designated funds to match the historical value of fixed assets.

#### 16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Endowme nt Funds £	Total Funds £
<u>Fund Balances at 31 March 2012 are:</u>					
Heritage assets	-	-	1851203	4400918	6252121
Tangible assets	693157	723267	-	111330	1527754
Investments	4075045	-	-	-	4075045
Current assets	1113019	584298	-	-	1697317
Current liabilities	(607424)	-	-	-	(607424)
Long term liabilities	(327626)	-	-	-	(327626)
 TOTAL NET ASSETS	 4946171	 1307565	 1851203	 4512248	 12617187
 <u>Unrealised gains included above</u>					
Investment assets (see note below)	223614	-	-	-	223614

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2012 (continued)

**Reconciliation of movements in unrealised****gains on investment assets**

Unrealised gains at April 1 2011	155447	-	-	-	155447
Net gains arising on revaluations in year	68167	-	-	-	68167
Unrealised Gains at 31 March 20112	223614	-	-	-	223614

**17. OPERATING LEASE COMMITMENTS**

At 31 March 2012 the Group had no operating lease commitments.

**18. PENSION ARRANGEMENTS**

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

**a) Defined Benefit Scheme**

The Scheme fell short of the statutory Minimum Funding Requirement and a decision was made by the Royal Society of Wildlife Trusts to close the Scheme with effect from 30 September 2005. Existing pension rights were frozen on that date. The pension scheme deficit applicable to the Trust was estimated at £262,596 at that date. The latest full actuarial valuation as at 31 March 2010 and the deficit applicable to the Trust was reconfirmed at that date. The movement on the provision for the year ended 31 March 2012 is shown below:

	£
Balance brought forward	363,035
Repayments in the year	35,409
Balance carried forward	327,626

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

**b) Money Purchase Scheme**

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

**c) Stakeholder Scheme**

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

**DETAILED INCOME AND EXPENDITURE ACCOUNT**  
for the year ended 31 March 2012

	2012	2011
<b>INCOMING RESOURCES</b>		
<b>Incoming resources from generated funds:</b>		
<i>Voluntary income:</i>		
Subscriptions, donations & gift aid	596961	595972
Legacies	334508	192398
General donations	45013	25652
Grants	11951	13988
 <i>Activities for generating funds:</i>		
Merchandising and consultancy income	247342	291124
Investment income	195198	212017
 <b>Incoming resources from charitable activities:</b>		
Nature reserve income	1123529	1100931
Wider countryside conservation	275019	342576
Inspiring people	172606	196764
 <b>Other incoming resources:</b>		
Other income	7243	8335
Net gain on disposal of fixed assets	3444	2603
	<hr/>	<hr/>
<b>TOTAL INCOMING RESOURCES</b>	3012814	2982360
	<hr/> <hr/>	<hr/> <hr/>
<b>RESOURCES EXPENDED</b>		
<b>Cost of generating funds:</b>		
Costs of generating voluntary income	73670	61915
Merchandising and consultancy costs	259756	289301
<b>Charitable activities:</b>		
Nature reserve management	1417769	1271568
Wider countryside conservation	512808	505347
Inspiring people	558086	631894
<b>Governance costs</b>	17060	17088
	<hr/>	<hr/>
<b>TOTAL RESOURCES EXPENDED</b>	2839149	2777113
 <b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>	 173665	 205247
Gross Transfers between funds	-361606	-50108
	<hr/>	<hr/>
<b>NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>	-187941	155139
	<hr/> <hr/>	<hr/> <hr/>
 <i>Gains/(Losses) on investment assets:</i>		
Unrealised	68167	53643
Actuarial losses on defined benefit pension scheme	0	0
	<hr/>	<hr/>
<b>NET MOVEMENT IN FUNDS</b>	-119774	208782
	<hr/> <hr/>	<hr/> <hr/>