



Lancashire,  
Manchester &  
N Merseyside

# The Lancashire Wildlife Trust Limited

## Annual Report and Financial Statements

**Year Ended:**

**31 MARCH 2018**

**Registered Number:**

**00731548**

**Charity Number:**

**229325**

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**REFERENCE AND ADMINISTRATIVE DETAILS**


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The registered name of the Charity is The Lancashire Wildlife Trust Limited. It is registered with the Charity Commission in England and Wales with the number 229325.

**Registered office**

The Barn, Berkeley Drive, Bamber Bridge, Preston, PR5 6BY

**Members of the Board**

The Trustees of the charity, who are also Members of the Board ("Council"), who have held office in the year and to the date of this report were:

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Mr S P Garland	Chair	
Mr A R Thomas	Vice-Chair	
Ms. H A Ryan	Vice-Chair	
Mr J M Drury	Hon. Treasurer	
Mr D J Craig	Hon Secretary	
Mr G Higginbottom		
Ms. J Ashley Houldsworth		
Dr C H Elphick		
Mr A G Hatton		
Mr S Niven		
Mr R Wade		
Mr J M Wells		
Mr A J M Berry		
Mr J B Jackson		
Mr A D J Royce		
His Honour Judge J R Duggan		
Mr J Boyers		Resigned on 7 <sup>th</sup> October 2017
Mr Philip James		Co-opted 12 <sup>th</sup> October 2017

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<b>President</b>	Mr C G Davies
<b>Vice President</b>	Mr E E Jackson MBE
<b>Chief Executive</b>	Mrs A Selby
<b>Company Registered Number</b>	00731548
<b>Entrust Registered Number</b>	025077
<b>Bankers</b>	Royal Bank of Scotland 175-177 Station Road, Bamber Bridge, Preston, PR5 6LA
<b>Investment Advisors</b>	Brooks MacDonald Group plc No 1 Marsden Street, Manchester, M2 1HW
<b>Auditors and VAT Advisors</b>	MHA Moore and Smalley Richard House, 9 Winckley Square, Preston, PR1 3HP

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**CHAIRMAN'S ANNUAL REPORT  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018**

## Chairman's Statement

This year the Trust has continued to develop and strengthen its impact. The highlight, was the visit of HRH Prince Harry to Brockholes to meet everyone involved in the Myplace Project, a day that many will never forget. This exciting Big Lottery funded partnership between the Trust and Lancashire Care NHS Foundation is working to improve the health and wellbeing of young people with mental health issues. It also received a major financial boost, successfully attracting significant European Structural and Investment Fund (ESIF) money to expand its delivery.

Major changes have been made to Governance of the Trust, with all Trustees, including the Chair, now subject to strict terms of office. This challenges us to recruit fresh people each year and the first round of open recruitment from our membership is happening during the summer of 2018. A key objective is to diversify the Council, bringing in people from a wide range of backgrounds to contribute their skills and knowledge to the work and development of the Trust. In addition, we have made further changes to the management of our flagship Brockholes site to make it more effective as both a visitor attraction and nature reserve.

We have been successful in securing a Stage 1 Heritage Lottery Fund grant of £90,900 for Lunt Meadows to develop projects looking at the wildlife and nationally important archaeological discoveries on the site. Our delivery of the £3.2 million Carbon Landscape HLF project on Greater Manchester's peatland continues and is a really exciting prospect for the future of lowland peat-bogs in our county. This has included volunteers cultivating and planting out Sphagnum moss to regenerate a bog destroyed by peat extraction for horticulture.

The Fylde Sand Dunes project received an 'Outstanding' award from the Royal Horticultural Society in the 'It's Your Neighbourhood Award' category. Meanwhile, the People's Postcode Lottery has enabled us to expand our successful Manchester Forest Schools programme into Liverpool, enabling many more children to get close to nature.

We have been active in marine conservation and supported the creation of Marine Conservation areas. A third tranche is to be announced in 2018, which we hope will create significant new zones where wildlife in the seas is better protected.

We continue to face many challenges in our work for wildlife. Brexit has moved closer and we have worked closely with RSWT nationally to push for an environmental package that is better for wildlife, for people and for farming. This is still very much 'work-in-progress', but the Government seems open to many of our ideas and the chance of a positive outcome for wildlife looks more likely than a year ago. We also contributed to the Mayor, Andy Burnham's Greater Manchester Green Summit in March and will be active participants in the drive to make the conurbation a greener and more biodiverse place.

We also face worrying declines in insect species and other wildlife across our county and the UK in general. Some of our reserves support key species, such as Red Squirrels, Fritillary butterflies, Large Heath butterfly and we have been actively managing them to sustain and strengthen their populations. However, our work with other partners at a national level is vital as we must influence management of the countryside at a landscape scale to ensure the decline in biodiversity is reversed!

Another demand on our resources has been the introduction of the General Data Protection Regulations. This legislation impacts on any personal data we hold or use within the Trust. Our team have worked tirelessly to implement new procedures and training so that we were compliant by the 25<sup>th</sup> May deadline.

I would like to thank our members and volunteers for continuing to support us at a time when they are needed more than ever. We have also seen a growth in people wishing to support our work way into the future by leaving the Trust a legacy. There are times when the challenges we face seem insurmountable, but with our excellent staff team, volunteers, members, Trustees and other supporters I am confident that we really can make a difference for future generations.

Thank you.



**Steve Garland, Chairman**

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018

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The Board have pleasure in presenting their report together with the audited accounts for the year ended 31st March 2018. The Board have adopted the 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 2015) in preparing the annual report and financial statements of the charity. The accounts have been prepared in accordance with the Companies Act 2006.

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### Key Objectives:

These are the nationally agreed priorities with the Partnership of Wildlife Trusts.

- **To protect, create and enhance wildlife in our region, creating living landscapes and living seas.**
  - **To stand up for wildlife and the environment.**
  - **To inspire people about the natural world and encourage everyone to take action for wildlife.**
  - **To foster sustainable One Planet Living, where the functioning of the natural environment is appreciated as essential for supporting life.**
  - **To ensure our work is based on knowledge and sound evidence.**
  - **To be recognised and respected for our work.**
  - **To grow our resources and increase support for our mission.**
  - **To ensure the organisation is effective and fit for purpose.**
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### Public Benefit Statement

The advancement of environmental protection and improvement is recognised as a charitable purpose and is regarded universally as producing a public good. The Wildlife Trust exists to promote the care and protection of the environment and therefore provides a clear public benefit. The Wildlife Trust's philosophy is based on the belief that the natural world deserves conserving for its own sake and, since this is widely perceived to be a worthy aim of public policy, it may fairly be regarded as a benefit to the public at large. However, the public benefits provided by the Wildlife Trust go much further.

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

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

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

Fourthly, we can exert influence through our substantial membership at local level, and nationally through our membership of the Royal Society of Wildlife Trusts. It is also our belief that the involvement of many volunteers in our work provides an outlet for altruistic endeavour which is of special benefit to those involved as well as delivering benefits to the wider public.

Promoting the enjoyment of the natural world is an important part of what we do: contact with the natural world and the appreciation of wildlife and wild places provides great pleasure to many people and contributes towards wellbeing and health. Our nature reserves and activities are available to all and we try to make special provision for the disabled and disadvantaged wherever possible.

The Trustees of The Lancashire Wildlife Trust Limited have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the key aims and objectives and in the planning of future activities. The Trustees have also actively considered how the planned activities contribute to the aims and objectives embodied in the Constitution.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018**

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## **Strategic Report**

The information below including the achievement and performance, financial review, risk management statement and summary of future plans forms the Strategic report for the purpose of the Companies Act 2006.

### **OUR VISION**

A region rich in wildlife, valued and enjoyed by all.

### **OUR AIM**

We aim to be recognised as the most active, inspirational, engaging, influential and authoritative local wildlife champion.

## **Achievement and Performance**

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### **Core objectives**

- **To protect, create and enhance wildlife in our region, creating Living Landscapes and Living Seas.**
  - **To stand up for wildlife and the environment.**
  - **To inspire people about the natural world and encourage everyone to take action for wildlife.**
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Our achievements for the year are reported below and are structured according to these core objectives.

### **Protect, Create and Enhance Land for Wildlife and People**

Marine awareness work through the Living Seas initiative has been a growth area this year with projects now covering most of the coastal areas with three officers organising numerous public events, school and community work. Our Irish Sea has been running for two years thanks to funding from Esmee Fairbairn Foundation and achieving excellent results, doubling the numbers achieved in its first year. With the huge promotion about plastic pollution in our seas there is a lot of interest in our activities and it is clear we need to make the most of this interest and turn attendance into active involvement in our campaigns.

The Lancashire Dunes Project has been restructured with Fylde Borough Council taking over the practical delivery aspects of the project in line with its new coast and countryside ranger system. The Trust now coordinates the public awareness elements of the project and has expanded this work to cover marine wildlife awareness. The Connecting to Nature Project at Heysham Nature Reserve had over 1000 people participating during the year in a wide range of family and specialist events in partnership with EDF Energy.

Our Living Landscape works to act at a landscape level is hampered considerably by the lack of resources to link habitat and work with likeminded partners.

However, one of our Living Landscape areas that is going from strength to strength is the Great Manchester Wetlands Nature Improvement Area (NIA). The Carbon Landscape, a Heritage Lottery Fund's Landscape Partnership Scheme awarded £1,997,700, has had a hugely successful first year with an inspirational launch, and a string of community events that have really helped to put the programme on the map. Most of the 22 projects are underway and match funding is steadily coming in, including a bid of £150,000 from Peter De Haan Charitable Trust which is supporting our volunteering provision across the NIA.

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018

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As a member of the Greater Manchester Wetlands Partnership of which we are the lead partner, it is of no surprise that a major success is the ability to bring in more income for our landscape restoration work with funds secured from Wigan Council's Community Investment Fund for work at Bickershaw, Environment Agency for work that helps reduce flood risk and improve water quality, Fenscape improvements with funding from Enover Community Trust, and mossland restoration work through DEFRA's Peat Fund.

The year has ended with our representation at the Greater Manchester Mayor's Green Summit in March which was very well received and provided us with an opportunity to launch our My Wild City campaign for Manchester which brings our Living Landscape concept into the city with the focus for next year on populating our interactive map to demonstrate where people are doing something positive for wildlife, inspirational events and key messaging on the importance of wildlife in our cities.

Our Chat Moss Vision project is within its last year with the completion of the Heritage Lottery Fund activity and ongoing with funds from Esme Fairbairn Foundation. The Friends-of group and volunteers continue to grow in skills and confidence. The need for further continuation of the project and securing funds for capital restoration works are crucial now. We have an excellent corporate sponsor, Ecospeed, who take pride in supporting this local project that helps to store carbon, and we are looking at how we can increase this model to other corporate sponsors.

Another huge success for our Living Landscape work is through The Red Squirrel Project in Sefton and West Lancashire. This project has helped to restore populations to 95% of pre-squirrel pox numbers.

Invasive non-native plants continue to be a major problem on a number of sites particularly Himalayan Balsam which reduces native plant diversity and abundance and is very labour-intensive to remove. Plant pathogens, such as Chalara Ash dieback disease, is now affecting trees all over the Trust's area and may cause significant landscape change. Climate change continues to influence animal and plant movements and relative abundance.

The Plan Bee project has completed its funded work in the Skelmersdale area with focussed pollinator work on key habitats. The South Pennines Grassland Project has met its target of restoring and creating 250 hectares of species rich grassland and developed good working relationships with local farmers. As many farmers lack the equipment needed to cut meadows, funding has been secured to purchase equipment and to establish a 'tools ring' where farmers can rent out the equipment at a reasonable price.

Our nature reserve portfolio has 38 sites covering over 1,300 hectares. The Trust also manages and advises on the wildlife management of a number of other sites in the sub-region – safeguarding, enhancing and influencing others to benefit wildlife. Resourcing the management of this land is a constant challenge and we bid for agri-environment and other grants to enhance what we can achieve through membership fees alone. Purchasing and replacing vehicles, tractors, mowers etc. are particularly difficult to fund through third party grants. Volunteers contribute a huge amount of time to the conservation work of the Trust on sites and through campaigning.

Additional staff resources were put in place to develop strategic reserves work such as better management planning, communications and grant/legal compliance. The suite of Conservation Key Performance Indicators (KPI) for the year indicates the successful completion of most nature reserve tasks. There have been technical issues with reserve monitoring and resources to produce up-to-date management plans and a task and finish group is working to set standard practice. Signage and interpretation on sites is deteriorating and there is a need to invest in this area and, in particular, to take advantage of new digital media. Conservation Committee have approved a new Access and Activities Policy as a precursor to seeking National Lottery funding for a reserve awareness project.

Ten reserves faced threats from adjacent planning developments and the potential for increased stress on the wildlife. Staff have engaged in discussions with planners and developers to oppose/mitigate against damage. The increased popularity of dog ownership and dog walking on nature reserves has increased wildlife disturbance and anti-social behaviour. Dog fouling at Foxhill Bank Nature Reserve has become so severe that the Trust has had to suspend school visits.

Mere Sands Wood Nature Reserve has benefitted from a new education facility which is already proving a valuable asset to the schools' educational work at the reserve. Plans are being developed for stage two of the redevelopment with a new café and event space, volunteer's facilities and an enlarged shop. One key aim in developing these facilities is to reduce the cost of the reserve's overheads to the Trust's core income.

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018

Investment in the Trust reserves has been considerable over the year with a number of highlights. Woodland management works and tree planting at Mere Sands Wood. Warton Crag has had 'rides' created by removing trees with the aim of keeping open habitat corridors to benefit a variety of species and in particular, the nationally rare, Fritillary butterfly species. Tree felling and wetland management works at Heysham Moss, Astley Moss, and Red Moss have seen the water table rise to the benefit of many mossland species. A damaging fire in 2017 on Heysham Moss, with the potential loss of rare species and the recently reintroduced Large Heath butterfly, highlighted the vulnerability of many of our sites to arson. Flying Large Heath adults were seen soon after the fire and we hope that they have survived in sufficient numbers.

Work has continued on the development of Lunt Meadows in Sefton, where a National Lottery funded project came to a close. This work involved investing in a range of visitor related improvements and in the Mesolithic archaeology (hunter-gatherer houses) found on the site. The National Lottery has agreed to funding further development works in 2018, developing the infrastructure at this exciting new site.

The Trust started management works on a new wetland site in Leigh called Hope Carr, under a management agreement with United Utilities. The site will become a Trust nature reserve once a lease is in place.

The Contract Services Department had a varying work load over the course of the year, with reliance on our regular maintenance contracts for much of the Summer, but culminating in an extremely busy final quarter of the year. Work was carried out on a number of mossland sites for the Trust and large scale reedbed creation and flood alleviation works at Bickershaw were the largest projects over the Winter. A design and build project for Euxton Parish Council provided a new pond at Euxton Millennium Green and a path was constructed for Alder Hey Children's Hospital. A number of maintenance tasks have been carried out for Brockholes and we now maintain the play area, including providing regular inspections, for which staff have been trained.

## Standing Up for Wildlife and the Environment

A snap General Election in June 2017 necessitated the Trust raising non-partisan natural environment issues to our members and the public whilst complying with our responsibilities under charity law, including the relatively new 'Lobbying Act' (Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014).

The Wildlife Trusts at UK level had already concluded that the UK's proposed departure from the European Union (EU) was, on balance, likely to increase rather than reduce the threats to the UK's wildlife on land and at sea. To this end we wrote to all 47 newly-elected or re-elected MPs representing our sub-region and met locally with Cat Smith, MP for Lancaster and Fleetwood; James Frith, MP for Bury North; and Rosie Cooper, MP for West Lancashire to discuss local aspects of future agri-environment, fisheries and environmental governance issues of particular concern to us; as the European Union (Withdrawal) Bill (2017-2019) was formulated and debated and as Government consultations on post-EU environment, agriculture and fisheries legislation and regulation were developed. The publication of the UK Government's 25-year Plan for the Environment reassured us in its analysis, but lacked much detail on delivery and outcomes. We continued to contribute local case-studies to our UK Office on good and bad practices.

This year, in partnership with EDF Energy, the Connecting to Nature Project, based at our Heysham Nature Reserve and classroom, has engaged over 1,000 people in a wide range of family and specialist events.

The North West Wildlife Trusts' Living Seas Project has continued to influence policy and practice through awareness campaigns, membership of key local committees, notably the NW Inshore Fisheries and Conservation Authority (NWIFCA), and liaison with the Marine Maritime Organisation, especially on the emerging North West Marine Spatial Plan. Lobbying for effective conservation enforcement on the already designated Marine Conservation Zones (MCZ) has been ongoing; and preparation has begun for the expected UK Government consultation on Tranche 3 of the MCZs in non-devolved UK waters, where a coherent ecological network must be delivered in the Irish Sea. Marine awareness-raising activities were boosted by very successful 'National Marine Weeks' activities in July 2017. Two marine community engagement officer posts have been established and sustained to date, supported by Esmee Fairbairn Foundation: one covers North Merseyside and the other Lancashire.



## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018

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They work as part of our shared North West England Living Seas Team, along with our Fylde Sand Dunes Project Officer and with the overall management of the Senior Marine Conservation Officer (North West). Marine awareness work has been a growth area this year with projects now covering most of the coastal areas with the three local project officers organising numerous public events and school and community work.

After decades of campaigning, by the Trust and many others, the West Pennine Moors was finally designated as a Site of Special Scientific Interest, and this was confirmed by Natural England in August 2017.

The Trust has provided detailed responses to several local plan consultations during the year and made comments on a number of major development proposals, including one potentially damaging to key wildlife and wildlife habitat in the recently designated West Pennine Moors SSSI: consent was refused by the local planning authority. We also engaged in pre-consultations on the forthcoming revised Greater Manchester Spatial Framework.

The Trust has continued to play a major role in two of the Local Nature Partnerships (LNPs) covering parts of our sub-region. The Trust's CEO, Anne Selby, is Chair of the Greater Manchester Natural Capital Group, an arm of that city region's Low Carbon Hub, which is setting the strategic direction for environmental/low carbon policy across Greater Manchester. As part of this work, the Trust hosted a visit by Thérèse Coffey MP, Undersecretary of State for the Environment, to our Little Woollen Moss Nature Reserve, where the Minister viewed our ongoing restoration work on this degraded carbon store and national priority wildlife habitat. This forms part of the wider work of the Great Manchester Wetlands Partnership's Nature Improvement Area, and our leading Living Landscape scheme.

We also actively participated in, and contributed to, the newly-established Greater Manchester Metro-Mayor's first Green Summit, held on 21<sup>st</sup> March 2018, and are encouraging the commitment to a Green Summit made by the new Liverpool City Region's directly elected Metro-Mayor.

## To inspire people about the natural world and encourage everyone to take action for Wildlife

2017-18 has seen our People and Wildlife team achieving some excellent work that will inspire people about the natural world through all of our education, community activities and volunteering activity as proven by our Key Performance Indicators, which demonstrates our ability to achieve over our targets in the majority of activities. These statistics are backed up with some powerful evaluation reports and case studies which bring a lot of our work to life as it clearly demonstrates the difference our activity is making.

Our My Place project, in partnership with Lancashire Care Foundation Trust, has successfully secured an additional £677,000 from the European Social Fund for our activity that supports those people furthest away from employment through the MyPlace project as a means to building confidence and helping them to become more employable. This has seen an increase in staff and hub locations and we are now gradually building up the numbers participating.

The Biodiverse Society, funded by Heritage Lottery Fund, came to an end but was hugely successful at raising awareness of wildlife recording and the value of our Local Wildlife Sites, training up more volunteers to continue wildlife recording into the future and building a stronger network of local groups to enable this to happen. Lancashire County Council's Central Gateway Fund has helped us to review our work with Local Groups, improving how we support them, and providing training where required.

Our two smaller Heritage Lottery Funded community engagement projects, Lunt Meadows and the Kingfisher Trail, have been achieving some fantastic results proving that our methods for community engagement are very effective at involving a wide audience and Kingfisher Trail was held up by the Heritage Lottery Fund's North West Office as an example of best practice.

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018

For our work with children, young people and families we have engaged a significant number of people through chargeable activities such as nature tots, wildfamilies, wildside, wildparties and outreach work. Forest Schools' training, activities and development of facilities, continues to grow as interest in the initiative gains momentum. We successfully secured further continuation funding from Peoples Postcode Lottery through a partnership that has been developed at RSWT, and we were awarded an additional £50,000 to replicate our model in Liverpool.

The Hive project at Moss Bank Park, Bolton, continues to be a success despite a reduction in grant funding and a changing model that relies more on chargeable income. In Wigan we have engaged members of the public through a variety of events, thanks to funding from the Service Level Agreement that we have with Wigan Council, and through a grant secured from their Community Investment Fund. Blackburn with Darwen Borough Council have also continued their Service Level Agreement for our partnership that supports the co-ordination of their community clean up strategy, and a number of Lancashire Environmental Fund applications have enabled us to focus on how we can engage volunteers in some important species and habitat work across a number of sites in Lancashire.

Through our volunteering activities over the last year, 1,067 volunteers have given their invaluable time for free and this has equated to the equivalent of 38 full-time members of staff (64,708 hours).

### Our Trading Subsidiary – Brockholes

Whilst this was after another financially challenging year we have continued to improve the financial result following the instigation of a major restructure. This involved transferring the leadership and management into our People Engagement Department which has resulted in numerous savings and a new invigorated approach to the trading subsidiary at Brockholes.

This led to an increase in capacity in staffing available to the trading subsidiary to cover and expand on the events offered. Senior Project Officers have been trained as Duty Managers which has dramatically increased capacity on site.

There are also plans to extend the commercial offering to other sites to increase profitability of the trading subsidiary.

Costs of maintaining and improving the Nature Reserve have been moved into The Lancashire Wildlife Trust which has led to a decrease in overheads in the trading company.

The success of the trading company is inter-linked with the facilities at the Nature Reserve. The reserve has been supported by a review of the volunteer provision as part of the Heritage Lottery Fund bid to support events and conservation:

- Encourage inclusivity.
- Increase the number of volunteers.
- Improve volunteer training, programme and coordination.
- Increase retention rates.
- Increase profile and buy-in at Brockholes.

The visitor experience and their journey through the visitor village has been reviewed. Changing culture and ethos have also been seen as priorities, including embedding Wildlife Trust values and aims into the heart of everything that is done at Brockholes; changing staff meeting etiquette to be more proactive and positive and creating a more inclusive environment where volunteers are valued.

The conservation staff at Brockholes Nature Reserve changed line-management and now sit within the Conservation Department. This aims to improve technical support and resourcing. Grant bidding to invest in grazing and equipment infrastructure has been successful. The increasing number of corporate work parties on the site has helped with the practical delivery and some financial income.

It is expected that these changes will lead to higher visitor numbers at the Visitor Centre and further improve the financial result in the trading company.

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018

### Operational objectives

- To be recognised and respected for our work.
- To grow our resources and increase support.
- To ensure the organisation is effective and fit for purpose.

### Marketing Department

The Marketing Team continues to drive growth in unrestricted income generation, both through our commercial and charitable channels. With further pressures on the Trust, the organisation will remain focused in this area to ensure a stable future for the organisation, through the generation of further unrestricted income.

### Recognised and respected for our work

The Trust continues to grow presence both through social media and regional television, newspapers and radio. High profile achievements this year include a feature on BBC Countryfile for Brockholes Nature Reserve and a visit from HRH Prince Harry to our MyPlace Project. We continue to write regular features for key regional titles such as the Manchester Evening News and Lancashire Life Magazine, and our local radio appearances are now occurring on at least a weekly basis. The launch of our 'My Wild City' campaign saw the Trust take a leading role at the Mayoral Green Summit in Manchester, and embed wildlife and biodiversity into the high-level discussions on the day.

### Grow our resources

Membership growth continued this year, with new recruitment channels launching including door-to-door membership recruitment in carefully targeted areas. Our appeals income has continued the declining trend we have seen over the past few years, but we are seeing a year-on-year growth in our online membership recruitment. Our legacy and higher value donor income continues to be a critical contributor, allowing the Trust to focus such key unrestricted income on the areas where wildlife needs it the most. Commercially, we have seen an increase in sales and enquiries generated at Brockholes, in particular on the conference and weddings side of the business. This provides the conservation work with much needed funds to continue into the future, whilst raising the overall profile of the Trust.

### Ensure the organisation is effective and fit for purpose

The main focus this year has been the preparation for our new customer relationship management system. This will see a much more efficient way of working, and communicating with both our members and volunteers whilst ensuring the Trust remains compliant with new fundraising and data protection regulations. The Trust is also working with The Wildlife Trusts nationally to develop a new website, which takes advantage of economies of scale across the movement, alongside ensuring we are maximising our online income generation and profile-raising opportunities.

### Fundraising to the public

In order to raise vital unrestricted funds to deliver our core charitable objectives, the Wildlife Trust for Lancashire, Manchester and North Merseyside undertake fundraising to the public this year in the following ways:

Delivered by carefully vetted fundraising professionals:

- Face to Face membership recruitment.
- Door to door membership recruitment.

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018

Delivered by our skilled in-house fundraising team:

- Online membership recruitment (via our website and social media channels).
- Fundraising Appeals (directly to our members, via our website, media and social media channels).
- Legacy Fundraising (directly to our members and to those who have expressed an interest).

### Respectful fundraising

The Trust is committed to fundraising in a respectful and appropriate way at all times. We adhere strictly to the guidelines set out by the Charity Commission, ICO, PECR and Fundraising Regulator and have adapted our processes to ensure we are also GDPR compliant under the new legislation.

### Keeping high standards

The Trust has a number of ways we ensure very high standards are consistently met:

#### 1. Communication

Good communication is key to maintaining high standards. The Trust upholds this through:

- Regular updates and meetings with our face to face and door to door fundraising teams.
- Open, clear and honest communication through all our fundraising methods directly to the donor.
- A donor care charter, highlighting the standards we will maintain to our donors and potential donors.
- A clear complaints process.
- Clear point of contact within the Trust for all queries from donors.
- Ongoing communication with our donors, so they are aware of how their contributions are being spent.
- Clear process for an individual to stop all fundraising related-contact to them through our in-house channels.

#### 2. Training and Guidelines

- Public fundraiser guidelines are issued, ensuring all fundraising regulations are adhered to from solicitation statements and Identification to protecting vulnerable individuals and appropriate respectful fundraising techniques.
- Initial training is delivered at the point of recruiting the fundraiser, and then enhanced throughout their time with the Trust through regular meetings and communications.
- Formal agreements are in place between all professional fundraisers and the Trust which detail the standards required.
- Regular training and monitoring of changes to regulations is ensured to all fundraisers, both professional and within our skilled in-house team.
- Guidelines, policies and procedures around vulnerable individuals are also in place.

#### 3. Monitoring and assessment

The Trust adopts a layered approach to the monitoring and assessment of fundraising. Our public face to face fundraising team are monitored by a dedicated team manager and our in-house membership development officer. All fundraising approaches are agreed on in advance by a skilled team, carefully considering the messaging, approach and ongoing communications. We also use a third party mystery shopper, to monitor our fundraising approaches to the public, and are subject to random checks through the Fundraising Regulator. We take our responsibility as fundraisers very seriously and strive to deliver the best.

#### 4. Complaints

There have been no complaints received by the Trust about activities for the purpose of fund-raising.

#### 5. Protecting Vulnerable Individuals

All our professional fundraisers are fully trained and aware of our process around vulnerable individuals. Should they identify an individual, they are fully trained in how to cease fundraising in a respectful way. Our public fundraising team also have minimum ages regarding who they will approach.

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018

### Financial Review

The year ended 31 March 2018 has been a year where the Trust has continued to stabilise on a number of fronts. We have been able to increase our unrestricted reserves by £172k to £990k. Our cash balances have been maintained at over £1m. We have also been able to invest in new facilities in some of our Nature Reserves and expand and enhance our activities. Overall we continue to maintain a healthy financial platform from which to move forward in a time of reducing funding opportunities and economic pressures.

### Financial Activities

As has been mentioned earlier in this report, the Trust's membership income rose by 6.9% to £911k (2017: £852k) during the year owing to the continued work by our Marketing Department.

In addition, overall incoming resources and resources expended improved with net outgoings of £93k (2017: £467k), which includes depreciation of £548k (2017: £554k). This decrease in net outgoings reflected an increase in both grant and membership income combined with the lower depreciation charge. The operational financial performance of Brockholes was improved on last year, but this was mainly due to the transfer of the costs of the Nature Reserve into The Lancashire Wildlife Trust.

### Balance Sheet

The level of fixed asset expenditure increased in the year due to the development of the enhanced visitor centre at Mere Sands Wood nature reserve, and the need to renew some equipment at Brockholes. The overall value of fixed assets fell by approximately £368k as a result of depreciation on the existing assets. Our Investments declined by 1.8% in the year to £217k due to a reduction in the value of funds invested in the UK. The level of debtors and creditors have both increased due to programme expansion.

### Cash Flow

Cash balances have increased by £2k in the year, and maintained at over £1m.

### Future Outlook

The Trust has prepared a new business plan for the forthcoming year which shows a further increase in unrestricted reserves whilst restricted funds continue to unwind due to cuts in public spending. We continue to be very successful in bidding for funds to support and expand our core activities, and take advantage of wildlife support opportunities, such as land acquisitions to enhance biodiversity and community access.

The Trust is undertaking the preparation of a new 5 year strategic plan to review and determine our ongoing priorities. This will include a full financial projection to ensure viability and ongoing sustainability. Whilst the future funding scenario is unsure we will explore potential options to identify and secure income generation to support these core priorities.

The future outlook for the organisation is dependent on the skills, knowledge and experience of Trustees and staff. Key issues to be considered are:

- income loss from public sector.
- reduced environmental expertise within the public sector throwing a greater pressure on environmental NGOs to fill the gap.
- the strength in being able to share intelligence on issues with 47 Wildlife Trusts and other environmental bodies.
- refine our understanding of future influences.
- opportunities to enhance the business model into other areas.
- Brockholes is getting closer to a making a financial contribution to the Trust.

The implementation of the Big Lottery, Our Environment Our Future programme, which aims to reconnect young people to the environment and support mental health wellbeing is a major programme running over the next several years. Associating the health agenda with the benefits gained from the natural environment is continuing to grow, with further work planned in Lancashire and Greater Manchester. This is being augmented by funding from the European Programme and being considered. There are also discussions ongoing with local authorities about countryside and land portfolios which they wish to transfer to sympathetic owners for future public benefit and enjoyment.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018**

## Principle Risks and Uncertainties

The Trustees are responsible for ensuring that there are effective and adequate risk management and internal control systems in place to manage the strategic and operational risks the Charity has and could be exposed to. The Trust's senior management team meet every two weeks to discuss any principle risks and how to manage these.

Risk	Mitigations
Cash flow continues to dominate our current risk analysis. In particular income loss to the Trust due to the public sector austerity budgets.	<ul style="list-style-type: none"> <li>■ As last year, we continue to strengthen our internal controls and to operate tight budget setting. The subsequent management of these budgets is done monthly within the senior management and management action teams.</li> <li>■ This year we have made progress in securing new sources of income and will continue to diversify our funding sources, whilst exploring new ways of generating sustainable sources of income.</li> </ul>
Successful management of Brockholes Enterprises Limited is vital for the Trust in order for it to achieve its objectives.	<ul style="list-style-type: none"> <li>■ Following a review of the trading company a new manager has been appointed and the organisation structure amended and updated.</li> <li>■ The budget for 2018-19 is to make a financial contribution to the Trust.</li> </ul>
Economic pressures, competition and consumer behaviour changes impact negatively on voluntary income.	<ul style="list-style-type: none"> <li>■ Investment in our Development department to help introduce new members and keep existing members well informed will help grow our voluntary income.</li> <li>■ Continued development of member benefits helps retention, whilst encouraging people to join the trust.</li> </ul>
Delays in the redevelopment of Mere Sands Wood and the provision of good working facilities for staff, volunteers and visitors.	<ul style="list-style-type: none"> <li>■ The first phase has been completed.</li> <li>■ Project management surrounding the development continues and should enable Mere Sands Wood to become self-sufficient.</li> </ul>
Capital Asset replacement of vehicles, IT systems and equipment	<ul style="list-style-type: none"> <li>■ Continues to be a risk which is being addressed through capital investment planning.</li> </ul>
Attracting, developing and retaining talented staff at both Brockholes and at the Trust, combined with the reliance on significant levels of stalwart volunteer support.	<ul style="list-style-type: none"> <li>■ Staff and volunteer engagement via All Staff engagement days and surveys, with senior management follow up plans. A volunteer conference is held each year.</li> <li>■ Talent management, development and succession planning programmes, managed through the HR committee.</li> <li>■ Continual improvement of the Trust's job evaluation matrix and other staff benefits.</li> </ul>
Optimising the financial and conservational potential of land transfers, or community asset transfers from local authorities.	<ul style="list-style-type: none"> <li>■ Great caution and diligence will be applied by staff and Trustees in ensuring any land transfer is done so in a sustainable way.</li> <li>■ Detailed due diligence is conducted and presented to the Council before any transfer.</li> </ul>
Child welfare/Safeguarding of vulnerable persons	<ul style="list-style-type: none"> <li>■ A Trustee with responsibility for safeguarding has been appointed.</li> <li>■ Detailed safeguarding policies and training have been put in place with regular review of this at Board level.</li> </ul>

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018

### Safety, Health and Environmental Performance (SHE)

The Safety, Health and Environment (SHE) Committee is responsible to support the CEO, Trustees, Management and Employees for the delivery of SHE within the Trust. Training of individuals and management responsibilities has been provided to Trustees, senior managers and staff during the year and this will continue going forward.

A suite of key performance indicators has been produced to monitor ongoing SHE performance, significant outputs of which have been:

- 4 internal audits of Trust sites undertaken and detailed action plans produced.
- SHE induction and training of staff continues to perform well although annual reviews of training needs for some with particular regard to SHE have underperformed.
- Work continued on updating and improving SHE management systems, the monitoring accidents/incidents and SHE related employee training. A SHE newsletter for staff and key volunteers has been initiated inclusive of important developments and specific headline information.
- A number of new guidance documents that included boat use and hand-arm vibration were produced, and a number of SHE Policies have been updated.
- A new 'Child, Young People and Adult Safeguarding Policy' was produced and the Committee are now developing staff guidance.

There were two RIDDOR reportable accidents during the year; one to a reserve visitor and another to a member of staff. There was also a RIDDOR reportable disease (Lyme's) suffered by a member of staff whilst on a course in Oxford.

### Investment policy

The Trustees now have an investment policy in place that allows them to rely on specialist investment managers to maximise the charity's total return from its investments, consistent with a moderate level of risk and a socially responsible investment (SRI).

At present the Trust has only one external investment. Under a specific endowment fund the Trust has invested in collective investment funds, managed by an external specialist manager, for the purposes of providing income, in the form of dividends and interest, to support the maintenance of Freemans Pool, a parcel of land near Heysham. The performance of the investment is reviewed on a regular basis and is measured against overall market performance. In the event of underperformance the Trustees would consider placing the investment elsewhere.

### Financial Reserves

The Trust's financial reserves are made up of permanent endowment funds of £725k (2017: £758k), and a variety of restricted and unrestricted funds. Total funds as at the 31<sup>st</sup> March 2018 were £11,826 (2017: £11,919k).

#### Restricted Funds

The Trust has a number of restricted funds where the donor restricts the purpose for which the funds can be used. As at 31<sup>st</sup> March 2018 restricted funds were £10,111k (2017: £10,343k) including fixed assets of £7,239k. Further details of these funds and the purposes for which they are intended are provided in note 22. The reduction in restricted funds during 2017-18 is mainly due to depreciation on fixed assets of c£500k, expenditure on projects generated a net surplus during the year.

#### Unrestricted Funds

The remainder of the Trust's funds is held in a general unrestricted fund, which as at 31<sup>st</sup> March 2018 was £990k (2017: £818k).

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018

### Reserves policy

The Trust has established a financial reserves policy to cover for unexpected reductions in short-term income. Under the policy the Trust aims to hold sufficient unrestricted reserves in sufficiently liquid form (i.e. as net current assets) to enable it to cover 3 months of core operating expenditure (excluding depreciation). Core operating expenditure excludes expenditure funded by restricted or endowment funds. Based on the budget for the coming year the Trust has calculated that the level of reserves required under this policy to be approximately £697k. At 31st March 2018 the Trust had £653k (2017: £530k) of unrestricted net current assets and has plans in place to increase reserves to the preferred level.

### Remuneration Policy

The Trust is committed to ensuring that we pay our staff fairly and in way that ensures we attract and retain the right skills to have the greatest impact in delivering our charitable objectives. The Personnel Committee, in conjunction with the Finance Committee, use a job evaluation matrix for determining salary grades and differentials.

The overall objective of the policy is to ensure that the management team is provided with appropriate incentives to encourage performance and, in a fair and responsible manner, be rewarded for their individual contributions to the success of the Trust.

The appropriateness and relevance of the remuneration policy is reviewed annually and includes references to comparisons with other public sector and charitable organisations, particularly other Wild Life Trusts.

## Structure, Governance and Management

### Legal Entity

The Lancashire Wildlife Trust Limited is a company limited by guarantee and is a registered Charity. The Group includes Lancashire Wildlife Trust's subsidiary company Brockholes Enterprises Limited.

### Governing Document and Constitution

The Charity is governed by the Articles and Memorandum of Association for the incorporated company. The governing documents instruct the Trustees to act in a way to promote the objects of the Charity.

### Organisation Structure

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

A Board of Trustees consisting of up to 30 Trustees, governs the Trust. Trustees are elected at the Annual General Meeting in accordance with the Memorandum and Articles of Association. Trustees can also be co-opted by Council and serve until the next Annual General Meeting. The Trustees are Trustees of the Charity (according to charity regulations) and serve as the directors of the Company for the purpose of the Companies Act and are the officers of the Company. The Trustees are responsible for all policymaking and budgetary decisions. A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Trust, including management of staff.

In addition, the Charity has established the following advisory groups and committees:

- Management Action Group
- Personnel Committee
- Finance Committee
- Safety, Health and Environment Committee
- Conservation Committee
- Reserves Acquisition
- Fundraising Committee
- Succession Committee



## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018

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### Method of election of Trustees

Trustees are appointed by the members at the Annual General Meeting of the Charity after being nominated and seconded by Members as required by the Charity's Articles of Association. All Trustees must stand for re-election every 3 years.

### Induction and training of Board members

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 and have access to the Charity Commission's website.

### Related parties

The Charity is a member of the Wildlife Trusts Partnership (registered as the Royal Society of Wildlife Trusts, registered charity number 207238), which acts as an umbrella body carrying out lobbying and public relations on behalf of all 47 Wildlife Trusts. Partners have the use of the Wildlife Trusts' logo and benefit from the resources, best practice and speciality experience of other member trusts. Membership gives the Charity a national voice and profile, as well as respectability by association for those unfamiliar with its particular work.

The Charity is a member of Lancashire Environmental Fund Limited ("LEF") with the power to appoint one Trustee to the Board. Full details of transactions with LEF are given in note 28 to the financial statements.

### Statement of the Board's responsibilities

The Trustees (who are also directors of Lancashire Wildlife Trust Limited 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 2015 (FRS 102);
- 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.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018**

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**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 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 Board, which includes the Strategic Report on pages 3 to 16, were approved by the Board on 12<sup>th</sup> July 2018 and signed on their behalf:

**S Garland, Chairman**

**INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018**

## **Independent Auditor's Report to the Members and Trustees of The Lancashire Wildlife Trust Limited.**

We have audited the financial statements of The Lancashire Wildlife Trust Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2018 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated 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 2018, 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 and the Charities Act 2011.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

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

## INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018

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

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 and the Charities Act 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.

### Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 15, 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.

**INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018**

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**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's 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 and to the charitable company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 members as a body and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Tracey Johnson (Senior Statutory Auditor)**

for and on behalf of MHA Moore and Smalley  
Chartered Accountants  
Statutory Auditor

Richard House  
9 Winckley Square  
Preston  
PR1 3HP

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018**

	Notes	Unrestricted £'000	Restricted £'000	Endowment £'000	2018 £'000	2017 £'000
<b>Income and endowments from:</b>						
Donations and legacies	2	1,046	44	-	1,090	1,147
Charitable activities	3	964	2,117	-	3,081	2,179
Other trading activities	4	1,085	-	-	1,085	977
Investments	5	-	-	5	5	5
<b>Total</b>		<b>3,095</b>	<b>2,161</b>	<b>5</b>	<b>5,261</b>	<b>4,308</b>
<b>Expenditure on:</b>						
Raising funds	6	1,594	12	4	1,610	1,642
Charitable activities	7	1,288	2,381	30	3,699	3,109
Other	8	41	-	-	41	45
<b>Total</b>	9	<b>2,923</b>	<b>2,393</b>	<b>34</b>	<b>5,350</b>	<b>4,796</b>
<b>Net (losses)/gains on investments</b>		-	-	(4)	(4)	21
<b>Net income / (expenditure)</b>		<b>172</b>	<b>(232)</b>	<b>(33)</b>	<b>(93)</b>	<b>(467)</b>
<b>Transfers between funds</b>		-	-	-	-	-
<b>Net movement in funds</b>		<b>172</b>	<b>(232)</b>	<b>(33)</b>	<b>(93)</b>	<b>(467)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward	21	818	10,343	758	11,919	12,386
<b>Total funds carried forward</b>		<b>990</b>	<b>10,111</b>	<b>725</b>	<b>11,826</b>	<b>11,919</b>

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.

A full breakdown of the comparative figures is given in note 29.

The notes on pages 23 to 39 form part of these accounts

**CONSOLIDATED AND CHARITY BALANCE SHEETS  
AS AT 31<sup>ST</sup> MARCH 2018**

	Notes	Group		Charity	
		2018 £'000	2017 £'000	2018 £'000	2017 £'000
<b>Fixed assets:</b>					
Tangible fixed assets	13	7,677	8,045	7,622	7,982
Heritage assets	14	2,778	2,778	2,778	2,778
Investments	15	217	221	217	221
<b>Total fixed assets</b>		<b>10,672</b>	<b>11,044</b>	<b>10,617</b>	<b>10,981</b>
<b>Current assets:</b>					
Stocks	17	26	22	5	4
Debtors	18	1,344	862	1,366	898
Cash at bank and in hand		1,020	1,018	914	947
<b>Total current assets</b>		<b>2,390</b>	<b>1,902</b>	<b>2,285</b>	<b>1,849</b>
<b>Liabilities:</b>					
Creditors: falling due within one year	19	(1,061)	(802)	(901)	(686)
<b>Net current assets</b>		<b>1,329</b>	<b>1,100</b>	<b>1,384</b>	<b>1,163</b>
Creditors: falling due after more than one year	20	(175)	(225)	(175)	(225)
<b>Total net assets</b>		<b>11,826</b>	<b>11,919</b>	<b>11,826</b>	<b>11,919</b>
<b>The funds of the charity:</b>					
Endowment funds	21	725	758	725	758
Restricted funds	21	10,111	10,343	10,111	10,343
Unrestricted funds	21	990	818	990	818
		<b>11,826</b>	<b>11,919</b>	<b>11,826</b>	<b>11,919</b>

These accounts were approved by the Board on 12<sup>th</sup> July 2018.

.....  
Chairman

.....  
Treasurer

The notes on pages 23 to 39 form part of these accounts

**Company number 00731548**

**CONSOLIDATED CASH FLOW STATEMENT**  
**YEAR ENDED 31<sup>ST</sup> MARCH 2018**

	Notes	2018 £'000	2018 £'000	2017 £'000	2017 £'000
<b>Cash flows from operating activities:</b>					
<b>Net cash provided by operating activities</b>	<b>28</b>		<b>202</b>		<b>56</b>
<b>Cash flows from investing activities:</b>					
Dividends, interest and rents from investments		5		6	
Purchase of property, plant and equipment		(180)		(96)	
<b>Net cash used in investing activities</b>			<b>(175)</b>		<b>(90)</b>
<b>Cash flows from financing activities:</b>					
Loan repayment		(25)		-	
<b>Net cash used in financing activities</b>			<b>(25)</b>		<b>-</b>
<b>Change in cash and cash equivalents in the reporting period</b>			<b>2</b>		<b>(34)</b>
Cash and cash equivalents at the beginning of the reporting period			<b>1,018</b>		1,052
<b>Cash and cash equivalents at the end of the reporting period</b>			<b>1,020</b>		<b>1,018</b>

The notes on pages 23 to 39 form part of these accounts



**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018****1. ACCOUNTING POLICIES****1.1 Basis of accounting**

The financial statements have been prepared in accordance with 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 (FRS 102)(effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Trustees confirm that the Charity is a public benefit entity.

The Trustees have considered the appropriateness of the going concern assumption and believe it is appropriate to prepare the financial statements on this basis due to the Trust's level of reserves and agreed funding.

**1.2 Group accounts**

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The charity has availed itself of Paragraph 4(1) of Schedule 1 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

**1.3 Company status**

The Trust is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £1 per member of the Trust.

**1.4 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are capital funds which the Charity is legally prevented from spending and must retain intact as part of the Charity's capital. The permanent endowment fund is represented by the nature reserves of the Charity and the expendable endowment fund is represented by The Barn Resource Centre, and land at Freeman's Pool.

Investment income, gains and losses are allocated to the appropriate fund.

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018 (continued)****1. ACCOUNTING POLICIES (continued)****1.5 Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Restricted income is included in the restricted income and expenditure account when receivable.

Each legacy and bequest entitlement is recognised as an incoming resource once a reasonably reliable estimate of its value can be made and when it is reasonably certain of the ultimate receipt. Where the Trust is left part of the residue of the estate, recognition is normally the date when payment or a letter of notification from the solicitor advising of the likely amount is received.

Grants receivable for activities are credited to income upon entitlement.

Contract income comes from a number of sources, including income from companies who request data and information, and from government bodies. Payments generated from an invoice are treated as contract income and are recognised in the year they are earned rather than received.

Donations are recognised as income when the donation is made.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the Charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

**1.6 Resources expended**

Expenditure is recognised when it is incurred and is reported gross of related income in the following bases:

Cost of generating funds comprises the costs associated with attracting voluntary income and the costs of other income generation.

Charitable expenditure comprises direct expenditure including direct staff costs attributable to the Charity's activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources as detailed below.

Governance costs include those costs incurred in the governance of the Charity's assets and are associated with constitutional and statutory requirements.

Support costs include the central functions and have been allocated to activity cost categories on the basis of staff numbers. All support costs have been treated as unrestricted expenditure as they relate to the overall running of the Charity.

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018 (continued)**

**1. ACCOUNTING POLICIES (continued)**

**1.7 Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised at cost.

Depreciation is not provided on freehold and long leasehold land or land acquired by the Trust for nature reserves. Long leasehold is considered to have a useful life of more than fifty years.

Depreciation is provided on all tangible fixed assets, other than land and nature reserves, at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Land and buildings	-	4% - 20%	straight line
Motor Vehicles	-	33 $\frac{1}{3}$ %	straight line
Furniture, fittings and equipment	-	20%	straight line

Donated assets, other than nature reserves, are included at fair value at the date of acquisition.

**1.8 Heritage assets**

The Charity's objects include the conservation of nature for the purpose of study and research and to educate the public in the understanding and appreciation of nature, the awareness of its value and the need for its conservation. As such the Charity owns and maintains a number of nature reserves that fall into the definition of heritage assets in accordance with Charity SORP. These assets have been capitalised at cost at the date of acquisition, and being land in nature, have not been depreciated.

The costs of maintaining the heritage assets are expensed through the Statement of Financial Activities as incurred, as part of the Trust's charitable activities.

**1.9 Investments**

Investments held in the nature of fixed assets are stated at market value. Gains and losses on disposal and revaluation are credited/charged to the Statement of Financial Activities in the year in which they arise.

**1.10 Stocks**

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

**1.11 Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018 (continued)**

**1. ACCOUNTING POLICIES (continued)**

**1.12 Pensions**

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

**1.13 Critical accounting estimates and areas of judgement**

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will be, by definition, seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are discussed below:

Useful economic life of tangible fixed assets

The useful economic life of tangible fixed assets is judged at the point of purchase.

As standard, a useful economic life of 5-25 years is set for land and buildings, 3 years for motor vehicles and 5 years for furniture, fittings and equipment.

There are no critical areas of judgement.

**2. Donations and legacies**

	Unrestricted £'000	Restricted £'000	Endowment £'000	2018 £'000	2017 £'000
Membership	911	-	-	911	852
Donations	93	44	-	137	116
Legacies	27	-	-	27	133
Donated goods and services	9	-	-	9	4
Other	6	-	-	6	42
	<b>1,046</b>	<b>44</b>	<b>-</b>	<b>1,090</b>	<b>1,147</b>

**3. Charitable activities**

	Unrestricted £'000	Restricted £'000	Endowment £'000	2018 £'000	2017 £'000
Grants	255	2,117	-	2,372	1,481
Primary purpose trading	709	-	-	709	698
	<b>964</b>	<b>2,117</b>	<b>-</b>	<b>3,081</b>	<b>2,179</b>

The following grants and related expenditure are included in the restricted funds in the consolidated of financial activities and as a funding requirement are highlighted below:

- Big Lottery Fund (Our Bright Future) – My Place £180,459
- Esmee Fairbairn Foundation – Our Irish Sea £56,896
- Esmee Fairbairn Foundation – Bring Back The Bog £22,768

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018 (continued)**

**4. Other trading activities**

	Unrestricted £'000	Restricted £'000	Endowment £'000	2018 £'000	2017 £'000
Brockholes visitor centre	897	-	-	897	858
Visitor centre shops	23	-	-	23	22
Rent and room hire	102	-	-	102	56
Other	63	-	-	63	41
	<b>1,085</b>	<b>-</b>	<b>-</b>	<b>1,085</b>	<b>977</b>

**5. Investment income**

	Unrestricted £'000	Restricted £'000	Endowment £'000	2018 £'000	2017 £'000
Interest	-	-	-	-	1
Dividends	-	-	5	5	4
	<b>-</b>	<b>-</b>	<b>5</b>	<b>5</b>	<b>5</b>

**6. Expenditure on raising funds**

	Unrestricted £'000	Restricted £'000	Endowment £'000	2018 £'000	2017 £'000
Brockholes visitor centre	985	-	-	985	1,040
Membership recruitment	309	-	2	311	319
Marketing and advertising	271	12	2	285	240
Other	29	-	-	29	43
	<b>1,594</b>	<b>12</b>	<b>4</b>	<b>1,610</b>	<b>1,642</b>

**7. Expenditure on charitable activities**

	Unrestricted £'000	Restricted £'000	Endowment £'000	2018 £'000	2017 £'000
Operations and people engagement	377	1,317	10	1,704	1,662
Conservation	699	590	16	1,305	924
Education	212	474	4	690	523
	<b>1,288</b>	<b>2,381</b>	<b>30</b>	<b>3,699</b>	<b>3,109</b>

**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018 (continued)**

	Direct Costs £'000	Support £'000	2018 £'000	2017 £'000
Operations and people engagement	1,574	130	1,704	1,662
Conservation	1,171	134	1,305	924
Education	630	60	690	523
	<b>3,375</b>	<b>324</b>	<b>3,699</b>	<b>3,109</b>

**8. Other expenditure**

	Unrestricted £'000	Restricted £'000	Endowment £'000	2018 £'000	2017 £'000
RSWT levy	38	-	-	38	40
Loan interest	3	-	-	3	5
	<b>41</b>	<b>-</b>	<b>-</b>	<b>41</b>	<b>45</b>

**9. Total expenditure**

	Direct Staff Costs £'000	Other direct costs £'000	Support £'000	Governance £'000	2018 £'000	2017 £'000
Raising funds	693	819	86	13	1,611	1,642
Operations and people engagement	864	710	121	9	1,704	1,665
Conservation	657	513	124	10	1,304	921
Education	418	213	55	4	690	523
Other	-	41	-	-	41	45
	<b>2,632</b>	<b>2,296</b>	<b>386</b>	<b>36</b>	<b>5,350</b>	<b>4,796</b>

Total resources expended are stated after charging:

	2018 £'000	2017 £'000
Auditors remuneration		
- audit	10	12
- taxation services	1	1
Depreciation	548	554
Amounts payable under operating leases	19	20

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2018 (continued)**

**10. Analysis of support costs**

	Raising funds £'000	Operations and people engagement £'000	Conservation £'000	Education £'000	Total £'000	Basis
Finance	18	43	43	18	122	(1)
Human Resources	17	13	13	7	50	(2)
Management	33	24	26	12	95	(2)
Governance	13	9	10	4	36	(2)
Premises	14	31	31	13	89	(1)
IT	5	12	13	6	36	(1)
Other	(1)	(2)	(2)	(1)	(6)	(1)
	<b>99</b>	<b>130</b>	<b>134</b>	<b>59</b>	<b>422</b>	

(1) Estimated % of Charity only activities

(2) Estimated % of total Group activities

**11. Staff costs**

	2018 £'000	2017 £'000
The movement in the year is after charging:		
Salaries and wages	2,668	2,420
Redundancy payments	8	-
Social security costs	212	186
Other pension costs	63	58
	<b>2,951</b>	<b>2,664</b>

The average number of employees, calculated on a head count basis, analysed by function was:

	2018	2017
Operations and people engagement	42	40
Conservation	24	21
Education	20	13
Fundraising	12	12
Brockholes visitor centre	38	36
Management and administration	13	13
	<b>149</b>	<b>135</b>

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2018 (continued)**

**11. Staff costs (continued)**

We rely on volunteers to help in all aspects of our work particularly for practical conservation work, administration and fundraising.

**Board's and employees' emoluments**

Members of the Board did not receive any remuneration or benefits in kind during the period. Costs incurred by the Board travelling on Trust business and reimbursed to them amounted to £316 (2017: £287).

Total donations received from Members of the Board were £0 (2017: donations totalling £9k)

One employee received emoluments of £60,000 or over.

Total remuneration of key management personnel in the period was as follows:

	<b>2018</b>	2017
	<b>£'000</b>	£'000
Salaries and wages	<b>308</b>	314
Social security costs	<b>33</b>	34
Other pension costs	<b>29</b>	16
	<b>370</b>	364

**12. Pension arrangements**

The charity operates a group personal pension scheme for its employees. The assets of the scheme are held separately from those of the charity. In addition, the Charity partakes in the "auto-enrolment" pension scheme for staff not members of the company scheme. The annual contributions payable are charged to the Statement of Financial Activities in the year incurred.

Historically the Trust has an obligation for one ex-member of staff who is part of the Wildlife Trusts' multi-employer defined pension scheme. The underlying assets and liabilities of the scheme cannot be identified on a reasonable and consistent basis and the scheme is accounted for as a defined contribution scheme. Based on the last valuation at 1 April 2016, the Trust's share of the scheme deficit amounted to approximately £8k (2017: £9k) and provision has been made in the accounts for this amount which is included in creditors. At 31 March 2018, there is a possibility that the Trust's liability is more than £8k. The amount of the additional contingent liability cannot be quantified at present but is not believed to be material.



**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018 (continued)**

**13. Tangible fixed assets**

**Group**

	Freehold Buildings £'000	Motor Vehicles £'000	Fixtures, fittings and equipment £'000	Total £'000
<b>Cost</b>				
At 1 <sup>st</sup> April 2017	10,988	194	1,232	12,414
Additions	88	36	56	180
Disposals	-	(10)	(25)	(35)
<b>At 31<sup>st</sup> March 2018</b>	<b>11,076</b>	<b>220</b>	<b>1,263</b>	<b>12,559</b>
<b>Depreciation</b>				
At 1 <sup>st</sup> April 2017	3,136	173	1,060	4,369
Charge for year	450	16	82	548
Disposals	-	(10)	(25)	(35)
<b>At 31<sup>st</sup> March 2018</b>	<b>3,586</b>	<b>179</b>	<b>1,117</b>	<b>4,882</b>
<b>Net book value</b>				
<b>At 31<sup>st</sup> March 2018</b>	<b>7,490</b>	<b>41</b>	<b>146</b>	<b>7,677</b>
At 31 <sup>st</sup> March 2017	7,852	21	172	8,045

**Charity**

	Freehold Buildings £'000	Motor Vehicles £'000	Fixtures, fittings and equipment £'000	Total £'000
<b>Cost</b>				
At 1 <sup>st</sup> April 2017	10,988	194	1,099	12,281
Additions	88	36	43	167
Disposals	-	(10)	(25)	(35)
<b>At 31<sup>st</sup> March 2018</b>	<b>11,076</b>	<b>220</b>	<b>1,117</b>	<b>12,413</b>
<b>Depreciation</b>				
At 1 <sup>st</sup> April 2017	3,136	173	990	4,299
Charge for year	450	16	61	527
Disposals	-	(10)	(25)	(35)
<b>At 31<sup>st</sup> March 2018</b>	<b>3,586</b>	<b>179</b>	<b>1,026</b>	<b>4,791</b>
<b>Net book value</b>				
<b>At 31<sup>st</sup> March 2018</b>	<b>7,490</b>	<b>41</b>	<b>91</b>	<b>7,622</b>
At 31 <sup>st</sup> March 2017	7,852	21	109	7,982

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018 (continued)**

**14. Heritage assets – Group and charity**

The Trust's nature reserves are held to advance the conservation objectives of the charity and therefore are recognised as Heritage assets. Such assets are central to the achievements of the Trust. Purchased heritage assets are included in the balance sheet at cost.

**Five-year summary of heritage asset transactions.**

	<b>2018</b>	2017	2016	2015	2014
	<b>£'000</b>	£'000	£'000	£'000	£'000
Cost brought forward	<b>2,778</b>	2,778	2,774	2,774	2,774
Purchases in year	-	-	4	-	-
<b>Cost carried forward</b>	<b>2,778</b>	2,778	2,778	2,774	2,774

It is not practical to separately identify the amount spent on maintaining these assets as it is so integral to the general work of the Trust.

**15. Investments**

**Group and charity**

The Trust has one externally managed mixed fund whose purpose is to generate income to support the maintenance of its reserve at Freemans Pool. The movement in that fund during the year was:

	£'000
Market value at 1 <sup>st</sup> April 2017	221
Movement in valuation from investment management	(4)
<b>Market value at 31<sup>st</sup> March 2018</b>	<b>217</b>

Analysis of investments by category of holding:

	<b>2018</b>	2017
	<b>£'000</b>	£'000
Collective investment funds	<b>216</b>	213
Cash held as part of the portfolio awaiting re-investment	<b>1</b>	8
	<b>217</b>	221

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018 (continued)**

**15. Investments (continued)**

Analysis of investment by location:

	<b>2018</b>	2017
	<b>£'000</b>	£'000
Funds invested in UK	<b>113</b>	117
Funds invested outside UK	<b>104</b>	104
	<b>217</b>	221

**16. Trading company**

The charity is the sole member of a company limited by guarantee, Brockholes Enterprises Limited, and has control of all of the voting rights of that company. The company's principal activity is the operation and day-to-day management of the Brockholes visitor attraction centre. It is registered in England and Wales.

A summary of its financial affairs is as follows:

	<b>2018</b>	2017
	<b>£'000</b>	£'000
Turnover	<b>920</b>	881
Other income	-	46
Total income	<b>920</b>	927
Overheads	<b>(981)</b>	(1,058)
Loss before interest	<b>(61)</b>	(131)
Interest payable	<b>(17)</b>	(15)
Loss for the year	<b>(78)</b>	(146)
	<b>£'000</b>	£'000
Total net liabilities	<b>(1,033)</b>	(955)

**17. Stocks**

	<b>Group</b>		<b>Charity</b>	
	<b>2018</b>	2017	<b>2018</b>	2017
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Visitor centre retail and food stocks	<b>26</b>	22	<b>5</b>	4

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018 (continued)**

**18. Debtors**

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Trade debtors	381	293	362	292
Prepayments and accrued income	958	564	927	492
Other debtors	5	5	5	5
Amounts due from subsidiary undertaking	-	-	72	109
	<b>1,344</b>	<b>862</b>	<b>1,366</b>	<b>898</b>

**19. Creditors: Amounts falling due within one year**

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Trade creditors	373	229	283	125
Social security and other taxes	53	49	54	49
Accruals and deferred income	215	160	162	134
VAT	55	53	37	61
Other creditors	315	286	315	286
Loan due to RSWT	50	25	50	25
Amounts owed to subsidiary undertaking	-	-	-	6
	<b>1,061</b>	<b>802</b>	<b>901</b>	<b>686</b>

**20. Creditors: Amounts falling due after more than one year**

**Group and Charity**

	2018 £'000	2017 £'000
Loan due to RSWT	<b>175</b>	<b>225</b>

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018 (continued)**

**20. Creditors:** Amounts falling due after more than one year (continued)

The loan is repayable as follows:

	2018 £'000	2017 £'000
Amounts falling due within 1-2 years	75	50
Amounts falling due within 2-5 years	100	175
	<b>175</b>	<b>225</b>

Interest rates payable on the loan are as follows:

1<sup>st</sup> April 2018 – 31<sup>th</sup> March 2019

Bank of England base rate + 1.0%

Thereafter

Bank of England base rate + 7.0%

The loan is secured on a piece of land at Cut acre with comparable value.

**21. Statement of funds**

**Group**

	Balance at 1st April 2017 £'000	Total income £'000	Total expenditure £'000	Net losses on investments £'000	Transfers £'000	Balance at 31st March 2018 £'000
<b>Unrestricted</b>						
General funds	818	3,095	(2,923)	-	-	990
<b>Restricted</b>						
Raising funds	97	24	(12)	-	(85)	24
Operations and people	9,966	736	(1,317)	-	-	9,385
Conservation	178	902	(590)	-	85	575
Education	102	499	(474)	-	-	127
	<u>10,343</u>	<u>2,161</u>	<u>(2,393)</u>	<u>-</u>	<u>-</u>	<u>10,111</u>
Endowment						
Permanent	211	-	-	-	-	211
Expendable	547	5	(34)	(4)	-	514
	<u>758</u>	<u>5</u>	<u>(34)</u>	<u>(4)</u>	<u>-</u>	<u>725</u>
<b>Total funds</b>	<b>11,919</b>	<b>5,261</b>	<b>(5,350)</b>	<b>(4)</b>	<b>-</b>	<b>11,826</b>

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018 (continued)**

**21. Statement of funds (continued)**

**Charity**

	Balance at 1 <sup>st</sup> April 2017 £'000	Total income £'000	Total expenditure £'000	Net losses on investments £'000	Transfers £'000	Balance at 31 <sup>st</sup> March 2018 £'000
<b>Unrestricted</b>						
General funds	818	2,199	(2,027)	-	-	990
<b>Restricted</b>						
Raising funds	97	24	(12)	-	(85)	24
Operations and people engagement	9,966	736	(1,317)	-	-	9,385
Conservation	178	902	(590)	-	85	575
Education	102	499	(474)	-	-	127
	10,343	2,161	(2,393)	-	-	10,111
<b>Endowment</b>						
Permanent endowment funds	211	-	-	-	-	211
Expendable endowment funds	547	5	(34)	(4)	-	514
	758	5	(34)	(4)	-	725
<b>Total funds</b>	11,919	4,365	(4,454)	(4)	-	11,826

**Endowment Funds**

The permanent endowment fund is represented by certain nature reserves of the Charity. The expendable endowment fund is represented by the construction of The Barn Resource Centre and an endowment that has been invested to generate income to cover the maintenance costs at Freeman's Pool.

**Restricted Funds**

The balances on the restricted funds comprise:

- The balance of restricted income yet to be expended in the delivery of the projects specified in the funding application; and
- The net book value of fixed assets funded by restricted income.

Due to their number it is not practical to provide information for all projects. The balance at 31<sup>st</sup> March 2018 includes:

- Net book value of Brockholes Visitor Centre £ 6,407,000
- Mosslands Nature Reserves £ 954,000
- Net book value of Bolton Environmental Resource Centre £ 663,000

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018 (continued)**

**22. Analysis of net funds between funds**

**Group**

	Unrestricted £'000	Restricted £'000	Endowment £'000	<b>2018</b> £'000	2017 £'000
Tangible fixed assets	142	7,239	296	<b>7,677</b>	8,045
Heritage assets	370	2,196	212	<b>2,778</b>	2,778
Investments	-	-	217	<b>217</b>	221
Net current assets	653	676	-	<b>1,329</b>	1,100
Long term liabilities	(175)	-	-	<b>(175)</b>	(225)
	<b>990</b>	<b>10,111</b>	<b>725</b>	<b>11,826</b>	11,919

...

**Charity**

	Unrestricted £'000	Restricted £'000	Endowment £'000	<b>2018</b> £'000	2017 £'000
Tangible fixed assets	87	7,239	296	<b>7,622</b>	7,982
Heritage assets	370	2,196	212	<b>2,778</b>	2,778
Investments	-	-	217	<b>217</b>	221
Net current assets	708	676	-	<b>1,384</b>	1,163
Long term liabilities	(175)	-	-	<b>(175)</b>	(225)
	<b>990</b>	<b>10,111</b>	<b>725</b>	<b>11,826</b>	11,919

**23. Members guarantee**

The liability of each member is limited to £1.

**24. Commitments under operating leases**

At 31<sup>st</sup> March 2018 the Group and Charity had total commitments under non-cancellable operating leases as follows:

	<b>2018</b> £'000	2017 £'000
<b>Equipment</b>		
Within 1 year	<b>2</b>	6
Between 1 and 2 years	<b>2</b>	1
Between 2 and 5 years	<b>5</b>	1
	<b>9</b>	8
<b>Property</b>		
Expiring between 2 and 5 years	<b>-</b>	8

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31st MARCH 2018 (continued)**

**25. Capital commitments**

At the 31<sup>st</sup> March 2018 the group had £26,335 (2017: £Nil) of contracted future capital expenditure not provided for in these financial statements.

**26. Reconciliation of net expenditure to net cash flow from operating activities**

	<b>2018</b>	2017
	<b>£'000</b>	£'000
<b>Net expenditure for the year (as per statement of financial activities)</b>	<b>(93)</b>	(467)
Depreciation	<b>548</b>	554
Losses/(gains) on investments	<b>4</b>	(21)
Dividends from investments	<b>(5)</b>	(5)
(Increase) / decrease in stocks	<b>(4)</b>	5
(Increase)/decrease in debtors	<b>(482)</b>	87
Increase/(decrease) in creditors	<b>234</b>	(97)
<b>Net cash inflow from operating activity</b>	<b>202</b>	56

**27. Analysis of cash and cash equivalents**

	<b>2018</b>	2017
	<b>£'000</b>	£'000
Cash in hand and at bank	<b>1,020</b>	1,018

**28. Related parties**

The Lancashire Wildlife Trust Limited is a member of Lancashire Environmental Fund Limited ("LEF") with the power to appoint one Trustee to the board. Mr J Drury, a Trustee of the charity, was the charity's appointed Trustee on the LEF board during the year. During the year the charity provided management, organisational, administrative and supervision services to LEF for which £90,907 (2017: £84,986) was received in the statement of financial activities.

A balance of £141,939 (2017: £11,534) was due from LEF at 31<sup>st</sup> March 2018. This comprised outstanding grants of £134,914 (2017: £4,562) and service charges of £7,025 (2017: £6,972). Grants totalling £108,965 (2017: £50,119) have been awarded from LEF during the year.

It is the charity policy that Trustees must inform the board of their interests in grant applications at the start of Board meetings. The interested Trustee will not participate during the consideration of these applications. In the case of the Chairman having an interest in an application, the Chair is taken by the Vice-Chairman.



**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018 (continued)**

**29. Comparative information**

	Notes	Unrestricted £'000	Restricted £'000	Endowment £'000	2017 £'000
<b>Income and endowments from:</b>					
Donations and legacies	2	1,003	144	-	1,147
Charitable activities	3	883	1,296	-	2,179
Other trading activities	4	977	-	-	977
Investments	5	1	-	4	5
<b>Total</b>		<b>2,864</b>	<b>1,440</b>	<b>4</b>	<b>4,308</b>
<b>Expenditure on:</b>					
Raising funds	6	1,620	18	4	1,642
Charitable activities	7	1,310	1,771	28	3,109
Other	8	45	-	-	45
<b>Total</b>	9	<b>2,975</b>	<b>1,789</b>	<b>32</b>	<b>4,796</b>
<b>Net (losses)/gains on investments</b>		-	-	21	21
<b>Net expenditure</b>		<b>(111)</b>	<b>(349)</b>	<b>(7)</b>	<b>(467)</b>
<b>Transfers between funds</b>		-	-	-	-
<b>Net movement in funds</b>		<b>(111)</b>	<b>(349)</b>	<b>(7)</b>	<b>(467)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward	21	929	10,692	765	12,386
<b>Total funds carried forward</b>		<b>818</b>	<b>10,343</b>	<b>758</b>	<b>11,919</b>

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.