

Company Registration No. 585247 (England and Wales)

**Warwickshire Wildlife Trust Ltd
(A Company Limited by Guarantee)**

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

(Registered Charity Number 209200)

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Warwickshire Wildlife Trust Ltd
Legal and Administrative Information

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F Almond

Chair
Vice Chair

Treasurer
Secretary

COMPANY SECRETARY

Mrs K M Reeve

Company No. 585247

Charity No. 209200

REGISTERED OFFICE

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Olympus Avenue
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Warwickshire Wildlife Trust Ltd
Trustees' Report
For the year ended 31 December 2018

The board of Trustees present their annual report together with the audited consolidated financial statements of the charity and its subsidiary for the year ended 31 December 2018.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their account in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

Annual report 2018

Warwickshire Wildlife Trust exists to achieve our vision of an environment rich in wildlife for everyone in Warwickshire, Coventry and Solihull.

The trust is a registered charity (No.209200) and a company limited by guarantee (No. 585247). We were established in 1970 to protect our local natural heritage and encourage people to engage, enjoy and get involved with the natural environment. We are a membership organisation, governed by a Memorandum and Articles of Association.

The Trust is managed by a Council of voluntary Trustees, elected from its members, who provide the overall strategic direction for the development and work of the charity. On a day-to-day basis our work is carried out by a staff of 149 (at 31 December 2018, including Middlemarch Environmental Ltd, the Trust's wholly-owned subsidiary consultancy company), assisted hugely by a large number of volunteers. The Charity's Head Office is at Brandon Marsh Nature Centre near Coventry and it owns the Parkridge Centre in Brueton Park, Solihull as well as leasing offices for Middlemarch Environmental Ltd near Meriden and the Hams Hall Environmental Centre, near Coleshill.

Warwickshire Wildlife Trust is one of 47 independent charities, which form a national partnership – The Wildlife Trusts – through the Royal Society of Wildlife Trusts. Together we have over 800,000 members and around 2,300 nature reserves throughout the UK. The Trust's junior membership is also part of the national environment club, Wildlife Watch, which provides projects for our members and affiliated schools, so involving them directly with environmental issues. During 2018, the membership of the Trust in Warwickshire, Coventry and Solihull totalled around 23,000. If you would like to join, or find out more, please contact us:

Warwickshire Wildlife Trust
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A list of all Trustees, staff and advisors is provided later in this report.

Vision and Mission

People close to nature, with land rich in wildlife.

Our role in making this happen – our mission – is to bring about Living Landscapes and a society where Nature Matters.

Living Landscapes are where

- wildlife is abundant and thriving in our towns and cities, and across our rural landscape
- whole landscapes and ecosystems have been restored to provide a resilient foundation for wildlife and people for generations to come
- wildlife can adapt to a changing climate by moving freely across the land and along its watercourses
- natural habitats and soils accumulate carbon and store water helping to slow down climate change and reduce droughts and flooding

Nature Matters in a society when everyone

- has a strong personal connection with wildlife and wild places
- benefits from better health, well-being and prosperity thanks to a healthy natural environment, full of wildlife
- reflects the value of wildlife in their attitudes and behaviours
- takes action for wildlife and wild places to bring about nature's recovery

How We Will Achieve Change

We will achieve our mission by acting directly ourselves and by leading those around us, showing them what is possible.

We will inspire people to connect with wildlife by

- saving and nurturing wild places
- providing wild experiences
- telling wild stories

The outcome will be people connected to wild places and the natural world.

We will empower people to champion wildlife by

- supporting learning
- speaking out and encouraging influence
- promoting membership

The outcome will be a motivated society that supports investment in wild places and the natural world.

We will enable people to act for wildlife by

- providing guidance and advice
- supporting volunteering
- bringing together funds from many sources

The outcome will be a healthy wildlife rich environment that benefits society.

We will demonstrate the value of wildlife by

- collecting and sharing evidence
- pioneering natural solutions
- evaluating impact

The outcome will be more wildlife, more wild places and people closer to nature.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Board of Trustees

The Council of Trustees is responsible for the overall governance of the Trust. Trustees are either co-opted during the year or elected at the Annual General Meeting. Co-opted Trustees must stand for election at the Annual General Meeting immediately following their appointment. After election at the Annual General Meeting, Trustees serve for a period of 3 years and may be elected for 2 further periods of 3 years, but no longer unless the Council resolves that there are exceptional circumstances justifying their re-election. Council elects one of its numbers to act as Chair for the year at their first meeting following the Annual General Meeting.

Effective partnership between Trustees and staff continues to contribute significantly to our success. Trustees have differing experiences and backgrounds and their roles and responsibilities require them to have an understanding of all aspects of the Charity's work. Trustees meet at a minimum of four Council meetings each year, where they review strategy and operational performance and set policies, operating plans and budgets. New Trustees are offered an induction process to give them all the information they need about the Charity and its work. In addition, Trustee training sessions are held as and when needed. Trustees are encouraged to attend appropriate external training events where these will help their role.

The Council delegates the exercise of certain tasks in connection with the management and administration of the Charity as set out in a written list of delegated responsibilities, reviewed annually.

Statement of Trustees' Responsibilities and Corporate Governance

The Trustees are responsible for their annual report and for the preparation of financial statements for each financial year, which give a true and fair view of the state of affairs of the Charity and of the net movement in funds of the Charity for that period. In preparing those financial statements, the Trustees:

- 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue to operate.

The Trustees are responsible for ensuring that the Charity keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- The Charity is operating efficiently and effectively;
- All assets are safeguarded against unauthorised use or disposition and are properly applied;
- Proper records are maintained and financial information used within the Charity, or for publication, is reliable;
- The Charity complies with relevant laws and regulations.

Processes are in place as part of the Trust's Quality Management System to ensure that performance is monitored and the appropriate management information is prepared and reviewed monthly by executive management and regularly by the Board of Trustees. A programme of internal audits is in place, linked to a comprehensive risk assessment process.

The systems of internal control are designed to provide assurances against material misstatement or loss. They include:

- A strategic five-year plan and annual budget and work-plan approved by the Trustees;
- Regular consideration by the Trustees of financial results, variances from budget, non-financial performance indicators and benchmarking reviews;
- Delegation of day to day management authority and segregation of duties;
- Identification and management of risks

Statement of Trustees' Responsibilities and Corporate Governance (continued)

In accordance with company law the Trustees certify that:

- So far as we are aware, there is no relevant audit information of which the Charity auditors are unaware, and as the Trustees of the Charity we have taken all the steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Risk Management

Internal risks are minimised by the implementation of a Risk Management Strategy, reviewed annually, and by procedures for the authorisation of all transactions and projects. Procedures are also in place within the Quality Management System to ensure compliance with health and safety of staff, volunteers, clients and visitors, and to minimise our environmental impacts.

Key risks include: Loss of key staff; over-dependency on a few income streams; management of expenditure within budgets; health and safety and other risks of non-compliance; and reputational risks. Management have put in place systems and controls to mitigate these risks such as HR procedures; training and succession planning; development of a range of activities and income streams; and a robust reserves policy. Management are aware that risk management cannot entirely eliminate all risks to the Charity.

The council signed off the organisational risk register on 26th September 2018.

Public Benefit

The advancement of environmental protection and improvement is recognised as a charitable purpose and is regarded universally as producing a public good. Warwickshire 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 Warwickshire Wildlife Trust go much further.

Firstly, our nature reserves are used by the public, and many have access on way-marked routes. At most 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 all and we try to make special provision for the disabled and disadvantaged wherever possible.

It is a requirement of the Council of Warwickshire Wildlife Trust to ensure that the organisation continues to deliver services for public benefit and the trustees have considered the Charity Commission's guidance on public benefit.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Council adopted a five year strategic plan in May 2017 with a number of strategic objectives. Therefore 2018 was the first full year in which the work of the Trust was focussed entirely on the new plan. Trustees reviewed progress towards the strategic objectives at Council on 4th March 2019, and this is a narrative summary.

Expansion of Brandon Marsh

This was completed in early February 2019 with the signing of the lease for Wolston Fields adding 24 ha to the land secured earlier in the year from Tarmac (33 ha) and the Woodland Trust (Piles Coppice, 21 ha). Brandon Marsh has doubled in size and the Trust now has a land holding of 165 ha from the Garden Organic site at Ryton to the A46 Coventry ring road, and this adjoins Brandon Wood, a 67 ha site owned and managed by a community/voluntary group the Friends of Brandon Wood. Taken together it is a very large continuous woodland and grassland site under active management for wildlife. Unlike the established Brandon Marsh nature reserve the new land is not designated as SSSI enabling a wider variety of activities there, and has increased the potential for habitat creation as part of our largest reserve. The new Brandon Marsh will now support the delivery of other strategic objectives and its management becomes part of routine operations.

Woodland Estate Management

In 2018 the nature reserves team was restructured to better equip it for a whole estate approach to the care of the Trust's woodlands (480 ha of woodlands more than 4 ha in size – 18 sites in total). The post of Brandon Marsh & Dunsmore Woodland Officer was created and filled. Management plans for our woodland estate have been written in consultation with stakeholders and submitted to the Forestry Commission for approval which is expected early in 2019. The next step will then be to write a woodland estate management plan based on those elements which are approved by the Forestry Commission, in consultation with the reserves working group. At this point work on the new estate management plan can begin – this will take decades in practice but the strategic objective of defining a whole estate approach to our woodland management will be completed.

Habitat Creation

The focus of the Living Landscape team in 2018 has been on our plans for an Urban Living Landscape scheme in Coventry and working with farmers on two rural Living Landscape schemes. Active delivery on habitat creation is scheduled from mid 2020 onwards: this is the 50th anniversary year for the Trust and ideas for a fundraising campaign to set up a 'Habitat Creation Fund' linked to this landmark year are being developed. Preparatory work positioning the Trust for the opportunity to create habitat at Newbold Comyn and Coventry Gateway South has taken place, and Wolston Fields provides both the opportunity and obligation for the creation of new habitats within the expanded Brandon Marsh nature reserve.

Urban Living Landscape Scheme

Working over the past three years with a wide range of partners (e.g. Coventry City Council, Charterhouse Association, Lakeview Volunteers, Jaguar Land Rover, Coventry Society, Sherbourne Trust, Waterside Care, Friends of Sherbourne, Historic Coventry Trust) the Trust has lead the development of a shared vision for the Sherbourne Valley which puts the river back at the heart of Coventry. Utilising the built, cultural and natural heritage of the river the scheme will re-establish a sense of place by engaging the local community to restore, recreate and reconnect with the city. A high quality bid was submitted to the last application round for Heritage Lottery Fund before they closed in preparation for a relaunch but was unfortunately unsuccessful: it is now being revised in light of detailed feedback ready for resubmission in 2019. Complementary work on Natural Flood Management in the Upper Sherbourne catchment is being delivered in the meantime thanks to funding from the Environment Agency.

Rural Living Landscape Scheme

Agricultural land covers 70% of Warwickshire and if we are to realise our vision we must therefore work collaboratively with farmers to support nature's recovery. If we can influence government policy to put environmental principles at the heart of decision making, farmers could become our biggest ally. Approaches to landscape scale conservation, alternative to the kind of support that single large funders often support, were needed to increase the impact of the Trust's work in relation to agricultural land. To this end 2018 was a year of progress with two live projects that directly engage farmers, helping them to improve their management for wildlife and provide a tangible mechanism to show other farmers what can be achieved. The first project is a partnership project with Severn Trent Water, part of a wider regional partnership with Worcestershire and Shropshire Wildlife Trusts where project officers are funded by STW across key areas to work on two elements, the reduction in use of metaldehyde (the active ingredient in slug pellets) which has a significant impact on water quality and take-up of capital grants to support improved land management practices to reduce the overall impact on the rivers from farming operations. The second project is our Arden Farm Wildlife Network, a 3 year project funded by Natural England's Facilitation Fund. The Trust has grown a network of farmers who are interested in sharing best practice around how to incorporate environmental management into regular farming operations. The Trust has supported training events on specific subjects that the farmers themselves identify. In less than a year significant progress has been made in forming relationships within the farming community with the network growing to include 21 members covering over 9,000 hectares of Warwickshire. Geographic analysis by WWT maps the habitat on farms at a landscape scale, identifies where more habitat is required and helps us to influence members of the group to change their management practices as well as revealing farmers who are potential new partners in the project. This approach is steadily creating a bigger, better, more joined up area in the farmed landscape at relatively low cost.

Health & Well-Being

Our health & wellbeing partnership project with MIND ran throughout 2018 and as funding ends in 2020 plans for legacy arrangements are being made. Your Wild Life continued to deliver volunteering sessions in the Solihull area, developing a very well attended session at the Parkridge Centre and a roaming reserves team volunteering at our reserves in Solihull. Securing a new Reaching Communities (BIG Lottery Fund) grant, and a small grant from Public Health (Warwickshire), in 2018 will enable similar work in Leamington Spa from 2019 to 2021. The Trust is building a solid reputation for work in this area, and the confidence that others now hold in our ability to deliver it is growing. Time spent in wildlife rich environments boosts health and wellbeing. Every year local businesses make it possible for their employees to spend time with the Trust improving natural spaces, undertaking physical tasks, learning new skills, connecting with team-mates in a new environment and giving something back to their communities. Being outside in nature enables them to take time to think, slow down and reflect and they return to work feeling happier and healthier: more than 75% report an improved sense of wellbeing. This year the Trust organised 30 day long events for 329 people from eight local different businesses.

Nature Schools

Since the general election in 2017 there have been long delays in the central government process for setting up new free schools. However with the opening of an application window in 2018 the Red Kite Academy Trust, a charitable organisation established by the Wildlife Trusts for the purpose of creating nature schools in England, applied to the Department of Education in November for permission to open a school in Nuneaton. Applications for nature schools in the three other areas originally intended are no longer possible. Despite government guidance suggesting interviews in early 2019 little seems to be happening and there is no other option than to wait for a response from the Department of Education.

Community Engagement Through A Species Campaign

Funding for Help for Hedgehogs has been extended to October 2019 but is expected to cease then. Therefore in 2018 efforts have been made to widen the theme of our species led work away from just hedgehogs and into wildlife gardening through a partnership with Garden Organic and using the HS2 Community & Environment Fund. An expression of interest for a three year £650,000 project has been accepted and the full project will be worked up for submission before July 2019. If successful this will commence in January 2020 with approximately £300,000 coming to WWT to mitigate the effect of construction of HS2 by a series of activities in local green spaces.

Volunteering

A full-time coordinator was appointed in May 2018 and with the new GDPR regulation also coming into force in May 2018 this gave the Trust an opportunity to review and overhaul its volunteering policy and look at its volunteering forms, records and figures. We now have a more accurate figure for the number of volunteers with the Trust: currently we have 608 active volunteers. These amazing people donated over 23,000 volunteer hours to help the Trust carry out its work in 2018. These hours are only what we have managed to record and there is still a huge amount of hours that go unrecorded. Even so this means our volunteers carry out work which is at least equivalent to 15 full-time members of staff.

The current focus is on boosting the sustainability of the various reserves based work parties and building up volunteer support in key areas of the Trust's operations which are under resourced e.g. the visitor centres. Initial work is underway to identify and resolve barriers to volunteering at WWT to be concluded in 2020.

In 2018 we also put forward the Brandon Marsh Voluntary Conservation Team for two awards, one being the Queen's Award for Voluntary Service which is the highest award given to local volunteer groups across the UK to recognise outstanding work done in their own communities. We will find out in May 2019 if the BMVCT have been successful.

Environmental Angling Centre

Based on discussions over the past couple of years a vision for an Environmental Angling Centre at Lea Marston was agreed between the Trust, the Angling Trust and the Environmental Agency (the landowner). It will be a practical and learning experience delivered through an exemplary building and well managed natural site which builds a love of angling and wildlife in equal measure through a joint venture between three organisations working to this common purpose; a place where people can experience the great outdoors and learn new skills; a development which generates income to support all revenue and maintenance costs; a site which is contributing to landscape scale nature conservation in the Tame Valley; and a site which is the epitome of the 25 Year Environment Plan. Good progress has been made with fundraising for a new building and underwater fish observatory, and for habitat creation in support of the site's management plan and the Warwickshire Biodiversity Action Plan. Further work preparing the information for a planning application, business planning for future operations and on the formal arrangements between the partners will continue into 2019.

Training and Youth Work

March 2018 saw the end of our Wilder Career Choice project bringing to a close seven years of support from the Heritage Lottery Fund for a regional programme of high quality training opportunities to equip people with the skills to pursue a career in heritage. The Trust had managed this programme working with the Wildlife Trusts in Birmingham and the Black Country, Leicestershire and Rutland, Shropshire and Staffordshire and the Wyre Community Land Trust as placement partners. Trainees were offered year long work-based programmes during which they focussed on the ecology, behaviour and identification of species and practical conservation heritage skills. Additional training was offered in the variety of ways to engage other people in heritage such as volunteer management skills, communication skills for a diverse range of audiences and project management and interpersonal skills. Key outputs from the second phase of this project (i.e. the past four years) were:

- 31 trainees completed the 1 year training placement (one did not complete)
- 2 trainees completed an additional 6 month training placement
- 16 trainee placements were taken up by women, 17 by men
- 26 trainees exited the scheme with a Certificate in Work Based Conservation
- 7 trainees exited the scheme with a Diploma in Work Based Conservation
- 4 trainees exited the scheme with a Forest Schools qualification
- 18 trainees exited the scheme with a chainsaw licence
- 29 trainees have found employment in heritage sector since completing their placement

Membership

Our recruitment company, Wildlife Fundraising Central Ltd, which the Trust co-owns with six other Wildlife Trusts, performed well at the start of the year but following the departure of some key staff their performance in Warwickshire declined. Membership of the Trust was 22,674 at the end of 2018 (2017: 23,049 a decrease of 1.6%) spread across 10,055 subscriptions (2017: 10,179 a decrease of 1.2%). Our retention rate for 2018 was 88.1% (meaning a lapse rate of 11.9%). Membership subscriptions are the financial foundation of the Trust and we are very grateful to past and present support for the work of the Trust. Indeed, despite a small fall in membership in 2018 the income provided by our members rose by just over 7%.

The Trust is very grateful to the following people who remembered local wildlife and gave a lasting gift in their wills this year, which contributed to total legacies received of £141,640:

Ken Bond
John Brightley
Glenda Catling
Betty Davies Will Trust
Philip Geoffrey Ruben Hayes
The Hayes Family Living Trust
Philip Pain
Maureen Parkes
Anthony William Pratley
Michael J Senior

Visitor Centres

In January we had just taken the tea room at the Parkridge Centre in house and put the staff onto our payroll so 2018 has been the first full year in which the Trust has managed the entire visitor experience. Overall, while it has not been without its challenges, this has gone well with all the visitors to the Parkridge Centre now more aware of the work of the Trust. Strategies for the Visitor Centre there and for Brandon Marsh, developed with the help of an external consultant, have led to a restructure of the VC staff and an influx of new skills and experience into two new roles. Each Centre now has specific messaging and retail and membership recruitment objectives and are set to contribute fully to supporting the wider work of the Trust in 2019.

Making The Most Of Who We Are

The review which informed the production of the 2017-2022 strategic plan concluded that we should recognise some simple truths about the Trust. In recent years Warwickshire Wildlife Trust has turned over approximately £7.0M and employed 150 staff, and therefore by these key measures is one of the largest Wildlife Trusts, and the largest single county WT. Thanks to our trading subsidiary, Middlemarch, we are also the only Wildlife Trust to operate across the whole of the UK. Consequently in 2018 we have begun to resource the Trust more adequately in terms of the administration of the Trust's finances and human resources with new posts created and new systems being introduced. Initial thinking is being carried out on the medium to long term needs of the charity and trading subsidiary for headquarters, with plans to investigate fully the potential benefits and possible disadvantages of colocation. Further effort has been made to facilitate the use of Middlemarch's expertise by the charity within Warwickshire.

Keeping Up The Good Work

In addition to work on the current strategic objectives we have kept up the good work which has sustained nature in Warwickshire for nearly 50 years. Through the management of our nature reserves we continued to look after wildlife where our supporters (members, volunteers, donors, well-wishers) live, work and play. Through the work of the HBA we continued to survey the habitats on other people's land, building our knowledge of the wildlife of our county and its condition and ecological functionality. We welcomed tens of thousands of local children to our environmental education programme, and similar numbers to our visitor centres plus thousands more people to our vibrant and varied programme of events. We provided a voice for nature commenting on everything from Environmental Statements submitted by HS2 through to major housing development schemes across Warwickshire, Coventry and Solihull. Projects we are part of and collaborations we have entered into have delivered on their current commitments over the past year, e.g. those within the Tame Valley Wetlands Partnership and the Dunsmore Living Landscape.

Financial Review

Financially, the Group's income increased from £7.038M in 2017 to £7.423M but also costs also increased to £6.807M compared to £6.760M in 2017 leaving a group surplus for the year of £616,383 (2017: £277,404). Given the turbulent financial nature of the world at large, these figures are impressive.

For the charity alone, income including Middlemarch's Gift Aid donation, increased up to £3.362M (2017: £3.017M) with costs increasing to £2.730M (2017: £2.725M). Net profit increased to £632,400 compared to £292,545 in 2017 including gift aid from Middlemarch of £556k compared to £447k in 2017.

Overall the Trust's income increased by £236k, with grants, projects and other income increasing from £1,733k in 2017 up to £1,824k this year, with income from generated funds also increasing from £837k in 2017 to £982k this year. Subscriptions increased to £568k (2017: £529k), with corporate subscriptions remaining stable at £5k in 2018 versus £7k in 2017. Legacies and donations increased during the year from £106k in 2017 to £162k, however these will vary from year to year. Investment income increased slightly from £5k up to £9k. Visitor Centres income also increased during the year from £110k in 2017 to £247k this year.

The Contingency Fund increased from £500,000 to £730,000, in order to provide sufficient cover for operating costs.

Middlemarch Environmental Ltd, our subsidiary ecological consultancy company, produced good results against an increasingly competitive consultancy market with turnover increasing to £4.611M (2017: 4.465M). Although costs only increased by £39k, the gift aid to the Trust increased significantly from £447k in 2017 to £556k this year, and they still managed to make a profit after tax of £6k, which is slightly up on last year's profit of £4k.

The group's cash increased in the year by £447k (2017: decrease £212k), thus the group's cash position remains healthy. Whilst most of this cash is earmarked for future projects, it nevertheless reflects a reasonably strong position for both the Trust and Middlemarch given the continuing overall position of the economy in 2018.

Investment Policy

The Charity's Investment objective is to optimise its return from its investments consistent with a moderate level of risk and does not knowingly invest in institutions with objectives contrary to its environmental policies.

The Charity's policy is to identify cash funds surplus to immediate needs and invest the surplus in short-term investments, near cash funds and immediate cash funds.

Short-term investments represent money identified as not needed within the foreseeable future and should be invested only in UK bonds with high credit rating and for a period not exceeding 12 months. The amounts involved are restricted to £100,000 per institution and to be spread throughout the year to avoid concentration of renewal activity.

Near cash funds represents money not required in the immediate future but may be required in the foreseeable future and should be invested in institutions with minimal risk to capital and the availability of instant withdrawal.

At present the Charity invests the majority of its surplus funds in a COIF account to maximise interest returns whilst providing a high level of security. The COIF Charity Funds (Registered Charities No's 218873/803610/1046249/1093084) are common investment and deposit funds and managed by CCLA. Other high profile institutions are now being used to invest near future cash funds.

Immediate cash funds are held within the Charity's bank account and represents money that is required for its day to day activities.

Fundraising

Whilst the Charity does incur some expenditure in respect of fundraising activities, these are considered to be on a small scale and so do not form part of the Charity's principal activities. The Charity neither participates in publicly marketed fundraising events nor in the active soliciting of donations from members of the general public. Accordingly, the Charity is not registered with the Fundraising regulator, although the situation will be kept under review.

Reserves Policy

The Trustees believe that the Charity should hold financial reserves because:

- 1) It has no income from endowment funding and is entirely dependent for income on membership, donations, grants and legacies which can vary from year to year;
- 2) It requires protection against unforeseen setbacks and the ability to continue operation despite these circumstances; and
- 3) It requires the ability to be able to take advantage of change and opportunities to further its objectives.

The Trustees believe that the minimum level of unrestricted reserves should be the equivalent of 2 months' operating costs calculated and reviewed annually, and believe that the reserves should be built up to the desired level in stages consistent with the Charity's overall financial position and its needs to maintain and develop its charitable activities. At the end of 2018, the Contingency Fund was increased to further strengthen the position of the Charity and is at its target figure.

At the year end the Charity had Endowment funds of £1,722k (2017: £1,744k); Restricted funds of £638k (2017: £561k); Unrestricted designated funds of £2,781k (2017: £2,030k) and Unrestricted funds of £421k (2017: £617k)

Employees

The Charity supports equal opportunities. The Trust's staff operates primarily from its headquarters office at Brandon Marsh Nature Centre with some out-posted staff in the Parkridge Centre Solihull as well as rented offices in Coventry and Warwick. Staff of Middlemarch Environmental Ltd operates from rented offices near Millisons Wood on the outskirts of Coventry. During 2018 there was a total of 149 staff, including 75 at the Trust and 74 at Middlemarch Environmental Ltd (2017: 128, split 64:64).

Pay policy for senior staff

The pay of the senior staff is reviewed by the board (at least annually) and normally increased in line with average earnings or review against performance objectives. In view of the nature of the charity, the trustees benchmark against pay levels in other regional charities of a similar size.

Pensions

The Charity operates a Group Personal Pension scheme, where contributions of 4.5% from employees are matched by 4.5% from the Charity or its trading company. The scheme is optional to all staff once they have completed a probationary period, and transportable should they leave.

Many Thanks

Warwickshire Wildlife Trust is your organisation and as such is the natural home for all those who care about local wildlife, wild places, geology and the natural environment. Our work is vital – it's important for the integrity of the natural world on our doorstep. The quality and health of our natural environment is also important for our own health and well-being – and for the future of society, the economy, jobs and growth.

The Trust works hard on everyone's behalf for local wildlife and local people and we can achieve nothing without the support of members – and the hard work and dedication of all of our volunteers and staff.

We would like to offer our warm thanks and sincere gratitude to everyone who has contributed to our activities and success in 2018 and, most of all, for helping make Warwickshire a better place to live and work.

We can be justifiably proud of what we are achieving. Keep up the superb work in 2019 and thank you for being a part of it!

Crishni Waring
Chair

Ed Green
Chief Executive

Phil Fermor
Managing Director, Middlemarch

Signed on behalf of the Trustees:

Crishni Waring
Chair

Date: _____

Management of the Trust 2018

COUNCIL OF TRUSTEES

Crishni Waring	(Chair)
Dr Martin Randall	(Vice Chair)
Michael Bunney	
John McKenzie	(Hon Treasurer)
Kay Reeve	(Hon Secretary)
Duncan McArdle	
Ron Hill	
Helen Brittain	
Andrew Gabbittas	
Luke Hamer	
Susan Juned	
Laurence Wilbraham	
Geoff Litterick	
Francis Almond	

Chief Executive

Dr Ed Green

MIDLEMARCH ENVIRONMENTAL LTD - BOARD

Jonathan Bird	(Company Secretary – Appointed 23/03/18)
Dr Phil Fermor	
David Smith	
Eamon Collins	
Rodney Aspinwall	
Dr Katy Read	
Dr Ed Green	
John McKenzie	
Anne Doswell	
Duncan McArdle	
Fiona White	

TRUST SOLICITORS

Wright Hassall LLP, Leamington Spa

TRUST AUDITORS

Harrison Beale & Owen Ltd,
Leamington Spa

Warwickshire Wildlife Trust Ltd

Independent Auditors Report to the Members and Trustees of Warwickshire Wildlife Trust Ltd

For the year ended 31 December 2018

Opinion

We have audited the financial statements of Warwickshire Wildlife Trust Ltd (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charity Income and Expenditure Accounts, the Group and the Parent Charity Balance Sheet, the Statement of Cash Flows and Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 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' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has 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 Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 pages 5 to 6, 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.

Warwickshire Wildlife Trust Ltd

Independent Auditors Report to the Members and Trustees of Warwickshire Wildlife Trust Ltd

For the year ended 31 December 2018

Auditor's responsibilities for the audit of the financial statements

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

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

Mark Ashfield (Senior Statutory Auditor)

Date: May 2019

For and on behalf of Harrison, Beale & Owen Limited
Chartered Accountants, Statutory Auditor

Highdown House
11 Highdown Road
Leamington Spa
Warwickshire
CV31 1XT

Harrison, Beale & Owen Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Warwickshire Wildlife Trust Ltd
Consolidated Statement of Financial Activities
For the year ended 31 December 2018

	Note	Unrestricted funds		Restricted funds	Endowment funds	Total funds 2018	Total funds 2017
		Undesignated funds	Designated funds				
		£	£	£	£	£	£
Income and endowments from:							
Donations and legacies	2	866,135	-	847	-	866,982	765,559
Charitable activities	3	244,379	-	1,580,016	-	1,824,395	1,733,051
Other trading activities	4	4,716,564	-	-	-	4,716,564	4,530,826
Investment income		15,074	-	-	-	15,074	8,416
Total income		5,842,152	-	1,580,863	-	7,423,015	7,037,852
Expenditure on:							
Raising funds	5	4,498,712	28,808	369	-	4,527,889	4,463,594
Charitable activities	6	352,542	400,777	1,503,614	21,810	2,278,743	2,296,854
Total expenditure		4,851,254	429,585	1,503,983	21,810	6,806,632	6,760,448
Net income/(expenditure)		990,898	(429,585)	76,880	(21,810)	616,383	277,404
Transfers between funds	20	(1,180,586)	1,180,586	-	-	-	-
Net movement in funds		(189,688)	751,001	76,880	(21,810)	616,383	277,404
Total funds brought forward at 1 January 2018		1,974,859	2,029,648	560,966	1,744,078	6,309,551	6,032,147
Total funds carried forward at 31 December 2018		1,785,171	2,780,649	637,846	1,722,268	6,925,934	6,309,551

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.

Warwickshire Wildlife Trust Ltd
Consolidated and Parent Charity Income and Expenditure Accounts
For the year ended 31 December 2018

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Income from:				
Donations, legacies and other trading activities	5,598,620	5,304,801	981,672	836,800
Charitable activities	<u>1,824,395</u>	<u>1,733,051</u>	<u>1,824,395</u>	<u>1,733,051</u>
Total income	<u>7,423,015</u>	<u>7,037,852</u>	<u>2,806,067</u>	<u>2,569,851</u>
Expenditure on:				
Raising funds	4,527,889	4,463,594	472,734	447,202
Charitable activities	<u>2,256,933</u>	<u>2,277,530</u>	<u>2,256,933</u>	<u>2,277,530</u>
Total expenditure on continuing operations	<u>6,784,822</u>	<u>6,741,124</u>	<u>2,729,667</u>	<u>2,724,732</u>
Net income/ (expenditure) for the year	<u>638,193</u>	<u>296,728</u>	76,400	(154,881)
Donations under gift aid from subsidiary			<u>556,000</u>	<u>447,426</u>
Net income for the year - parent charity			<u>632,400</u>	<u>292,545</u>

Endowment fund income and expenditure has been excluded from the above figures.

A detailed analysis of the subsidiary trading results is shown in note 1.

The income and expenditure accounts is provided for Company Act purposes.

Warwickshire Wildlife Trust Ltd
Balance Sheet
As at 31 December 2018

		Group		Charity	
		2018	2017	2018	2017
		£	£	£	£
	Note				
Fixed assets					
Tangible assets	11	2,141,948	2,190,389	2,096,549	2,131,724
Investments	12	-	-	100	100
		<u>2,141,948</u>	<u>2,190,389</u>	<u>2,096,649</u>	<u>2,131,824</u>
Total fixed assets					
Current assets					
Stocks	13	15,045	15,045	15,045	15,045
Debtors	14	2,107,973	2,341,905	669,940	447,933
Cash at bank and in hand	15	3,703,729	3,256,601	3,163,232	2,665,547
		<u>5,826,747</u>	<u>5,613,551</u>	<u>3,848,217</u>	<u>3,128,525</u>
Creditors: amount falling due within one year	16	(1,038,907)	(1,489,109)	(382,818)	(308,891)
Net current assets		<u>4,787,840</u>	<u>4,124,442</u>	<u>3,465,399</u>	<u>2,819,634</u>
Total assets less current liabilities		<u>6,929,788</u>	<u>6,314,831</u>	<u>5,562,048</u>	<u>4,951,458</u>
Provision for liabilities	17	(3,854)	(5,280)	-	-
Total net assets	21	<u>6,925,934</u>	<u>6,309,551</u>	<u>5,562,048</u>	<u>4,951,458</u>
Funds					
Endowments	18	1,722,268	1,744,078	1,722,268	1,744,078
Restricted funds	19	637,846	560,966	637,846	560,966
Unrestricted designated funds	20	2,780,649	2,029,648	2,780,649	2,029,648
Unrestricted funds		421,285	616,766	421,285	616,766
Non-charitable funds		<u>1,363,886</u>	<u>1,358,093</u>	<u>-</u>	<u>-</u>
Total funds		<u>6,925,934</u>	<u>6,309,551</u>	<u>5,562,048</u>	<u>4,951,458</u>

Approved and authorised by the Council on

and signed on its behalf by:

C WARING
Chair of Trustees

Warwickshire Wildlife Trust Ltd
Statement of Cash Flows and Consolidated Statement of Cash Flows
For the year ended 31 December 2018

		Group		Charity	
		2018	2017	2018	2017
		£	£	£	£
	Note				
Cash provided by/ (used in) operating activities	28	487,281	(209,799)	488,313	203,915
Tax paid		(12,858)	-	-	-
Net cash provided by/ (used in) operating activities		474,423	(209,799)	488,313	203,915
Cash flows from investing activities					
Interest from investments		15,074	8,416	9,372	5,387
Purchase of tangible fixed assets		(42,619)	(14,023)	-	(11,597)
Proceeds from sale of fixed assets		250	3,633	-	-
Cash (used in)/ provided by investing activities		(27,295)	(1,974)	9,372	(6,210)
Increase/ (decrease) in cash and cash equivalents in the year		447,128	(211,773)	497,685	197,705
		3,256,601	3,468,374	2,665,547	2,467,842
Total cash and cash equivalents at the end of the year		3,703,729	3,256,601	3,163,232	2,665,547

General information and basis of preparation

Warwickshire Wildlife Trust is a private company limited by guarantee, incorporated in England and Wales. The address of the registered office is given in the legal and administrative information on page 2 of these financial statements.

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 (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006, and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

The trustees are of the opinion that there are no going concern issues to be reported and as such the accounts are prepared on a going concern basis.

Consolidation

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Charity and its subsidiary, Middlesmarch Environmental Ltd. Intra-group transactions are eliminated on consolidation. The results of the subsidiary are consolidated on a line by line basis. A separate SOFA for the charity has not been presented because the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Fund Accounting

Unrestricted Funds:

These funds can be used for any of the charity's purposes.

Restricted and Endowment Funds:

These funds have been given to the Trust for a particular purpose to be used in accordance with the wishes of the donor. The capital can generally not be realised.

Designated Funds:

These funds are unrestricted funds set aside by the trustees and earmarked to meet future costs. The designated development fund includes amounts set aside towards future projects, whilst the designated contingency fund represents an amount set aside to meet unforeseen costs.

Incoming resources

Income is recognised in the period in which the group is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Voluntary income

Voluntary income is received by way of donations, gifts, subscriptions, covenants and fund raising activities. This income is credited to the income and expenditure account on a receipts basis.

Legacies

Legacies are taken into account on the earlier of the when the charity is notified or when a distribution is received. Receipt is only considered probable when the amount can be measured reliably. Where legacies have been notified to the charity but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Capital grants

Capital grants, including Government Grants, received for the purchase of Freehold and Leasehold Land are credited to the Trust's restricted funds in the year of receipt. Leasehold land and property is written off over the expected useful life of the relevant asset in equal annual instalments.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on raising funds includes those costs incurred by the charity in its trading activities, fundraising and member services. It includes both costs that relate directly to an activity and those of an indirect nature necessary to support them.
- Expenditure on charitable activities includes those costs incurred by the charity in the delivery of its activities and services for its beneficiaries, including those relating to specific projects. It includes both costs that relate directly to an activity and those of an indirect nature necessary to support them.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Pension costs

The Trust company operates a defined contribution scheme for the benefit of its employees. The costs of the contributions are written off against incoming resources in the year they are payable. The assets of the scheme are held separately from the Trust in independently administered funds. Expenditure is allocated to activities and funds dependent upon the staff members' time spent.

Volunteer help

The Trust receives support from a wide variety of volunteers. It is not practical to place a value on the time volunteered by all these persons due to the variety of duties performed, the differences in time spent, and the sheer number of volunteers who gave their time.

Fixed assets

Depreciation is not provided on freehold land which is considered to have a useful life of more than fifty years. Depreciation has been provided on buildings which comprise construction of the Trust's headquarters and the Visitors' Centres at Brandon and Brueton Park at a rate to write off the assets over the term of the lease.

Equipment costing less than £1,000 per individual item is written off in the period of acquisition. All other equipment is capitalised at cost. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Motor vehicles	33% per annum
Tractors	15% per annum
Equipment	10% to 20% per annum
Computer equipment	50% per annum

Investments

Fixed and current asset investments are stated at historic cost, net of any impairment losses.

Operating leases

Rentals payable under operating leases are charged to the SOFA over the period in which the cost is incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Research and development

Expenditure on research and development incurred in the year is charged to the SOFA.

Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Financial instruments

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

Warwickshire Wildlife Trust Ltd
Notes to the Financial Statements
For the year ended 31 December 2018

1. Net Income from Trading Activities of Subsidiary

The charity has a wholly owned trading subsidiary, Middlemarch Environmental Limited (company number 02593908), which is incorporated in the UK. The principal activity of Middlemarch Environmental Ltd is to provide ecological consultancy services. The company pays a proportion of its taxable profits to the Trust by way of gift aid. A summary of their trading results is shown below. Audited financial statements are filed with the Registrar of Companies.

	2018	2017
	£	£
Turnover including £nil intercompany (2017: £nil)	4,611,247	4,464,972
Cost of sales	(715,822)	(801,198)
Gross profit	3,895,425	3,663,774
Other operating expenses	(3,337,976)	(3,213,286)
Investment income	5,702	3,029
Net profit	563,151	453,517
Taxation	(1,358)	(1,908)
Gift Aid donation to Warwickshire Wildlife Trust	561,793 (556,000)	451,609 (447,426)
Retained in Subsidiary	5,793	4,183
Aggregate assets, liabilities and funds	1,363,986	1,358,193

2. Donations and legacies income

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Subscriptions	568,357	-	568,357	529,494
Corporate subscriptions	4,655	-	4,655	6,700
Donations and gifts	19,117	847	19,964	20,193
Income tax recovered under gift aid	132,366	-	132,366	123,822
Legacies	141,640	-	141,640	85,350
	<u>866,135</u>	<u>847</u>	<u>866,982</u>	<u>765,559</u>

2017 comparatives include donations and gifts of £12,996 in restricted funds. Other income is unrestricted.

Warwickshire Wildlife Trust Ltd
Notes to the Financial Statements - continued
For the year ended 31 December 2018

3. Charitable activities income

	Unrestricted funds				Total	Total
	Designated funds	Undesignated funds	Restricted funds	Endowment funds	2018	2017
	£	£	£	£	£	£
Visitor centres	-	238,215	8,367	-	246,582	110,365
Reserves and community engagement	-	-	392,344	-	392,344	313,247
Living landscapes	-	-	852,459	-	852,459	785,029
Habitat biodiversity audit	-	-	106,482	-	106,482	94,435
Health & training	-	6,164	220,364	-	226,528	417,483
Nature schools	-	-	-	-	-	12,492
	-	244,379	1,580,016	-	1,824,395	1,733,051

2017 comparatives include visitor centres income of £109,872; Health and training income of £9,032; and nature schools income of £1,960, all in unrestricted funds. Other income is included in restricted funds.

4. Other trading activities income

	Unrestricted funds				Total	Total
	Designated funds	Undesignated funds	Restricted funds	Endowment funds	2018	2017
	£	£	£	£	£	£
Subsidiary trading company	-	4,611,247	-	-	4,611,247	4,464,972
Fundraising	-	105,317	-	-	105,317	65,854
	-	4,716,564	-	-	4,716,564	4,530,826

5. Raising funds expenditure

	Unrestricted funds				Total	Total
	Designated funds	Undesignated funds	Restricted funds	Endowment funds	2018	2017
	£	£	£	£	£	£
Marketing	24,708	138,078	369	-	163,155	199,225
Membership servicing	4,100	305,479	-	-	309,579	247,977
Subsidiary trading company	-	4,055,155	-	-	4,055,155	4,016,392
	28,808	4,498,712	369	-	4,527,889	4,463,594

2017 comparatives include marketing costs of £8,010 and membership servicing costs of £2,122 in unrestricted designated funds and marketing costs of £742 in restricted funds. Other costs are included in unrestricted undesignated funds.

Warwickshire Wildlife Trust Ltd
Notes to the Financial Statements - continued
For the year ended 31 December 2018

6. Charitable activities expenditure

	Unrestricted funds				Total	Total
	Designated funds	Undesignated funds	Restricted funds	Endowment funds	2018	2017
	£	£	£	£	£	£
Visitor centres	-	332,343	16,734	21,810	370,887	243,096
Reserves community engagement	199,841	-	307,109	-	506,950	619,472
Living landscapes	142,965	-	838,924	-	981,889	891,204
Habitat biodiversity audit	-	-	106,482	-	106,482	94,435
Health and training	42,724	-	234,365	-	277,089	387,484
Nature schools	-	-	-	-	-	42,484
Governance costs	15,247	-	-	-	15,247	17,447
Volunteer costs	-	20,199	-	-	20,199	1,232
	<u>400,777</u>	<u>352,542</u>	<u>1,503,614</u>	<u>21,810</u>	<u>2,278,743</u>	<u>2,296,854</u>

2017 comparatives include visitor centres costs of £12,981 in restricted funds, £19,324 in endowment funds and £17,261 in unrestricted designated funds; Reserves and community engagement costs of £349,866 in restricted funds and £70,286 in unrestricted designated funds; Living landscapes costs of £775,710 in restricted funds and £43,082 in unrestricted designated funds; Habitat biodiversity costs of £94,435 in restricted funds; Health and training costs of £354,014 in restricted funds; Nature schools costs of £42,484 in restricted funds; and Governance costs of £17,447 in unrestricted designated funds. Other costs are in unrestricted undesignated funds.

7. Total resources expended

	Staff costs	Depreciation	Other costs	Total	Total
	£	£	£	2018	2017
	£	£	£	£	£
Direct charitable expenditure	952,480	24,622	910,555	1,887,657	2,052,526
Visitors centre	135,388	3,518	231,981	370,887	243,096
Expenditure on raising funds	272,818	7,035	192,881	472,734	447,202
Volunteer costs	-	-	20,199	20,199	1,232
	<u>1,360,686</u>	<u>35,175</u>	<u>1,355,616</u>	<u>2,751,477</u>	<u>2,744,056</u>
Middlemarch Environmental Limited	<u>2,763,072</u>	<u>55,885</u>	<u>1,236,198</u>	<u>4,055,155</u>	<u>4,016,392</u>
	<u>4,123,758</u>	<u>91,060</u>	<u>2,591,814</u>	<u>6,806,632</u>	<u>6,760,448</u>

	2018	2017
	£	£
Total resources expended are stated after charging/ (crediting):		
Directors' remuneration	440,640	442,456
Auditors' remuneration	11,250	9,370
Depreciation	91,060	113,800
(Profit)/ loss on sale of fixed assets	(250)	(3,633)
Amounts payable under operating leases	45,417	45,338

Warwickshire Wildlife Trust Ltd
Notes to the Financial Statements - continued
For the year ended 31 December 2018

8. Staff Costs

	2018	2017
	£	£
Wages and salaries	3,467,037	3,290,483
Social security costs	303,078	267,420
Pension costs	353,643	283,624
	<u>4,123,758</u>	<u>3,841,527</u>

The average number of employees, analysed by function was:

	2018	2017
	No	No
Trust activities	62	51
Fundraising and publicity	6	6
Management and administration	7	7
Subsidiary trading company	74	64
	<u>149</u>	<u>128</u>

The above average number of employees comprise

Warwickshire Wildlife Trust	75	64
Middlemarch Environmental Limited	74	64
	<u>149</u>	<u>128</u>

The following members of the Council of Trustees received remuneration during the year for duties as non-executive directors of the trading company:

A M Lorimer	£Nil	(2017: £6,176)
J McKenzie	£8,531	(2017: £8,086)
D McArdle	£6,761	(2017: £Nil)

All other members of the Council of Trustees act in an unpaid capacity.

Two trustees (2017: Two) received expenses of £397 (2017: £226) relating to travel and subsistence.

Key management are considered to be the Chief Executive officer, the Finance director of the Charity and the Executive Directors of the trading subsidiary. The total employment benefits including pension contributions of key management personnel was £485,951 (2017: £453,040).

8. Staff Costs (continued)

Higher paid staff

Employees' remuneration (excluding pension contributions) in excess of £60,000 for the year fell within the following bands:

	Charity		Trading Company	
	2018	2017	2018	2017
	No.	No.	No.	No.
£60,001 - £70,000	-	-	4	4
£70,001 - £80,000	1	1	-	1
£90,001 - £100,000	-	-	1	1
£120,001 - £130,000	-	-	2	1
£130,001 - £140,000	-	-	-	1

All of the higher paid staff except one, are employed by Middlemarch Environmental Ltd, the subsidiary undertaking. One (2017: One) charity employee received remuneration in excess of £60,000

Highest paid director (subsidiary undertaking)

The highest paid director received £128,806 (2017: £137,259) and had £9,061 (2017: £6,725) added to their pension.

	£	£
Pension contributions in respect of the above employees are	35,321	37,001
The number of employees accruing retirement benefits included above is	8	9

The number of directors to whom retirement benefits are accruing under defined contribution scheme amounted to 3 (2017: 3).

9. Pension arrangements

The Trust operates a defined contribution Group Personal Pension Scheme open to all employees. Contributions to the scheme are charged to the accounts as they fall due. Total amounts paid in the year were £353,643 (2017: £283,624).

10. Taxation

The tax charge on the profit for the year was as follows:

	2018	2017
	£	£
Current tax (charged at 19%):		
UK Corporation tax	2,784	12,858
Deferred tax	(1,426)	(10,950)
	1,358	1,908

The above charge related to the subsidiary undertaking, as shown in note 1.

Warwickshire Wildlife Trust Ltd
Notes to the Financial Statements - continued
For the year ended 31 December 2018

11 Tangible fixed assets

Group	Freehold Property £	Leasehold Property £	Plant and Equipment £	Motor Vehicles £	Total £
Costs					
1 January 2018	1,328,316	923,252	355,300	320,235	2,927,103
Additions	-	-	15,744	26,875	42,619
Disposals	-	-	-	(8,000)	(8,000)
31 December 2018	<u>1,328,316</u>	<u>923,252</u>	<u>371,044</u>	<u>339,110</u>	<u>2,961,722</u>
Depreciation					
1 January 2018	-	201,127	265,591	269,996	736,714
Charge for the year	-	10,146	35,833	45,081	91,060
Disposals	-	-	-	(8,000)	(8,000)
31 December 2018	<u>-</u>	<u>211,273</u>	<u>301,424</u>	<u>307,077</u>	<u>819,774</u>
Net book value					
31 December 2018	<u>1,328,316</u>	<u>711,979</u>	<u>69,620</u>	<u>32,033</u>	<u>2,141,948</u>
31 December 2017	<u>1,328,316</u>	<u>722,125</u>	<u>89,709</u>	<u>50,239</u>	<u>2,190,389</u>
Charity					
Costs					
1 January 2018	1,328,316	923,252	256,538	63,148	2,571,254
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
31 December 2018	<u>1,328,316</u>	<u>923,252</u>	<u>256,538</u>	<u>63,148</u>	<u>2,571,254</u>
Depreciation					
1 January 2018	-	201,126	186,369	52,035	439,530
Charge for the year	-	10,147	17,510	7,518	35,175
Disposals	-	-	-	-	-
31 December 2018	<u>-</u>	<u>211,273</u>	<u>203,879</u>	<u>59,553</u>	<u>474,705</u>
Net book value					
31 December 2018	<u>1,328,316</u>	<u>711,979</u>	<u>52,659</u>	<u>3,595</u>	<u>2,096,549</u>
31 December 2017	<u>1,328,316</u>	<u>722,126</u>	<u>70,169</u>	<u>11,113</u>	<u>2,131,724</u>

Freehold property shown above is in respect of the Trust's Nature Reserves, which are essentially held for the charitable objects of the Trust. These assets cannot therefore be readily sold and it is therefore not considered appropriate to show them at market value.

There is a legal charge over the freehold property at Bubbenhall Wood.

Warwickshire Wildlife Trust Ltd
Notes to the Financial Statements - continued
For the year ended 31 December 2018

12 Investments

The Trust owns 100% of the equity of the following company:

	2018	2017
	£	£
Middlemarch Environmental Limited, incorporated in England		
100 ordinary shares of £1 each	100	100

13 Stocks

	Group		Charity
	2018	2017	2018
	£	£	£
Goods for resale	15,045	15,045	15,045

14 Debtors

Trade debtors	1,660,089	1,915,963	40,508	56,802
Amount due from subsidiary undertaking	-	-	235,285	17,621
Other debtors	417,486	403,026	363,749	350,594
Prepayments	15,398	7,916	15,398	7,916
Investment - Wildlife Fundraising (Central) Ltd	15,000	15,000	15,000	15,000
	2,107,973	2,341,905	669,940	447,933

15 Cash at bank and in hand

COIF Charities Deposit Fund	2,599,868	2,356,706	2,599,868	2,356,706
Other bank deposits	37,381	211,589	2,992	2,992
Other bank accounts and cash	1,066,480	688,306	560,372	305,849
	3,703,729	3,256,601	3,163,232	2,665,547

16 Creditors due within one year

Trade creditors	238,392	203,916	188,877	154,708
Corporation tax	2,784	12,858	-	-
Other taxation and social security	361,734	367,997	81,380	57,283
Pension contributions	82,582	26,828	82,582	26,828
Other creditors and accruals	335,107	827,764	11,671	20,326
Deferred income	18,308	49,746	18,308	49,746
	1,038,907	1,489,109	382,818	308,891

Deferred income represents grants in advance on 2019 projects:

	2018
	£
Balance at 1 January	49,746
Amounts released to incoming resources	(49,746)
Amounts deferred in year	18,308
Balance at 31 December	18,308

Warwickshire Wildlife Trust Ltd
Notes to the Financial Statements - continued
For the year ended 31 December 2018

17 Provision for liabilities

Deferred taxation	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Balance at 1 January	5,280	16,230	-	-
Profit & loss account	(1,426)	(10,950)	-	-
Balance at 31 December	3,854	5,280	-	-
The deferred tax liability is made up as follows:				
	2018 £	2017 £	2018 £	2017 £
Accelerated capital allowances	3,854	5,280	-	-

18 Endowments

	Movement in Resources			
	Balance 31 Dec 2017 £	Incoming £	Outgoing £	Balance 31 Dec 2018 £
Wappenbury Woods	135,033	-	-	135,033
Brandon Marsh Headquarters	27,118	-	(1,663)	25,455
Whitacre Heath	29,707	-	-	29,707
Meadows Appeal	30,868	-	-	30,868
Rough Hill Wood	54,339	-	-	54,339
Cock Robin Wood	11,366	-	(46)	11,320
Wire Hill	1,760	-	-	1,760
Alvecote Pools	49,623	-	-	49,623
Brandon Marsh Visitor and Education Centre	365,317	-	(5,147)	360,170
Parkridge Centre	224,608	-	(3,291)	221,317
Radway Meadow	70,881	-	-	70,881
Tasker Meadow	77,379	-	-	77,379
Woodchip Boiler	8,220	-	(5,925)	2,295
Reserves Tractor	30,041	-	(5,738)	24,303
Reedbed Bird Hides	5,100	-	-	5,100
Bubbenhall Wood Fund	622,718	-	-	622,718
	1,744,078	-	(21,810)	1,722,268

Endowment funds represent gifts and donations of, or to acquire, capital assets.

Warwickshire Wildlife Trust Ltd
Notes to the Financial Statements - continued
For the year ended 31 December 2018

19 Restricted income funds

	Movement in Resources				Balance 31 Dec 2018 £
	Balance 31 Dec 2017 £	Incoming £	Outgoing £	Transfer £	
Reserves & Community Engagement	132,446	392,344	(307,109)	-	217,681
Habitat Biodiversity Audit	-	106,482	(106,482)	-	-
Living Landscapes	303,239	852,459	(838,924)	-	316,774
Health & Training	70,217	220,364	(234,365)	-	56,216
Sensory Garden	12,950	8,367	(16,734)	-	4,583
Peregrine Appeal	3,551	794	-	-	4,345
Badger Vaccination Appeal	4,407	-	-	-	4,407
Hedgehog Campaign Appeal	24,079	-	(369)	-	23,710
Landfill Appeal	3,677	-	-	-	3,677
Reserves Appeal	6,400	53	-	-	6,453
	<u>560,966</u>	<u>1,580,863</u>	<u>(1,503,983)</u>	<u>-</u>	<u>637,846</u>

Restricted revenue funds represent unspent income received for revenue purposes where the funder or donor has imposed restrictions.

20 Designated funds

	Movement in Resources				Balance 31 Dec 2018 £
	Balance 31 Dec 2017 £	Incoming £	Outgoing £	Transfer £	
Charity Projects Fund	1,171,054	-	-	(225,405)	945,649
Development Fund	358,594	-	(429,585)	70,991	-
Nature Restoration Fund	-	-	-	1,000,000	1,000,000
Infrastructure Investment Fund	-	-	-	105,000	105,000
Contingency Fund	500,000	-	-	230,000	730,000
	<u>2,029,648</u>	<u>-</u>	<u>(429,585)</u>	<u>1,180,586</u>	<u>2,780,649</u>

The transfers to designated funds originate from donations under gift aid from the charity's subsidiary company, Middlemarch Environmental Limited, and charity surpluses.

£230,000 has been added to the Contingency Fund during the year (2017: £nil).

21 Analysis of group net assets between funds

	Tangible Fixed Assets £	Net Current Assets £	Total £
Endowments	1,722,268	-	1,722,268
Restricted funds	-	637,846	637,846
Designated funds	-	2,780,649	2,780,649
Unrestricted funds:			
Charitable	374,281	47,004	421,285
Non-charitable trading	45,399	1,318,487	1,363,886
	<u>419,680</u>	<u>1,365,491</u>	<u>1,785,171</u>
Total	<u>2,141,948</u>	<u>4,783,986</u>	<u>6,925,934</u>

22 Guarantees and other financial commitments

At 31 December 2018 the future minimum lease payments under non-cancellable operating leases were as follows:

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Land and buildings				
Expiring within one year	45,500	40,500	-	-
Expiring between two and five years	165,167	189,000	-	-
	<u>210,667</u>	<u>229,500</u>	<u>-</u>	<u>-</u>
Other equipment				
Expiring within one year	4,011	4,011	4,011	4,011
Expiring between two and five years	2,578	6,589	2,578	6,589
	<u>6,589</u>	<u>10,600</u>	<u>6,589</u>	<u>10,600</u>

23 Transfer between funds

The Trustees have this year designated by way of a transfer from unrestricted funds £1,180,586 (2017: £467,426) and expended £429,585 (2017: £172,578), giving a net increase of £751,001 (2017: £294,848) to the designated funds.

24 Members guarantee

The company is limited by guarantee and does not have any share capital. The liability of each member is limited to £1.

25 Capital commitments

As at 31 December 2018, the Trust had no capital commitments (2017: £nil).

26 Contingent liabilities

The Trust Council was not aware of any contingent liabilities at the balance sheet date (2017: £nil).

27 Related party transactions

There were no related party transactions during the period. Key management remuneration is shown in note 8 to these financial statements.

28 Reconciliation of net movement in funds to net cash flow from operating activities

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Net movement in funds	616,383	277,404	632,400	292,545
Add back tax charged	1,358	1,908	-	-
Deduct amortisation of endowments	-	-	(21,810)	(19,324)
Add back depreciation charge	91,060	113,800	35,175	40,248
Deduct interest income shown in investing activities	(15,074)	(8,416)	(9,372)	(5,387)
Profit on sale of fixed assets	(250)	(3,633)	-	-
Increase in stock	-	(2,491)	-	(2,491)
Decrease/ (increase) in debtors	233,932	(835,183)	(222,007)	(95,852)
(Decrease)/ increase in creditors	(440,128)	246,812	73,927	(5,824)
Net cash provided by/ (used in) operating activities	487,281	(209,799)	488,313	203,915