



Lincolnshire

Wildlife Trust

ANNUAL REPORT

and

FINANCIAL STATEMENTS

for the year ended

31 March 2020

**ANNUAL REPORT
and
FINANCIAL STATEMENTS
for the year ended 31 March 2020**

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**CHAIR'S ANNUAL REPORT
for the year ended 31 March 2020**

My preparation for writing the Chair's Annual Report usually starts with a look back at last year's report, if only to see how many things we promised came to fruition.

With that in mind, I am pleased to report that the acquisition of the "missing piece" of Sow Dale, joining our existing "Upper" and "Lower" reserves, was completed and work is underway to manage the whole site as an integrated reserve. In addition, and at short notice, we took advantage of the opportunity to extend our existing reserves at Lawn Wood, Bottleneck and Jacksons Meadows by acquiring 22 acres of grassland, linking these reserves to the nearby historical castle site at Castle Bytham. Funding for this came from local members and a welcome gift of £50k, along with legacies. This acquisition will allow us to extend the area of traditional meadow habitat in the south of the county and a management plan is currently being prepared.

Returning to last year's report, I mentioned that we were planning to recruit a new member to the senior management team to take forward our work with members and public engagement. I am pleased to report that Matthew Capper was appointed to that role during the year and we are pleased to welcome him to the team.

I also mentioned that members of the Bourne Area Group had erected six nesting platforms in an attempt to attract Ospreys to the county. Whilst this has yet to bear fruit, we were delighted when, in April, a pair of Common Cranes took up residence at our reserve at Willow Tree Fen, near Baston and settled down to breed. This required us to close the reserve to visitors as Cranes are notoriously unaccepting of human presence during the nesting period. A group of local volunteers has watched over the Cranes, spending in excess of 1,500 hours on the bridge by the closed car park since the birds arrived. The single chick did well under the protection of its watchful parents and fledged in mid-August; this is the first breeding record in Lincolnshire for 400 years.

During the year The Trust has been heavily involved in progressing the Dynamic Dunescapes project, led by Natural England in partnership with the National Trust, Plantlife, The Wildlife Trusts and Natural Resources Wales. This aims to restore the health of important sand dune habitat at nine sites around the country – including the Lincolnshire Sand Hills from Cleethorpes to Gibraltar Point. A key objective in Lincolnshire is the provision of volunteer accommodation at Saltfleetby and Gibraltar Point, which will significantly improve our ability to manage these two key sites and our other reserves along the coast. Funding was secured from the National Lottery Heritage Fund and EU Life.

No review of the year would be complete without a comment on the impact of Covid-19, which led to the Trust closing down some of its operations at the end of March; essential activity, livestock checking for instance, has continued throughout. Whilst restrictions have been gradually relaxed, Banovallum House is still not fully open with many staff working from home. Some members of staff were put on furlough. Face-to-face engagement has been suspended, including the work of the Love Lincs Plants Project and our normal educational activities and events around the county. The pandemic has certainly brought home to government how much the public values open space and exercise, although our reserves have also experienced at times unprecedented levels of anti-social behaviour and vandalism, which on occasions we have been unable to address.

As ever, our staff have coped with everything that has been thrown at them with their customary good humour and common sense. I would like to thank all of them for the manner in which they have coped with these difficulties with a particular mention to our Chief Executive and his senior management team for providing leadership, support and guidance throughout the crisis. All the hard work over the years in the preparation of risk assessments and contingency planning came to the fore, and will see the Trust emerge from these "unprecedented times" in good heart and with a firm focus on what needs to be done to achieve Nature's Recovery across this wonderful county.

**REPORT OF THE TRUSTEES
for the year ended 31 March 2020**

The Board of Trustees has pleasure in presenting its report together with the audited accounts for the year ended 31 March 2020. The Board has adopted the provisions of the Charities SORP (FRS 102), Accounting and Reporting by Charities: Statement of Recommended practice applicable to charities preparing its accounts in accordance with the Financial Reporting Standard applicable in the UK (effective 1 January 2019), in preparing the annual report and financial statements of the charity. The accounts have been prepared in accordance with the Companies Act 2006.

STRATEGIC REPORT

Principal Activities, Strategies, Achievements and Performance

Vision

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

Mission

To restore Lincolnshire's wildlife, on land and at sea

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

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

However, the declaration of a global pandemic, Covid-19, towards the end of the period had an immediate impact on activity and will influence strategy for years to come. Strategic planning was underway during the period; this was delayed due to Covid-19 and, as planning resumes, this will be undertaken in a way that ensures alignment with The Wildlife Trusts' (TWT) national strategy development. Looking at the three strategic headings:

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

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

The acquisition of 40 acres of 'middle Sow Dale' near Old Bolingbroke fulfilled a long-held ambition to connect Upper and Sow Dale Nature Reserves. The single Sow Dale Nature Reserve is 124 acres in total with 1½ miles of stream. Thanks to a successful appeal, funds from legacies and a grant from the Banister Charitable Trust, the Wildlife Trust has achieved a 'bigger, better, more joined up' nature reserve.

Two fields came up for sale next door to the Trust's nature reserve at Castle Bytham. It was an opportunity to save this jewel in the gently rolling pastoral landscape of the Kesteven Uplands between Grantham and Stamford. Lawn Wood, Bottleneck and Jackson's Meadow Nature Reserves overlook the village and its ancient castle site. The successful acquisition of 22 acres means the nature reserves connect to the protected castle monument. These two grassy fields have fantastic potential for restoration.

It is easy to forget the immense political upheavals of 2019 leading to a December General Election. The key asks of government are: commit to an ambitious Environment Act; and introduce an Agriculture Bill that supports farmers in delivering public goods.

LINCOLNSHIRE WILDLIFE TRUST

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Staff, volunteers and supporters participated in the Time Is Now mass lobby of parliament in June. Our partners at the University of Lincoln organised a debate on the Environment Bill. The event, held in May, was well attended by students, staff and the local community, with the Trust's Head of Conservation speaking. The Bill was subsequently presented, withdrawn and eventually put forward by the new government. Progress of this, and the vital Agriculture Bill, is now unfortunately delayed by Covid-19.

The Trust inputs to relevant consultations either directly or through national colleagues at TWT. The Trust was invited by the Department for Environment, Farming and Rural Affairs (Defra) and Natural England to inform the development of the government's 25-Year Environment Plan outcomes including: a Nature Recovery Network (NRN) national workshop hosted in the Humberhead Levels with key partners; a NRN and Net Gain national pilot project reported to Defra; hosting Defra in the Fens to talk with farmers on new Environmental Land Management Schemes (ELMS); securing two national ELMS test and trials; and input to national lowland peat strategy pilot in Fens.

Also, extreme weather conditions, including near drought and flooding at Wainfleet and Barlings Eau, raised opportunities for improved catchment management but also the issue of bank management, including intensive cutting regimes. The Trust's work on the River Eau banks at Saltfleet provided valuable space for water during the intense autumn rains, a good example for catchment management.

The Trust is hosting two Environment Agency Catchment Partnerships: the Northern Becks, working closely with the Lincolnshire Chalk Streams Partnership; and the Ancholme, for which a workshop is planned in collaboration with Sheffield Hallam University.

The South Humber Gateway Mitigation Strategy has won the Excellence in Planning for the Natural Environment Award at the Royal Town Planning Institute Awards 2020. The Trust was instrumental in securing an agreement to the production, adoption and implementation of a framework to address the ecological and economic demands upon the Humber Estuary. The provision of strategic mitigation sites, managed by North Lincolnshire Council, for roosting birds on the South Humber Bank is part of the ground-breaking South Humber Gateway strategy.

Further work at Far Ings, including over 1,200m of ditching, resulted in another good year for bittern with two successful nests.

A robust and coordinated response has been submitted by Nottinghamshire, Leicestershire and Lincolnshire Wildlife Trusts to the application for a badger cull, focussed on the county's border. This is a first in the county. The decision is likely to be controversial whatever the outcome. Bovine TB is currently classified as low risk within Lincolnshire by APHA (the Government's Animal and Plant Health Agency). In March, Defra announced that badger culling, to tackle the spread of TB in livestock, is to be phased out, to be replaced with a cattle vaccine.

A sustainable and bio-secure propagation system for Lincolnshire's wildflowers has been developed. Seed has been harvested from nature reserves across the county according to the Royal Botanic Gardens, Kew's protocols. Over 8,500 plants of 52 species have been propagated for habitat restoration at several sites within Lincolnshire, in addition to the successful propagation and planting of over 700 plants of the nationally rare Tall Thrift in partnership with Natural England, to strengthen the existing population and to create a new one on Trust reserves.

Achieving Heritage Coast status for Lincolnshire is being progressed with Natural England, East Lindsey District Council and Lincolnshire County Council. The characterisation process undertaken by partners was presented to Natural England's national landscape unit to assess the proposal. The anticipated definition of Heritage Coast has been delayed by the Glover Review process but is being progressed.

The Dynamic Dunescapes Project is a national project with local delivery jointly with Natural England. The European Union's (EU) LIFE funding has been secured. The majority of this will go to Saltfleetby Theddlethorpe Dunes which is overseen by Natural England, and for the Trust this will include volunteer accommodation, equipment and habitat improvements to Trust owned dune hinterland. The National Lottery Heritage Fund (formerly HLF) funding was confirmed during the year; for the Trust this will include volunteer accommodation at Gibraltar Point, people engagement, interpretation and a contribution to the habitat improvements. Permissions have now been secured but delivery has been delayed due to the Covid-19 lockdown.

'Planning with Nature Workshops' for local authority planners and councillors were delivered. They focussed on opportunities arising from the Environment Bill. So far they have generated good levels of interest from councils and statutory agencies but unfortunately Covid-19 has delayed completion of the rollout to all authorities.

Some progress continues to be made addressing erroneous Rural Payment Agency inspection findings, now nearly four years old, to overturn fines levied. On a positive note, a routine inspection report for Far Ings in August 2019 stated *"A very successful agreement, expertly managed. Work here on the reedbeds has encouraged bittern and bearded tit to nest and reside on the nature reserve. There is a wealth of butterfly and insect species. A very satisfactory and enjoyable visit."*

The Trust plays an active role in the Greater Lincolnshire Nature Partnership (GLNP), which it hosts. The Partnership complements the Trust's advocacy work, particularly on planning, agriculture, tourism and health. The Nature Partnership's new innovative online tool, LERCSearch, was well received enabling quick access to now over 10 million ecological records. The partnership undertook important work for authorities including: biodiversity opportunity mapping (North Lincolnshire Council, Lincolnshire Chalk Streams Partnership, Lincolnshire Wolds Area of Outstanding Natural Beauty and North East Lincolnshire Council), natural capital assessment (North Kesteven District Council) and resurveys of Local Wildlife Sites (South Holland District Council and Boston Borough). This fits well with the Nature Recovery Network approach being promoted by The Wildlife Trusts and makes full use of the Local Wildlife Site system hosted by the partnership.

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

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

Ten years since the enactment of the Marine and Coastal Access Act, the North Sea has 48% coverage of Marine Protected Areas (MPA). Unfortunately, less than half of these have effective management in place. The Trust responded to numerous consultations by the government on conservation advice packages for MPA, calls for a new Marine Strategy and the implementation of Highly Protected Marine Areas, the Fisheries Bill and – working with our North Sea neighbouring Wildlife Trusts to ensure consistency - offshore development consultations.

A major Endangered Landscape Partnership bid for the Humber Estuary, led by Yorkshire Wildlife Trust, was successful. The Trust will be a key partner in developing the next stage of the application.

A minke whale was spotted off the Lincolnshire coast in July. It was reported to be only 300-400m offshore at Wolla Bank, heading south. The Trust participated in the National Whale and Dolphin Watching events the following week.

A coastal, petrified forest survey was undertaken in September, covering 18kms, with 6 teams between Saltfleetby and Ingoldmells Point. York University was involved in mapping, sampling and taking photographs of the Trusthorpe stumps and the notable Anderby Creek and Wolla Bank peat exposures. Results are now being analysed along with a review of historic records.

The media reported *"Grey seals around the UK appeared to be doing well despite the 50% mortality rate of seal pups at National Trust locations.....It was also a bad year for natterjack toads, which rely on pools of water in their dune habitats to survive. Many of these dried out in May and June resulting in spawn and tadpoles being lost."* In contrast, Donna Nook reported pup production increased to 2,187 pups, an increase of 5.8% from 2018, with an estimated pup mortality of 6.6%. Nearly 60,000 visitors came to see the seals and 55 volunteers gave a total of 1,985 hours assisting the staff in wardening the site; the equivalent of 283 days. The natterjack toads at Natural England's Saltfleetby Theddlethorpe Dunes NNR, under the Trust's custodianship, had a very successful year, with 33 strings of spawn recorded - one of the highest number of strings recorded at the site.

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

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

The three-year National Lottery Heritage Fund project Love Lincs Plants is underway in partnership with Lincolnshire Naturalists' Union, Sir Joseph Banks Society, and the Natural History Museum (NHM). New audiences have been identified and engagement with higher education establishments, including project partner, the University of Lincoln, has increased.

Volunteers at the Sir Joseph Banks Society centre in Horncastle have got the new herbarium up and running. Scans have now been taken of the specimens collected last year and can be accessed via the Sir Joseph Banks' website. <https://www.joseph-banks.org.uk/llp-plants/> First year students from the University of Lincoln's BSc Ecology and Conservation programme were introduced to the contemporary herbarium at the centre, having previously gained the opportunity to learn how to mount specimens that they had previously collected while also learning more about the freezing, digitisation and archiving process. School assemblies were delivered across the county – 750 children in one day at two schools in Grantham, bringing the total to over 2,200 children since October. Field collection across Lincolnshire and community training events in herbarium techniques were held at Willow Tree Fen and Far Ings Nature Reserves. The 5,000th historic specimen has been curated by the Natural History Museum. The project, and other Trust activity, featured on the BBC's Countryfile and Gardeners' World programmes, with an average of 5.5 million and 2.2 million viewers respectively. Well worth the effort put in by Trust staff and volunteers.

With climate change increasingly on the agenda the Trust was approached by the Lincolnshire Co-op Travel to establish a simple carbon offsetting fund for customers (25,000 per year). This offered a valuable opportunity to shift the agenda to local contribution to the natural environment and the value of other habitats (not just trees) in addition to funding. This initiative was significantly impacted by the crash in the travel market resulting from Covid-19.

There were over 250 formal education visits to nature reserves and centres with Gibraltar Point, Whisby, Far Ings, Snipe Dales and Willow Tree Fen engaging with over 7,000 young people and adults, from primary to under graduates.

All the centres have delivered significant programmes of events and activities on and off site. These have ranged from big events such as Alford Craft Market (c3,500 visitors), Easter Trails (700 people) and Big Wild Weekend open days during June for 30 Days Wild, to specialist training courses, bushcraft and art activities. 30 Days Wild sign-ups for June increased to over 1,500, up by 25% compared to 2018.

There are 12 Wildlife Watch groups, including two urban groups. Nature Tots (pre-school) and Junior Warden groups are active at centres. Junior Wardens provides some continuity for young people after Watch.

Social media following has increased to a total of over 20,000, with the Trust's Facebook page at over 7,000, Twitter over 9,000 and Instagram over 2,000. Some particular stories generated significant interest. The action taken by volunteers in response to an oil pollution incident on the River Welland, posted on the Bourne Area Group's Facebook page on the day of the incident, reached over 128,000 people, with nearly 40,000 engagements, 250+ comments and over 1,000 shares. The Love Lincs Plants Project (one of the Trust's nine separate accounts) is now followed by over 700 individuals and organisations across the world on Twitter, and has created over 240,000 Twitter impressions over the period. This included a top tweet on International Day of Women in Science in February celebrating the work of two former science professionals at the new herbarium.

Volunteers

Volunteers are involved at every level and in every aspect of the charity's work. Volunteer roles include: membership of the Board and Teams; participation in one of 16 Area Groups, which exist to support our work locally; centrally appointed roles such as Voluntary Reserve Managers, Watch Leaders, and representatives on a variety of other bodies; and helping at visitor centres, with events, administration and much more.

The Trust is essentially a voluntary organisation with activities organised on the basis that volunteers play an essential part in managing the charity's affairs, in deciding on its priorities and in conducting a large part of its business. As well as harnessing great resources of expertise, knowledge and energy, our voluntary character has great benefits for involving individuals and communities and lends local grassroots credibility to our work. This philosophy is reflected in the approach of staff to their work and in our governance structures. Without this support the Trust could not function, as volunteers deliver the equivalent in working hours as the employed staff.

Due to Covid-19, voluntary activity was effectively suspended during lockdown. While Trustees remained very active using video conferencing facilities for meetings, there was no on-site activity, events or meetings. Many Area Groups were active on social media, and recording of wildlife in gardens and neighbourhoods was encouraged.

Fundraising

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

In recent years there have been several important changes to the way charity fundraising is regulated. Responsibility for the Code of Fundraising Practice is now with the Fundraising Regulator. The Trust is a registered subscriber to the Fundraising Regulator and complies with its Code of Fundraising Practice and the six guiding principles identified in CC20, the Charity Commission guidance for Trustees on charity fundraising.

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

Together with five other Wildlife Trusts, the Trust has a wholly owned Wildlife Trust membership recruitment company. The company is managed by a Board of directors which is made up of Wildlife Trust staff, Trustees and other experts. This company is transparent in its fundraising techniques, regulated by the Institute of Fundraising and meets with its member Trusts every 6 months. There is a written agreement between the Wildlife Trusts agreeing fundraising standards, monitoring of fundraisers and compliance. A single membership recruiter is also employed directly by the Trust. Face-to-face membership recruitment was suspended by Covid-19 as soon as it was recommended by government and the regulator. In response to this, costs have been reduced and a strong cash reserve maintained, meaning that the company is able to meet its liabilities as they fall due. It expects to resume operations later in 2020. However, it is possible that the Covid-19 pandemic will have implications for the company's business model.

Public Benefit Statement

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

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

Objects

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

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

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

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

4.2 *To advance education in:*

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

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

Risk Management

The Trustees continue to keep under review their assessment of the major risks to which the charity is exposed, and have taken steps to mitigate the risks that have been identified. The risk register, in a format consistent with other Wildlife Trusts for ease of comparison, was reviewed and maintained.

The declaration of a global pandemic caused by Covid-19 in March 2020 was a significant issue for the Trust. Steps were taken to quickly address the health and safety implications of the disease including the postponement of events and face-to-face activity, closure of visitor centres, and closure of offices with most staff working from home. Essential checks were undertaken including livestock and buildings. Finances were reviewed with the aim of reducing the projected budget deficit and careful management of cashflow. Overall the Trust was shown to be relatively resilient given its financial position and operational arrangements. While a large number of staff were furloughed through the government's Job Retention Scheme, the majority of staff continued 'business as usual' within changed operating procedures. Policies and procedures for Health & Safety were reviewed to take account of Covid-19 and government guidance.

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

Significant concerns remain over the implementation of changed agri-environment payment schemes. This has a bearing on income for the Trust but also impacts on nature conservation in the wider countryside by other landowners. The Trust has good systems in place to manage the current system; these will be kept under review. Adequate financial reserves are maintained.

Charity Governance

The Trust has adopted the Charity Governance Code and completed a thorough review of the recommended practice undertaken. The aim of the code is "to help charities and their trustees develop these high standards of governance". Although not a legal or regulatory requirement, the code sets out principles and recommended practice for charities and Trustees who wish not only to achieve good governance but strategies to continuously improve and develop. Good governance is ensuring that the charity has adequate policies, systems and procedures in place and that these are followed. It is also about encouraging appropriate attitudes, behaviours and values.

Trustees undertook a self-assessment using the NCVO's Governance Wheel to identify areas for improvement. This focussed attention on the areas of diversity and organisational purpose. Steps are being taken to address shortcomings. The Trust has made some changes to adopt recommended practice and where a particular practice has not been applied, this is explained in this report; what is done instead or why it is not applied.

FINANCIAL REVIEW

The Trust had a successful year with an increase in the total income from £2.9m to £3.5m and an overall surplus for the year of £387k compared to £240k last year. Total expenditure was £3.2m (2019 £2.9m).

Unrestricted income increased by 18% from £2.2m to £2.6m, primarily as a result of unrestricted legacy income increasing from £521k to £880k.

Unrestricted expenditure increased from £2.2m to £2.5m, mainly due to increased expenditure on membership recruitment, work on nature reserves (including two new sites) and public engagement work. The value of the Trust’s unrestricted investments decreased by £270k, primarily due to the impact of Covid-19 on the financial markets, whereas they increased by £244k in 2019. When combined, this resulted in a surplus on unrestricted funds of £373k, compared to the surplus of £207k in 2019.

Membership at the year-end stood at 27,751 members compared to 27,611 at 31 March 2019, a slight increase, with corresponding income increasing by 2.8% from £746k to £767k.

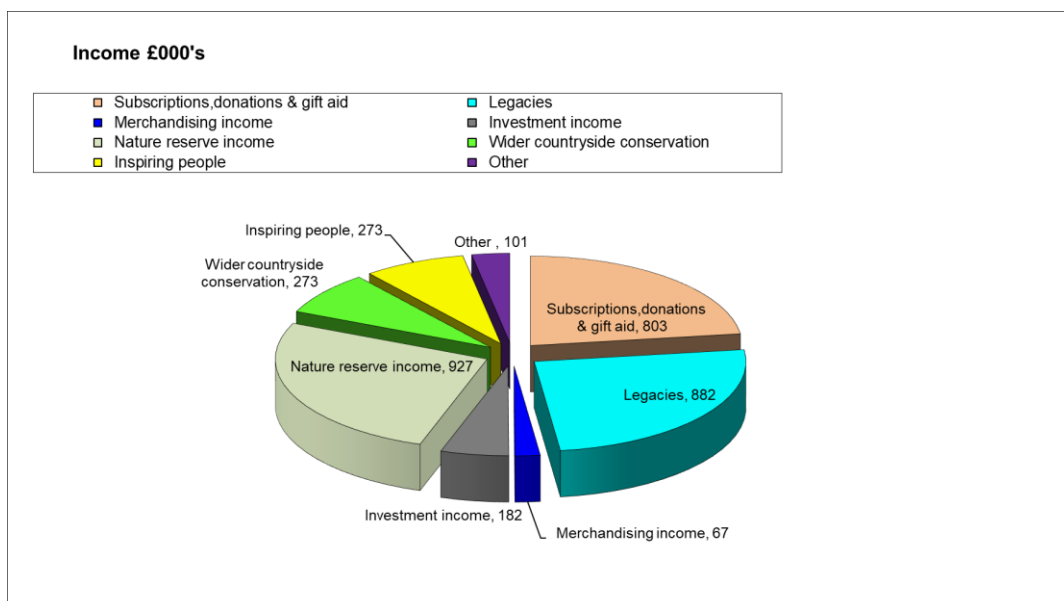
Unrestricted legacy income continues to be critical to the Trust’s ability to acquire new reserves, manage them better, improve visitor facilities and undertake new projects. Inevitably it can vary significantly from year to year and that is a significant factor in the Trust holding a degree of financial reserves in the Income Resilience Fund to help smooth out those fluctuations.

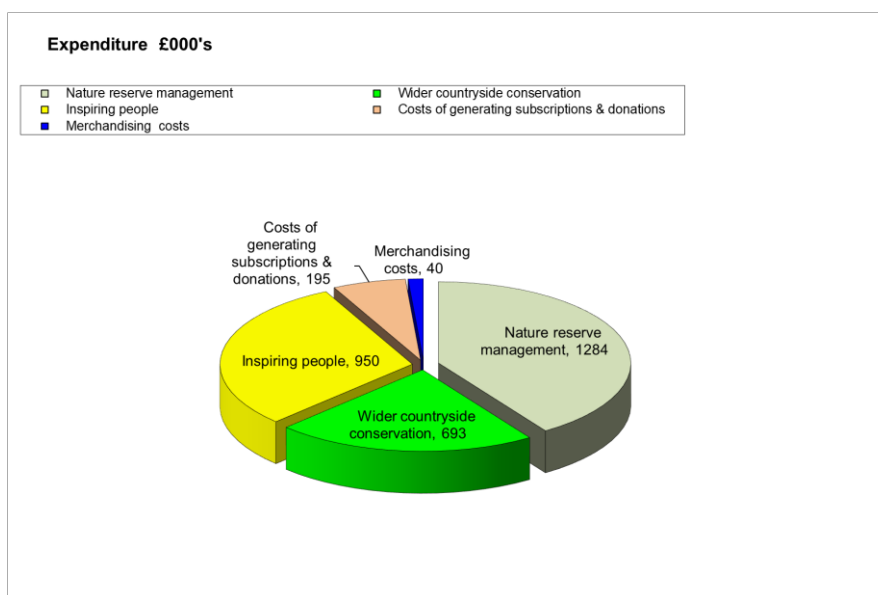
The Trust spent £485k on acquiring substantial extensions to its reserves at Sow Dale and Castle Bytham; using some of Angela Bates’ legacy, received in 2019, to fund the extension at Sow Dale.

The Trust’s investments performed well until Covid-19 and then a substantial surplus evaporated and turned into a loss. Since the year end most of that value has been restored, so the loss has not been realised. The Trust’s investments are well diversified and help the charity to achieve its investment objectives over the long-term, as is reported in more detail on page 11.

The Trust has had a satisfactory year with regard to restricted income. The Charities SORP required all the income for the Love Lincs Plants Project to be recognised in the 2018 accounts but because the associated expenditure is recognised when incurred, a further deficit on restricted funds was recorded this year. The Trust also used restricted funds to purchase the two new nature reserves.

The Trust spent £2.9m (2019 £2.7m) on its charitable activities during the year which represents 93% (2019 93%) of total expenditure. This has been spread across Nature Reserves, Wider Countrywide Conservation and Inspiring People. The Trust has continued to develop and enhance nature reserves as needed and invest in advocacy, education and public engagement activities.





The Trust ended the year faced with many operational and human challenges posed by a Covid-19 year. As at 31 July 2020 the charity's investment values have been restored and the government's financial support of around £100k has been critical in enabling staff to be retained. The main challenge has been cash flow and appropriate steps have been taken to enable the Trust to proceed with planned operations and projects for 2020/21.

The Trust's Development Fund is partially committed to the Dynamic Dunescapes Project (see page 3). Unrestricted legacy income, whilst volatile, remains crucial to giving the Trust funds for further development and acting as seed corn funding for exciting projects that can attract grants and donations as matched funding. Legacies really do make a difference, whether they be unrestricted or restricted (eg by activity or by criteria for its use geographically), and can attract funding that the Trust would otherwise not be able to access.

Financial Reserves Policy

The Trust's reserves are classified between Unrestricted, Restricted Funds and Endowment Funds.

Unrestricted Funds

Unrestricted funds comprise of:

- the General Fund
- the Development Fund
- the Conservation Fund
- the Capital Grants Fund

The Trust's policy relates to its unrestricted reserves; over which we have full control, ie all the above other than the Capital Grants Fund.

The Trust's policy is that the level of unrestricted funds should be sufficient to cover planned and unforeseen variations in operational income and expenditure. This will be reviewed during every annual budget cycle with consideration of operational risks and external factors. In addition, the Trust needs to help ensure the long-term viability of its considerable portfolio of sites that help conserve wildlife throughout the county.

The Trust's **General Fund** comprises unrestricted cash to be used as working capital and a Resilience Fund which aims to cover the perceived risks in the Trust's sources of unrestricted income over the following three years. The year-end target for opening and closing unrestricted cash is currently £350k for use as working capital. This reflects the amount required to ensure the peaks and troughs in cash flow requirements during the course of an annual operating cycle can be met.

LINCOLNSHIRE WILDLIFE TRUST

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The Board has set a target range of £250k-£900k for its **Income Resilience Fund**. The **Income Resilience Fund** was previously called the Legacy Equalisation Fund, when the main risk in income related to legacies. In view of the forthcoming changes to land management grants and volatility in legacy income, the Trust has retained funds at the top of this range.

In order to respond to new opportunities and finance new initiatives, the Trust aims to hold at least £250k and preferably £1m in its **Development Fund**. This will be used to finance specific programmes of activity over the next three years, including opportunities to acquire land of strategic conservation importance.

In view of the ongoing costs of managing its substantial land holding, most of which is to be managed in perpetuity, the Trust considers it is wise to retain a substantial capital sum that can provide a sustainable source of income towards these ongoing costs, as well as financing any unexpected expenditure, eg costs arising from extreme weather events. These needs will be provided by the **Conservation Fund** and the Trust has set its range at £3.25m-£5.5m.

In total, this creates a target unrestricted reserves range of £4.1m-£7.75m, excluding the Pension Deficit Fund of £288k. This is shown in the table below.

	Target Range £k	At 31 March 2020 £k
Working Capital cash	350	350
Income resilience	250-900	900
General Fund	600-1,250	1,250
Development Fund	250-1,000	662
Conservation Fund	3,250-5,500	3,440
Total	4,100-7,750	5,352
Pension Deficit Fund		288

If specific funds are below their target range their objective will be to reach their minimum level, as soon as is practicable, subject to competing interests.

In addition, the Trust has a **Capital Grants Fund** which represents grants received for capital assets. Amounts are released over the life of the underlying assets. The value of this fund at the year end was £38k (2019 £46k).

Restricted Funds

The Trust holds a range of restricted funds related to projects, as well as some restricted legacies and donations. Movements in each fund are shown in Note 18 in the accounts, which follow.

Endowment Funds

Apart from the endowment funds represented by the Trust's land and buildings owned for conservation objectives, described in Note 10 in the accounts, the Trust has one endowment fund that is invested and which is described in more detail in Note 17 in the accounts.

Monitoring and Reviewing this Policy

Reserve levels are reviewed at each Finance Monitoring Group meeting and each Board meeting. The Trust's policy and target ranges are reviewed as part of the annual budgeting cycle. In addition, a key event may trigger a review, for example, the cessation of a material source of funding.

Investment Policy and Performance

The Trust's Memorandum and Articles outline the charity's investment powers. The Board sets the Trust's investment policy, following recommendations from the Finance Monitoring Group, and engages professional investment managers to undertake the management process and make day-to-day decisions. The Finance Monitoring Group monitors their performance and meets with the Trust's investment managers at least annually. Their performance is monitored against suitable benchmarks.

The Trust's unrestricted cash requirements are held with banks and building societies authorised to carry out business in the UK.

In the light of current low interest rates, there is a preference to keep the majority of Trust other funds invested to provide a higher level of income, primarily via dividends. The Trust's aim is to achieve around 4% income yield with the capital value increasing by at least inflation.

During both 2020 and 2019 the Trust's unrestricted investments were managed by two renowned charity investment managers, CCLA and M&G. At 31 March 2020 these were valued at £4.39m with 83.7% in CCLA's Investment Fund and 16.3% in M&G's Charifund. Units in both CCLA and M&G were sold to realise funds to partly finance the purchase of two new nature reserves.

For the year to 31 March 2020 the total unrestricted portfolio fell by 15% (2019: +6%) with CCLA falling by 3% and Charifund falling by 22%. The contrast was due largely to the composition of the two funds with CCLA's Investment Fund being comprised largely of global equities and M&G's Charifund being primarily UK equities.

During the year the two investments produced an income of £182k (2019 £196k) – an income yield of 3.7% (2019 3.8%).

At 31 March 2020 the Trust's endowment fund, which is managed by CCLA, was valued at £513k (2019 £531k). This was invested in CCLA's Investment Fund. This suffered a capital loss of 3.4% and a restricted income of £18k, an income yield of 3.5% (2019: 3.3%)

The Trust's prime ethical consideration is to identify any obvious conflicts of interest between its objectives and the objectives/activities of any company whose shares may be acquired directly for the purpose of investment. The Trust had no direct investment in company shares at 31 March 2020 or 31 March 2019, other than those of its trading subsidiary Lapwings Consultants Limited (see Note 11).

CCLA is a leader in ethical and responsible investment and their approach can be viewed on their website.

Investment in properties

From time to time the Trust may own freehold or leasehold interests in property. These are sometimes associated with specific bequests with a view to sale at an appropriate time. The Trust reviews its ownership regularly and takes professional advice regarding the marketing and sale of properties to optimise the financial or other benefits for the charity.

Pension Commitments

The last full actuarial valuation of The Wildlife Trusts Pension Scheme, as at 1 April 2019, reported a scheme deficit of £4.7 million.

In accordance with the revised schedule of contributions, the Trust's deficit recovery payments are set to increase by 2.9% from August 2020, to £6,315 per month and will increase thereafter by 3%. This equates to 9.3% of the total contributions being paid by The Wildlife Trusts. The repayment plan anticipates that the deficit will be eliminated by August 2026. The Trust's total commitment at 31 March 2020 amounted to £522,264 (2019: £631,389). The present value of this commitment, when discounted at the current yield on AA rated 15 year+ corporate bonds of 2.25% (2019: 2.35%), amounted to £485,386 (2019: £577,945).

The liability reflected in the balance sheet is based on defined benefit accounting principles, in accordance with FRS 102. The assumptions used in this methodology result in a pension liability of £197,770. This is the first time that the Trust has been able to report the obligation in this way, having previously accounted for it as if it were a defined contribution scheme. A designated fund of £287,616 has been created to set aside funds representing the difference between the pension liability in the balance sheet and the discounted value of the payments due under the schedule of contributions.

FUTURE PLANS

During the year ahead, effort will focus on delivery of the final year of the Trust's five-year Strategic Plan. However, delivery will be significantly influenced by the impact of and response to the Covid-19 pandemic.

Particular activities in the year are:

- Environment, Fisheries and Agriculture Bills - through campaigning and lobbying with partners, secure strong commitment to restore nature.
- Nature Recovery Network – influence local authorities and other agencies to adopt nature recovery strategies.
- Environmental Land Management Scheme (ELMS) – directly influence future approach to funding land management through delivery of the test and trials of ELMS.
- Nature reserves – effectively manage the funding transition for biodiversity and wider 'public goods'.
- Habitat restoration and creation – deliver major projects at Saltfleetby, Humber Bank, Woodhall Spa, Sow Dale and Castle Bytham.
- Love Lincs Plants project – successfully deliver this National Lottery Heritage Fund project in partnership with Lincolnshire Naturalists' Union, Sir Joseph Banks Society, the Natural History Museum and the University of Lincoln.
- Contribute to the successful delivery of partner led externally funded projects – Humberhead Levels 'Linking the Levels, Wild Lincoln 'Boultham Park Lake' and the Humber's Extraordinary Estuary.
- Complete development of residential volunteer training facilities at Gibraltar Point and Saltfleetby NNRs (Dynamic Dunescapes Project).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Lincolnshire Wildlife Trust is a membership body, a registered charity and a company limited by guarantee. It is governed by its Articles of Association, originally dated 2 December 1948 and amended on 20 October 2018. Membership of the Trust is open to all, and the total number of subscribing members at 1 April 2020 was 27,751, a slight increase of 0.5% from 27,611 in 2019. Each member is committed to contributing £1 in the event of the charity winding up. The charitable company is controlled by its Board of Trustees. The Trust is grateful for the continuing support of so many people in Lincolnshire and beyond.

Appointment of Trustees

The Articles of Association provide for a Board consisting of up to 15 Trustees appointed for a 3-year term with option for re-election. Trustees are elected by the Trust membership at the AGM, usually held in October. At the first meeting of the Board of Trustees after the AGM, the Trustees appoint Honorary Officers (Chair, Treasurer and others if required) from the Board members.

If a Trustee has served for more than 9 years, their reappointment is subject to a particularly rigorous review, and takes into account the need for progressive refreshing of the Board and is explained in the Trustees' annual report. The Board has no power of co-option but may fill a vacancy until the next AGM.

No new Trustees were elected in 2019 however an enhanced Trustee recruitment process commenced ahead of the 2020 AGM. Over twenty applications were received.

Trustee Induction and Training

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

Some Trustees are directly involved in planning and implementing activities not only through the work of the Board but also the Teams 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, external training and seminars throughout the year, which help to keep them fully engaged with the charity's business. Trustees are encouraged to attend the RSWT open days to connect with TWT.

Organisational Structure

The Board of Trustees, of up to 15 members with a quorum minimum of 3, meets bi-monthly and is responsible for the governance of the charity. The Board is responsible for the charity's governance and makes decisions on 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. During the period a review of the Board was undertaken and concluded that a single Deputy Chair be appointed to support the Chair. Anita Quigley was appointed while Janet Mellor, Tim Sands and David Sheppard stepped down from the role. In addition, Teams, consisting of volunteers and relevant staff, cover a range of Trust activities and advise the Board where appropriate. Area Groups represent the interests of members organising local events. A number of forums are held each year with Area Group representatives; this is in part to meet a gap resulting from no longer having a Council which included representatives of the 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 four Heads of Department: Finance (including membership and administration); Conservation (includes the GLNP); Nature Reserves (the majority of this department is field based); and newly appointed Public Engagement and Communications.

Staff

Good staff and volunteers are fundamental to achieving the Trust's objectives. The staff structure is kept under regular review in order to ensure that it accords with the Trust's objectives and strategies. As at 31 March 2020, the Trust employed a total of 73 members of staff (45 full-time and 28 part-time). Of these, 5 relate to the GLNP, 5 to projects with external funding and 63 to the Trust's core activities.

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At the end of March 2020, in response to the Covid-19 situation, around a third of the Trust's staff were furloughed under the government's Job Retention Scheme. The majority were public facing roles including visitor centre café staff and public engagement.

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

Related Parties

Lincolnshire Wildlife Trust is one of 46 independent Wildlife Trusts covering the UK, Isle of Man and Alderney, which are corporate members of RSWT. RSWT helps to develop UK and national policies, and provides operational advice to the Trusts, and acts as their collective voice. RSWT's subsidiary Wildlife Trading Services Limited provides services and distributes funds to Trusts, including Lincolnshire Wildlife Trust. The Trust's Chief Executive is a director of the company.

The Trust has a direct subsidiary, Lapwings Consultants Limited. It exists as a trading company to support the charitable work of the Trust through donation of its profits from retail sales.

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

The Trust, along with five other Wildlife Trusts, is part of Wildlife Fundraising (Central) Limited, a mutual company for the purpose of recruiting members. The Trust's Chief Executive is a director and chair of the company.

Wider Network

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

Other important partnerships are:

- **Association of Drainage Authorities:** the Head of Conservation sits on the Lincolnshire Environment Group with all the Internal Drainage Boards of Lincolnshire and other key bodies.
- **Greater Lincolnshire Local Enterprise Partnership:** the Chief Executive sits on the Visitor Economy Board. The Head of Conservation sits on Greater Lincolnshire Forum for Agriculture & Horticulture.
- **Campaign for the Farmed Environment in Lincolnshire:** working with Anglian Water, CLA, EA, GLNP, LWCS, NE, NFU, individual farmers and farm businesses. Encourages voluntary management that will benefit the environment.
- **Humber Nature Partnership:** numerous corporate, local authorities, statutory agencies, voluntary organisations and individual members. The Chief Executive is Chair. The Head of Conservation sits on the Relevant Authorities Group for the Humber Estuary European Marine Site in co-ordination with the RSPB and Yorkshire Wildlife Trust.
- **Humberhead Levels Partnership:** Yorkshire Wildlife Trust, Nottinghamshire Wildlife Trust, NE, EA, North Lincolnshire Council, Doncaster Metropolitan Borough Council, East Riding of Yorkshire Council, RSPB, English Heritage, Internal Drainage Boards.
- **Lincolnshire Wolds AONB Joint Advisory Committee & Countryside Service:** working with a wide variety of partners and the team to ensure the special qualities of the area are maintained and enhanced. **The Lincolnshire Chalk Streams Project** is also hosted by them which the Trust contributes expertise to.
- **South Lincolnshire Fenlands:** EA, NE, Sustrans, South Kesteven District Council, South Holland District Council, LCC, Waterside Garden Centre and Welland & Deepings Internal Drainage Board.
- **South Lincolnshire Water Partnership:** working with Anglian Water, Black Sluice IDB, EA, LCC, NE, NFU, Welland & Deeping IDB, UK Irrigation Association, individual farmers and farm businesses. This partnership is directly making a case to the Steering Group, **Water Resource East**, which is considering options for long-term public water resources needs in the East of England.

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- **The Wash & North Norfolk Coast Marine Partnership:** the Trust sits on the Full Management Board now as a full partner with the relevant authorities and the chairs of the three local advisory groups. Nature Reserves and Conservation input to the Boston Advisory Group.
- **North Sea Wildlife Trusts:** Northumberland, Durham, Tees Valley, Yorkshire, Sheffield, Lincolnshire, Derbyshire, Nottinghamshire, Leicestershire & Rutland, Bedfordshire, Cambridgeshire & Northamptonshire, Norfolk, Suffolk Wildlife Trusts.
- **East Midlands Wildlife Trusts:** Derbyshire, Nottinghamshire, Leicester and Rutland.

Several of the Trust's nature reserves are operated in conjunction with local authorities, notably: **Gibraltar Point** near Skegness (LCC and ELDC); **Whisby Nature Park** near Lincoln (LCC and NKDC); and **Snipe Dales** near Horncastle (LCC).

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

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REFERENCE AND ADMINISTRATIVE DETAILS

<u>Charity Name</u>	Lincolnshire Wildlife Trust The organisation is sometimes referred to simply as The Lincolnshire Trust. Former names were The Lincolnshire Naturalists' Trust, The Lincolnshire Trust for Nature Conservation and The Lincolnshire & South Humberside Trust for Nature Conservation.
<u>Charity number:</u>	218895
<u>Company number:</u>	00461863
<u>Headquarters & Registered office:</u>	Banovallum House Manor House Street Horncastle Lincolnshire LN9 5HF Tel: 01507 526667
<u>Auditors:</u>	Wright Vigar Limited Statutory Auditors Chartered Accountants & Business Advisers 15 Newland Lincoln LN1 1XG
<u>Bankers:</u>	Barclays Bank plc 64 Eastgate Louth Lincolnshire LN11 9PG
<u>Solicitors:</u>	Chattertons Legal Services Ltd St Swithin's Court 1 Flavian Road Nettleham Road Lincoln LN2 4GR
<u>Investment Managers</u>	CCLA Senator House 85 Queen Victoria Street London EC4V 4ET M&G Laurence Pountney Hill London EC4R 0HH
<u>The Board of Trustees and Directors:</u>	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. The Board currently consists of 3 Honorary Officers and 7 others elected at the Annual General Meeting.

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<u>Presidents:</u>	Mr G L Trinder ARPS	(President)	
	Mr B Tear BSc	(Vice President)	
<u>Trustees/Directors:</u>	Mr D A Cohen	(Chair)	
	Mrs J Mellor MSc	(Deputy Chair)	stepped down as Deputy Chair 14.11.19
	Mr T S Sands	(Deputy Chair)	stepped down as Deputy Chair 14.11.19
	Dr D A Sheppard BSc PhD	(Deputy Chair)	stepped down as Deputy Chair 14.11.19
	Mrs A Quigley BA	(Deputy Chair)	appointed Deputy Chair 14.11.19
	Mr J Purvis BSc FCA	(Honorary Treasurer)	
	Mr M Capper BSc (Hons)		resigned 29.07.19
	Mrs C E Harrison BSc		resigned 31.12.19
	Mr C Morrison CSci		resigned 19.10.19
	Mr R Oates FLS		
	Mrs S Round BA MSc (Econ)		
	Mr M Smith BSc (Hons) CMIOSH		
	Mrs B Tyrrel MIBC		
<u>Company Secretary:</u>	Paul V Learoyd		
<u>Senior Staff:</u>	Chief Executive:	Paul V Learoyd	
	Head of Conservation:	Tammy M Smalley	
	Head of Finance:	Sarah J Smith	
	Head of Nature Reserves:	David R Bromwich	
	Head of Public Engagement & Communications:	Matthew Capper	

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FINANCIAL SUPPORT

We are grateful to the following for substantial financial support in 2019/2020 through donations, grants and the sponsorship of projects:

Anglian Water Services	Ministry of Defence
Defra	National Lottery Heritage Fund
East Lindsey District Council	Natural England
Environment Agency	North Kesteven District Council
Esmée Fairburn Foundation	RSPB
European Union	RSWT
FCC Environment	Santander
Lincolnshire County Council	The Banister Charitable Trust
Lincolnshire Co-operative Society Limited	Vine House Farm

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

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

Anglian Water Services	Mortons of Horncastle Limited
ARH Tucker & Sons	Natureland Seal Sanctuary
B A Bush & Son Limited	North East Lindsey Drainage Board
Cleethorpes Builders Merchants	Page Paper Limited
Cray Valley Limited	Riva Construction
Creative Nature	Rowhire Limited
Crowder & Sons Ltd	SCS Technology Solutions Limited
Fenland Laundries Limited	Sibelco UK
Holivans Limited	Singleton Birch Limited
J E Piccaver & Co	TCS UK Spraying
J W Ruddock & Sons Limited	Truelove Property & Construction
John E Haith Limited	UK Alternative Energy Limited
John Kinch Group	Yara (UK) Limited
Jolly Common Caravan Park	Woodhall Country Park
Lincolnshire Co-operative Society Limited	

We are delighted to record our appreciation to the following individuals whose legacies we received or were notified of in the year ended 31 March 2020:

Mary Angela Sarah Bates	Alan George Riseborough
Rosamond Thorn	Simon Joseph Enderby
Kate Turp	Winifred Margaret Spilman
Joan Florence Cooke	Beverley Margaret Green
John Harrison Osgerby	Peter Foster Seed
Ruth Winifred Painter	Joyce Kathleen Lindsey
Margot Adelaide Hill	Phyllis Jean Bruning
Helen Margaret Outram	Eileen Mabel Briggs

LINCOLNSHIRE WILDLIFE TRUST

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STATEMENT OF THE BOARD'S RESPONSIBILITIES

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

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

The Report of the Members of the Board, which includes the Strategic Report on pages 2 to 7, were approved by the Board on 10 September 2020 and signed on its behalf.

By Order of the Board

10 September 2020

D A Cohen
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINCOLNSHIRE WILDLIFE TRUST

Opinion

We have audited the financial statements of Lincolnshire Wildlife Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Group Statement of Financial Activities, the group and the Parent Charitable Company Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2020, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

LINCOLNSHIRE WILDLIFE TRUST

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We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Board's responsibilities statement set out on page 22, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Paul Colcomb FCCA (Senior Statutory Auditor)
For and on behalf of Wright Vigar Limited
Statutory Auditors, Chartered Accountants and Business Advisors
15 Newland
Lincoln
LN1 1XG

10 September 2020

LINCOLNSHIRE WILDLIFE TRUST

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure Account) for the year ended 31 March 2020

	Notes	Unrestricted Income £	Restricted Income £	Designated & Endowment Fund £	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and legacies	2	1,682,393	1,919	0	1,684,312	1,393,171
Charitable activities	3	604,551	868,064	0	1,472,615	1,234,143
Other trading activities	9	67,034	0	0	67,034	81,810
Investments	11	164,149	17,767	0	181,916	195,782
Other		100,913	0	0	100,913	35,702
Total income		2,619,040	887,750	0	3,506,790	2,940,608
Expenditure on:						
Raising funds	4	234,842	0	0	234,842	195,658
Charitable activities	8	2,260,042	666,420	0	2,926,462	2,736,554
Other		0	0	0	0	0
Total expenditure		2,494,884	666,420	0	3,161,304	2,932,212
Net gains/(loss) on investments	11	(270,089)	0	(17,971)	(288,060)	283,337
Net income/(expenditure)		(145,933)	221,330	(17,971)	57,426	291,733
Transfers between funds	16-19	189,750	(674,712)	484,962	0	0
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	21	4,420	0	0	4,420	(51,742)
Other gains - move to defined benefit accounting for pensions	21	325,238	0	0	325,238	0
Net movement in funds		373,475	(453,382)	466,991	387,084	239,991
Reconciliation of funds:						
Total funds brought forward		5,304,454	1,511,614	8,887,659	15,703,727	15,463,736
Total funds carried forward		5,677,929	1,058,232	9,354,650	16,090,811	15,703,727

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

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

The notes on pages 25 to 40 form part of these financial statements

LINCOLNSHIRE WILDLIFE TRUST

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CONSOLIDATED AND CHARITY BALANCE SHEET as at 31 March 2020

	Notes	Group		Company	
		2020 £	2019 £	2020 £	2019 £
Fixed Assets					
Heritage assets	10	8,649,508	8,164,546	8,649,508	8,164,546
Tangible assets	10	1,122,231	1,013,389	1,122,073	1,011,364
Investments	11	4,385,261	5,228,321	4,410,261	5,253,321
Total fixed assets		14,157,000	14,406,256	14,181,842	14,429,231
Current Assets					
Stocks	12	39,469	42,632	21,150	21,150
Debtors	13	1,772,492	1,771,611	1,782,424	1,781,590
Cash at bank and in hand	14	797,402	677,770	776,258	638,393
Total current assets		2,609,363	2,492,013	2,579,832	2,441,133
Liabilities					
Creditors:					
Amounts falling due within one year	15	325,907	459,097	339,726	458,360
Net Current Assets		2,283,456	2,032,916	2,240,106	1,982,773
Net Assets less Current Liabilities		16,440,456	16,439,172	16,421,948	16,412,004
Creditors:					
Amounts falling due after one year	15	151,875	157,500	151,875	157,500
Pension provision	21	197,770	577,945	197,770	577,945
Net assets		16,090,811	15,703,727	16,072,303	15,676,559
The funds of the charity					
Endowment and Designated Funds	16	8,841,577	8,356,615	8,841,577	8,356,615
Restricted Endowment Fund	17	513,073	531,044	513,073	531,044
Restricted Funds	18	1,058,232	1,511,614	1,058,232	1,511,614
Unrestricted Funds	19	5,677,929	5,304,454	5,659,421	5,277,286
		16,090,811	15,703,727	16,072,303	15,676,559

The financial statements were approved by the Board of Trustees on 10 September 2020 and were signed on its behalf by:

..... J Purvis – Honorary Treasurer

..... D A Cohen - Chair

Company Number 00461863

The notes on pages 25 to 40 form part of these financial statements

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2020

	2020 £	2020 £	2019 £	2019 £
Cash Flows from operating activities:				
Net cash provided by (used in) operating activities		91,006		(134,595)
Cash flows from investing activities:				
Dividends, interest and rents from investments	181,916		195,782	
Proceeds from the sale of property, plant and equipment	0		7,068	
Proceeds from the sale of investments	555,000		727,653	
Purchase of property, plant, equipment and heritage assets	(708,290)		(179,616)	
Purchase of investments	0		(727,653)	
Net cash provided by (used in) investing activities		28,626		23,234
Change in cash and cash equivalents in the reporting period		119,632		(111,361)
Cash and cash equivalents at the beginning of the reporting period		677,770		789,131
Cash and cash equivalents at the end of the reporting period		797,402		677,770
Net income/(expenditure) for the reporting period (as per statement of financial activities)		387,084		239,991
Adjustments for:				
Depreciation		114,094		106,754
(Gains)/losses of investments		288,060		(283,337)
Dividends, interest and rents from investments		(181,916)		(195,782)
Loss/(profit) on the sale of fixed assets		392		(7,066)
(Increase)/decrease in stock		3,163		375
(Increase)/decrease in debtors		(881)		15,746
Increase/(decrease) in creditors		(138,815)		4,279
Pension contributions in period		(66,791)		(67,297)
Other gains/(losses) on pension in period		(325,238)		0
Pension interest and expenses		16,274		0
Pension provision in period		(4,420)		51,742
Net cash inflow from operating activity		91,006		(134,595)

The notes on pages 25 to 40 form part of these financial statements

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2020

1. ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared in accordance with Charity Commission Statement of Recommended Practice - Accounting and Reporting by provisions of the Charities SORP (FRS 102) – Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (effective 1 January 2019) and the Companies Act 2006.

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

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

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

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

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

Consolidation

The results of Lincolnshire Wildlife Trust and its wholly owned subsidiaries and Lapwings Consultants 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 fundraising activities. This income is credited to the income and expenditure account on the earlier of receipt or when receipt is probable, the value can be ascertained and the Trust gets the legal right to the income. Tax refunds on gift aid income are however accrued as earned.

Legacies

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

Grants Received

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

Investment Income

Income on fixed interest investments is accounted for on an accruals basis. Dividends on investments are also credited to revenue on an accruals basis.

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

Deferred Income

Rents received in advance are spread over the expected term of the lease and recognised when the charity gains legal entitlement to the rent.

Expenditure

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

Investment Properties

Investment properties are valued at the lower of cost or fair value at the year end. Any gains or losses arising on revaluation are recognised in the SOFA.

Fixed Assets

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

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

Depreciation

No depreciation is provided on Freehold Land, which is considered to have a useful life of more than 50 years.

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

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

Motor vehicles	25%
Plant fixtures and fittings	10-25%
Other buildings	0-20%
Heritage assets	Not depreciated

Stock

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

Permanent Endowment Fund

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

Restricted Funds

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

Pensions

The charity offered one pension arrangement during the year, a Royal London Group Personal Pension scheme into which staff were auto-enrolled. Contributions in respect of the Royal London Group Personal Pension scheme are charged to the profit and loss account on an accruals basis. They are allocated across unrestricted and restricted funds in line with the associated salary costs.

Formerly the Trust also offered the Wildlife Trusts Pension Scheme (WTPS), a multi-employer hybrid scheme, which had two types of membership: defined benefit and defined contribution. The defined contribution category of the WTPS was closed at the end of the financial year 2018/19 and existing members were transferred to the Royal London scheme. The defined benefit scheme was closed to new members in October 2005.

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
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The defined benefit scheme amount charged in resources expended is the net of the interest cost and interest income relating to the Trust's share of the assets in the scheme. Re-measurements are recognised immediately under Other recognised gains and losses.

The WTPS is funded, with the assets of the scheme, held separately to those of the Trust, in pension trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method at a rate equivalent to the current rate of return on high-quality corporate bonds of equivalent currency and term to the scheme's liabilities. The Trust's share of the resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet. Full actuarial valuations are obtained triennially.

This is the first year that the information has been available for the Trust to be able to report the obligation as a defined benefit liability. Previously the Scheme was accounted for as if it were a defined contribution scheme. This change in approach has generated a significant reduction in the opening value of the pension liability.

Further details of the pension arrangements are given in Note 21 to these accounts.

Investments

Investments are a form of basic financial instrument and initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Heritage Assets

Heritage Assets are nature reserves, capitalised at cost at the date of addition. Any assets donated, where the cost is unknown, are capitalised at valuation at the date of addition. Further details are disclosed within Note 10 to the financial statements.

Financial Instruments

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

2. DONATIONS & LEGACIES

	Unrestricted Income	Restricted Income	2020	2019
	£	£	£	£
Membership income	766,847	0	766,847	745,813
Grants and donations	35,858	0	35,858	38,377
Legacies	879,688	1,919	881,607	608,981
	1,682,393	1,919	1,684,312	1,393,171

At 31 March 2020, our estimate of the value of legacies that had been bequeathed to Lincolnshire Wildlife Trust, but which had not been included in the financial statements, was £380k (2019: £2k).

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

3. CHARITABLE ACTIVITIES

	Unrestricted Income £	Restricted Income £	Total 2020 £	Total 2019 £
Nature Reserves				
Environmental Funding	196,331	223,103	419,434	451,989
Local Authority Funding	0	23,500	23,500	46,998
Central Government Funding	0	50,684	50,684	49,484
Other Grant Income	0	175,927	175,927	1,811
Donations	0	83,529	83,529	7,507
Earned Income	0	32,804	32,804	43,630
Income from properties	140,340	0	140,340	142,041
Other Incoming resources	0	643	643	1,533
	336,671	590,190	926,861	744,993
Wider Countryside Conservation				
Local Authority Funding	0	64,468	64,468	51,757
Central Government Funding	0	31,208	31,208	46,560
Other Public Bodies	0	3,225	3,225	4,229
Other Grant Income	0	132,325	132,325	52,503
Earned Income	0	39,948	39,948	34,429
Donation	0	1,700	1,700	0
	0	272,874	272,874	189,478
Inspiring People				
Local Authority Funding	0	0	0	0
Other Grant Income	0	5,000	5,000	0
Earned Income	267,880	0	267,880	293,584
Donations	0	0	0	6,088
	267,880	5,000	272,880	299,672
	604,551	868,064	1,472,615	1,234,143

4. EXPENDITURE ON RAISING FUNDS

	Unrestricted £	Restricted £	2020 £	2019 £
Supporter recruitment	192,740	0	192,740	134,588
Recruitment overheads	2,019	0	2,019	8,003
Merchandising	40,083	0	40,083	53,067
Total	234,842	0	234,842	195,658

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
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5. EMPLOYEE INFORMATION

	2020	2019
	£	£
The movement in the year is after charging:		
Salaries and wages	1,458,971	1,382,603
Social security costs	119,016	111,920
Other pension costs	75,337	71,609
	<hr/>	<hr/>
Staff costs for the Company	1,653,324	1,566,132
Staff costs for Lapwings Consultants Limited	0	500
	<hr/> <hr/>	<hr/> <hr/>
	1,653,324	1,566,632

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

Full time	43	43
Part time	31	30
Company Totals	<hr/>	<hr/>
	74	73
Lapwings Consultants Limited	<hr/>	<hr/>
	0	0
Group Totals	<hr/> <hr/>	<hr/> <hr/>
	74	73

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

Nature Reserves	25	25
Wider Countryside Conservation	13	14
Inspiring People	27	25
Raising Funds	1	1
Management and Administration	8	8
Company Totals	<hr/>	<hr/>
	74	73
Lapwings Consultants Limited	<hr/>	<hr/>
	0	0
Group Totals	<hr/> <hr/>	<hr/> <hr/>
	74	73

The Trust operates a Royal London Group Personal Pension defined contribution scheme that all members of staff are eligible to join. The Trust contributes a minimum of 4% of employees' salaries and will match employee contributions to a maximum of 7.5%.

62 members of staff (2019: 65) were members of a scheme at the end of the year.

Pension contributions of £5,438 (2019: £5,250) were made on behalf of higher paid employees.

The total value of employee benefits received by key management personnel (our senior staff) were £266,597 (2019: £237,576).

	2020	2019
Employees paid £60,000 or more		
£70,000-£79,999	1	1

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
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6. TRUSTEE REMUNERATION AND RELATED PARTY TRANSACTIONS

No members of the Board of Trustees and Directors received any remuneration during the year. No travel costs were paid during the year to any member of the Board (2019: nil).

During the year, the Trust paid £1,057 (2019: £1,029) to the Humber Nature Partnership, a company which Paul Learoyd, the Chief Executive of Lincolnshire Wildlife Trust, is a director.

During the year, the Trust received £30 (2019: £30) from Baumber Park Farms Limited, a company which Mrs C Harrison is also a director. This was for grazing rent.

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

Wildlife Fundraising (Central) is a joint venture with 6 other Wildlife Trusts to provide membership recruitment services to the founding members. The Chief Executive of Lincolnshire Wildlife Trust, Paul Learoyd, is a director of the company. Recruitment costs of £159,734 (2019: £104,596) were incurred in the year in respect of services received from Wildlife Fundraising (Central) Limited. £13,272 (2019: £11,317) was owed to them as at 31st March 2020 and is included in the Trade Creditors figure in Note 15 on page 34. A loan of £15,000 was made to this company in March 2013 to enable it to commence trade and this is included in Other Debtors in Note 13 on page 34.

7. ANALYSIS OF SUPPORT COSTS BY CHARITABLE ACTIVITY

	Overheads £	IT & HR £	Finance £	Premises £	Governance £	Total £
Nature Reserves	148,782	16,138	31,408	15,948	10,140	222,416
Wider Countryside Conservation	103,530	11,230	21,856	11,098	7,056	154,770
Inspiring People	109,685	11,898	23,155	11,757	7,476	163,971
Total	361,997	39,266	76,419	38,803	24,672	541,157
Total Support Costs 2019	319,953	37,845	73,738	36,643	24,188	492,367

8. ANALYSIS OF TOTAL EXPENDITURE

	Direct Employment Costs £	Support Costs £	Direct Costs £	2020 Total £	2019 Total £
Nature Reserves	546,432	222,416	515,342	1,284,190	1,214,001
Wider Countryside Conservation	380,563	154,770	157,227	692,560	670,205
Inspiring People	403,936	163,971	381,805	949,712	852,348
Charitable Activities	1,330,931	541,157	1,054,374	2,926,462	2,736,554
Raising Funds	28,461	2,019	164,279	194,759	142,591
Merchandising	0	5,062	35,021	40,083	53,067
Total expenditure	1,359,392	548,238	1,253,674	3,161,304	2,932,212
Total expenditure 2019	1,283,092	502,919	1,146,201	2,932,212	3,194,070

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

Total resources expended are stated after charging:

Auditor's remuneration

The amounts payable to Wright Vigar were:

	2020	2019
	£	£
Statutory	9,550	9,180
	<u>9,550</u>	<u>9,180</u>

9. TRADING SUBSIDIARY

Lapwings Consultants Limited Profit and Loss Account year ended 31 March 2020	2020	2019
	£	£
Turnover	67,034	81,810
Cost of sales	(35,021)	(48,352)
Gross profit	32,013	33,458
Administrative expenses	(17,062)	(16,767)
Trading profit	14,951	16,691
Other Operating Income	0	5,000
Interest payable and similar expenses	(200)	(148)
Profit before taxation	14,751	21,543
Tax on profit	0	0
Profit for the financial year	14,751	21,543

Balance Sheet as at 31 March 2020

	Notes	2020	2019
		£	£
Fixed assets		158	2,025
Stock		18,319	21,482
Prepayments		68	21
Amounts owed by group companies		16,061	1,762
Cash at bank and in hand		<u>21,144</u>	<u>39,377</u>
		55,592	62,642
Creditors: Amounts falling due within one year		(2,241)	(2,499)
Amounts owed to group companies		<u>(10,000)</u>	<u>(10,000)</u>
		(12,241)	(12,499)
Net current assets/(liabilities)		43,351	50,143
Total assets less current liabilities		<u>43,509</u>	<u>52,168</u>
Capital and Reserves			
Share Capital	11	25,000	25,000
Profit and Loss Account		18,509	27,168
		<u>43,509</u>	<u>52,168</u>

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
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10. FIXED ASSETS

Group	Heritage Assets	Tangible Assets				Total Tangible Assets
	Nature Reserves	Banovallum House	Other Buildings	Motor Vehicles	Fixtures Fittings & Equipment	
	£	£	£	£	£	£
Cost:						
At 1 April 2019	8,164,546	417,047	391,491	230,119	1,160,330	2,198,987
Additions	484,962	25,760	2,271	20,498	174,799	223,328
Disposals					(91,238)	(91,238)
Work In Progress						
COST AT						
31 MARCH 2020	<u>8,649,508</u>	<u>442,807</u>	<u>393,762</u>	<u>250,617</u>	<u>1,243,891</u>	<u>2,331,077</u>
Depreciation:						
At 1 April 2019	0	0	106,301	196,585	882,712	1,185,598
Provided for the period	0	0	17,384	18,931	77,779	114,094
Disposals	0	0			(90,846)	(90,846)
DEPRECIATION AT						
31 MARCH 2020	<u>0</u>	<u>0</u>	<u>123,685</u>	<u>215,516</u>	<u>869,645</u>	<u>1,208,846</u>
NET BOOK VALUE						
31 MARCH 2020	<u>8,649,508</u>	<u>442,807</u>	<u>270,077</u>	<u>35,101</u>	<u>374,246</u>	<u>1,122,231</u>
NET BOOK VALUE						
31 MARCH 2019	<u>8,165,546</u>	<u>417,047</u>	<u>285,190</u>	<u>33,534</u>	<u>277,618</u>	<u>1,013,389</u>

Nature Reserves 2019/20

Additions:						£
Sow Dale						302,924
Castle Bytham						182,038
Total:						<u>484,962</u>

Tangible assets with a net book value of £1,122,073 and Heritage assets with a net book value of £8,649,508 are owned by the Parent Company.

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

The book value shown for nature reserves is based on historical cost and relates to areas of land which the Trust owns and which it manages and maintains. Of the Trust's circa 100 nature reserves, 73 are partly or wholly freehold. The Trustees believe that the market value of the nature reserves is significantly higher than the book value but they do not propose to carry out a revaluation at the present time since this would be complicated and expensive. The nature reserve values are in any case mostly not realisable and represent a long-term maintenance liability rather than a real asset.

Included within the net book value above is £158 (cost: £17,142; depreciation £16,984) which relates to the Fixtures and Fittings of Lapwings Consultants Limited.

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

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
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11. INVESTMENTS

Group

	2020	2019
	£	£
Market value at 31 March 2019	5,228,321	4,944,984
Investments made in the year	0	727,653
Disposals	(555,000)	(727,653)
Realised gains on disposal	25,167	435
Add: Net (losses)/gains on revaluation at 31 March 2020	(313,227)	282,902
	<hr/>	<hr/>
Market Value at 31 March 2020	4,385,261	5,228,321
	<hr/>	<hr/>
Historical cost as at 31 March 2020	3,071,367	3,626,367

The market value, shown above, and investment income can be analysed as follows:

	INVESTMENT INCOME		MARKET VALUE	
	2020	2019	2020	2019
	£	£	£	£
UK Listed Investments	181,916	195,782	4,385,261	5,173,321
UK Investment Property	0	0	0	55,000
	<hr/>	<hr/>	<hr/>	<hr/>
	164,149	195,782	4,385,261	5,228,321

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

12. STOCK

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Goods for resale	18,319	21,482	0	0
Café stock	2,250	2,250	2,250	2,250
Livestock	13,900	13,900	13,900	13,900
Consumables	5,000	5,000	5,000	5,000
	<hr/>	<hr/>	<hr/>	<hr/>
	39,469	42,632	21,150	21,150

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
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13. DEBTORS

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Owed by group companies	0	0	10,000	10,000
Trade Debtors	8,487	34,146	8,487	34,146
Other Debtors	695,363	1,003,802	695,363	1,003,802
Prepayments	234,795	238,580	234,727	238,580
VAT	11,903	21	11,903	0
Legacies Receivable	821,944	495,062	821,944	495,062
	1,772,492	1,771,611	1,782,424	1,781,590

The amount owed by Group Companies includes a loan to Lapwings Consultants Limited of £10,000 (2019: £10,000). Interest is payable on the loan at 2% per annum.

14. CASH AT BANK & IN HAND

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank balances	389,157	255,295	368,783	215,918
COIF Charities Deposit Fund	405,000	420,000	405,000	420,000
Cash in hand	3,245	2,475	2,475	2,475
	797,402	677,770	776,258	638,393

15. CREDITORS

Falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
VAT	0	16,035	0	16,035
Amounts Owed by Group Companies	0	0	16,061	1,762
Trade Creditors	101,508	101,048	101,070	100,707
Other Creditors	20	1,265	20	836
Accruals	207,281	295,014	205,477	293,285
PAYE & Pension	11,314	38,409	11,314	38,409
Corporation Tax	0	0	0	0
Deferred Income inc Badger Farm	5,784	7,326	5,784	7,326
	325,907	459,097	339,726	458,360

Falling due after one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Deferred Income re: Badger Farm	151,875	157,500	151,875	157,500
	151,875	157,500	151,875	157,500

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

Deferred Income Resources

	2020	2019
	£	£
Deferred Income:		
Deferred Income at 1 April 2019	164,826	168,750
Amount Released in Year	(7,167)	(5,625)
Amount Deferred in Year	0	1,701
Deferred Income at 1 April 2020	<u>157,659</u>	<u>164,826</u>

The deferred income in respect of Badger Farm relates to deferred rent in respect of a lifetime tenancy.

16. 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 unrestricted portion of the value is theoretically disposable.

	<u>Endowment</u>	<u>Designated</u>	<u>Total</u>
	£	£	£
Fund balances as at April 2019:	4,512,248	3,844,367	8,356,615
Designated from Unrestricted Funds (see Note 10):	0	484,962	484,962
Fund balances as at 31 March 2020:	<u>4,512,248</u>	<u>4,329,329</u>	<u>8,841,577</u>

£

The Funds are represented by the following:

Nature Reserves* owned by the charity	8,649,508
Banovallum House (Trust Headquarters) - proportion	117,551
Sykes Farm Improvements	<u>74,518</u>
	<u>8,841,577</u>

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

17. RESTRICTED ENDOWMENT FUND

In accordance with the funding requirements of the Heritage Lottery Fund (now National Lottery Heritage Fund), the Catalyst Endowments Fund has been accounted for as a separate endowment fund. The funding was given as an endowment with the income to be applied to support the nature reserves of the charity. The endowment cannot be expended until 1 January 2022 and at this point, any withdrawal of capital must be in line with the terms and conditions of the funding agreement.

	Balance as at 1 April 2019 £	Incoming Resources £	Expenditure £	Transfers £	Investment Unrealised Loss £	Balance as at 1 April 2020 £
The HLF Catalyst Endowments Fund	531,044	0	0	0	(17,971)	513,073

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18. RESTRICTED INCOME FUNDS

	Balance as at 31 March 2019 £	Incoming Resources £	Resources Expended £	Funds Transfer £	Balance as at 31 March 2020 £
Coastal Grazing Marshes	28,329	1,250	(8,910)	0	20,669
Greater Lincolnshire Nature Partnership	224,806	144,355	(144,977)	0	224,184
Fens for the Future	4,553	0	(1,330)	0	3,223
Lincolnshire Plants Past & Future NLHF	180,753	450	(66,027)	0	115,176
Nature Reserve Trainee	2,691	0	(2,691)	0	0
South Lincolnshire Fens	23,340	8,242	(15,417)	0	16,165
EA Coastal Peat Project	9,000	0	(9,000)	0	0
EA Slow the Flow Project	0	14,500	0	0	14,500
EA CaBA Projects	0	15,000	(261)	0	14,739
Lincolnshire Co-op Community Champions	0	29,082	(4,763)	0	24,319
Coastal Ranger	20,000	0	(10,000)	0	10,000
EA Bird Data Project	0	15,000	(5,229)	0	9,771
Marine Planning Officer	11,926	81,922	(31,263)	0	62,585
Humberland Levels	11,247	0	(11,247)	0	0
Catalyst Fund Income	21,982	17,767	0	(39,750)	0
Banister Charitable Trust for Sow Dale	0	150,000	0	(150,000)	0
Castle Bytham donations	0	72,435	0	(72,435)	0
Sow Dale donations	3,021	10,502	0	(13,523)	0
Legacy - Angela Bates	837,785	319	0	(399,004)	439,099
Environmental Funding	8,370	231,413	(239,783)	0	0
Local Authority Funding	5,114	32,804	(33,817)	0	4,101
Central Government Funding	10,233	9,700	(19,900)	0	33
Other funds	108,464	53,009	(61,805)	0	99,668
Total	1,511,614	887,750	(666,420)	(674,712)	1,058,232

The transfer made in respect of the Catalyst Fund relates to the release of income to support the management of the Trust's nature reserves in line with the Heritage Lottery Fund (now National Lottery Heritage Fund) requirements. The Banister Charitable Trust grant, plus the Castle Bytham and Sow Dale donations have been transferred to designated funds to match the acquisition cost of the two new reserves. £249,004 of Angela Bates' legacy has also been used for this purpose and £150,000 has been used to support the charitable work on the nature reserves. Further details of the nature reserve acquisitions can be found in Note 10.

19. UNRESTRICTED FUNDS

	Balance 31 March 2019 £	Incoming Resources £	Resources Expended £	Funds Transfer £	Gains/ Losses £	Balance 31 March 2020 £
Working Capital	350,000	2,619,040	(2,469,795)	(149,245)	0	350,000
Income Resilience Fund	900,000	0	0	0	0	900,000
General Fund	1,250,000	2,619,040	(2,469,795)	(149,245)	0	1,250,000
Development Fund	298,560	0	(17,268)	381,037	0	662,329
Conservation Fund	3,710,052	0	(270,089)	0	0	3,439,963
Pension Fund	0	0	0	(42,042)	329,658	287,616
	5,258,612	2,619,040	(2,757,152)	189,750	329,658	5,639,908
Capital Grant Fund	45,842	0	(7,821)	0	0	38,021
	5,304,454	2,619,040	(2,764,973)	189,750	329,658	5,677,929

The overall transfer comprises the Catalyst Fund income release together with the transfer to finance nature reserve management from Angela Bates' legacy, as outlined in Note 18.

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20. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Endowment Funds £	Total Funds £
Fund Balances at 31 March 2020 are represented by:					
Heritage assets	0	0	4,248,590	4,400,918	8,649,508
Tangible assets	930,162	0	80,739	111,330	1,122,231
Investments	3,174,400	697,788	0	513,073	4,385,261
Current assets	2,116,021	493,342	0	0	2,609,363
Current liabilities	(193,009)	(132,898)	0	0	(325,907)
Long term liabilities	(151,875)	0	0	0	(151,875)
Pension Provision	(197,770)	0	0	0	(197,770)
TOTAL NET ASSETS	5,677,929	1,058,232	4,329,329	5,025,321	16,090,811

21. PENSION ARRANGEMENTS

The Trust operates two pension arrangements: Royal London Group Personal Pension, and The Wildlife Trusts Pension Scheme. Auto-enrolment into the Group Personal Pension Scheme commenced in July 2014.

The Wildlife Trust Pension Scheme (WTPS)

The WTPS is a multi-employer scheme with RSWT acting as the lead employer on behalf of 12 other Wildlife Trusts. The defined contribution section of the Scheme, which included further Trusts, was closed with effect from 31 March 2019.

The defined benefit or 'final salary' category closed to future accrual of benefits in October 2005. This section of the Scheme provided retirement benefits based on members' salaries when they left employment. The assets of the Scheme are held in a separately administered fund and the Scheme is administered by the Trustee (independent of the Employers) who is responsible for ensuring that the Scheme is sufficiently funded to meet current and future obligations. However, the assets and liabilities are not segregated between the Employers. The liabilities set out in this note have been calculated based on the preliminary results of the full Scheme Funding Assessment as at 31 March 2019, updated to March 2020. The present value of the defined benefit obligation was measured using the project unit credit method. This is the first year that the Trust has been able to report the obligation in this way, having previously accounted for this Scheme as if it were a defined contribution scheme. This change in approach has generated a significant reduction in the opening value of the pension liability recognised in the balance sheet.

	2020
	£
Pension provision at 31 March 2019 on old basis	577,945
Change to Defined Benefit method of accounting for pensions	(325,238)
Pension provision at 1 April 2019 on new Defined Benefit basis	252,707
Contributions paid	(66,791)
Costs included in Net income/(expenditure)	16,274
Movement of pension deficit provision	(50,517)
Remeasurements included in Other recognised gains/(losses)	(4,420)
Pension provision at 31 March 2020 on new Defined Benefit basis	197,770

The Employers have agreed a funding plan with the Trustee. A designated fund of £287,616 has been set up to cover the difference between the FRS 102 valuation at 31 March 2020 (£197,770) and the net present value of the deficit recovery payments at the same date (£485,386), up to the end of the current Schedule of Contributions which is August 2026. The following disclosures are based on calculations carried out as at 31 March 2020 by an independent qualified actuary. The comparatives have been included for reference but will not agree to the balance sheet as, in accordance with FRS 102, the change of accounting has been accounted in the year rather than by restating the prior year.

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<u>Changes in the present value of the defined benefit obligation</u>	2020
	£
Present value of defined benefit obligation at the start of the year	1,582,804
Benefits paid	(64,444)
Administration expenses	10,876
Interest expense	37,348
Remeasurements - actuarial gains and (losses)	(33,695)
Defined benefit obligation at the start of the year	1,532,889

<u>Changes in the fair value of assets</u>	2020
	£
Fair value of assets at the start of the year	1,330,097
Interest Income	31,950
Remeasurements - return on Scheme assets excluding interest income	(29,275)
Employer contributions	66,791
Benefits paid	(64,444)
Fair value of assets at end of the year	1,335,119

<u>Costs relating to defined benefit scheme included in the SOFA</u>	2020
	£
Interest expense	(37,348)
Interest income	31,950
Administration expenses	(10,876)
Costs included in Net income/(expenditure)	(16,274)
Return on Scheme assets excluding interest income	(29,275)
Actuarial gains and (losses)	33,695
Remeasurements included in Other recognised gains/(losses)	4,420

<u>Net defined benefit liability recognised in the balance sheet</u>	2020	2019
	£	£
Fair value of Scheme assets	1,335,119	1,330,097
Defined benefit obligation	1,532,889	1,582,804
Defined benefit liability recognised in the balance sheet	(197,770)	(252,707)

<u>Principal assumptions</u>	2020	2019
Discount rate	2.25%	2.40%
Retail Prices Index (RPI) Inflation	2.70%	3.45%
Consumer Prices Index (CPI) Inflation	1.70%	2.45%
Future increases to deferred pensions	1.70%	2.45%
Rate of increase to pensions in payment:		
Fixed 5% per annum	5.00%	5.00%
RPI max 5% per annum	2.65%	3.20%
Life expectancy of a male aged 65 at the Balance Sheet date	22.5	22.4
Life expectancy of a male aged 65 in 20 years at the Balance Sheet date	23.9	23.8
Life expectancy of a female aged 65 at the Balance Sheet date	24.8	24.7
Life expectancy of a female aged 65 in 20 years at the Balance Sheet date	26.2	26.2

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Mortality (before and after retirement) assumptions for both years: Males: 96% of S3PA, Females: 95% of S3PA, CMI_2018 with a long-term rate of improvements of 1.25% per annum and initial addition to mortality improvements of 0.5%.

Cash commutation assumptions for both years: Members are assumed to take 25% of their pension as tax-free cash, subject to HMRC restrictions, using cash commutation factors currently in force.

For the avoidance of doubt, the financial assumptions above are in absolute terms. They are single equivalent rates, however in practice full yield curves are used.

Asset Breakdown

The majority categories of Scheme assets as a percentage of total Scheme assets are:

	2020	2019
UK Equities	4.0%	5.0%
Overseas Equities	22.3%	24.4%
Diversified Growth Funds	22.4%	24.1%
UK Government Fixed Interest Bonds	18.8%	16.0%
UK Government Index Linked Bonds	16.9%	16.6%
UK Corporate Bonds	10.3%	10.1%
Property	2.5%	2.5%
Cash	2.8%	1.3%
Total	100.0%	100.0%

The pension scheme has not invested in any of the Trust's own financial instruments, nor in properties or other assets used by the Trust. The assets are all quoted in active markets.

Pension contributions in the year	2020	2019
	£	£
Group personal pension scheme	75,337	71,609

Pension contribution liabilities	2020	2019
	£	£
Group personal pension scheme	11,314	10,495

22. CAPITAL COMMITMENTS

At 31 March 2020 the Trust had commitments for expenditure not provided for in these financial statements in respect of new membership software amounting to £14,750 (2019: nil).

23. CONTINGENT LIABILITY

During the period the charity was notified by the Environment Agency of a change in legislation regarding the General Binding Rules: small sewage discharge to a surface water which came into place on 1 January 2020. There is an anticipated cost to the charity in order to meet the regulations but the amount of this obligation cannot currently be estimated reliably.

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24. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Income £	Restricted Income £	Designated & Endowment Funds £	Total 2019 £	Total 2018 £
Income and endowments from:						
Donations and legacies	2	1,305,386	87,785	0	1,393,171	1,704,233
Charitable activities	3	625,888	608,255	0	1,234,143	2,124,350
Other trading activities	9	81,810	0	0	81,810	82,395
Investments	11	178,365	17,417	0	195,782	200,027
Other		35,702	0	0	35,702	119,411
Total income		2,227,151	713,457	0	2,940,608	4,230,416
Expenditure on:						
Raising funds	4	195,658	0	0	195,658	240,019
Charitable activities	8	1,974,044	762,510	0	2,736,554	2,954,051
Total expenditure		2,169,702	762,510	0	2,932,212	3,194,070
Net (losses)/gains on investments	11	244,497	0	38,840	283,337	36,032
Net income/(expenditure)		301,946	(49,053)	38,840	291,733	1,072,378
Transfers between funds	10	(43,532)	(2,060)	45,592	0	0
Other recognised gains/(losses):						
Actuarial (losses) on defined benefit pension schemes	21	(51,742)	0	0	(51,742)	(13,565)
Net movement in funds		206,672	(51,113)	84,432	239,991	1,058,813
Reconciliation of funds:						
Total funds brought forward		5,097,782	1,562,727	8,803,227	15,463,736	14,404,923
Total funds carried forward		5,304,454	1,511,614	8,887,659	15,703,727	15,463,736