



Lincolnshire

Wildlife Trust

ANNUAL REPORT

and

FINANCIAL STATEMENTS

for the year ended

31 March 2021

**ANNUAL REPORT
and
FINANCIAL STATEMENTS
for the year ended 31 March 2021**

CONTENTS	Page
Chair's Annual Report	1
Report of the Trustees	3
- Strategic Report	3
- Financial Review	10
- Future Plans	15
- Structure, Governance and Management	16
- Reference and Administrative Details	19
- Financial Support	21
- Statement of the Board's Responsibilities	22
Statement as to Disclosure of Information to Auditors	22
Independent Auditor's Report to the Members of Lincolnshire Wildlife Trust	23
Consolidated Statement of Financial Activities	26
Consolidated and Charity Balance Sheet	27
Consolidated Cash Flow Statement	28
Notes to the Financial Statements	29

**CHAIR'S ANNUAL REPORT
for the year ended 31 March 2021**

The current year has been dominated to a large extent by three things: the continued Covid-19 restrictions; formulation of a revised strategy; and the first successful breeding of common cranes in Lincolnshire for 400 years.

Government restrictions remained in place throughout the year and Trust Headquarters, Banovallum House, remained closed to visitors. Whilst some staff were able to maintain a working presence, the majority continued to work from home, and some were furloughed. This was a really difficult time for all concerned but particularly for those employed at the Gibraltar Point café and visitor centre, who were subject to several stop-start decisions as government rules were relaxed and then reimposed. Following relaxation of lockdown, nature reserves were put under considerable visitor pressure although, in contrast, we were obliged to cancel arrangements for visitors during the Donna Nook seal season at the last minute, after restrictions were reintroduced, disappointing the many visitors normally attracted to this annual event.

Unfortunately, face-to-face meetings were impossible and our Area Groups found it difficult to keep in touch with local members, although some illustrated talks were organised online. In addition, we could not expand our work on membership engagement as we might have liked but continued to produce our top-quality magazine, *Lapwings*, which received some very favourable feedback. Social media was particularly active, and the Trust's website saw a significant increase in visitors.

The Covid-19 restrictions have clearly had a significant impact on the way we have been able to conduct "business as usual" and our staff have coped with these challenges in an exemplary manner, continuing to deliver for nature in Lincolnshire. Fortunately, we have had very few confirmed cases of Covid-19, which speaks volumes for our own forward planning, the careful way we have applied government guidelines and the actions of staff. All staff stepped up to the plate, but the Senior Management Team certainly proved their worth and the value of pulling together as a team. Unfortunately, volunteering was significantly restricted, although some specific activity was authorised under tight restrictions. This included 'Crane Watch', which my wife and I were proud to be part of.

During the year, there has been a lot of focus on developing a new ten-year strategy across The Wildlife Trusts movement (TWT), following the appointment of a new CEO, Craig Bennett, formally CEO of Friends of the Earth. The United Kingdom is without doubt one of the most nature-depleted countries in the world and we are facing both a climate and biodiversity crisis.

The TWT movement has more than 850,000 members and more nature reserves than MacDonald's has restaurants, so it is ideally placed to campaign for nature's recovery in terms of space and abundance on land and at sea. Our work in Lincolnshire will continue to focus on the issues that are relevant to us, but by aligning our approach alongside another forty-five Wildlife Trusts and the Royal Society of Wildlife Trusts, we expect to generate a bigger impact than the sum of our individual contributions.

To illustrate this point, the Trust has been involved in a range of advocacy work with government and others at a national level. This work has covered The Environment Act, the marine environment, planning reform, Nature Recovery Networks, and the Build Back Better campaign, all of which are important to us in Lincolnshire but are best approached through a concerted national effort. Locally, we are heavily involved in trials to design ELMS (Environmental Land Management Schemes), which will replace the current agri-environment schemes with a view to rewarding farmers for delivering services for the public good, such as improved access, improved water and soil quality and the like.

In addition, we have made several grant applications to support important local initiatives such as a water catchment project at Bourne North Fen, and have improved the habitat at Far Ings for bitterns, pochards and marsh harriers, following receipt of a grant from BIFFA. Unfortunately, work on the Love Lincs Plants project had to be suspended as we were unable to undertake essential fieldwork and training because of the pandemic but an extension has been granted by National Lottery Heritage Fund, allowing us to complete this important work during 2021.

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

As outlined in last year's Annual Report, we were delighted when common cranes raised a single youngster at our Willow Tree Fen Nature Reserve. The three birds continued to use the reserve as a roost site until October, whilst feeding in the agricultural fields nearby. The reserve was re-opened once they had left for the winter, enabling the wardens to complete some much-needed management work. The value of this was clear when all three birds returned towards the end of January 2021. The birds looked very confident as they moved around the site and the male drove away last year's offspring before the original pair settled down to breed. They produced two healthy youngsters towards the end of April but, unfortunately, these were lost, possibly to predation, in early May. The parents have shown no interest in attempting a replacement clutch, although at the time of writing, they remain on site and can be seen from time-to-time poking their heads above the tall vegetation.

With some sadness, I announce my intention to step down as a Trustee at the AGM in October. It has been an absolute pleasure to have served on the Board for the last twelve years, firstly as Honorary Treasurer and latterly as Chair of Trustees, but I think the time is right to allow others to take on the mantle of leading the Trust.

The Board of Trustees followed a recruitment process, in line with TWT and the Charity Commission guidance, and Anita Quigley, the current Deputy Chair, was selected to take on the role of Chair of Trustees. Her appointment will be confirmed, as usual, at the first Board Meeting after the AGM. Whilst we face a wide range of challenges, the Trust has an effective Board, an excellent Senior Management Team, and a strong staff and volunteer team. As you will see from the accounts, the Trust continues to be in a good place financially thanks to your ongoing support and is well placed to deal with the challenges that lie ahead. I know that I am leaving Lincolnshire Wildlife Trust in good heart and have every confidence that the Trust will be able to play a major role in addressing the climate and biodiversity crises within the county, particularly when working at a national level within a network of Wildlife Trusts.

**REPORT OF THE TRUSTEES
for the year ended 31 March 2021**

The Board of Trustees has pleasure in presenting its report together with the audited accounts for the year ended 31 March 2021. 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 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**

The global pandemic, Covid-19, throughout the period had an impact on activity and will influence strategy for years to come. 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.*

In addition to the Common Cranes at Willow Tree Fen, there was an impressive list of Trust breeding bird firsts, in part arising from the tranquillity on nature reserves during the first Covid-19 lockdown, these include woodlark at Epworth Turbary and little egret at Gibraltar Pont. Following the lockdown, and with the increased visitor pressure, steps were taken on a number of sites to maintain sanctuary areas.

There have been record numbers of natterjack toads calling at Saltfleetby. A remnant population of adder has been confirmed in the Swanholme area of Lincoln. Despite a number of reports over the years, two recent sightings provided the first positive identification for 50 years.

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

Following the royal ascent of the Agriculture Act 2020 and Defra published guidance on future farming entitled *Farming is Changing*, the outline of the Sustainable Farming Incentive has been announced. This will be important financially to landowners, including the Trust, and for nature's recovery. Tammy Smalley, Head of Conservation, attended, on behalf of TWT, an EFRA Committee Round Table with MPs, and farming and conservation representatives to present evidence and discuss the plan and specifically the Environmental Land Management Scheme (ELMS) Test & Trials. Written evidence to the Committee may lead to further changes. Tammy is part of the TWT Land Management Working Group.

Negotiations with Rural Payment Agency (RPA) over outstanding agri-environment payments have made some progress. There are indications that the RPA wishes to resolve the matter nearly as much as the Trust.

Land Management Advice - The ELMS Test Projects are now underway in the Humberhead Levels and South Lincolnshire Water Partnership areas. Led by the Trust, there are eight other Wildlife Trust projects across England. The Wildlife Trusts has also been exploring developing a national framework for providing land management advice. In Lincolnshire, the Trust is working with various estates and farmers including Doddington, Revesby, Ancholme, Fens and Humberhead Levels.

Birds Eye (food producer) have committed to improving its impact on the natural environment. As part of this, it is trialling training their growers on improvements to farm practices. The National Institute of Agricultural Botany (NIAB) is co-ordinating the training and pulling together experts to deliver various modules. The Trust delivered two virtual training packages on water resource management and wildlife. This will be repeated going forward and is a paid service.

Trust staff visited the Doddington Estate, Lincoln to advise on Countryside Stewardship agreement as a step to rewilding the estate. The estate has been working with Natural England and has links to Knepp, Sussex and Wild Ken Hill, Norfolk. The combination of the Trust's detailed understanding of the stewardship scheme, practical land management for wildlife, grazing and sound science was very much appreciated. This could be a valuable exemplar in the county as Doddington Hall has a high profile and visitor numbers. Along with the Trust's Whisby nature reserve, it contributes to a significant matrix of habitats in multiple ownership within the west Lincoln corridor.

The Government bowed to pressure from the National Farmers Union and agreed to authorise the use of the highly damaging neonicotinoid thiamethoxam for the treatment of sugar beet seed in 2021. The Wildlife Trusts strongly oppose this decision. Neonics were not used as the Government agreement to authorise the use was contingent on an assessment of threat to crops; this was not met. The Wildlife Trusts continue to campaign to have this pesticide banned completely.

The Trust has joined a Devon Wildlife Trust led project to undertake beaver dam suitability mapping. University of Exeter will carry out the work across England and Wales. It is hoped it could be combined with local nature recovery network mapping already being produced for Lincolnshire.

The badger cull in Lincolnshire was approved despite protests. The Trust is particularly concerned about the quality of data used to make the decision and the way the announcement was published, presenting Trust nature reserves in the zone. Work to overturn this decision is being undertaken with regional and national colleagues, led by Derbyshire Wildlife Trust.

Over 10,000 bird records were generated in 2020 from the coastal sector of the Lincolnshire Coastal Country Park, Chapel North Sea Observatory to the Sandilands Golf Course. A total of 217 bird species were recorded in the area during the year. To put this into perspective, very few areas within the county (or country) manage to record over 200 bird species over one year. This certainly illustrates the importance and potential for the LCCP as being one of the most productive areas within Lincolnshire for its avian diversity. The Lincolnshire Coastal Country Park has now become an important area following the efforts made by the Trust and its partners to create a 'bigger, better and more joined up landscape' for wildlife. Data has been efficiently collected by a WhatsApp group of birdwatchers.

The Far Ings NNR reedbed project has made considerable progress this year thanks to funding from Biffa; this has seen pochard and bittern breeding success along with excellent otter sightings.

Trust staff and Trustees attended a series of TWT climate change workshops. The aim is to more closely align the carbon and ecology agendas. The Trust undertook a piece of work to assess its carbon (equivalent) emissions and storage. A carbon strategy is to be developed.

The Environment Agency's State of our Rivers report, published in September, presented a shocking picture of England's watercourses. The 2019 classification results show surface water ecological status and potential have remained similar to the last results. The Trust is hosting two Environment Agency's Catchment Partnerships: the Northern Becks, working closely with the Lincolnshire Chalk Streams Partnership and the Ancholme; and is an active partner in the Humber Nature Partnership, Lincolnshire Rivers Trust and Welland Rivers Trust, all catchment hosts. The Trust was a key partner in two EU Life funding bids, the Wilder Trent and Moorspace focused on Crowle-Thorne SAC. The Trust is lead partner for a water vole project for the Great Eau and Waithe Beck catchments. The funding is for mitigation to fulfil a planning condition and is received from the Viking Link (international cabling project).

The Trust inputs to relevant consultations either directly or through national colleagues at TWT. The most significant applications in this period relate to major relief roads, large urban extensions, large pipeline projects, some terrestrial and marine Nationally Significant Infrastructure Projects. The Trust set-up in this period a Greater Lincolnshire Biodiversity Net Gain Task Group with all local planning authorities, to develop a joint set of principles on how to apply BNG in Lincolnshire. Training was provided to various local planning authorities' leadership groups (officers and councillors) and will continue through 2021.

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 will include volunteer accommodation at Gibraltar Point, people engagement, interpretation and a contribution to the habitat improvements. Permissions have been secured and contracts agreed but delivery has been delayed due to the Covid-19 lockdown.

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. During the year a new Partnership Manager, Charlotte Palmer, was recruited. The GLNP's Annual Forum in November unanimously supported the proposal that the Local Nature Recovery Strategy (LNRS) for Greater Lincolnshire will be drafted by GLNP on behalf of all partners. The annual conference was livestreamed in February 2021. The records centre now holds over 10 million ecological records, some 18,273 individual species. The last decade (2010s) saw around 2,000 species of invertebrates recorded on Trust reserves, in no small part because of the work of Dr David Sheppard (Trustee) from his malaise trap samples, using a network of local and national experts to help with the identification of specific invertebrate groups (taxa).

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.*

A major Endangered Landscape Partnership application for the Humber Estuary, led by Yorkshire Wildlife Trust, is progressing well. The Trust is a key partner including functional line management for a Project Officer. This has already paid dividends working as one across the Humber, as Yorkshire WT were successful with a marine Green Recovery Challenge Fund bid in 2020, which will result in seagrass and native oyster re-introduction trials on both sides of the Humber.

Seal season 2020 saw 2,214 pups, a small increase from 2,186 in 2019. Despite the site's closure, wardens remained on duty with some volunteer support throughout various levels of lockdown and the Christmas period.

The Crown Estate announced the six new Offshore Windfarm sites, three of these being in the North Sea. All have the potential to impact Lincolnshire as they are either off our coast or as a result of the associated National Grid cabling upgrade work that will be required. This, alongside the re-introduction of potential Carbon Capture Storage off Lincolnshire, emphasises the need to continue to respond to marine developments.

The recommendation for the complete banning of bottom trawling (fishing) at Dogger Bank and the Inner Dowsing, Race Bank and North Ridge SAC off the Lincolnshire coast, was another positive success for the North Sea Wildlife Trusts' advocacy work.

The Trust continues to be an active partner in The Wash and North Norfolk Marine Partnership including being voted by partners to join the core management group, and feed into the Humber Estuary Relevant Authority Group. The Trust's Senior Marine Planning Officer continues to be an active Marine Management Organisation appointed Board Member to the Eastern Inshore Fisheries and Conservation Authority. The Fisheries Act, similar to the Agriculture Act, gained royal assent in November 2020.

The Trust also continues to work with all the North Sea WTs which secures an advocacy officer who is developing a new North Sea Strategy and developed a project with WWF on blue carbon value of Marine Protected Areas (MPAs).

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.*

During lockdown, Trust nature reserves and the wider countryside came under huge pressure from increased visitors. Whisby saw an increase of nearly 15%, to over 208,000 in 2020, despite effective closure during the month of April. The Trust represented the East Midlands Wildlife Trusts on a national countryside access stakeholder group which considered some of the issues. A revised countryside code was published in 2021 by Natural England.

Visitor engagement was significantly restricted due to social distancing and Covid-19 health and safety concerns. Visitor centres were closed for most of the period. Gibraltar Point reopened offering a takeaway service and, for a short period, table service. The opportunity was taken to undertake much needed renovation work on the Far Ings classroom and toilet block, funded by a grant from SSE.

There were no formal education visits to nature reserves and centres (Gibraltar Point, Whisby, Far Ings, Snipe Dales and Willow Tree Fen) compared with over 7,000 young people and adults, from primary to under graduates, the previous year. The popular events programme, including Watch and Area Groups, was also cancelled, as were external events such as the Lincolnshire Show.

The three-year National Lottery Heritage Fund project, Love Lincs Plants, in partnership with Lincolnshire Naturalists' Union, Sir Joseph Banks Society, and the Natural History Museum (NHM) was effectively suspended. Some engagement with higher education establishments, including project partner the University of Lincoln, has been possible through online technology. The project has secured a no-cost extension as a result of the delays caused by Covid-19.

Development of the Trust's new membership database is making good progress. The new cloud-based ThankQ database has been installed and configured with a training and live environment. The first trial download of data was completed and staff training has been undertaken. The new system will integrate with other Wildlife Trust systems such as the website and is a more modern and secure platform for this critical data.

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

Face-to-face membership recruitment was suspended during lockdown in line with regulatory guidance. The Trust commissioned work to develop a telephone membership service has been trialled by the Trust owned company Wildlife Fundraising (Central) Ltd (WFC) with partner Trusts, undertaking welcome calls, campaigns (uplift and Gift Aid) and membership recruitment.

The members' *Lapwings* magazine was delivered through a mailing house, avoiding the need to engage volunteers during the Covid-19 period.

Communications effort focussed on the stay local messaging for Covid-19 lockdown and tier compliance, highlighting wildlife opportunities on your doorstep.

The Trust's website showed a marked increase in users in the year, up 38% to over 600,000. Social media following has increased on the Trust's primary sites to a total of over 22,000, an increase of more than 10%. Regular postings included educational activities, wellbeing Wednesdays with footage from a nature reserve and some amusing films. An additional wildlife enthusiast Twitter account, for up-to-date news and sightings, will complement the main and site specific Facebook accounts.

The Wildlife Trust's annual campaign, 30 Days Wild, was promoted and saw an increase in participation by people in Lincolnshire with 2,455 sign-ups, a 59% increase on the previous year.

BBC Look North filmed at Willow Tree Fen following the announcement of the crane chick; the piece was also used on BBC Radio Four's Farming Today and BBC Radio Lincolnshire. There was a significant increase in media activity with regional television covering the proposed badger cull, visitor pressure and Donna Nook seals, with regular local radio airtime including dawn chorus and wildlife sightings.

The new cohort of Trainees are all proving very capable. All were regular volunteers with the Trust. Volunteering activity was significantly curtailed due to Covid-19, the exception being the hastily gathered group of volunteers to watch over the cranes at Willow Tree Fen, putting in over 1,500 hours of volunteer time. An advert for a residential volunteer at Far Ings prompted 50 applications.

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, Wayside Wardens, 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. While Trustees remained very active using video conferencing facilities for meetings, there was only limited on-site activity, and no events or meetings. Many Area Groups were active on social media, recording of wildlife in gardens and neighbourhoods was encouraged and held online illustrated talks.

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, Wildlife Fundraising (Central) Ltd. 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. A resumption in operations late in 2020 was successful but of limited duration due to further lockdown. The Trust supported the company in developing additional services including door-to-door recruitment and telephone campaigns. This work was funded by National Lottery Heritage Emergency Fund.

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. 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, many working from home. Cyber threat increased and tight procedures were maintained. 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 adopted the Charity Governance Code in 2018, completed a thorough review of the recommended practice, and in 2020 Trustees undertook a self-assessment using the NCVO's Governance Wheel. 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.

The code was updated in 2020; Trustees considered the changes, most particularly the broader expectations under the principle of Equality, Diversity and Inclusion. The Wildlife Trusts launched the Wild About Inclusion Strategy. The priorities focus on leadership, communication and access. The Trust has taken some positive steps to be inclusive across the breadth of its work.

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 despite a fall in total income from £3.5m to £2.8m with an overall surplus for the year of £720k compared to £387k last year. Total expenditure was £2.9m (2020 £3.2m).

Unrestricted income fell by 25% from £2.6m to £2.0m, primarily as a result of a reduction in unrestricted legacy income which was £341k compared to £881k in 2020. Earned income fell as a result of the pandemic, with lockdown restrictions leading to the closure of the Trust’s visitor centres, curtailing catering and retail activity. Covid-19 also forced the cessation of the Trust’s educational activities. Government grants available during the pandemic helped the Trust during this difficult time, with grants from the Coronavirus Job Retention Scheme and the Retail, Hospitality and Leisure grants being received during the year.

Unrestricted expenditure fell from £2.5m to £2.3m, mainly due to reduced expenditure on membership recruitment due to the lockdown restrictions and also due to reduced retail activity.

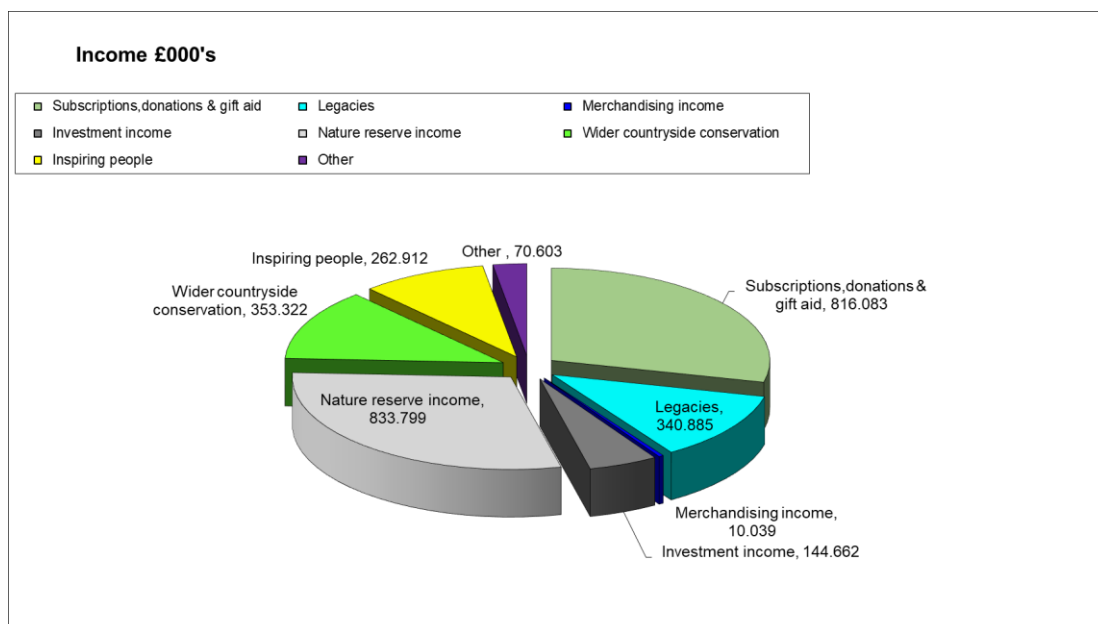
The value of the Trust’s unrestricted investments increased by £675k, reversing the loss of £270k seen at the end of the last financial year at a time when the pandemic was first having an impact. Overall, this resulted in a surplus on unrestricted funds of £559k, compared to the surplus of £373k in 2020.

Membership at the year-end stood at 25,971 members compared to 27,751 at 31 March 2020, a fall of 6%, although income remained reasonably stable, falling by less than 1%. Proactive membership recruitment was not possible for most of the year, due to national and local restrictions and even during other times, opportunities were limited due to social distancing and other limitations brought about by Covid-19.

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’s investments performed well during the year as markets recovered the losses seen at the end of March 2020 and then continued to rally. 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 13. The Trust made the decision to start to move its invested funds to those with a greater emphasis on ethical investment during this year and the transition will be completed in July 2021 when the Trust’s remaining investments will be transferred to the CCLA Ethical Investment Fund.

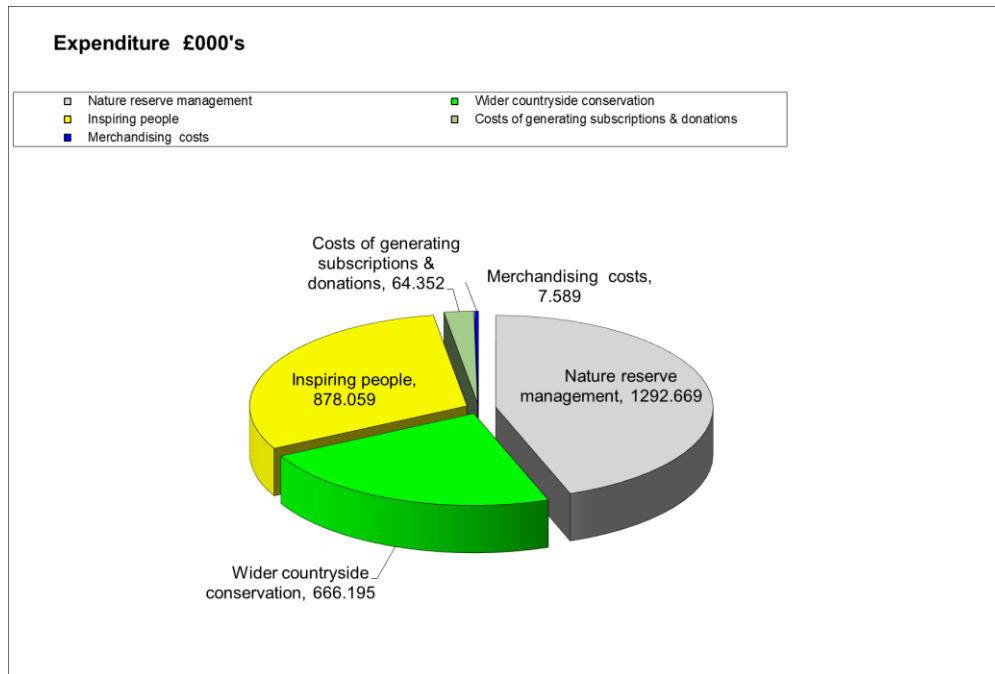
The Trust has had a satisfactory year with regard to restricted income with levels of income similar to 2020 being reported. The National Lottery/EU LIFE funded Dynamic Dunescapes project commenced despite all the pandemic restrictions.



LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

The Trust spent £2.8m (2020 £2.9m) on its charitable activities during the year which represents 98% (2020 93%) of total expenditure, which has increased due to the much-reduced expenditure on raising funds. This has been spread across Nature Reserves, Wider Countryside Conservation and Inspiring People. The Trust has continued to develop and enhance nature reserves as needed and invest in advocacy. Plans to recommence education and public engagement activities, as soon as guidelines allow, have been made.



The Trust ended the year having succeeded in overcoming many of the challenges that the pandemic presented. The Trust took steps to ensure that it had the cash flow to meet its commitments, realising some investments and also taking advantage of the opportunity to take out a Coronavirus Business Interruption Loan (CBILS) during the year. This is shown in the financial statements as being repayable within one year, as the decision has been made to repay the money in full before interest starts to be incurred. The Trust finds itself with a healthy cash balance, partly as a result of a delay relating to some significant project expenditure, which had been expected to be completed during this financial year but which remains outstanding.

The Trust's Development Fund remains partially committed to the Dynamic Dunescapes Project and also to the Trust's new customer relationship management system. 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.

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

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.

The Board has set a target range of £250k-£900k for its **Income Resilience Fund**. 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 £303k. This is shown in the table below.

	Target Range £k	At 31 March 2021 £k
Working Capital cash	350	350
Income resilience	250-900	900
General Fund	600-1,250	1,250
Development Fund	250-1,000	535
Conservation Fund	3,250-5,500	4,115
Total	4,100-7,750	5,900
Pension Deficit Fund		303

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 £34k (2020 £38k).

Restricted Funds

The Trust holds a range of restricted funds related to projects, as well as some restricted legacies and donations. Movements in each significant 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. The investment objective is to optimise total return and 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.

At the start of the financial year, the Trust's unrestricted investments were managed by two renowned charity investment managers, CCLA and M&G. The decision was made to realise the Trust's M&G investments and to partly reinvest in the CCLA Ethical Fund. At 31 March 2021 these investments were valued at £4.9m with 87.6% in CCLA's Investment Fund and 12.4% in CCLA's Ethical Investment Fund. Units in both CCLA and M&G were sold during the year to realise funds to ensure a strong cash flow in the uncertain times during the pandemic.

The decision has been made to move fully to the Ethical fund and this transfer will occur in July 2021.

For the year to 31 March 2021, the total unrestricted portfolio increased by 11% (2020: -15%) even after the sale of some of the investments.

During the year the two investments produced an income of £145k (2020 £182k), an income yield of 3.0% (2020 3.7%).

At 31 March 2021 the Trust's endowment fund, which is managed by CCLA, was valued at £619k (2020 £513k). This is currently invested in CCLA's Investment Fund but will be transferring to the CCLA Ethical Fund in July 2021. This delivered a capital gain of 20.7% and a restricted income of £18k, an income yield of 2.9% (2020: 3.5%).

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 2021 or 31 March 2020, 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.

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863

Charity No: 218895

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 schedule of contributions, the Trust's deficit recovery payments are set to increase by 3% from August 2021, to £6,504 per month and will increase thereafter annually 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 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 £127,234. This approach was adopted by the Trust for the first time at 31 March 2020, having previously accounted for it as if it were a defined contribution scheme. At that time, a designated fund of £287,616 was 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 as at that date. This was the method used previously. This fund currently stands at £303,188 after the adjustment at the end of this financial year.

FUTURE PLANS

During the year ahead, effort will focus on delivery of the final year of the Trust's current Strategic Plan. However, delivery will be significantly influenced by the impact of and response to the Covid-19 pandemic. Development of a new ten-year strategy, aligned with The Wildlife Trusts emerging strategy, is underway,

When considering these priorities, it should not be ignored that the day-to-day work of the Trust continues and is fundamental to nature's recovery in the county. This includes: maintaining a 3,500 ha estate of 100 sites, with 750,000+ day visits with the attendant ecological, public engagement and health and safety implications of running an estate of this size and complexity; servicing of the 13,000 memberships; the Trust's funding, finances and legal processes; along with advocacy, development control, campaigning and communications.

Particular activities in the year are:

- Environment Bill – continue to push for royal assent and no weakening of the Bill, and work with the Greater Lincolnshire local planning authorities to prepare for the roll-out of mandatory Biodiversity Net Gain.
- Nature Recovery Network and Greater Lincolnshire Local Nature Recovery Strategy – influence local authorities and other agencies to work to deliver nature's recovery in a coherent manner.
- Environmental Land Management Scheme (ELMS) – directly influence future approach to funding land management through delivery of the two national landscape-scale tests in South Lincolnshire and the Humberhead Levels.
- Nature reserves – effectively manage the funding transition for biodiversity and wider 'public goods'.
- Habitat restoration and creation – deliver major projects at Saltfleetby, Gibraltar Point, Sow Dale and Castle Bytham nature reserves.
- 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 EU Life 'Moor Space', Wild Lincoln 'Boultham Park Lake' and the Humber's Extraordinary Estuary.
- Resurrect events with a focus on connecting with members. Work with partners to continue to deliver 'Wild Lincoln' community groups, trial urban 'Naturehoods' in South Lincolnshire Fens and The Wash Siltlands.
- Complete development of residential volunteer training facilities at Gibraltar Point and Saltfleetby NNRs (Dynamic Dunescapes Project).
- Implement the new membership database ThankQ.

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 last amended on 20 October 2018. Membership of the Trust is open to all, and the total number of subscribing members at 1 April 2021 was 25,971, a decrease of 6.4% from 27,751 in 2020. 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. The Board has no power of co-option but may fill a vacancy until the next AGM, refreshing the Board's diversity of skills, experience and backgrounds.

Five new Trustees were elected in 2020 from over twenty applications received. Recruitment involved application and online interview, a new approach to overcome the Covid-19 restrictions.

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. A structured online induction was undertaken to meet the needs of all five new Trustees in a Covid-19 compliant way. Onsite induction will commence when Covid-19 restrictions allow.

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 and recently launched online seminars and workshops 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. 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 usually held each year with Area Group representatives. All of these meetings and one Area Group forum were held online to fulfil government guidance for Covid-19.

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 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 2021, the Trust employed a total of 72 members of staff (46 full-time and 26 part-time). Of these, 4 relate to the GLNP, 6 to projects with external funding and 62 to the Trust's core activities.

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

During the year, 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. Sales were significantly lower in the period due to the restrictions of Covid-19.

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:

- **Ancholme Catchment Partnership:** hosted by the Trust, with 15 key partners based in and around the Ancholme, and a landowner working group being established.
- **Catchment Partnerships:** Northern Becks, Welland (Nene), Witham. Multitude of partners.
- **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 Chalk Stream Partnership & Trust:** particular focus on project delivery to improve the water environment of the chalk streams across the Wolds.
- **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 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.

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

- **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:** the Trust with 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**, with the Ministry of Defence in the management of **Donna Nook NNR** and **Wainfleet Range** and **RSPB** at Frampton Marsh.

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

REFERENCE AND ADMINISTRATIVE DETAILS

<u>Charity Name</u>	Lincolnshire Wildlife Trust The organisation is sometimes referred to simply as The Lincolnshire Trust. Former names were The Lincolnshire Naturalists' Trust, The Lincolnshire Trust for Nature Conservation and The Lincolnshire & South Humberside Trust for Nature Conservation.
<u>Charity number:</u>	218895
<u>Company number:</u>	00461863
<u>Headquarters & Registered office:</u>	Banovallum House Manor House Street Horncastle Lincolnshire LN9 5HF Tel: 01507 526667
<u>Auditors:</u>	Wright Vigar Limited Statutory Auditors Chartered Accountants & Business Advisers 15 Newland Lincoln LN1 1XG
<u>Bankers:</u>	Barclays Bank plc 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
<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 12 others elected at the Annual General Meeting.

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

Presidents:

G L Trinder (President)
B Tear (Vice President)

Trustees/Directors:

D A Cohen (Chair)
A Quigley (Deputy Chair)
J Purvis (Honorary Treasurer)
M J Burgass appointed Trustee 24.10.20
E L Buyers appointed Trustee 24.10.20
G Corn appointed Trustee 24.10.20
K E Hamilton appointed Trustee 24.10.20
J Mellor
R Oates
S Round
T S Sands
D A Sheppard
C J Sirett appointed Trustee 24.10.20
M Smith
B Tyrrel

Company Secretary:

P V Learoyd

Senior Staff:

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

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

FINANCIAL SUPPORT

We are grateful to the following for substantial financial support in 2020/2021 through donations, grants and the sponsorship of projects:

Anglian Water Services	National Grid
Baston Parish Council	National Lottery Heritage Fund
Defra	Natural England
East Lindsey District Council	North Kesteven District Council
Environment Agency	North Lincolnshire Council
Esmée Fairburn Foundation	People's Postcode Lottery
European Union	RSPB
HMRC Coronavirus Job Retention Scheme	RSWT
Lincolnshire County Council	SSE
Lincolnshire Co-operative Society Limited	Vine House Farm
Ministry of Defence	Wildlife Trust for Bedfordshire, Cambridgeshire and Northamptonshire

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

The following were Corporate Members during the reporting period:

Anglian Water Services	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	Truelove Property & Construction
J W Ruddock & Sons Limited	Yara (UK) Limited
John Kinch Group	Wienerberger Limited
Lindum Group Limited	Woodhall Country Park
Mortons of Horncastle 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 2021:

Winifred Margaret Spilman	Lord Martin Hugh Broadbridge
Phyllis Jean Bruning	Margaret Annie Medland
Eileen Mabel Briggs	Kathleen Smith
Julian Robert Hill	Julie Bilton
Ethel Mary Cockerill	Helen Margaret Outram
Alan George Riseborough	Neville Geoffrey Arthurs
Derek Alwyn Clay	Edward Backus
Sylvia May Smith	Derek Barnett

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

STATEMENT OF THE BOARD'S RESPONSIBILITIES

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

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

The Report of the Members of the Board, which includes the Strategic Report on pages 3 to 9, were approved by the Board on 20 July 2021 and signed on its behalf.

By Order of the Board

20 July 2021

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 2021 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).

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 2021, 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

We have been appointed under the Companies Act 2006 and report in accordance with this.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our work is performed to include an assessment of the susceptibility of the entity's financial statements to material misstatement, including the risk of fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

In identifying and assessing risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We plan our work to gain an understanding of the significant laws and regulations that are of significance to the entity and the sector in which they operate. We perform our work to ensure that the entity is complying with its legal and regulatory framework.
- We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making inquiries to the management and people charged with governance.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- Substantive procedures performed in accordance with the ISAs (UK).
- Challenging assumptions and judgments made by management in its significant accounting estimates.
- Identifying and testing journal entries, in particular material journal entries and an assessment of year end journals.
- Assessing the extent of compliance with the relevant laws and regulations.

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.

Use of our report

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.

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

20 July 2021

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure Account) for the year ended 31 March 2021

	Notes	Unrestricted Income £	Restricted Income £	Designated & Endowment Fund £	Total 2021 £	Total 2020 £
Income						
Donations and legacies	2	1,156,968	0	0	1,156,968	1,684,312
Charitable activities	3	594,602	845,431	0	1,440,033	1,472,615
Other trading activities	9	10,039	0	0	10,039	67,034
Investments	11	126,469	18,193	0	144,662	181,916
Other		70,603	0	0	70,603	100,913
Total		1,958,681	863,624	0	2,822,305	3,506,790
Expenditure						
Raising Funds	4	71,941	0	0	71,941	234,842
Charitable activities	8	2,185,767	641,156	0	2,826,923	2,926,462
Other		0	0	0	0	0
Total		2,257,708	641,156	0	2,898,864	3,161,304
Net gains/(loss) on investments	11	674,885	0	106,210	781,095	(288,060)
Net income/(expenditure)		375,858	222,468	106,210	704,536	57,426
Transfers between funds	16-19	167,993	(168,193)	200	0	0
Other recognised gains/(losses):						
Defined benefit pension scheme provision	21	15,572	0	0	15,572	4,420
Other gains - move to defined benefit accounting for pensions		0			0	325,238
Net movement in funds		559,423	54,275	106,410	720,108	387,084
Reconciliation of funds:						
Total funds brought forward		5,677,929	1,058,232	9,354,650	16,090,811	15,703,727
Total funds carried forward		6,237,352	1,112,507	9,461,060	16,810,919	16,090,811

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 29 to 44 form part of these financial statements

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

CONSOLIDATED AND CHARITY BALANCE SHEET as at 31 MARCH 2021

	Notes	Group		Company	
		2021 £	2020 £	2021 £	2020 £
Fixed Assets					
Heritage assets	10	8,649,708	8,649,508	8,649,708	8,649,508
Tangible assets	10	1,102,631	1,122,231	1,102,627	1,122,073
Investments	11	4,862,864	4,385,261	4,887,864	4,410,261
Total fixed assets		14,615,203	14,157,000	14,640,199	14,181,842
Current Assets					
Stocks	12	37,639	39,469	21,150	21,150
Debtors	13	1,073,679	1,772,492	1,084,627	1,782,424
Cash at bank and in hand	14	1,789,784	797,402	1,765,790	776,258
Total current assets		2,901,102	2,609,363	2,871,567	2,579,832
Liabilities					
Creditors:					
Amounts falling due within one year	15	431,902	325,907	429,505	339,726
Net Current Assets		2,469,200	2,283,456	2,442,602	2,240,106
Net Assets less Current Liabilities		17,084,403	16,440,456	17,082,261	16,421,948
Creditors:					
Amounts falling due after one year	15	146,250	151,875	146,250	151,875
Pension provision	21	127,234	197,770	127,234	197,770
Net assets		16,810,919	16,090,811	16,808,777	16,072,303
The funds of the charity					
Endowment and Designated Funds	16	8,841,777	8,841,577	8,841,777	8,841,577
Restricted Endowment Fund	17	619,283	513,073	619,283	513,073
Restricted Funds	18	1,112,507	1,058,232	1,112,507	1,058,232
Unrestricted Funds	19	6,237,352	5,677,929	6,235,210	5,659,421
		16,810,919	16,090,811	16,808,777	16,072,303

The financial statements were approved by the Board of Trustees on 20 July 2021 and were signed on its behalf by:

..... J Purvis – Honorary Treasurer

..... D A Cohen - Chair

Company Number 00461863

The notes on pages 29 to 44 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 2021

	2021	2021	2020	2020
	£	£	£	£
Cash Flows from operating activities:				
Net cash provided by (used in) operating activities		635,074		91,006
Cash flows from investing activities:				
Dividends, interest and rents from investments	144,662		181,916	
Proceeds from the sale of property, plant and equipment	0		0	
Proceeds from the sale of investments	913,492		555,000	
Purchase of property, plant, equipment and heritage assets	(90,846)		(708,290)	
Purchase of investments	(610,000)		0	
Net cash provided by (used in) investing activities		357,308		28,626
Change in cash and cash equivalents in the reporting period		992,382		119,632
Cash and cash equivalents at the beginning of the reporting period		797,402		677,770
Cash and cash equivalents at the end of the reporting period		1,789,784		797,402
Net income/(expenditure) for the reporting period (as per statement of financial activities)		720,108		387,084
Adjustments for:				
Depreciation		110,246		114,093
(Gains)/losses of investments		(781,095)		288,060
Dividends, interest and rents from investments		(144,662)		(181,916)
Loss/(profit) on the sale of fixed assets		0		393
(Increase)/decrease in stock		1,830		3,163
(Increase)/decrease in debtors		698,813		(881)
Increase/(decrease) in creditors		100,370		(138,815)
Pension contributions paid into defined benefit scheme in period		(83,818)		(66,791)
Other gains/(losses) on pension in period		0		(325,238)
Pension interest and expenses		28,854		16,274
Pension provision in period		(15,572)		(4,420)
Net cash inflow from operating activity		635,074		91,006

The notes on pages 29 to 44 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 2021

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 (including Government Grants)

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
Charity No: 218895

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.

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	2021	2020
	£	£	£	£
Membership income	763,544	0	763,544	766,847
Grants and donations	52,539	0	52,539	35,858
Legacies	340,885	0	340,885	881,607
	1,156,968	0	1,156,968	1,684,312

At 31 March 2021, 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 £317k (2020: £380k).

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

3. CHARITABLE ACTIVITIES

	Unrestricted Income £	Restricted income £	Total 2021 £	Total 2020 £
Nature Reserves				
Environmental Funding	195,777	225,797	421,574	419,434
Local Authority Funding	0	30,500	30,500	23,500
Central Government Funding	18,325	39,650	57,975	50,684
Other Grant Income	0	125,190	125,190	175,927
Donations	0	1,360	1,360	83,529
Earned Income		36,362	36,362	32,804
Income from properties	146,942	0	146,942	140,340
Other Incoming resources	0	3,896	3,896	643
	361,044	462,755	823,799	926,861
Wider Countryside Conservation				
Local Authority Funding	0	106,867	106,867	64,468
Central Government Funding	29,163	88,841	118,004	31,208
Other Public Bodies	0	2,785	2,785	3,225
Other Grant Income	0	88,273	88,273	132,325
Earned Income	0	35,760	35,760	39,948
Donations	0	1,633	1,633	1,700
	29,163	324,159	353,322	272,874
Inspiring People				
Local Authority Funding	7,000	11,417	18,417	0
Central Government Funding	100,934	0	100,934	0
Other Grant Income	0	47,100	47,100	5,000
Earned Income	96,461	0	96,461	267,880
Donations	0	0	0	0
	204,395	58,517	262,912	272,880
	594,602	845,431	1,440,033	1,472,615

The charity received government grants totalling £268,258 in the period (2020: £37,000).

4. EXPENDITURE ON RAISING FUNDS

	Unrestricted £	Restricted £	2021 £	2020 £
Supporter recruitment	64,245	0	64,245	192,740
Recruitment overheads	107	0	107	2,019
Merchandising	7,589	0	7,589	40,083
Total	71,941	0	71,941	234,842

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

5. EMPLOYEE INFORMATION

	2021 £	2020 £
The movement in the year is after charging:		
Salaries and wages	1,505,867	1,458,971
Social security costs	124,489	119,016
Other pension costs	77,908	75,337
Staff costs for the Company	1,708,264	1,653,324
Staff costs for Lapwings Consultants Limited	0	0
	<u>1,708,264</u>	<u>1,653,324</u>

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

Full time	45	43
Part time	26	31
Company Totals	<u>71</u>	<u>74</u>
Lapwings Consultants Limited	0	0
Group Total	<u>71</u>	<u>74</u>

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

Nature Reserves	25	25
Wider Countryside Conservation	13	13
Inspiring People	24	27
Raising Funds	1	1
Management and Administration	8	8
Company Totals	<u>71</u>	<u>74</u>
Lapwings Consultants Limited	0	0
Group Total	<u>71</u>	<u>74</u>

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

62 members of staff (2020: 62) were members of a scheme at the end of the year.

Pension contributions of £5,663 (2020: £5,438) were made on behalf of higher paid employees.

The total value of employee benefits received by key management personnel (our senior staff) were £302,103 (2020: £266,597).

Employees paid £60,000 or more	2021	2020
£70,000-£79,999	1	1

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

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 (2020: nil).

During the year, the Trust received £30 (2020: £30) from Baumber Park Farms Limited, a company which Mrs C Harrison is also a director. This is for grazing rent. Mrs Harrison resigned as a Trustee on 31 December 2019.

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 5 other Wildlife Trusts to provide membership recruitments services to the founding members. The Chief Executive of Lincolnshire Wildlife Trust, Paul Learoyd, is Chair of the Board of Directors of this company. Recruitment costs of £31,663 (2020: £159,734) were incurred in the year in respect of services received from Wildlife Fundraising (Central) Limited. £7,002 was owed by them (2020: £13,272 owed to them) as at 31 March 2021 and is included in the Trade Creditors figure in Note 15 on page 38. 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 38.

7. ANALYSIS OF SUPPORT COSTS BY CHARITABLE ACTIVITY

	Overheads	IT & HR	Finance	Premises	Governance	Total
	£	£	£	£	£	£
Nature Reserves	145,598	14,576	32,561	14,913	10,452	218,100
Wider Countryside Conservation	101,316	10,143	22,658	10,378	7,273	151,768
Inspiring People	107,338	10,745	24,005	10,995	7,706	160,789
Total	354,252	35,464	79,224	36,286	25,431	530,657
Total Support Costs 2020	361,997	39,266	76,419	38,803	24,672	541,157

8. ANALYSIS OF TOTAL EXPENDITURE

	Direct Employment Costs	Support Costs	Direct Costs	2021 Total	2020 Total
	£	£	£	£	£
Nature Reserves	568,451	218,100	496,118	1,282,669	1,284,190
Wider Countryside Conservation	404,593	151,768	109,834	666,195	692,560
Inspiring People	401,903	160,789	315,367	878,059	949,712
Charitable Activities	1,374,947	530,657	921,319	2,826,923	2,926,462
Raising Funds	28,676	107	35,569	64,352	194,759
Merchandising	0	2,803	4,786	7,589	40,083
Total expenditure	1,403,623	533,567	961,674	2,898,864	3,161,304
Total expenditure 2020	1,359,392	548,238	1,253,674	3,161,304	2,932,212

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:

	2021	2020
	£	£
Statutory	9,950	9,550
Tax Advice	1,900	0
	<u>11,850</u>	<u>9,550</u>

9. TRADING SUBSIDIARY

Lapwings Consultants Limited

Profit and Loss Account year ended 31 March 2021

	2021	2020
	£	£
Turnover	10,039	67,034
Cost of sales	(4,795)	(35,021)
Gross profit	5,244	32,013
Administrative expenses	(4,804)	(17,062)
Operating Profit	440	14,951
Interest receivable and similar income	10	0
	<u>450</u>	<u>14,951</u>
Interest payable and similar expenses	(200)	(200)
Profit before taxation	250	14,751
Tax on profit	0	0
Profit for the financial year	<u>250</u>	<u>14,751</u>

Balance Sheet as at 31 March 2021

	Notes	2021	2020
Fixed assets		4	158
Stock		16,489	18,319
Prepayments		68	68
Amounts owed by group companies		0	16,061
Cash at bank and in hand		<u>23,994</u>	<u>21,144</u>
		40,551	55,592
Creditors: Amounts falling due within one year		(2,397)	(2,241)
Amounts owed to group companies		<u>(11,016)</u>	<u>(10,000)</u>
		(13,413)	(12,241)
Net current assets/(liabilities)		27,138	43,351
Total assets less current liabilities		<u>27,142</u>	<u>43,509</u>
Capital and Reserves			
Share Capital	11	25,000	25,000
Profit and Loss Account		2,142	18,509
		<u>27,142</u>	<u>43,509</u>

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

10. FIXED ASSETS

Group	Heritage Assets	Tangible Assets				Total Tangible Assets
	Nature Reserves £	Banovallum House £	Other Buildings £	Motor Vehicles £	Fixtures Fittings & Equipment £	
Cost:						
At 1 April 2020	8,649,508	442,807	393,762	250,617	1,243,891	2,331,077
Additions	200	0	0	0	90,646	90,646
Disposals	0	0	0	(14,850)	0	(14,850)
Work In Progress	0	0	0	0	0	0
Cost at 31 March 2021	<u>8,649,708</u>	<u>442,807</u>	<u>393,762</u>	<u>235,767</u>	<u>1,334,537</u>	<u>2,406,873</u>
Depreciation:						
At 1 April 2020	0	0	123,685	215,516	869,645	1,208,846
Provided for the period	0	0	17,598	15,238	77,410	110,246
Disposals	0	0		(14,850)	0	(14,850)
Depreciation at 31 March 2021	<u>0</u>	<u>0</u>	<u>141,283</u>	<u>215,904</u>	<u>947,055</u>	<u>1,304,242</u>
Net Book Value 31 March 2021	<u>8,649,708</u>	<u>442,807</u>	<u>252,479</u>	<u>19,863</u>	<u>387,482</u>	<u>1,102,631</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>

Nature Reserves 2020/21

Additions:		£
Rush Furlong		200
Total:		<u>200</u>

Tangible assets with a net book value of £1,102,627 and Heritage assets with a net book value of £8,649,708 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. 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 £4 (cost: £17,142; depreciation £17,138) which relates to the Fixtures and Fittings of Lapwings Consultants Limited.

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

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

11. INVESTMENTS

Group

	2021	2020
	£	£
Market value at 31 March 2020	4,385,261	5,228,321
Investments made in the year	610,000	0
Disposals	(913,492)	(555,000)
Realised gains on disposal	58,042	25,167
Add: Net (losses)/gains on revaluation at 31 March 2021	723,053	(313,227)
	<hr/>	<hr/>
Market Value at 31 March 2021	4,862,864	4,385,261
	<hr/>	<hr/>
Historical cost as at 31 March 2021	2,767,875	3,071,367

The above market value can be analysed as follows:

	INVESTMENT INCOME		MARKET VALUE	
	2021	2020	2021	2020
	£	£	£	£
UK Listed Investments unrestricted	126,469	164,149	4,243,581	3,872,188
UK Listed Investments restricted	18,193	17,767	619,283	513,073
	<hr/>	<hr/>	<hr/>	<hr/>
	144,662	181,916	4,862,864	4,385,261

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	
	2021	2020	2021	2020
	£	£	£	£
Goods for resale	16,489	18,319	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/>
	37,639	39,469	21,150	21,150

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

13. DEBTORS

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Owed by group companies	0	0	11,016	10,000
Trade Debtors	42,115	8,487	42,115	8,487
Other Debtors	372,082	695,363	372,082	695,363
Prepayments	228,830	234,795	228,762	234,727
VAT	0	11,903	0	11,903
Legacies Receivable	341,861	821,944	341,861	821,944
Assets under Construction	88,791	0	88,791	0
	1,073,679	1,772,492	1,084,627	1,782,424

The amount owed by Group Companies includes a loan to Lapwings Consultants Limited of £10,000 (2020: £10,000). Interest is payable on the loan at 2 per cent per annum.

14. CASH AT BANK & IN HAND

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank balances	1,366,539	389,157	1,343,315	368,783
COIF Charities Deposit Fund	420,000	405,000	420,000	405,000
Cash in hand	3,245	3,245	2,475	2,475
	1,789,784	797,402	1,765,790	776,258

15. CREDITORS

Falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
VAT	18,511	0	18,511	0
Amounts Owed by Group Companies	0	0	0	16,061
Trade Creditors	107,800	101,508	107,281	101,070
Other Creditors	5	20	5	20
Accruals	188,298	207,281	186,420	205,477
PAYE & Pension	11,663	11,314	11,663	11,314
Bank Loan	100,000	0	100,000	0
Deferred Income inc Badger Farm	5,625	5,784	5,625	5,784
	431,902	325,907	429,505	339,726

Falling due after one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Deferred Income re: Badger Farm	146,250	151,875	146,250	151,875
	146,250	151,875	146,250	151,875

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

Deferred Income Resources

	2021	2020
	£	£
Deferred Income:		
Deferred Income at 1 April 2020	157,659	164,826
Amount Released in Year	(5,784)	(7,167)
Amount Deferred in Year	0	0
Deferred Income at 31 March 2021	<u>151,875</u>	<u>157,659</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>
	<u>£</u>	<u>£</u>	<u>£</u>
Fund balances as at April 2020:	4,512,248	4,329,329	8,841,577
Designated from unrestricted Funds:	0	200	200
Fund balances as at 31 March 2021:	<u>4,512,248</u>	<u>4,329,529</u>	<u>8,841,777</u>

The Funds are represented by the following:

Nature Reserves* owned by the charity	£ 8,649,708
Banovallum House (Trust Headquarters) - proportion	117,551
Sykes Farm Improvements	74,518
	<u>8,841,777</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 2020	Incoming Resources	Expenditure	Transfers	Investment Unrealised Gain	Balance as at 31 March 2021
	£	£	£	£	£	£
Heritage Lottery						
Catalyst Fund	513,073	0	0	0	106,210	619,283

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

Summary of Endowment Funds

Funds balances as at 31st March 2021

Represented by our nature reserves and heritage assets

Endowment Funds	4,512,248
Designated Funds	4,329,529
HLF Catalyst Fund	619,283
Total	<u>9,461,060</u>

18. RESTRICTED INCOME FUNDS

	Balance as at 31 March 2020	Incoming Resources	Resources Expended	Funds Transfer	Balance as at 31 March 2021
	£	£	£	£	£
Coastal Grazing Marshes	20,669	650	(1,425)	0	19,894
Greater Lincolnshire Nature Partnership	224,184	184,892	(132,642)	0	276,434
Fens for the Future	3,223	12,333	(4,436)	0	11,120
Lincolnshire Plants Past & Future HLF	115,176	0	(41,081)	0	74,095
People's Postcode Lottery Carbon Reduction Strategy	0	10,000	0	0	10,000
South Lincolnshire Fens	16,165	5,700	(1,350)	0	20,515
Viking Link Interconnector	0	40,000	(5,732)	0	34,268
EA Slow the Flow Project	14,500	0	0	0	14,500
EA CaBA projects	14,739	15,000	(21,757)	0	7,982
Lincolnshire Co-op Community Champions	24,319	0	(7,462)	0	16,857
Coastal Ranger	10,000	10,000	(10,000)	0	10,000
EA Bird Data Project	9,771	0	(5,913)	0	3,858
Marine Planning Officer	62,585	13,500	(27,184)	0	48,901
Lincolnshire Plant Propagation	0	42,000	0	0	42,000
Catalyst Fund Income	0	18,193	0	(18,193)	0
Dynamic Dunescapes	(15,059)	37,817	(36,598)	0	(13,840)
Dynamic Dunes Capital Grant	0	70,730	0	0	70,730
Defra ELMS projects	0	10,000	(10,958)	0	(958)
Castle Bytham donations	0	1,350	0	0	1,350
Heritage Lottery Covid-19	0	47,100	(23,154)	0	23,946
Far Ings SSE SDF Fit for the Future	0	11,416	(11,548)	0	(132)
EA Anderby Marsh	0	24,000	0	0	24,000
EA Huttoft Marsh	0	4,900	0	0	4,900
Legacy - Angela Bates	439,099	0	0	(150,000)	289,099
Environmental Funding	0	225,797	(225,797)	0	0
Local Authority Funding	4,101	56,862	(57,642)	0	3,321
Central Government Funding	(1,017)	10,750	(9,490)	0	243
Other funds	115,777	10,634	(6,987)	0	119,424
Total	1,058,232	863,624	(641,156)	(168,193)	1,112,507

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. £150,000 of Angela Bates' legacy has been used to support the charitable work on the nature reserves.

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

19. UNRESTRICTED FUNDS

	Balance 31 March 2020 £	Incoming Resources £	Resources Expended £	Funds Transfer £	Balance 31 March 2021 £
Working Capital	350,000	1,958,681	(2,232,821)	274,140	350,000
Income Resilience Fund	900,000	0	0	0	900,000
General Fund	1,250,000	1,958,681	(2,232,821)	274,140	1,250,000
Development Fund	662,329	0	(20,856)	167,669	809,142
Conservation Fund	3,439,963	674,885	0	(273,816)	3,841,032
Pension Fund	287,616	15,572	0	0	303,188
	5,639,908	2,649,138	(2,253,677)	167,993	6,203,362
Capital Grant Fund	38,021	0	(4,031)	0	33,990
	5,677,929	2,649,138	(2,257,708)	167,993	6,237,352

20. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Endowment Funds £	Total Funds £
Fund Balances at 31 March 2021 are represented by:					
Heritage assets	0	0	4,248,790	4,400,918	8,649,708
Tangible assets	910,562	0	80,739	111,330	1,102,631
Investments	3,540,494	703,087	0	619,283	4,862,864
Current assets	2,394,640	506,462	0	0	2,901,102
Current liabilities	(334,860)	(97,042)	0	0	(431,902)
Long term liabilities	(146,250)	0	0	0	(146,250)
Pension Provision	(127,234)	0	0	0	(127,234)
TOTAL NET ASSETS	6,237,352	1,112,507	4,329,529	5,131,531	16,810,919

21. PENSION ARRANGEMENTS

The Trust operates two pension arrangements: a Royal London Group Personal Pension and The Wildlife Trust 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 11 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 Trustees (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 1 April 2019, updated to March 2021. The present value of the defined benefit obligation was measured using the project unit credit method. This is consistent with the approach taken last year.

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

	2021	2020
	£	£
Pension provision at 31 March 2019 calculated on old basis	0	577,945
Change to Defined Benefit method of accounting for pensions	0	(325,238)
Pension provision at 1 April	197,770	252,707
Contributions paid by the Trust	(81,205)	(66,791)
Contributions (Section 75 allocation)	(2,613)	0
Costs included in Net income/(expenditure)	28,854	16,274
Movement of pension deficit provision	(54,964)	(50,517)
Remeasurements included in Other recognised gains/(losses)	(15,572)	(4,420)
Pension provision at 31 March 2021 on the Defined Benefit basis	127,234	197,770

The Employers have agreed a funding plan with the Trustee. A Designated fund has been set up (opening value £287,616) 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. Remeasurements in year are set against this fund. The following disclosures are based on calculations carried out as at 31 March 2021 by an independent qualified actuary.

<u>Changes in the present value of the defined benefit obligation</u>	2021	2020
	£	£
Present value of defined benefit obligation at the start of the year	1,532,889	1,582,804
Benefits paid	(56,554)	(64,444)
Administration expenses	25,061	10,876
Interest expense	34,138	37,348
Remeasurements - actuarial gains and (losses)	165,340	(33,695)
Defined benefit obligation at the start of the year	1,700,874	1,532,889

<u>Changes in the fair value of assets</u>	2021	2020
	£	£
Fair value of assets at the start of the year	1,335,119	1,330,097
Interest Income	30,345	31,950
Remeasurements - return on Scheme assets excluding interest income	180,912	(29,275)
Employer contributions	83,818	66,791
Benefits paid	(56,554)	(64,444)
Fair value of assets at end of the year	1,573,640	1,335,119

<u>Costs relating to defined benefit scheme included in the SOFA</u>	2021	2020
	£	£
Interest expense	(34,138)	(37,348)
Interest income	30,345	31,950
Administration expenses	(25,061)	(10,876)
Costs included in Net income/(expenditure)	(28,854)	(16,274)

Return on Scheme assets excluding interest income	180,912	(29,275)
Actuarial gains and (losses)	(165,340)	33,695
Remeasurements included in Other recognised gains/(losses)	15,572	4,420

<u>Net defined benefit liability recognised in the balance sheet</u>	2021	2020
	£	£
Fair value of Scheme assets	1,573,640	1,335,119
Defined benefit obligation	1,700,874	1,532,889
Defined benefit liability recognised in the balance sheet	(127,234)	(197,770)

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

<u>Principal assumptions</u>	2021	2020
Discount rate	1.95%	2.25%
Retail Prices Index (RPI) Inflation	3.45%	2.70%
Consumer Prices Index (CPI) Inflation	2.65%	1.70%
Future increases to deferred pensions	2.65%	1.70%
Rate of increase to pensions in payment:		
Fixed 5% per annum	5.00%	5.00%
RPI max 5% per annum	3.20%	2.65%
Life expectancy of a male aged 65 at the Balance Sheet date	22.7	22.5
Life expectancy of a male aged 65 in 20 years at the Balance Sheet date	24.0	23.9
Life expectancy of a female aged 65 at the Balance Sheet date	25.0	24.8
Life expectancy of a female aged 65 in 20 years at the Balance Sheet date	26.4	26.2

Mortality (before and after retirement) assumptions for both years: Males: 96% of S3PA, Females: 95% of S3PA, CMI_2019 and 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:

	2021	2020
UK Equities	4.3%	4.0%
Overseas Equities	29.9%	22.3%
Diversified Growth Funds	23.5%	22.4%
UK Government Fixed Interest Bonds	14.3%	18.8%
UK Government Index Linked Bonds	14.7%	16.9%
UK Corporate Bonds	9.7%	10.3%
Property	2.1%	2.5%
Cash	1.5%	2.8%
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.

Contributions to Royal London Group Personal Pension Scheme

Pension contributions in the year	2021	2020
	£	£
Group personal pension scheme	77,908	75,337
Pension contribution liabilities	2021	2020
	£	£
Group personal pension scheme	11,663	11,314

LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863
Charity No: 218895

22. CAPITAL COMMITMENTS

At 31 March 2021 the Trust had commitments for expenditure not provided for in these financial statements in respect of new membership software amounting to £17,000 (2020: £14,750). There were also commitments of £90,000 in respect of the expenditure relating to the Dynamic Dunescapes project (2020: nil). £70,000 is reimbursed from the project funding shortly after payment.

23. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Income	Restricted Income	Designated & Endowment Fund	Total 2020	Total 2019
	£	£	£	£	£
Income and endowments from:					
Donations and legacies	1,682,393	1,919	0	1,684,312	1,393,171
Charitable activities	604,551	868,064	0	1,472,615	1,234,143
Other trading activities	67,034	0	0	67,034	81,810
Investments	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	234,842	0	0	234,842	195,658
Charitable activities	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	(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	189,750	(674,712)	484,962	0	0
Other recognised gains/(losses):					
Actuarial gains on defined benefit pension schemes	4,420	0	0	4,420	(51,742)
Other gains - move to defined benefit accounting for pensions	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