

REGISTRAR OF COMPANIES

**The
David
Shepherd
Wildlife
Foundation**

Annual Report and Consolidated Financial Statements

31 March 2017

Company Limited by Guarantee
Registration Number
04918382 (England and Wales)

Charity Registration Number
1106893

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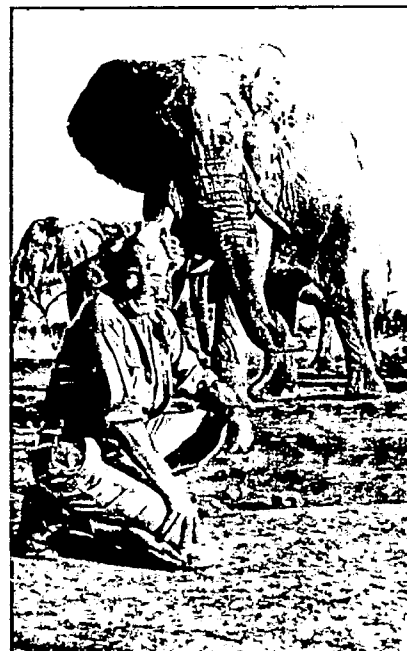
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David Shepherd CBE 1931 - 2017

For over 50 years David dedicated his life to protecting some of the world's most iconic and endangered animals. Using his talent as an artist to generate funds for their protection he inspired hundreds of others to follow and, in 1984, established his own wildlife foundation to give something back to the animals that had given him so much success as an artist.

Voted by a BBC poll as one of the most effective and popular small wildlife charities in Britain, DSWF is a flexible non-bureaucratic NGO funding far reaching projects dedicated to the long-term conservation of critically endangered mammals in the wild, fighting wildlife crime through training and supporting the brave men and women on the front line, and engaging and benefiting rural people who share their environment.

With a deep fondness for Africa's elephants many of David's most iconic paintings are of the world's largest land mammal including 'The Ivory is Theirs' and 'Wise Old Elephant'. 'Tiger Fire' was one of his first major fund-raising successes, raising £127,000 for Indira Gandhi's Operation Tiger in 1973. In 2014 he painted an elephant onto one of his palettes for his Foundation's 30th Anniversary black tie dinner raising £50,000 for conservation projects in Africa and Asia.

Speaking at the time David said: "What more could an artist wish for but to repay my debt to the animals I painted."

As well as his wildlife and landscape paintings, David is perhaps lesser known for his portraits, which include Her Majesty Queen Elizabeth, the Queen Mother, HE Sheikh Zayed of Abu Dhabi and, the most significant to him, his vast portrayal of 'Christ on the Battlefield'. David was also passionate about steam locomotives, in the past owning two 120 ton steam giants and establishing a registered steam railway charity.

His life as an artist and conservationist featured in several TV programmes during the 70s, 80s & 90s including the BBC's 'Man Who Loves Giants' (1972) and 'This is Your Life' (1990). His books include 'David Shepherd, An Artist in Conservation' (1992) and 'Painting with David Shepherd' (2004).

His awards include an Honorary Degree in Fine Arts by the Pratt Institute in New York (1971), the Order of the Golden Ark by HRH The Prince of The Netherlands (1973), Member of Honour of WWF and OBE (1979), FRSA (1986), Order of Distinguished Service, Zambia (1988) and in June 2008 he was awarded a CBE for his services to conservation.

In 2012 David was awarded the Conservation Award in the Wetnose Animal Aid Awards, followed by the True Englishman Award at the St George's Day Club annual gathering in April that year. He was also invited to open Zambia's first elephant orphanage nursery at a ceremony officiated by Dr Guy Scott Vice-President of Zambia. Just last year David was awarded the Animal Hero Lifetime Achievement Award, receiving two standing ovations as he collected his award at the Grosvenor House Hotel, London.

In 2007 David helped establish the DSWF Wildlife Artist of the Year competition which runs annually in London attracting artists from around the world generating funds to help save endangered wildlife.

During his lifetime, David raised and deployed almost £9 million to preserve the world's most endangered wildlife in Africa and Asia.

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Reference and administrative details of the charity, its Trustees and advisers 31 March 2017

President	David Shepherd CBE FRSA FRGS
Honorary Vice Presidents	Mark Carwardine Saba Douglas-Hamilton David Gower OBE Simon King OBE Gary Lineker OBE Mandy Shepherd
Trustees	Melanie, Lady Lamb (Chairman) Bruce Norris Nigel Colne CBE Christopher Cowdray Nigel Keen Fiona Luck Andre Pienaar Jamie Rountree (resigned 23 August 2017)
Captain 'Young Friends'	Gary Lineker OBE
Conservation Advisor	Mark Carwardine
Chief Executive	Sally Case (resigned 17 November 2016) Oliver Smith (appointed 21 November 2016, resigned 23 May 2017) Karen Botha (appointed 5 July 2017)
Principal address	Saba House 7 Kings Road Shalford Surrey GU4 8JU
Telephone	01483 272323
Facsimile	01483 443859
Email	dswf@davidsshepherd.org
Website:	www.davidsshepherd.org

Reference and administrative details of the charity, its Trustees and advisers 31 March 2017

Registered office	50 Broadway London SW1H 0BL
Company registration number	04918382 (England and Wales)
Charity registration number	1106893
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	The Royal Bank of Scotland plc 1 Fleet Street London EC4Y 1BD
Solicitors	Bircham Dyson Bell 50 Broadway London SW1H 0BL
Investment managers	Smith & Williamson Investment Management LLP 25 Moorgate London EC2R 6AY

The Trustees present their statutory report together with the consolidated financial statements of The David Shepherd Wildlife Foundation (DSWF) and its subsidiary for the year ended 31 March 2017.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and equates to a directors' report for the purpose of company legislation.

The financial statements have been prepared in accordance with the accounting policies on pages 25 to 29 of the attached financial statements and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of Statement of Recommended Practice "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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

Governance, structure and management

♦ Governance

The Foundation is a charitable company limited by guarantee. It was incorporated on 1 October 2003 and was registered as a charity on 22 November 2004. With effect from 1 April 2005 the activities, assets and liabilities of another charity (Registration No. 289646) also called The David Shepherd Wildlife Foundation and registered under a trust deed on 8 April 1984 were transferred to the Foundation.

♦ Trustees

The Foundation aims to attract Trustees from many different walks of life with relevant skills who have a genuine interest in conservation and education and who will bring appropriate skills to the role.

Trustees are appointed by recommendation and informal interview processing and approval by the full Board.

New and existing Trustees undertake continuous training in the form of presentations by project staff, regular detailed written reports and updates on statutory issues by legal advisors at least once a year.

All Trustees give up their time freely and no Trustee remuneration or reimbursements were paid in the year or in previous years. Trustees are required to disclose all relevant interests and register them with the Chief Executive and, in accordance with the Foundation's policy, withdraw from decisions where a conflict of interest arises.

Governance, structure and management (continued)

◆ Trustees (continued)

The names of the Trustees who served during the year are set out as part of the references and administrative details on page 1 of this annual report and financial statements and brief biographical details of each of the Trustees is given below.

Melanie, Lady Lamb (Chairman) became a Trustee on 1 December 2012 and Chairman on 23 September 2014 following 24 years as Chief Executive of the Foundation. Melanie continues her father's legacy and brings her considerable conservation expertise and a clear insight into fundraising challenges faced by charities to the Board.

Bruce Norris spent 25 years in the British Army, retiring in 1987. A further 18 years were spent as Managing and Financial Director of a London based security company. He has spent considerable time overseas throughout his working life and continues to travel extensively in Southern Africa and Asia. He became a Trustee of the Foundation in 1997 and was Chairman from 2002 to 2014.

Nigel Colne has spent his working career in General Management, previously as an Executive Director of Marks and Spencer plc, a Non-Executive Director of Halifax plc and Chairman of Pizza Express plc and a Non-Executive Director of Woolworths Holdings in South Africa and, working and travelling in South Africa for over 30 years. He became a Trustee of the Foundation in 1999.

Christopher Cowdray joined the Foundation as a Trustee in 2007. Chris was appointed Chief Executive Officer of The Dorchester Collection in 2007, having been the General Manager of The Dorchester since 2004 and Managing Director of Claridge's for the previous 6 years. He started his hotel career in his native Zimbabwe and has extensive international experience in managing luxury hotels.

Nigel Keen was appointed a Trustee in 2003. He retired as Chairman of Bioquell plc in June 2016 and as Chairman of Oxford Instruments plc in September 2016. He remains Chair of Deltex Medical Group plc, Syncona Partners LLP, The Oxford Academic Health Science Network and Oxford University Innovation Limited.

Fiona Luck was appointed Trustee in September 2014. She is a Director of the Bermuda Monetary Authority and was previously a Director of Catlin Group Limited. She held various senior Executive positions within the global insurance and reinsurance business most recently as Chief of Staff and Senior Advisor to the CEO at XL Group, a NYSE listed company. She is a Scottish chartered accountant.

Governance, structure and management (continued)

◆ Trustees (continued)

Andre Pienaar is the founder and Chairman of C5 Capital, Deputy Chairman of the advisory council of Cranemere Group Ltd and serves on the board of SBD Advisors. He is a member of the United States Institute of Peace and a Founder and Trustee of the Africa Union Foundation. He is an Advocate of the Supreme Court of South Africa and became a Trustee in 2011.

Jamie Rountree was appointed Trustee in February 2016 and is the owner and director of Rountree Tryon Galleries in St James's London, Managing Director of Senneville Agricultural Ltd in Mauritius, and Honorary Custodian of Art at the Royal Yacht Squadron. He also consults for Arts Council England and is on the fundraising committee for the British Sporting Art Trust.

◆ Key management personnel

The key management personnel in charge of directing, controlling and running the charity on a day to day basis comprise the Trustees together with the Chief Executive and the Head of Finance.

Pay and remuneration are reviewed as part of the annual budgeting process. The salary rates of key management personnel are approved by the Trustees. The Chief Executive is appraised annually by representatives from the Trustee Board and the Head of Finance is appraised annually by the Chief Executive.

◆ Statement of Trustees' responsibilities

The Trustees (who are also directors of David Shepherd Wildlife Foundation for the purposes of company law) are responsible for preparing the Trustees' report and 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 charity and the group and of the income and expenditure of the 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 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);
- ◆ make judgements and estimates that are reasonable and prudent;

Governance, structure and management (continued)

♦ **Statement of Trustees' responsibilities** (continued)

- ♦ state whether applicable United Kingdom 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 in operation.

The Trustees are responsible for keeping proper accounting records that 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

- ♦ so far as the Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- ♦ the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

♦ **Structure and management reporting**

The day-to-day responsibility for managing the Foundation is delegated to its officers under the direction of the Foundation's Chief Executive.

The Trustees review the Foundation's present and forecast levels of cash resource prior to approving any request for funding. All applications for funding conservation projects are made by written request from the Foundation's management team backed up, where appropriate, by material provided by the organisation seeking funding support from the Foundation.

The Foundation's Managers report regularly to the Trustees, both individually and at the meetings of the Trustees held three times a year. Trustees are provided with written materials setting out the matters that are to be discussed at these meetings for consideration prior to the meeting.

The Trustees appraise the Foundation's Chief Executive on an on-going basis with a formal annual review.

Governance, structure and management (continued)

♦ Risk management

The Trustees have instigated an on-going programme for assessing the major risks to which the charity is exposed; in particular those relating to the specific operational areas of the Foundation, its investments, finances and reputation. A risk analysis review by the Trustees is carried out formally once a year.

The systems of internal control that are in place are designed to manage rather than eliminate risk of failure to achieve the Foundation's objectives as well as safeguarding its assets. However, these systems can only provide reasonable and not absolute assurance against material misstatement or loss.

The Foundation's officers ensure that controls exist over key financial systems. Monthly management financial statements are produced against approved budgets and variances are explained and discussed at Trustee meetings.

The risk of reputational loss is minimised by controls over the use of the Foundation's name and logo, management approval of all published materials and professional monitoring of all legal and contractual arrangements as felt necessary by the Trustees.

The Foundation's Trustees and management team have implemented strategies to adjust to the loss of David Shepherd himself. Sustainable fundraising and event programmes have been in place for some time to ensure the long term future of the Foundation.

The on-going commitment of the Shepherd family is assured. Lady Melanie Lamb, David's daughter, is the Chair of Trustees, Georgina Lamb, David's grand-daughter is the Foundation's Fundraising, Events and Policy Manager and other family members are heavily involved in fundraising, art and event programmes. Family members also regularly visit projects.

Audit visits or meetings with Project Managers have been made by Foundation Trustees, appointed consultants and staff to evaluate projects in Africa and Asia. The results have been used to determine project funding strategy and to reduce associated risks. Audit visits to Zambia, Russia, Uganda, Namibia and India were undertaken during the year.

Project evaluation is also undertaken by a scoring process to ensure project activities meet the Foundation's mission and that projects are well managed and sustainable. As part of the grant application process projects are asked to confirm their monitoring and control processes including external financial audit procedures. The results of the scoring and all annual grant applications are reviewed regularly by the Foundation's conservation advisor, Mark Carwardine. Projects are also asked to self-audit by scoring themselves against the criteria used by the Foundation, risk assessment measures are used to monitor projects and to make funding decisions.

Governance, structure and management (continued)

◆ **Public benefit**

The Trustees can confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities and grant giving.

Objectives, activities and relevant policies

◆ **Activities and specific objectives**

The Foundation's objects are:

- ◆ The preservation and conservation for the public benefit of rare or endangered species or mammals in the wild and their habitats in any part or parts of the world; and
- ◆ The advancement of the education of adults and children in the importance of the preservation and conservation of endangered species of mammals in the wild and of their habitats for the public benefit.

The Foundation is focusing on raising funds and awareness and actively working for the survival of tigers, elephants, rhinos and other critically endangered mammals in the wild.

The Foundation concentrates its focus on field projects where even limited funding makes a very real difference to the survival of wildlife, their habitat and for the benefit of the rural people who share their environment. Emphasis is placed on long term support to allow the projects to become self-sustaining where possible.

The Foundation focuses on enforcement projects, such as anti-poaching, investigations and ranger training programmes, education and community outreach projects, which are ultimately what the Trustees believe will save tigers, rhinos and other critically endangered species in their wild environment.

The Foundation's successful education programme is intergenerational in project areas and also those in the UK through learning about wildlife and the environment.

The Foundation's successful 'Art for Survival' programme encourages artists, both professional and amateur, from around the world to use their work to help raise funds and awareness for wildlife whilst at the same time offering them a unique platform to showcase their work.

Objectives, activities and relevant policies (continued)

♦ **Activities and specific objectives (continued)**

To carry out its objectives for the benefit of the public the Foundation undertakes the following activities:

- ♦ The Foundation is a UK-based organisation, benefiting from the active support of leading wildlife experts around the world and many celebrities and volunteers;
- ♦ The Foundation raises funds through exhibitions and other events such as auctions and black tie dinners, membership, appeals, corporate sponsorship, trusts and foundations, legacies, adoptions, the annual Wildlife Artist of the Year competition and major donor support;
- ♦ The Foundation also benefits from ownership of a trading subsidiary company, The DSWF Trading Company, which offers a wide variety of David Shepherd and other artists' merchandise;
- ♦ The Foundation publishes bi-annual editions of its magazine 'Wildlife Matters', produces a monthly e-newsletter available online to its supporters, manages an informative website and actively uses social media to inform and communicate with supporters throughout the world;
- ♦ The Foundation continues to operate an active education campaign through school visits, an informative and interactive education website and an annual children's art competition, all available to schools in the UK and abroad;
- ♦ The Foundation actively works with Project Directors in the field in Africa and Asia on specific projects to save endangered species in the wild.

All funding of these projects goes through a rigorous application and reporting process and all grants are made subject to funds being available and require majority Trustee approval.

100% of any donation received specifically for any of the Foundation's projects goes in full to that project with no administration costs deducted.

♦ **Scope of the consolidated financial statements**

The Foundation has one trading subsidiary - The DSWF Trading Company Limited. The transactions, assets and liabilities of this company have been consolidated with those of The David Shepherd Wildlife Foundation as they are ultimately controlled by the Trustees of the Foundation by virtue of its shareholding.

Objectives, activities and relevant policies (continued)

♦ Scope of the consolidated financial statements (continued)

The principal activity of the trading company is that of trading in David Shepherd and other wildlife artist originals, limited edition and fine art prints, books and other artefacts. Trading is conducted through an online mail order operation, various events and exhibitions, through its gallery and through the David Shepherd secondary market art sales programme.

In addition to benefiting from funds generated by the trading company, the Foundation also benefits through increased awareness and generation of supporters/members through trading company activities.

♦ Project audits

The on-going audit of projects supported by the Foundation and the process of assessing the key functions of those projects has helped with the development of a strategic planning system for project funding. Criteria for the measurement of the value of projects, currently funded and proposed, have been developed, projects are regularly 'scored' against it and future funding decisions taken based on the findings.

Achievements and performance

♦ Review of activities

Conservation

During the year the Foundation has made grants to projects in Africa and Asia in order to pursue its conservation objectives.

The year marked some significant challenges at project and international level, with rhino poaching increasing for the seventh year in a row, the political battle to oppose any resumption of the ivory trade reaching a peak in the face of depleting populations of elephants, and the struggle to maintain awareness of the plight of the tiger against other high profile conservation issues. At field level, project teams continue to face the on-going challenges of insufficient resources, dangerous working environments and increasingly sophisticated poaching techniques.

Grants made include the following:

In Zambia £153,373 (2016 - £147,200) was granted to Game Rangers International (established by DSWF to consolidate over 60 years of support by David Shepherd in Zambia) to fund park protection and ranger training programmes in Kafue National Park, a rescue, rehabilitation and release programme for elephant orphans, community outreach and education programmes in the project areas.

Achievements and performance (continued)

♦ **Review of activities (continued)**

Conservation (continued)

Also in Zambia, £11,200 (2016 - £6,760) was granted to the Pangolin Protection Programme within Game Rangers International for the rescue, rehabilitation and release of captured pangolins and an education, awareness and law enforcement programme for this heavily trafficked species. In addition, we received funding of £ 122,000 from a major donor to fund the acquisition of new vehicles to assist the anti-poaching teams.

In the United Kingdom, £600 was granted to Operation Charm, a collective of the Metropolitan Police and a small number of NGO's focused on the illegal wildlife trade. Funds were granted for 2 one-day training courses for UK police and border force agencies on CITES and the international illegal wildlife trade, to enable officers to understand and articulate the significance of seizures made in the UK.

In Zimbabwe, £30,000 (2016 - £30,000) was granted to the Painted Dog Conservation Project - working to save a leading population of Africa's most endangered carnivore in and around Hwange National Park. Funding focuses on anti-poaching activities and on supporting the costs of the renowned Children's Bush Camp school where some of the earliest attendees are now returning to train as anti-poaching rangers.

In Namibia, £39,832 (2016 - £24,526) was granted to Save the Rhino Trust – funding a rhino monitoring and patrol team in the Kunene region where the largest and only free ranging population of black rhino in Africa are being protected.

In Uganda, £23,834 (2016 - £38,800) was granted to Uganda Conservation Foundation as a continuation of the funding of a recovery and protection programme in Queen Elizabeth and Murchison Falls National Parks. Additional ranger stations have been added to the infrastructure of the parks and a much needed veterinary unit is under construction.

Also in Uganda, £82,161 was granted by the Dulverton Trust via DSWF for work relating to the development of Got Luvu Ranger Station and Kololo Ranger Station. This extra funding also covered the first payment made to the Conservation Development Centre/Rob Malpass to review and engage the stakeholders for the Northern Murchison Conservancy Area.

In Russia, £48,800 (2016 - £28,500) was granted to the Phoenix Fund for the Amur Tiger Project – to protect wild Amur tigers through anti-poaching operations, education programmes and community outreach work. This funding also supported the use of SMART (anti-poaching) technology in Primorye, education and outreach work in Novopokrovka and Tiger Day Festivals in Vladivostok and Luchegorsk.

Achievements and performance (continued)

♦ **Review of activities (continued)**

Conservation (continued)

In India, £55,000 (2016 - £45,540) was granted to the Aaranyak Society – working in key wildlife areas of Assam to protect one of the last strongholds of Indian rhinos, tigers and wild elephant populations. Funding focused on ranger equipment, education programmes and community and alternative livelihood support schemes for those living alongside the rhino and tiger habitats. Funds were also granted for wildlife crime monitoring work including undercover investigations, intelligence gathering and sharing, judicial training to improve conviction rates for wildlife crimes and for the training and running costs of two anti-poaching dogs - Jorba and Babli.

Also in India, through the Wildlife Trust of India, £4,720 (2016 - £3,279) was granted in support of two Rapid Action projects – one to address the growing public resentment for the leopards in the region by launching awareness campaigns with local residents, and the other to increase capacity for local veterinarians in Tamil Nadu where there has only been one veterinary officer for the whole area. With this support, Wildlife Trust of India will identify local veterinarians and train them on the protocols of handling animals in wildlife conflict to increase impact in the region.

In Thailand £15,750 (2016 - £22,000) was granted to Freeland Foundation in support of on-going work to provide sustainable skill development for the Rangers in the Eastern Forest complex area where there is a small but vital tiger population. The funding also supports data analysis and education programmes in and around the National Parks in the Dong Phrayayen-Khao Yai Forest Complex.

In Mongolia, £20,000 (2016 - £44,000) was granted to the Snow Leopard Trust to fund research and population monitoring of snow leopards in the mountains of Mongolia and China to enable local communities to seek protected area status for any relevant areas identified. Funding was also used on education and community programmes, insurance and livelihood schemes in the herder communities of the Tost Mountains to build tolerance and understanding, and therefore protect the snow leopards that enter this area.

£10,000 (2016 - £10,000) was granted to WildAid Vietnam to support a programme of public service announcements, billboards and printed materials to raise awareness of the consequences of the use of rhino horn in demand countries.

£4,394 (2016 – £5,500) was granted to Animals Asia in China to fund health checks and dentistry work for rescued moon bears, improving their health, well-being and general quality of life.

Achievements and performance (continued)

♦ **Review of activities (continued)**

Conservation (continued)

£122,484 (2016 – £25,836) was granted to support work undertaken by Species Survival Network and a team of experts to prepare for the 2017 Conference of Parties of the Convention on International Trade in Endangered Species (CITES) where key decisions will be made on the rules on trading key species of endangered animals.

Education

Education is a core part of the work of the Foundation which has a primary responsibility to educate and inspire people of all ages and across the UK and project areas in the issues facing endangered wildlife.

In the UK, an Education Campaign for young people works within schools to create understanding of conservation issues by school visits and talks, species and project information for teachers and pupils available through the interactive website davidshepherdeducation.org and an annual international Global Canvas Art and Poetry competition with the theme 'Our Precious Planet' culminating in a prize giving ceremony and exhibition at the Natural History Museum in London.

In project areas, combining education programmes with anti-poaching and community outreach provides a holistic response to the issues facing endangered wildlife and the people who share their landscapes.

A bi-annual magazine 'Wildlife Matters' is produced by the Foundation to keep Foundation supporters up to date on project news and conservation issues.

The social media reach of the Foundation continues to grow at a rapid pace with regular activity on Facebook, Twitter and Instagram.

The TigerTime campaign, launched in 2011, has proved an excellent forum for delivering education on various conservation issues surrounding the survival of the tiger. With nearly 800,000 Facebook followers and 35,000 Twitter followers the reach is international and influential.

Fundraising

The Foundation has a strategic fundraising plan that concentrates on donor cultivation and development whilst using its unique links to the art world for fundraising purposes. It is recognised that in an uncertain financial climate and with recent instances of bad practice in charity fundraising, significant challenges face all charities. The Foundation has always aimed to understand and nurture its supporters and investment in a new specialist database in the year will facilitate even better donor communications.

Achievements and performance (continued)

◆ **Review of activities** (continued)

Fundraising (continued)

During the year the Foundation undertook a variety of fundraising events and activities:

- ◆ The annual black tie event at The Dorchester, London in November 2016 raised £242,000 (2016 - £159,000);
- ◆ Participation in the Virgin London Marathon and Prudential Ride London raised £27,000 (2016 - £20,000);
- ◆ A golf day in Surrey raised £4,500 (2016 - £5,000); and
- ◆ The Wildlife Artist of the Year competition raised income of £34,000 (2016 - £29,000) in entries and sponsorship and £89,000 (2016 - £85,000) from the exhibition and sales at the Mall Galleries in June 2016.

Income was received from appeals launched in the year of £68,500 (2016 - £79,000)

- ◆ Rhino Paper Spring 2016 appeal - £25,100
- ◆ Pangolin e-appeal June 2016 - £1,300
- ◆ Elephant Rescue e-appeal June 2016 – Reactive appeal - £2,200
- ◆ Elephant paper appeal Sept 2016 - £19,700
- ◆ Snow Leopard Xmas e-appeal Dec 2016 – £3,200
- ◆ Pangolin Day e-appeal Feb 2017 – £300
- ◆ Painted Dog Paper Spring 2017 appeal - £16,600
- ◆ TigerTime donations during 2017- £41,400

Fundraising from individual donors, including an active major donor programme, school and community fundraising raised £473,000 (2016 - £315,000), Trust and Foundation income was £380,500 (2016 - £96,000) and income raised from corporate donations totalled £25,500 (2016 - £33,000).

The Foundation received gifts in kind in the year of £45,000 (2016 - £47,000) relating to the costs of the event at the Dorchester.

The Foundation also undertakes fundraising activities where time and resource is given that directly benefits the projects the Foundation supports 'in country' but that do not result in income arising within or through the Foundation itself.

Achievements and performance (continued)

◆ **Review of activities (continued)**

Fundraising (continued)

The DSWF Trading Company continued to trade in David Shepherd and other wildlife artist original paintings, prints, sculpture and other merchandise. A restructure of the company took place throughout the year with a refocus away from gallery sales and onto online retail. The results of the company are consolidated into the financial statements of the Foundation. The turnover in the year was £110,306 (2016 -£117,228) with a gross profit of £61,718 (2016 - £83,164)."

Financial report for the year

◆ **Results for the year**

A summary of the year's results is given on page 22 of the financial statements.

Total income for 2017 was £1,555,303 (2016 - £1,350,945). After deducting the cost of raising funds of £527,801 (2016 - £504,092), the net income available for charitable application amounted to £1,027,502 (2016 - £846,853).

The net income, together with reserves brought forward, funded conservation activities of £837,896 (2016 - £616,574) and education activities of £186,652 (2016 - £164,126).

The Foundation's trading subsidiary, The DSWF Trading Company Limited, continued to generate funds by the sale of prints, books, sculptures and other artefacts associated with the work of David Shepherd and other wildlife artists.

The DSWF Trading Company made a loss of £11,285 (2016 – loss of £10,364) in the year.

◆ **Reserves policy**

It is the policy of the Trustees that the reserves held by the Foundation should at least total the sum of all restricted funds not yet distributed and certain unrestricted funds. These unrestricted funds should be sufficient to operate the Foundation for a minimum of 4 months.

Financial report for the year (continued)

◆ **Reserves policy (continued)**

The charity carries out a diverse range of activities, ranging from short term and externally funded projects to long term projects requiring significant on-going financial commitment and investment. The Trustees have examined the requirement for a free reserve, which comprises those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The Trustees consider that at 31 March 2017, the level of free reserves of £536,513 is in line with the reserves policy. The Trustees are of the opinion that the operation of the reserves policy provides sufficient flexibility to cover temporary shortfalls in income due to timing differences in income flows, adequate working capital to cover core costs and will allow the charity to cope and respond to unforeseen emergencies whilst specific action plans are implemented.

Total reserves as at 31 March 2017 amounted to £1,000,841 (2016 - £988,748). Restricted funds as at 31 March 2017 were £167,101 (2016 - £213,771). Restricted funds represent unexpended balances of donations and grants to be applied for specific purposes. Designated funds as at 31 March 2017 totalled £Nil (2016 - £17,492) having been fully utilised on project expenditure during the year. The endowment fund at 31 March 2017 totalled £297,227 (2016 - £265,562).

◆ **Investment performance**

During the year, the Foundation used the expendable endowment fund to invest in listed investments. The principle purpose of this investment fund is to provide a resource of cash, which is available in exceptional circumstances to further the objectives of the Foundation. It is hoped that ultimately the fund will become large enough to supply a stream of income to increase the sum available for grant giving.

Smith & Williamson Investment Managers LLP manages the Foundations investments. During the year, a total of £237,710 worth of investments was purchased. Unrealised gains on the revaluation of the investments amounted to £9,139. At 31 March 2017, the Foundation had listed investments with a market value of £246,849 and, at that date, a further £50,378, was held as cash.

Investment income on those listed investments was £1,016.

Plans for future periods

◆ Conservation

The Foundation is pleased that the current suite of supported projects continues to deliver good results for those areas in which they work. The challenge is therefore to do more of this work, continuing to focus on the long term support of vital and innovative conservation projects protecting key populations of endangered mammals across Africa and Asia. Due to the significant increase in the amount, sophistication and scope of the illegal wildlife trade, the Foundation wishes to increase support to projects addressing wildlife crime and demand reduction, both at a local and international level. Where funds are available the Foundation will continue to react to specific conservation crises, the increases in threats to other species of mammals, as well as requests for emergency funding from current projects.

All applications for funding must meet the Foundation's stringent criteria for funding.

◆ Education

The Foundation intends to continue its investment in an education programme both in the UK and throughout its project regions. Education of both children and adults is at the core of the Foundation's activities and this will continue into future years.

Work is underway on the development of a programme that would provide a deeper and more sustainable engagement with schools to allow for a fuller involvement of students and staff in conservation learning.

The TigerTime campaign is constantly reassessed against current and anticipated events to ensure its focus is on communicating the most up to date and relevant issues in tiger conservation and engaging as many people as possible worldwide in these issues.

◆ Fundraising

The Foundation's income generation strategy is to increase income to over £2 million by 2020 to enable much needed support to be given to conservation projects and the fight against wildlife crime. Based on the Foundation's experience of where funds are most likely to be generated, the growth is planned around a portfolio of fundraising activity and is focused on significant growth in individual donors, corporate support and grants from trusts and foundations. A new database was installed in November 2015 to facilitate increased donor communication and cultivation.

A full calendar of events takes place each year, with a strategic focus on those cultivating new audiences for both individual and corporate support, in new locations. Recurring events are regularly reviewed to ensure they reach new audiences and deliver maximum return while remaining engaging to those attending, showcasing the work of the Foundation at its best.

Presidents

David Shepherd, CBE, FRSA, FRGS is the Foundation's Founder and President. He supports the Foundation at events and through the sale of art works.

Mark Carwardine, David Gower, Simon King, Gary Lineker, Saba Douglas-Hamilton and Mandy Shepherd are Honorary Vice Presidents of the Foundation. They support the Foundation in a wide variety of ways relevant to their experience.

Volunteers

Being a small charity, The David Shepherd Wildlife Foundation relies heavily on the advice of wildlife experts around the world. The Foundation is also extremely grateful for the willingness of volunteers to help with numerous tasks, such as office administration and help with the active events programme throughout the year.

The Foundation would like to take this opportunity to thank all of its volunteers who contribute so much to its success.


Employees

The David Shepherd Wildlife Foundation is an equal opportunities employer and applies objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability.

Selection criteria and procedures are reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees are given equal opportunity and, where appropriate and possible, special training to enable them to progress both within and outside the organisation. The Foundation is committed to a programme of action to make this policy effective.

Signed on behalf of the Trustees

M. Lamb
Trustee



Approved on: 14 November 2017

Independent auditor's report to the members of The David Shepherd Wildlife Foundation

We have audited the financial statements of The David Shepherd Wildlife Foundation for the year ended 31 March 2017 which comprise the consolidated statement of financial activities, the consolidated and parent charitable company's balance sheets, the consolidated statement of cash flows, principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the charity's Trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and the regulations made under that Act. Our audit work has been undertaken so that we might state to the charity's members and 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 charity, the charity's members as a body, and the charity's Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

The Trustees are also the directors of the charitable company for the purposes of company law. As explained more fully in the Trustees' Responsibilities Statement set out in the Trustees' Annual Report, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and Section 144 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- ◆ give a true and fair view of the state of the groups' and the parent charitable company's affairs as at 31 March 2017 and of the group's 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.

Opinion on other matter 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

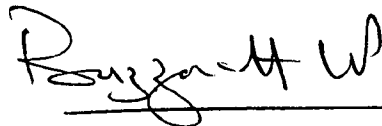
In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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:

- ◆ the parent charitable company has not kept adequate and sufficient accounting records;
or

Matters on which we are required to report by exception (continued)

- ◆ 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; or
- ◆ The Trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Avnish Savjani, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

20 December 2017

Consolidated statement of financial activities Year to 31 March 2017

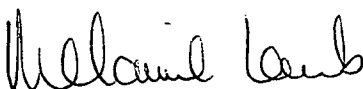
	Notes	Unrestricted fund - trading £	Unrestricted fund charity £	Restricted funds £	Expendable endowment fund £	2017 Total funds £	2016 Total funds £
Income from:							
Donations and legacies	1	—	239,526	723,458	—	962,984	806,109
Other trading activities	2	110,328	428,646	7,080	—	546,054	532,105
Bank interest receivable		—	2,425	—	1,016	3,441	3,001
Other income		—	42,824	—	—	42,824	9,730
Total income		110,328	713,421	730,538	1,016	1,555,303	1,350,945
Expenditure on raising funds:	3						
. Trading company costs		120,853	—	—	—	120,853	127,299
. Other		—	358,945	48,003	—	406,948	376,793
		120,853	358,945	48,003	—	527,801	504,092
Net (expenditure) income available for charitable application		(10,525)	354,476	682,535	1,016	1,027,502	846,853
Charitable activities							
. Conservation	4	—	110,692	727,204	—	837,896	616,574
. Education	5	—	183,649	3,003	—	186,652	164,126
		—	294,341	730,207	—	1,024,548	780,700
Total expenditure		120,853	653,286	778,210	—	1,552,349	1,284,792
Net (expenditure) income for the year before gains on investments	8	(10,525)	60,135	(47,672)	1,016	2,954	66,153
Net investment gains	13	—	—	—	9,139	9,139	—
Net (expenditure) income		(10,525)	60,135	(47,672)	10,155	12,093	66,153
Gross transfers between funds	19/21	—	(22,512)	1,002	21,510	—	—
Net (expenditure) income and net movement in funds		(10,525)	37,623	(46,670)	31,665	12,093	66,153
Reconciliation of funds:							
Balances brought forward at 1 April 2016		31,897	477,518	213,771	265,562	988,748	922,595
Balances carried forward at 31 March 2017		21,372	515,141	167,101	297,227	1,000,841	988,748

All activities are derived from continuing operations during the above two financial periods.

Balance sheet 31 March 2017

	Notes	Group 2017 £	2016 £	Charity 2017 £	2016 £
Fixed assets					
Tangible fixed assets	11	34,328	45,072	28,678	32,428
Investment in group undertaking	12	—	—	100	100
Investments	13	297,227	—	297,227	—
		<u>331,555</u>	<u>45,072</u>	<u>326,005</u>	<u>32,528</u>
Current assets					
Stock	14	15,330	37,946	—	—
Debtors	15	33,881	97,750	75,508	116,925
Cash at bank and in hand	16	673,225	882,039	625,695	865,561
		<u>722,436</u>	<u>1,017,735</u>	<u>701,203</u>	<u>982,486</u>
Creditors: amounts falling due within one year	17	(53,150)	(74,059)	(43,844)	(55,031)
Net current assets		<u>669,286</u>	<u>943,676</u>	<u>657,359</u>	<u>927,455</u>
Total net assets		<u>1,000,841</u>	<u>988,748</u>	<u>983,364</u>	<u>959,983</u>
The funds of the charity					
Funds and reserves					
Restricted funds	19	167,101	213,771	167,101	213,771
Unrestricted funds					
· General fund		515,141	460,026	519,036	463,158
· Designated fund	20	—	17,492	—	17,492
· Non charitable trading funds		21,372	31,897	—	—
Expendable endowment fund	21	297,227	265,562	297,227	265,562
Total funds	22	<u>1,000,841</u>	<u>988,748</u>	<u>983,364</u>	<u>959,983</u>

Approved by the Trustees of the David Shepherd Wildlife Foundation, Company Registration Number 04918382 (England and Wales) and signed on their behalf by:


 Trustee
 M. Lamb

Trustee

Approved by the Trustees on: 14 November 2017.

Consolidated statement of cash flows 31 March 2017

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	83,317	35,479
Cash flows from investing activities:			
Investment income		3,441	3,001
Purchase of tangible fixed assets		(7,484)	(27,883)
Purchase of investments		(237,710)	—
Net cash used in investing activities		(241,753)	(24,882)
Change in cash and cash equivalents in the year		(158,436)	10,597
Cash and cash equivalents at 1 April 2016	B	882,039	871,441
Cash and cash equivalents at 31 March 2017	B	723,603	882,038

Notes to the statement of cash flows for the year to 31 March 2017.

A Reconciliation of net movement in funds to net cash provided by operating activities

	2017 £	2016 £
Net movement in funds (as per the statement of financial activities)	12,093	66,153
Adjustments for:		
Depreciation charge	18,228	17,328
Gains on investments	(9,139)	—
Investment income	(3,441)	(3,001)
Decrease in stocks	22,616	9,750
Decrease (increase) in debtors	63,869	(67,836)
(Decrease) increase in creditors	(20,909)	13,085
Net cash provided by operating activities	83,317	35,479

B Analysis of cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	673,225	882,039
Cash held by investment manager	50,378	—
Total cash and cash equivalents	723,603	882,039

Principal accounting policies 31 March 2017

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 March 2017.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of The David Shepherd Wildlife Foundation and its trading subsidiary made up to the balance sheet date.

The Foundation has taken advantage of Section 408 of the Companies Act 2006 and not included its own statement of financial activities in these financial statements. The parent's net income for the year was £23,378 (2016 - £76,517).

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees and senior management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ♦ Estimating the liability for multi-year grant commitments;
- ♦ Estimating the useful economic life of tangible fixed assets for the purposes of calculating depreciation; and
- ♦ Estimating any necessary provision against slow moving or obsolete stock held at year-end.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Income

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

Income comprises donations, legacies, income from trading activities (including events and shop sales), interest receivable, other trading activities and miscellaneous income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having being transferred to the charity.

Income (continued)

Income from trading activities is recognised to the extent that it is probable that the economic benefits will flow to the group or charity and the income can be reliably measured. They are measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Interest on funds held on deposit and interest on loans and investments are included when receivable and the amount can be measured reliably by the charity.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and is classified as follows:

- ◆ Expenditure on raising funds include the salaries, direct costs and overheads associated with generating donated income as well as the costs of the trading activities.
- ◆ Expenditure on charitable activities comprises expenditure on the charity's primary charitable purposes as described in the Trustees' report. The costs for each activity include grants payable, other direct costs and support costs, which are apportioned on the level of activity in each area.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all related conditions. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued for but are noted as financial commitments in the notes to the financial statements.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned using percentages based on the time spent on the activities by the employees of the charity.

Gifts in kind

Gifts for onward distribution to beneficiaries of the charity are included at their fair value value as at the time of distribution.

Assets donated to the charity for its own use are included in income and expenditure at their fair value as at the time of the gift.

Items donated to the charity for resale are included within income when sold and no value is placed on stock of such items at the year end.

Tangible fixed assets

All assets costing more than £100 and with an expected useful life exceeding one year are capitalised.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

- | | |
|---------------------------------|-------------------------|
| ♦ Fixtures and fittings | 25% p.a. on cost |
| ♦ Computer and office equipment | 25% p.a. on cost |
| ♦ Leasehold improvements | to the end of the lease |

Investments

The charity's investment in its subsidiary company is valued at cost.

Stock

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

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

The general fund comprises those monies which may be used towards meeting the charitable objectives of the Foundation at the discretion of the Trustees.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

The expendable endowment fund comprises monies held as long term investment and can be expended only in furtherance of the development of Foundation.

The non charitable trading funds are those funds retained within the subsidiary of the Foundation.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the average rate of exchange during the year. Exchange differences are taken into account in arriving at the net movement in funds.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

Pensions

Contributions in respect to defined contribution schemes are recognised in the statement of financial activities in the year in which they are payable to the relevant scheme.

1 Donations and legacies

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Legacies	120,318	—	120,318	156,766
Gifts in kind	—	45,000	45,000	46,778
Donations				
. Individuals	82,622	252,932	335,554	425,853
. Corporate donors	6,320	19,124	25,444	32,965
. Trusts and foundations	19,140	361,404	380,544	95,712
. Community fundraising	3,704	7,071	10,775	5,520
. Animal adoption programme	1,243	37,927	39,170	34,993
. Education programme	6,179	—	6,179	7,522
2017 Total funds	239,526	723,458	962,984	806,109
2016 Total funds	393,998	412,111	806,109	

During the year the Foundation received gifts in kind of £45,000 (2016 - £46,778) relating to venue, food and drinks for the annual black tie dinner.

2 Other trading activities

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Events				
. London Marathon	4,678	7,080	11,758	13,364
. Ride London	15,703	—	15,703	6,356
. Children's Art Competition	410	—	410	510
. Wildlife Artist of the Year	115,300	—	115,300	113,479
. Dorchester Wildlife Ball	241,586	—	241,586	158,746
. Bermuda event	3,799	—	3,799	66,608
. Golf Day	4,558	—	4,558	4,700
. Sundry sponsored events	1,580	—	1,580	1,242
Subscriptions	41,032	—	41,032	49,400
Total	428,646	7,080	435,726	414,405
Trading company income	110,328	—	110,328	117,700
2017 Total funds	538,974	7,080	546,054	532,105
2016 Total funds	455,487	76,618	532,105	

3 Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Event costs	137,166	45,000	182,166	187,943
Appeal and adoption costs	17,142	3,003	20,145	19,779
Auction and raffle costs	60	—	60	27
Membership costs	386	—	386	437
PR and marketing	919	—	919	3,163
Fundraising costs	1,170	—	1,170	2,465
Wildlife Matters	2,353	—	2,353	2,404
Website	20,417	—	20,417	8,696
	179,613	48,003	227,616	224,914
Support costs	179,332	—	179,332	151,879
	358,945	48,003	406,948	376,793
Trading company costs	120,853	—	120,853	127,299
2017 Total funds	479,798	48,003	527,801	504,092
2016 Total funds	422,351	81,741	504,092	

4 Conservation

Group and charity	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Grants payable				
Game Rangers International - Zambia	5,740	268,811	274,551	196,341
Game Rangers International Pangolin Project	—	11,200	11,200	6,760
Painted Dog Conservation Project – Zimbabwe	—	30,000	30,000	30,000
Save the Rhino Trust – Namibia	—	39,832	39,832	24,526
Uganda Conservation Foundation – Uganda	6,200	99,795	105,995	38,800
Phoenix Fund Amur Tiger Project – Russia	—	48,800	48,800	28,500
Aaranyak Wildlife Crime Monitoring Project - India	—	39,000	39,000	37,500
Aaranyak Rhino Project – India	—	16,500	16,500	8,040
Aaranyak Tiger Project - India	—	—	—	24,960
WTI Rapid Action Project – India	—	4,720	4,720	3,279
Freeland Tiger Project – Thailand	—	15,750	15,750	22,000
Animals Asia Moon Bear Rescue – China	—	4,394	4,394	5,500
Snow Leopard Trust – Mongolia	—	20,000	20,000	44,000
Fighting Illegal Wildlife Trade/CITES	5,552	116,932	122,484	25,836
Environmental Investigation Agency	—	—	—	10,000
Freeland – Operation Last Chance	—	—	—	16,500
WildAid	—	10,000	10,000	10,000
Emergency	—	—	—	1,000
Operation Charm	—	640	640	—
Exercise Helping Hands – Zambia	—	830	830	—
	17,492	727,204	744,696	533,542
Other direct costs				
Bank charges	—	—	—	636
Overseas travel	499	—	499	5,581
Other administration costs	2,002	—	2,002	—
	2,501	—	2,501	6,217
Support costs	90,699	—	90,699	76,815
2017 Total funds	110,692	727,204	837,896	616,574
2016 Total funds	211,559	405,015	616,574	

5 Education

Group and charity	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Wildlife Matters	9,413	—	9,413	9,617
Education programme	25,174	—	25,174	20,205
Appeal and adoption costs	1,791	3,003	4,794	4,031
Membership costs	386	—	386	437
Website	5,032	—	5,032	9,697
	41,796	3,003	44,799	43,987
Support costs	141,853	—	141,853	120,139
2017 Total funds	183,649	3,003	186,652	164,126
2016 Total funds	160,095	4,031	164,126	

6 Support costs

Charity	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Staff costs	295,658	—	295,658	257,718
Property costs	28,149	—	28,149	25,833
Travel and entertaining	443	—	443	4,048
Office costs	9,301	—	9,301	10,576
Depreciation	11,234	—	11,234	8,954
Irrecoverable VAT	20,105	—	20,105	13,052
Legal, professional and accountancy	29,880	—	29,880	15,809
Bank, credit card, gift aid administration	9,030	—	9,030	7,984
Investment manager fees	482	—	482	—
Other administration costs	7,602	—	7,602	4,857
2017 Total funds	411,884	—	411,884	348,831
2016 Total funds	348,831	—	348,831	

Charity	Raising funds £	Conservation grant giving £	Education £	2017 Total funds £	Basis of allocation
Staff costs	128,728	65,106	101,824	295,658	% staff split
Property costs	12,256	6,199	9,694	28,149	% staff split
Travel and entertaining	193	98	152	443	% staff split
Office costs	4,049	2,046	3,206	9,301	% staff split
Depreciation	4,891	2,474	3,869	11,234	% staff split
Irrecoverable VAT	8,754	4,427	6,924	20,105	% staff split
Legal and professional	13,010	6,580	10,290	29,880	% staff split
Bank, credit card, gift aid administration	3,931	1,989	3,110	9,030	% staff split
Investment manager fees	210	106	166	482	% staff split
Other administration costs	3,310	1,674	2,618	7,602	% staff split
	179,332	90,699	141,853	411,884	% staff split

7 Governance

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Auditor's remuneration	8,740	—	8,740	9,236
Legal, professional and accountancy	8,576	—	8,576	6,572
2017 Total funds	17,316	—	17,316	15,808
2016 Total funds	15,808	—	15,808	

8 Net (expenditure) income and movement in funds for year before gains on investments

This is stated after charging

Group	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Staff costs (note 9)	319,525	—	319,525	299,817
Auditor's remuneration				
Audit	11,350	—	11,850	11,850
Other	—	—	—	1,000
Depreciation (note 11)	18,228	—	18,228	17,328
Operating lease rentals	30,000	—	30,000	30,000

9 Staff costs and Trustees' remuneration

	2017 £	2016 £
Staff costs during the year were as follows:		
Wages and salaries	302,279	283,635
Social security costs	3,567	13,193
Pension costs	13,679	2,989
	319,525	299,817

The average number of employees, calculated on a full time equivalent basis analysed by function, was as follows:

Group	2017	2016
Charity	11	9
Trading subsidiary	1	2
	12	11

9 Staff costs and Trustees' remuneration (continued)

Staff costs have been apportioned as follows:

	2017 £	2016 £
Expenditure on raising funds – Charity	128,728	113,396
Expenditure on raising funds – Trading company	23,867	42,099
Conservation	65,106	56,698
Education	101,824	87,624
Total costs	319,525	299,817

As a small charity, all employees are involved in generation of income, administration of grants, support of charitable activities and management and administration of the charity.

No Trustee received any remuneration in respect of their services during the year (2016 - £nil).

No expenses were reimbursed to the Trustees during the year (2016 - £nil).

No employees earned £60,000 per annum or more during the year (2016 – £nil).

The key management personnel of the Foundation in charge of directing and controlling, running and operating the Foundation on a day to day basis comprise the Trustees together with the Chief Executive and the Head of Finance. The total remuneration (including taxable benefits but excluding the employer's national insurance contributions) payable to key management personnel during the year was £45,206 (2016 - £104,469).

10 Taxation

The David Shepherd Wildlife Foundation is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

The Foundation is unable to reclaim all VAT suffered on expenditure due to the partial exemption rules. Irrecoverable VAT suffered during the year amounted to £20,105 (2016 – £13,052).

11 Tangible fixed assets

Group	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 April 2017	49,539	7,297	6,046	43,032	105,914
Additions	—	—	—	7,484	7,484
At 31 March 2016	49,539	7,297	6,046	50,516	113,398
Depreciation					
At 1 April 2016	34,633	4,339	4,753	17,117	60,842
Charge for year	8,253	1,192	438	8,345	18,228
At 31 March 2017	42,886	5,531	5,191	25,462	79,070
Net book values					
At 31 March 2017	6,653	1,766	855	25,054	34,328
At 31 March 2016	14,906	2,958	1,293	25,915	45,072

Charity	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 April 2016	10,000	4,793	1,955	41,983	58,731
Additions	—	—	—	7,484	7,484
At 31 March 2017	10,000	4,793	1,955	49,467	66,215
Depreciation					
At 1 April 2016	7,058	2,515	659	16,071	26,303
Charge for year	1,609	842	438	8,345	11,234
At 31 March 2017	8,667	3,357	1,097	24,416	37,537
Net book values					
At 31 March 2017	1,333	1,436	858	25,051	28,678
At 31 March 2016	2,942	2,278	1,296	25,912	32,428

12 Investment in group undertaking

The charity has one wholly owned trading subsidiary - The DSWF Trading Company Limited - which is incorporated in the UK and markets and sells wildlife art and related merchandise. The company donates any taxable profits to The David Shepherd Wildlife Foundation by way of gift aid whilst retaining sufficient working capital. A summary of the trading results is shown below.

	2017 £	2016 £
Investment in The DSWF Trading Company Limited at cost	100	100
Profit and loss of subsidiary		
Turnover	110,306	117,689
Cost of sales	(48,588)	(34,525)
Gross profit	61,718	83,164
Staff costs	(23,866)	(42,099)
Other administrative expenses	(49,137)	(51,429)
Taxation	—	—
Loss for the year – before gift aid	(11,285)	(10,364)
Retained loss for the financial year	(11,285)	(10,364)
Aggregated capital and reserves at 31 March 2017	17,577	28,862

The figures above include £760 (2016 - £760) related to interest payable to the Foundation. It has been excluded from the consolidated figures.

13 Listed Investments

	2017 £	2016 £
Listed investments		
Additions at cost	237,710	—
Change in market value	9,139	—
Market value at 31 March 2017	246,849	—
Cash held by investment managers	50,378	—
	297,227	—
Cost of listed investments at 31 March 2017	237,710	—

Listed investments held at 31 March 2017 comprised the following:

	2017 £	2016 £
UK equities	112,401	—
UK fixed interest	29,626	—
Overseas equities	67,766	—
Overseas fixed interest	4,856	—
Alternative assets	32,200	—
	246,849	—

13 Listed Investments (continued)

At 31 March 2017 listed investments included the following holdings, which represented material holdings relative to the market value of the total listed investments portfolio held at that date:

	Market value of holding £	Percentage of portfolio %
S&W Investment Funds Short Dated Corp Bond Z GBP	14,942	6.05
JP Morgan Asset Mgmt UK Ltd UK Equity Core E Net Inc	16,252	6.58
GVQ Investment Funds (Dublin) UK Focus I GBP	16,826	6.82
Capita Financial Managers Trojan S Inc Nav	15,727	6.37
RWC Asset Management LLP Enhanced Income B Inv NA	17,273	7.00
S&W Fund Administration Ltd UK Equity Income Fund B Inc	15,045	6.09
Findlay Park Funds PLC American USD Dis	18,557	7.52

All listed investments were dealt in on a recognised stock exchange.

14 Stock

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Prints and other merchandise for sale	15,330	37,946	—	—

15 Debtors

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	600	15,827	—	—
Other debtors and prepayments	31,282	81,170	29,305	78,213
VAT recoverable	1,999	753	1,999	712
Amount owed by group undertaking	—	—	44,204	38,000
	33,881	97,750	75,508	116,925

The charity has provided the DSWF Trading Company Limited with a loan facility of £38,000 (2016 - £38,000) at a charge of 1.5% above base rate. At 31 March 2017 the charity was owed an amount of £6,204 by the wholly owned subsidiary company The DSWF Trading Company Limited (2016 - £866 owed to The DSWF Trading Company Limited).

16 Cash at bank

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Expendable endowment fund	—	265,562	—	265,562
Other UK accounts	673,225	616,477	625,695	599,999
	673,225	882,039	625,695	865,561

17 Creditors: amounts falling due within one year

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Trade creditors	5,349	35,603	3,053	27,917
VAT	2,017	4,048	65	—
Accruals	14,058	26,718	9,000	20,265
Amount owed to the DSWF Trading Company Limited (see note below)	—	—	—	866
Other creditors	31,726	7,690	31,726	5,983
	53,150	74,059	43,844	55,031

At 31 March 2016 the charity owed an amount of £866 to its wholly owned subsidiary company The DSWF Trading Company Limited.

18 Leasing commitments

Total minimum commitments under non-cancellable operating leases for land and buildings are as follows:

	2017 £	2016 £
Within one year	25,000	30,000
Between one and two years	—	25,000

19 Restricted funds

The income funds of the Foundation include restricted funds comprising the following unexpended balances of donations and grants to be applied for specific purposes:

Charity and group	At 1 April 2016 £	Income £	Expenditure, gains, losses and transfers £	At 31 March 2017 £
Projects:				
Painted Dog Conservation Project – Zimbabwe	3,175	1,604	(4,779)	—
Save the Rhino Trust – Namibia	12,523	16,563	(29,086)	—
Uganda Conservation Foundation – Uganda	11,441	85,600	(97,041)	—
Game Rangers International – Zambia / Pangolin	83,246	199,969	(267,646)	15,589
Phoenix Fund Amur Tiger Project – Russia	43,508	1,619	(45,127)	—
Aaranyak Wildlife Crime Monitoring – India / Rhino Project / Tiger Project – India	29,856	15,015	(44,761)	110
Freeland Tiger Project – Thailand	6,676	3,082	(9,758)	—
Asian Conservation Awareness Programme	1,108	698	(1,806)	—
Animals Asia Moon Bear Rescue – China	2,204	3,066	(4,394)	876
Snow Leopard Trust – Mongolia	3,406	19,079	(20,000)	2,485
Snow Leopard trust - Kyrgyzstan	—	10,000	—	10,000
Environmental Investigation Agency	8,277	—	—	8,277
Operation Charm	1,872	—	(640)	1,232
CITES	—	117,927	(117,927)	—
	207,292	474,222	(642,965)	38,549
Other:				
Education	6,479	—	—	6,479
Species specific	—	211,316	(89,243)	122,073
Gifts in Kind	—	45,000	(45,000)	—
	6,479	256,316	(134,243)	128,552
Total	213,771	730,538	(777,208)	167,101

The project funds consist of unexpended funds raised for specific projects as detailed in the Trustees' report.

20 Designated fund

The income funds of the charity included the following designated fund which had been set aside out of unrestricted funds by the Trustees for a specific purpose:

	At 1 April 2016 £	New designations £	Utilised/ released £	At 31 March 2017 £
Grants payable	17,492	—	(17,492)	—

Designated funds represent grants set aside to be distributed in future accounting periods.

21 Expendable endowment

	At 1 April 2016 £	Income £	Expenditure, gains, losses and transfers £	At 31 March 2017 £
Expendable endowment funds	265,562	1,016	30,649	297,227

The purpose of the endowment fund is to build up a fund which is intended to be invested for the longer term and expended only in furtherance of the development of the Foundation. The income generated by the fund can be used for the Foundation's general purposes.

22 Analysis of net assets between funds

Group	Restricted funds £	General fund £	Non- charitable trading funds £	Expendable endowment fund £	31 March 2017 £
Fund balances at 31 March 2017 are represented by:					
Fixed assets	—	28,678	5,650	—	34,328
Investments	—	—	—	297,227	297,227
Net current assets	167,101	486,463	15,722	—	669,286
Total net assets	167,101	515,141	21,372	297,227	1,000,841

Charity	Restricted funds £	General fund £	Expendable endowment fund £	31 March 2017 £
Fund balances at 31 March 2017 are represented by:				
Fixed assets including investment in subsidiary	—	28,778	—	28,778
Investments	—	—	297,227	297,227
Net current assets	167,101	490,258	—	657,359
Total net assets	167,101	519,036	297,227	983,364

23 Related party transactions

The Foundation employs a granddaughter of a trustee as a Projects and Policy Manager on an annual salary of £24,240.