



Hampshire &
Isle of Wight
Wildlife Trust



Hampshire and Isle of Wight Wildlife Trust
Annual Report
2017/18

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Our year in numbers



23,866 members
(2017: 24,561)



£432,246 received
from gifts in wills allowing us
to invest in future conservation
priorities (2017: £126,613)

1,500 volunteers
(2017: 1,400)



45,533 hours given by
our volunteers, equivalent to
6,504 days or **30** members
of staff (2017: 44,228 hours)

82 employees
(2017: 76)



£4,830,089
total income (2017: £4,189,290)



4,411 hectares in
Hampshire and the Isle of
Wight are directly managed
by the Trust (2017: 4,384)



£2,495,622 spent on
conservation (2017: £2,378,366)

£558,326 spent on
education and engagement
activities (2017: £577,086)



380 cattle and **267** sheep
enable conservation grazing
on the land we manage
(2017: 377 cattle, 181 sheep)

Foreword

from the Chairman



I am delighted to report that the Trust had a very good year.

Most importantly, we continued to focus on delivering tangible benefits for wildlife. We secured a further two nature reserves at St Clair's

Meadow in Soberton and Fishlake Meadows in Romsey. St Clair's Meadow is the Trust's first nature reserve in the Meon Valley and I hope it will be a springboard for further conservation work through the valley in the coming years. The future for Fishlake Meadows looks bright as we discover the extent of its wildlife treasures — especially its spectacular birdlife — and make plans to help people enjoy it without disturbing its special wildness.

Never has the need to stand up for wildlife and take action been as evident. Across the world, we are witnessing devastating declines in our wildlife, illustrated by a 75% drop in insects reported across German nature reserves, a dramatic fall in the number of French farmland birds recorded and data showing that a fifth of Britain's wild mammals are at risk of extinction. This year people also woke up to the dangers faced by our marine wildlife. These are very significant challenges that we must all address — both globally and locally.

We are encouraged by the UK Government's long-term vision for our natural world, as presented in its 25 Year Plan for the Environment. It will be part of our role in the coming years to make sure that this ambition is realised across Hampshire and the Isle of Wight.

Importantly, we are a membership organisation grounded in local support. Last year did see a small drop in Trust members but we have started to address this. I am confident that the number of supporters will increase significantly in the near future, as more people recognise the vital importance of the natural environment and the role that the Trust plays in championing and protecting wildlife locally.

“ I am confident that the number of supporters will increase significantly in the near future, as more people recognise the vital importance of the natural environment. ”

Essential to all our achievements is finance, of course. I am especially pleased that a number of wildlife enthusiasts generously remembered the Trust in their wills this year. This vital legacy income gives the Trust flexibility to invest in new land, or to increase our public engagement and strategic campaigning work to help improve conditions for wildlife and bring about nature's recovery.

Many thanks for your continued support.

A handwritten signature in dark blue ink, reading 'David Jordan'.

David Jordan OBE
Chairman



Your Wildlife Trust

Overview from the Chief Executive



It feels like the tide is beginning to turn. Although wildlife is still in steep decline and despite the huge uncertainties we face as we leave the European Union, I am optimistic.

The Trust's staff and volunteers constantly

inspire and amaze me. With limited resources we achieve an incredible amount. We are slowly but surely changing the fortunes of wildlife on our nature reserves and through a variety of projects.

One of my favourite success stories this year is the reintroduction of the marsh fritillary. A beautiful butterfly of damp tussocky meadows, it sadly became extinct from North Hampshire around 20 years ago. Thanks to a dedicated partnership effort between the Trust and Butterfly Conservation, we have reintroduced this missing species to its former wet heathy haunts. It will take some time for the population to build again, but the early signs are very encouraging.

We know that wildlife needs more space, and our conservation strategy is based on the principle of creating bigger, better and more joined up places for nature. We continue to acquire new nature reserves and this year I am especially pleased that we have introduced two truly wonderful sites into our care.

Across the countryside, farmers and landowners are coming to the Trust to discuss ways in which they can help wildlife on their land — whether this is incorporating small changes into their business or something far more ambitious, such as rewilding. The Trust's solid track record in delivering exemplary land management, together with our well-respected advice and ecological services, mean we are rapidly becoming the

go-to organisation for anyone wishing to play their part in nature's recovery.

In towns and cities too, people recognise and value their local patch of urban wildlife. I am especially proud of our award-winning Milton Locks project which connected with 1,300 school children and 500 local residents this year, bringing nature into people's everyday lives. This tiny coastal haven in the heart of Portsmouth has shown what can be achieved with a bit of imagination and a lot of passion.

Our belief in people power is buoyed by the reaction to the Blue Planet television series. The images of plastic pollution in our oceans have been a vital catalyst for change. More and more people are becoming angry about the damage being done to our wildlife and are ready to stand up and fight for the natural world.

With the backing of our members and supporters, we have pressed the case for more Marine Conservation Zones. Whilst there is still resistance from some quarters, there is growing awareness that our marine environment is in trouble and we need to work together to turn the tide. Our Secrets of the Solent project will offer exciting new opportunities to collaborate with those who rely on the oceans for their livelihoods and to positively channel the rising public support for our seas.

In the coming year the Trust will be thinking about our strategy to 2030. We will be setting out how we must strive to tip the balance in nature's favour and build a movement for change. I very much hope you will be part of this.

A handwritten signature in dark ink, reading 'D Tann'.

Deborah Tann
Chief Executive

“ The Trust’s solid track record in delivering exemplary land management means we are rapidly becoming the go-to organisation for anyone wishing to play their part in nature’s recovery. ”



Our Impact

Standing up for wildlife



The stakes are extremely high for wildlife as the UK leaves the European Union and negotiates a new settlement for the environment — rewriting legislative protections, policies and funding schemes.

It is vital that the Trust plays its part as a vocal champion for local wildlife. Using our knowledge and evidence we must push for the best outcomes for our natural environment, whether this is influencing policy and decision makers, challenging proposals or shaping wider public opinion and securing support through our campaigns.

This year we joined forces with all Wildlife Trusts and other organisations to make the case for the UK to maintain and enhance environmental law. We are working hard to ensure that our local voice is heard as new national policies are developed by encouraging our members and the wider public to stand up for wildlife with us. Across the UK, more than 25,000 people backed the Wildlife Trusts' call to maintain protections for Local Wildlife Sites within planning policy.

It is essential that national policy reflects local reality, so we have fed in our expertise to help shape responses to government consultations. Trust staff members, Tim Ferrero and Ali Morse, had a direct role in influencing The Wildlife Trusts' Marine Vision, The Way Back to Living Seas, and the national Blue Print for Water proposals, respectively.

The Government's 25 Year Plan for the Environment, published in January 2018, demonstrates the influence that our Wildlife Trust movement exerts at the national level. The commitment to build a Nature Recovery Network across the UK clearly reflects The Wildlife Trusts' vision of Living Landscapes that we have been pushing for and working towards for some years.

Locally, we have led work, as part of the Local Nature Partnership, to develop Ecological Network Maps for our two counties — outlining where nature is or needs to be in our two counties. This robust evidence base will inform planning decisions to ensure that new developments avoid not only sensitive sites like nature reserves, but the all-important connections between them.

Much of our work is long-term and requires ongoing effort over many years — building evidence, experience and trust in order to effect change through policy, practice or behaviour.

Our central role in nationwide water vole conservation

Since the 1950s, habitat loss and predation by mink has led to the rapid decline of water voles across the UK. The National Water Vole Database and Mapping Project was established in 2008, with the aim of creating accurate maps showing the distribution of both water vole and mink. Our ecology team was asked to deliver the project and was tasked with collecting water vole records and analysing them to create the distribution maps.

The latest analysis, completed by Catherine McGuire and published in early 2018, revealed that water voles in England and Wales have declined in distribution by an alarming 30% between 2006 and 2015. In Hampshire the picture is similar with a 32% decline over the same period.

The data informed water vole conservation by highlighting key areas for habitat restoration and reintroduction initiatives, including a recent water vole reintroduction project in the Meon Valley. This long-term evidence is essential in order to influence national and local policy and help bring this species back from the brink.



30%
reduction in
water vole
distribution
revealed by
our research



13 local authorities
supported the
development of
Ecological Network
Maps for Hampshire
and the Isle of Wight



25,639
people backed
The Wildlife
Trusts' campaign
to protect Local
Wildlife Sites



1,000

sites in the Solent
area surveyed
to ensure better
protection for
coastal birds



7

community
catchment groups
will be established
through 'Watercress
and Winterbournes'
partnership project



23,866

members stand
up for local
wildlife and make
our work possible
(2017: 24,561)

Solent Waders and Brent Goose Strategy

Our work at the forefront of efforts to conserve the Solent's critically important populations of overwintering coastal birds took an important step this year as we prepared a major update to our influential Solent Wader and Brent Goose Strategy.

First published in 2002, the strategy aims to identify sites in the Solent that lie outside the highly protected coastal area, yet are still important for overwintering coastal birds. Its findings help to guide development decisions so that the network of sites used by these birds is protected. Over the past 15 years, the strategy has been supported by all local authorities that border the coast, and statutory consultees. It has led to many areas being designated as Local Wildlife Sites and protected through planning policy.

This year Deborah Whitfield from our Arcadian Ecology team and Trevor Codlin, our planning lead, led the update to the strategy, mapping the network of sites that these bird populations need in order to survive and identifying how they are used. This involved updating previous survey work and collating data from nearly 20 years of surveying — including over 15,000 records from 1,000 different sites across the Solent.

Current survey work is focused on understanding how coastal birds move between inland sites. The new data will provide councils and statutory consultees with vital information and maps of the areas used by our coastal birds. Many areas used, such as our Farlington Marshes nature reserve, are already protected but the overwintering birds also like to use other sites such as arable land and playing fields to exploit the nutritious crops or grassland present.

Survey work will continue throughout the 2018/19 winter period and the strategy will be fully updated by the end of 2019.

Championing our chalk rivers

The Trust has always played a key role in championing and restoring our internationally important chalk rivers. Our track record of delivering successful targeted interventions to improve habitat and protect species, together with our technical and policy expertise, means that the Trust is respected and well-placed to lead collaborative initiatives.

Working with organisations through the Test and Itchen Catchment partnership, Ali Morse and Kathryn Boler developed a successful application to the Heritage Lottery Fund (HLF) for an innovative landscape partnership project to help restore the headwaters of these rivers. In 2017, the 'Watercress and Winterbournes' project was awarded £269,400 for the development phase, which is now underway. HLF backed the fresh approach to sustainable community engagement and empowerment — working with local people and setting up community catchment groups to lead delivery on the ground and focusing on long-term behaviour change.

This year also saw the culmination of long-term efforts to secure better water resource management in the Itchen. A public inquiry into Southern Water's licences, to which both Ali Morse and Ben Rushbrook contributed significantly, was adjourned when the company reached a landmark agreement with regulators to reduce abstraction levels from the Itchen and the Test and invest in measures to restore and protect the rivers and their catchments. The Trust will now play an important role in coordinating and facilitating this multi-million pound investment, working with our partners to deliver significant improvements for rivers and communities over the next ten years.





Our Impact

Making space for wildlife

Wildlife needs more space. If we are to work towards nature's recovery, it is vital that we expand and connect the spaces where wildlife can thrive.

We have nearly doubled the land in our care over the past decade and today we look after more than 50 nature reserves and other land, covering 4,411 hectares in our two counties.

The Trust has worked hard to secure strategically important sites. This year, two new nature reserves came into the Trust's estate — one as a result of years of negotiation through the planning system and the other a rapid purchase supported by the local community and external funders.

Our nature reserves are precious wildlife havens, but alone they are not enough to ensure wildlife can survive and flourish. The wider landscape can be unwelcoming to wildlife. Intensive agriculture, urban environments, busy roads and railways can all present barriers for wildlife trying to move between suitable spaces.

Through our growing consultancy — Arcadian Ecology — and a range of partnership projects, we are working with other organisations and landowners to join the dots — restoring, recreating and reconnecting isolated habitats. Together we are building a growing Nature Recovery Network.

Fishlake Meadows

In July 2017 we took on the management of Fishlake Meadows nature reserve in Romsey, thanks to long-term work with Test Valley Borough Council. Having once been drained for agriculture, the site was left untouched for many years and has become a rich area of wetland habitat, a unique environment within our river valleys. Fishlake Meadows supports up to 175 species of bird, as well as 24 dragonfly and damselfly species and a wide variety of plants.

The 60-hectare wetland was secured as a nature reserve as part of the planning agreement for a residential development on the eastern side of the reserve. The site will now be protected and carefully managed by the Trust to ensure its wild character is maintained and its value for wildlife is increased.

Our first steps have been to improve physical and visual access to parts of the reserve as well as undertaking ecological surveys to strengthen our knowledge of the site. Our reserves officers, Bob Chapman and Jo Armson, have secured the support of the local community, with a dedicated team of volunteers helping to get conservation work off the ground. We are developing ambitious plans to enhance the nature reserve for the benefit of both wildlife and visitors.

St Clair's Meadow

With a £300,000 grant from Biffa Award and the generous support of the Pig Shed Trust and the local community, we purchased St Clair's Meadow in Soberton in October 2017. This 16-hectare historic water meadow represented our first acquisition on the River Meon, one of Hampshire's internationally important chalk rivers.

St Clair's Meadow is frequented by traditional wetland and water meadow species including kingfisher, otter and a large number of butterfly and dragonfly species. In recent years the site has also become home to water voles, following the Meon Valley reintroduction partnership project supported by the Trust, which has established a thriving water vole population along the river valley.

Already much-loved by the local community, we secured the site for both wildlife and people to enjoy. We look forward to working with local residents in the months and years to come, to look after and enhance this wildlife haven.



2 new nature reserves secured this year, bringing our total number of reserves to 53



4,411 hectares in the two counties are managed by the Trust (2017: 4,384)



175 different species of bird recorded at Fishlake Meadows nature reserve



Ten years of working with the Ministry of Defence

The Trust began working in partnership with the Ministry of Defence (MOD) in 2007, helping to look after a number of sites that make up military training grounds in the north of Hampshire.

This impressive landscape, which covers over 2,500 hectares, contains a diverse mix of heathland, wetland and grassland habitats that are home to internationally important birds such as Dartford warbler as well as green tiger beetle, small red damselfly and exceptionally rare plants like ivy-leaved bellflower.

The strong, collaborative relationship with the MOD and their appreciation of our aims has meant that we have been able to navigate the logistical complications of conservation within an active army training environment. Cattle graze the large tracts of land and our team, led initially by Elliott Fairs and more recently David Boddy, undertake targeted conservation work each year to enhance habitats for sensitive species, such as the silver-studded blue butterfly, which depends on low-growing heathland.

We restored seven hectares of Hawley Common this winter to improve conditions for the nationally scarce plant, marsh clubmoss. Our conservation efforts have also created an ideal habitat for breeding woodlark in the Thames Basin Heaths Special Protection Area.

This year we have also seen the first steps taken to reintroduce the marsh fritillary to an area on the MOD estate. The reintroduction programme is a partnership between the Trust, Butterfly Conservation and the Hampshire Marsh Fritillary Action Group, and has the full support of the MOD.



10 years in partnership with the MOD in north Hampshire to improve heathland



60% of the Isle of Wight's farmland covered by our land advice



21 farm businesses took part in a pesticide amnesty in the River Loddon catchment area

Isle of Wight Wetland Restoration

As a partner in the 'Down to the Coast' project supported by the Heritage Lottery Fund (HLF), we are working with landowners, conservation organisations and others to restore over 30 hectares of wetland on the Isle of Wight.

The Eastern Yar valley contains some of the deepest peat beds in southern England, some of which have preserved archaeological relics. It is also an important area for wildlife including kingfisher, water vole, marsh cinquefoil, Cetti's warbler, cuckoo and barn owl.

This year we have completed substantial wetland restoration at a number of sites including the Isle of Wight Donkey Sanctuary, Alverstone Marsh Site of Special Scientific Interest (SSSI) and on our estate at Sandown Meadows. Led by Jamie Marsh and Steve Egerton-Read and supported by volunteers, the team removed scrub, such as tree saplings and brambles, and enhanced the riverbanks. Combined with light grazing by cattle this will enable wildflowers and wetland plants to flourish.

Thanks to the support of HLF, we acquired Morton Marsh near Adgestone last year. This area added a further 10 hectares to our Sandown Meadows nature reserve. This final piece in the jigsaw of the River Yar means there is now an unbroken 8km stretch from Bembridge Harbour to Alverstone managed for wildlife. It marked an important step in our mission to create a Living Landscape on the Isle of Wight — creating rich, connected habitats where wildlife can thrive.

Changing the Nature of Farming

It is essential that agricultural land is part of our Nature Recovery Network, offering connections between nature reserves, gardens and other wild spaces. Intensive farming can exacerbate the challenges for wildlife but fortunately there are many farmers who are committed to creating space for nature as an integral part of their farm business.

The Trust plays an important role in guiding individuals and groups of farmers to create and enhance habitats on their land, improve soil quality and find alternative methods of production. This helps to form a mosaic of

different habitats across the landscape, giving wildlife the space it needs to thrive.

This year the Trust and Arcadian Ecology have increased their reach significantly. Working with a group of 19 farmers in the Wallop Brook area, near Broughton in Hampshire, Alison Cross secured Facilitation Funding from Defra to enable improvements at a landscape scale. This will involve monitoring, advice, practical action and facilitating the sharing of skills and expertise.

Through the Loddon Farm Advice Project, funded by Affinity Water, Catchment Sensitive Farming and South East Water, Amanda Ingham has worked with 40 landowners across the River Loddon catchment area this year, providing advice to help reduce the risk of diffuse water pollution from agriculture. A pesticide amnesty gave farmers the opportunity to dispose of unwanted pesticides safely, anonymously and free of charge. 21 farm businesses signed up to the amnesty and we collected over 250 separate products, removing just under a tonne of chemicals from the catchment.

Approximately two thirds of the Isle of Wight is agricultural land and over the past 10 years our Land Advisor, Lucy Temple, has offered advice to over 200 farms covering an area of 15,348 hectares — that is approximately 60% of the Island's farmland. Our advice has led to a network of buffer strips, hedgerows and field corners, providing valuable habitat and food sources for wildlife including farmland birds, mammals such as brown hare, and invertebrates. In November 2017, Lucy's efforts were recognised with an award presented by the National Farmers' Union.

We hope that the shape of agricultural subsidies in the future will offer even greater opportunities to work with landowners to create space that is beneficial for wildlife, as well as offering wider public and economic benefits.



Our Impact



Bringing people closer to nature

We know that many people are increasingly disconnected from the natural world. The number of children who regularly visit any green space has halved in a generation, and the pressures of work and family mean that many adults rarely find time to appreciate the wealth of wildlife on their doorstep.

This is not only detrimental to individual health and wellbeing, but it also means that future generations may not value, care about or act to support the natural environment. Inspiring people to love wildlife is central to our work and we do all we can to engage local communities and encourage curiosity and interest in our natural world.

This year we have built upon the range of events offered at our education centres, sought ways to expand our education work in schools and supported our Wildlife Watch and Tots programmes. Throughout the year, we offered 17,250 opportunities for children to learn about local wildlife through our events and activities.

More than 1,700 local people and their families took part in our 30 Days Wild challenge this June — an 80% increase on the previous year. Hundreds more attended walks, talks and events hosted by the Trust or organised by our volunteer-led Local Groups.

We are very fortunate to have the support and commitment of 1,500 volunteers who have contributed 45,533 hours to the Trust this year alone, helping with everything from looking after our cattle to assisting us in the office.

Wild Days Out

Our Wild Days Out programme, held during school holidays at Blashford Lakes near Ringwood, has gone from strength to strength. Originally a partnership initiative with New

Forest District Council, these OFSTED-registered sessions are now led by Jim Day, one of the Trust's Education Officers, and their popularity has risen rapidly. Sixteen separate Wild Days Out were held during the year. There was repeat attendance with 250 places filled by 118 children.

The tailored sessions for 7 to 12 year-olds and 5 to 8 year-olds give children a memorable day of wild play and adventure, exploring all that nature has to offer. The activities — including wood crafts, a campfire 'bake-off', a bio-blitz and a river snorkel — offer opportunities for young people to challenge themselves and build confidence within a fun and safe environment.

Nature Therapy

We worked with Winchester Youth Counselling to trial six 'Nature Therapy' sessions for young people currently attending or on a waiting list for counselling. The weekly after-school sessions, led by Susan Simmonds, involve activities such as stream dipping and cooking over a campfire.

Six youngsters aged between 11 and 14 attended the sessions. As the weeks progressed, counselling professionals noted that the children were more relaxed, talkative and trusting of each other. All six participants gave the sessions 5 out of 5 in their final evaluation and stated that their wellbeing had improved and the sessions had been helpful.

Following the nature therapy sessions, at least two children no longer needed to access counselling services as professionals and carers felt that their mental well-being had significantly improved.

Based on the success of the pilot, two further six-week Nature Therapy programmes have been delivered. We will soon be piloting a new programme with 14 to 17 year-olds as well as lunch time sessions for 18 to 25 year-olds.

Revealing the Secrets of our Seas

Our work to highlight the importance of marine wildlife attracted the national spotlight as Portsmouth was chosen to host a mural of a cuttlefish by renowned street artist ATM. Portsmouth City Council agreed to host the artwork on a City Museum building on a busy street, offering the urban community a new way of engaging with just one of the special species that lives in their local seas.

The unveiling of the finished mural coincided with The Wildlife Trusts' National Marine Week, and was accompanied by a marine-themed family fun day hosted by the Council at the City Museum. The artwork captured the imagination of the local community and national media alike.

It also brought further interest to our Secrets of the Solent project, which entered the final stages of its development year. A successful fundraising appeal raised over £35,000. This included £15,000 from our very first Crowdfunder appeal, which attracted new supporters inspired about our plans to protect our seas, as well as support from existing members and partners. The funding raised was the key to unlocking a further £640,300 from the Heritage Lottery Fund. Over the coming four years we will use the funding and groundswell of support to develop a range of projects to help more people appreciate, understand and protect the Solent and the wildlife and heritage within.



45,533

hours given by
our volunteers,
equivalent to 30
members of staff
(2017: 44,228)



1,732

people in our two
counties took part
in our 30 Days
Wild challenge
(2017: 962)



17,250

opportunities for
children to learn
about local wildlife
provided this year
(2017: 17,000)

Searching for meadow minibeasts ©
Jon Hawkins / Surrey Hills Photography



Looking Ahead

Delivering our vision

In the year ahead, the Trust will be considering **a new strategic plan and a refreshed vision to take us forward to 2030.**

Our long-term purpose remains unchanged — **we exist to protect wildlife and to help bring about nature's recovery,** reversing species declines and creating more space for nature across Hampshire and the Isle of Wight. In parallel, we aim to **connect as many people with nature as possible, inspiring others to take action for wildlife.**

Whilst our ambition remains steady, the way in which we achieve our aims will need to evolve and adapt to the changing framework of policy, legislation and funding.

Our plans for the year ahead are, in part, focused on **considering options for the future.** We will reflect on what the evidence tells us about the state of nature locally, look at the Trust's successes and consider where we could do more. Above all, **we will talk to our members, supporters and partners and reach out to new organisations and individuals,** to help us develop an effective and inspiring vision and plan for the future which puts wildlife at its heart and which delivers benefits for everyone.

We will continue to **make strategic additions to the Trust's estate.** Whilst we recognise that the Trust alone cannot reverse wildlife declines, the importance of our nature reserves is undeniable in supporting important habitats and a wide variety of species. We will pursue the acquisition of new nature reserves where the opportunity arises, prioritising those that can help us expand, improve and connect spaces for wildlife and help to create a growing **Nature Recovery Network** across our two counties. We will consider all opportunities to tip the balance in nature's favour including the potential for rewilding areas or reintroducing missing species.

Our **grazing operation will be reviewed** to address operational risks and build greater resilience to ensure that we achieve our conservation aims through appropriate grazing of our nature reserves and other land.

We will **further develop our trading company, Arcadian Ecology,** looking for opportunities to offer high quality consultancy and professional services to more people or in new ways, such as carbon sequestration schemes.



It is vital that we continue to expand our **work with farmers and landowners outside our estate**, helping them to improve their land for wildlife. We will work together to explore new approaches and opportunities presented by an altered agricultural subsidy scheme.

Collaboration is key to achieving our long-term goals. We will work hard to **develop and deliver effective partnership projects**. During the coming year, we will build community ownership and develop targeted plans to improve the headwaters of the Test and Itchen rivers, culminating in the delivery of a successful second stage application to the Heritage Lottery Fund. We will also ensure that our marine project, Secrets of the Solent, capitalises on the wave of public support and the vital partnerships that were built during the development phase.

In order to **extend our reach to people in urban communities**, we will join forces with other organisations to explore new ways to engage people with the natural environment. We aim to develop services that improve people's health and wellbeing and deliver tangible benefits for wildlife.

As we look to the future, we plan to use more digital techniques to reach interested individuals and **expand the ways in which people can support the Trust**. We will continue building our relationships with individual donors and also with our statutory, charitable and corporate partners. Growing our membership will remain a priority, along with increasing promotion of legacy giving as a powerful way for people to make a significant difference for wildlife.

Our response to the UK withdrawing from the European Union will involve **proactively campaigning for the most ambitious legislative and policy settlement for the environment**. Through liaison with other



Above: Wild Day Out at Blashford Lakes © Paul Gonella
Below: Cuttlefish mural by ATM © Paul Gonella

Wildlife Trusts and the Greener UK coalition of environmental organisations, we will push for an Environment Act and mobilise local people to support our calls.

Our focus will also be on **translating the Government's 25-year Plan for the Environment** into tangible local policy commitments and action — shaping a long-term strategy for nature's recovery with our partners. We will uphold our important role in influencing marine policy and continue to push for greater protections for our local seas through the designation of Marine Conservation Zones.



Building Resilience

Managing Risk

In order to buffer against the current funding risks and uncertainties associated with Brexit and to increase our financial resilience, we will **continue to focus on fundraising and increasing membership**. Last year we undertook a review of our fundraising activities which helped us to hone our priorities and invest in building voluntary income streams. Our investment in South West Wildlife Fundraising Limited (SWWFL) was a prudent decision to help manage risk as well as provide a more effective vehicle for recruiting new members. Having seen a concerning decline in membership over the past couple of years, we are now beginning to see positive results. SWWFL's face-to-face recruitment team are on track to deliver membership growth for the year ahead.

Our supporters are at the heart of everything we achieve and our **commitment to fundraising in a responsible way** is as strong as ever. We want giving to the Trust to be a rewarding experience and for all of our supporters to receive a friendly, approachable and professional response to any contact with the Trust. We are focussing more on supporter care and ensuring that we offer members a variety of opportunities that they value, such as exclusive events and insights into the work of the Trust.

The Trust is registered with the Fundraising Regulator and follows its Code of Conduct. Our considerate approach is reflected in the low levels of negative feedback and complaints we receive. In 2017 we received two complaints, which related to administrative requests.

In the coming year we will **establish a Fundraising Committee** with Trustee involvement, to ensure that there are the highest standards of governance and oversight for our fundraising activity.

The Trustees and Senior Executive Team, through the Business and Finance Committee, **closely monitor the Trust's finances**. To manage the uncertainty surrounding the long-term future of agri-environment income, a designated fund was established last year to help to buffer against any short-term gaps in funding for managing the Trust's estate. Longer term, we are investing in developing additional sources of income including potential commercial activities, to help finance the management of the Trust's nature reserves where needed.

The **General Data Protection Regulation (GDPR)** came into effect in May 2018. During the year, an internal working group

was set up to ensure the Trust was prepared for these new rules. We audited the personal data held by the Trust and other agencies that we work with; we also reviewed all relevant systems and processes, putting in place new policies and procedures where required and rolling out training for all staff. We have communicated clearly with our members, letting them know that they will continue to receive information, including the regular members' magazine, by post or telephone. We have also asked for consent from our supporters to receive email communications. We continue to monitor, identify and actively manage any risk in relation to data protection, to ensure that we are safeguarding individuals' data and protecting the Trust.

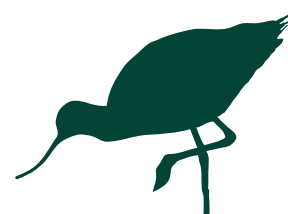
We worked closely with our IT providers to **review IT security**, particularly in relation to GDPR but also to ensure the Trust operates as an efficient business. A number of improvements to IT were made in the year and this continues to be a priority.

Staff are one of the most important resources that the Trust has, and there has been a **focus on Human Resources** (HR) in the past year. A major exercise to review, update and refresh employment contracts, policies and procedures was undertaken. The HR and Remuneration Committee continues to review key HR metrics, staff salaries and benefits, and any disparities between genders. We will ensure that our staff have the training and support they need to enable the charity to deliver its purpose as effectively as possible.

The Trust takes its obligation to protect others very seriously. This year, we began a full review of our **Safeguarding policies and procedures** to ensure that all staff and volunteers are able to uphold our duty of care, including protecting children and vulnerable adults.



Above: School visit to Blashford Lakes © Rex Waygood
Below: St Clair's Meadow © HIWWT





Financial Review

The Trust had another positive year, with a net surplus in unrestricted funds for the second year in a row. Whilst funding remains a challenge, the loyal support of our members, our focused business plan and robust financial management are all helping to move us in the right direction.

The overall surplus for the year to March 2018 was £751,609 (including unrealised investments loss of £7,783); this compares favourably with the previous year to March 2017 which was a surplus of £549,966. Importantly, this surplus was used to further our charitable objectives through acquiring new sites, significantly adding to the amount of conservation land in our care.

Looking first at unrestricted funding, this grew by £113,964 which is an increase of 3% compared with the previous year. This includes increased income from commercial activities, membership and conservation. We also received £432,246 from legacies which has been put into designated funds for future investment in our work.

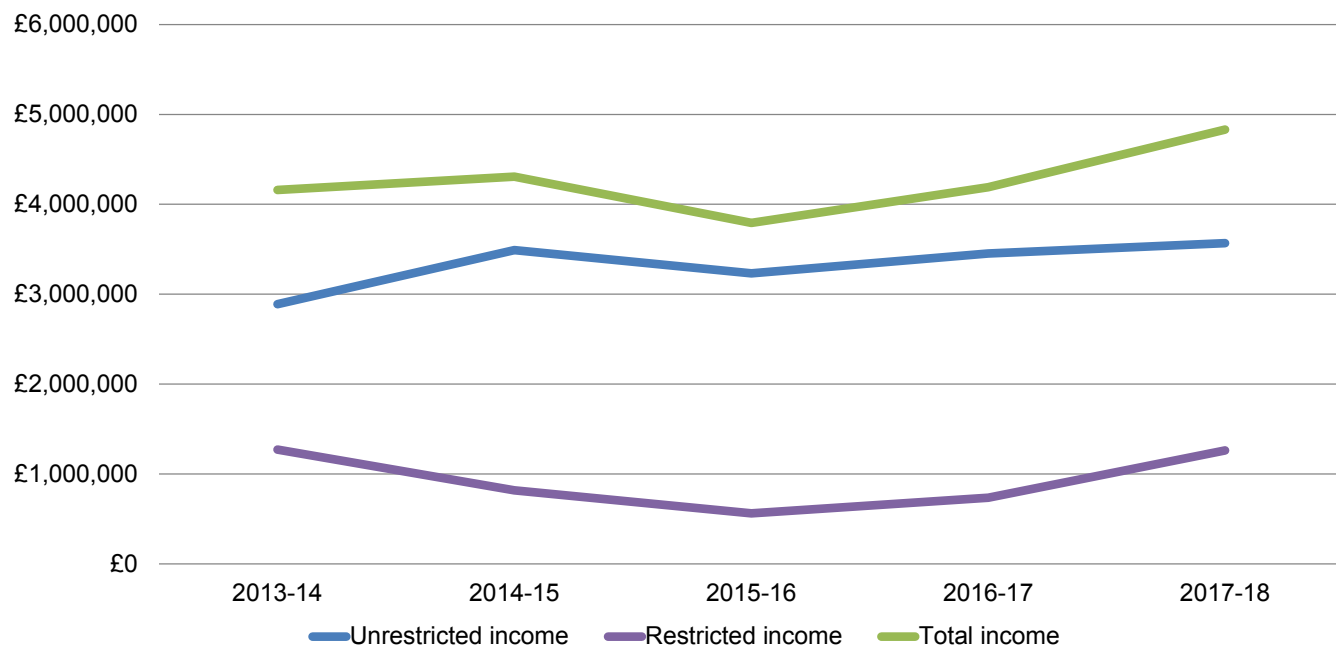
Turning to restricted funding (income from grants and for specific projects), we saw a rise of £526,835 (72%) compared with the previous year. Of this, £360,000 was received against the purchase of St Clair's Meadow. The growth in restricted funding is welcome although the longer-term trend in restricted income still shows a reduction when compared with the position five years ago.

The Trust's freehold buildings were revalued in the previous year's accounts and this year remained at the same level. The acquisition of St Clair's Meadow added a further £350,000 to the listing of Freehold Heritage Assets held by the Trust, bringing the total held to 921 hectares at a value of £1,937,710. These values are reflected in the balance sheet, Restricted Funds and the General Fund.

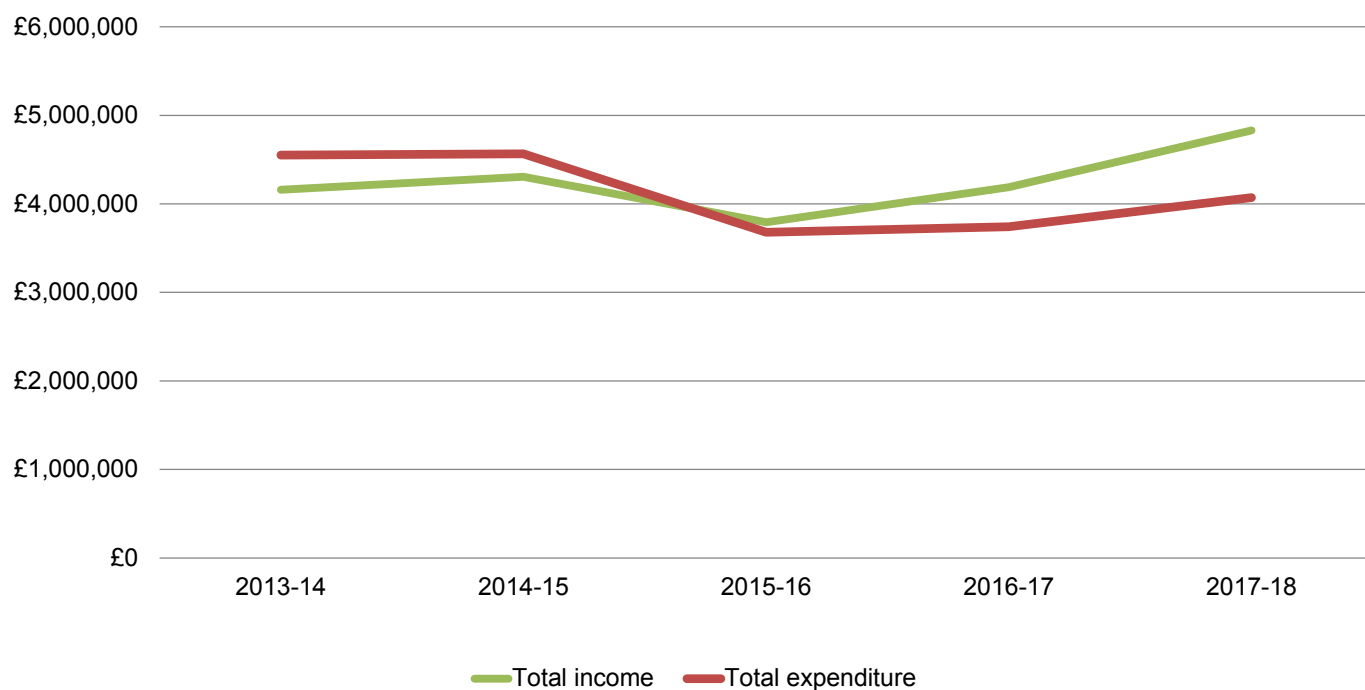
The next few years will remain challenging. The uncertain economic climate, changes in the fundraising environment and the ramifications of Brexit will all impact on the Trust's resources. We continue to work on building our unrestricted income and remain focused on covering our operating costs to ensure the organisation has a sustainable future. The increasing competition for grants and the growing constraints on public sector resources means that restricted funds can be difficult to secure.

Our overall financial strategy has not changed — our focus is on building medium to long-term growth in income, whilst continuing to ensure the sustainability of our expenditure in the shorter term. We are investing in strategic capacity to build unrestricted income through new commercial activities as well as more traditional sources of charitable fundraising. Unrestricted income provides the greatest flexibility to respond to external challenges and allows the Trust to allocate funding to where the need is greatest.

Income Trends 2013-2018



Analysis of Income and Expenditure between 2013-2018





Income analysis 2017/18

Total incoming resources for the year increased by 15% compared with the previous year at £4,830,089 (2017: £4,189,290).

Unrestricted income increased by 3% to £3,567,526 (2017: £3,453,562), mainly due to increased unrestricted legacy income and the donation from the Trust's trading company.

Although membership numbers were slightly down, there was a small increase in membership income during the year of 1.4% to £1,059,652 (2017: £1,044,842), which has been helped by our investment in part-ownership of South West Wildlife Fundraising Limited (SWWFL) from May 2017. SWWFL is a subsidiary company owned by eight Wildlife Trusts, including Hampshire and Isle of Wight Wildlife Trust, and concentrates wholly on increasing membership for its owning Trusts. The initial cost of this investment was a loan of £11,000 to SWWFL which was repaid in June 2018. There is an annual service charge and commission payments for each new member recruited which are broadly comparable to costs previously spent by the Trust. By working collaboratively with other Wildlife Trusts through SWWFL we will benefit from greater efficiencies as well as the sharing of risk, skills and experience. This new venture has proved very positive and will continue to help the Trust to reach more people and rebuild membership growth.

Legacy income increased from £126,613 in 2016/17 to £432,246. This is an unpredictable but very important source of income which we hope to grow as part of a revamped legacy marketing programme in the coming year.

In its second year of trading, Arcadian Ecology performed as planned with a profit of £78,779 (2017: £34,537) a significant increase since last year. The profit was gifted to the Trust as a deed of covenant and is classed as unrestricted income.

Restricted income took an upward turn during the year, increasing to £1,262,563 (2017: £735,728). Several new projects began in the year, each bringing new sources of grant funding, but the main increase was a grant of £300,000 and donations of £60,000 for the purchase of land at St Clair's Meadow.

Expenditure analysis 2017/18

Total expenditure for the year was £4,070,697, an increase of 9% compared with the previous year (2017: £3,741,591). This is due in part to the increased cost of membership recruitment but which is offset by an increase in membership income. We also increased conservation activity costs as a result of new projects including delivering capital works on sites such as Barton Farm and Fishlake Meadows.

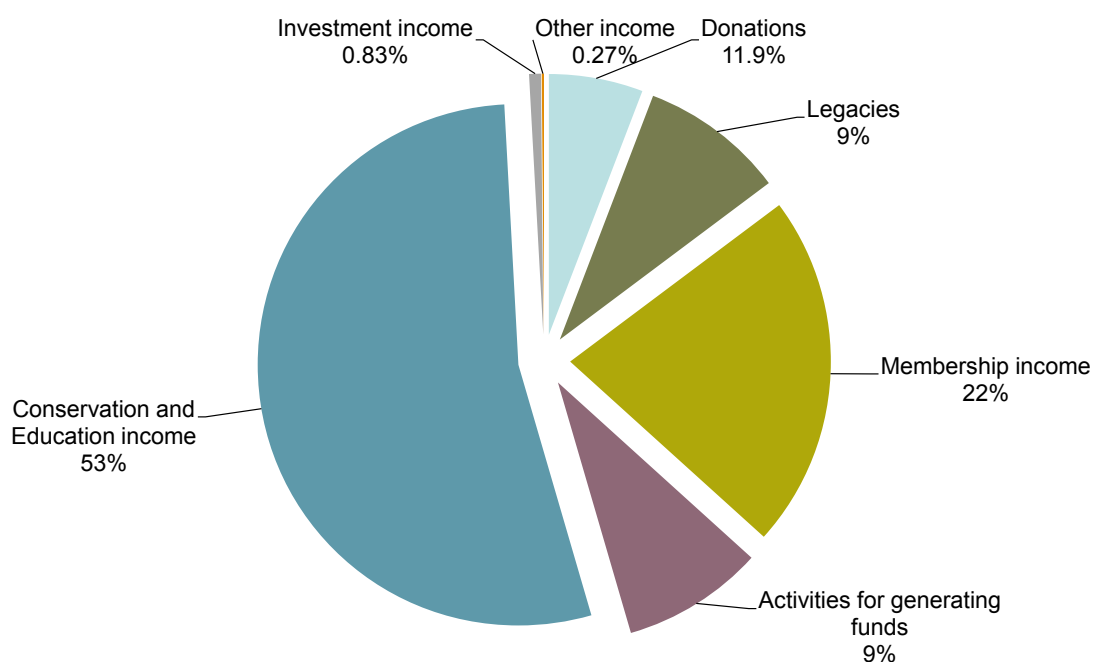
Expenditure on delivering charitable activities (conservation, education and membership services) was £3,554,346 (2017: £3,164,712), representing 87% of the total resources expended (2017: 85%).

Total expenditure includes support costs of £811,610 (2017: £841,543) which include finance, HR, IT, facilities and governance costs. These costs are allocated proportionally across all activities depending on staff numbers. The governance costs include audit fees and staff costs allocated to Governance activities and continue to represent 2% of our total expenditure.

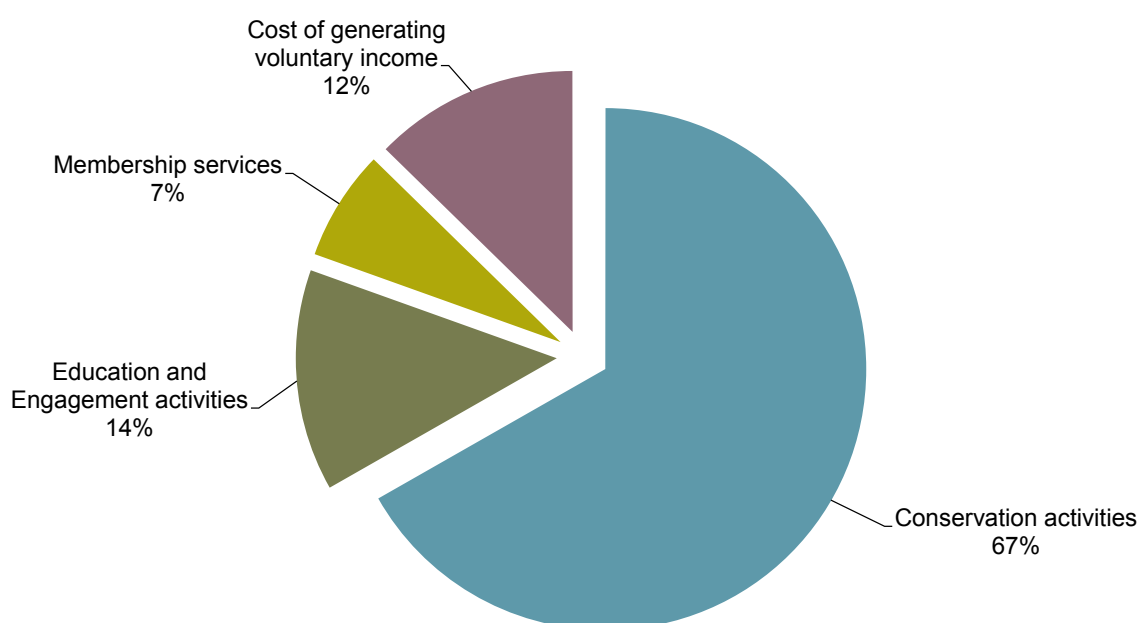
Also included in the total expenditure is the annual contribution we make to the Royal Society of Wildlife Trusts (£63,610), which funds the work they do on behalf of The Wildlife Trusts across the UK.

Total staff costs were £2,377,282 (2017: £2,184,546) which equates to a 8.8% increase. This includes an annual pay increase of 2% for staff along with the creation of a number of new roles — either project staff funded by external sources, or staff focusing on income generation — helping to make the Trust a more sustainable organisation in the current financial climate.

Income 2017/18



Expenditure 2017/18





View of the Solent © Paul Gonella

Investments

The Trust's investments are managed by Sarasin and Partners LLP. The portfolio is managed in accordance with our investment strategy and risk profile, which aims to preserve capital value and generate a modest income. The funds are regularly reviewed and screened to ensure that as far as possible the investments are not in conflict with our charitable objectives.

The Trust's investments show an unrealised loss of £7,783 (2017: unrealised gain of £97,440). This is due to a decrease in value 'on paper' from the previous year, though as the funds remain invested the loss has not materialised. Investment income of £35,426 (2017: £34,151) was received during the year.

As at 31 March 2018 the Trust's investments had a market value of £1,028,586 (2017: £1,036,369).

Financial Reserves

The Trust's financial reserves are made up of a small permanent endowment fund of £4,508 (2017: £4,508), and a variety of restricted and unrestricted funds, some of which have been designated for a specific purpose and some of which represent the value of various assets.

Total funds as at 31 March 2018 were £8,784,371 (2017: £8,032,762).

Restricted Funds

The Trust has a number of restricted funds, where the donor limits the purpose for which the funds can be used. As at 31 March 2018 restricted funds (not including restricted heritage assets) were £185,589 (2017: £223,760). Further details of these funds and the purposes for which they are intended are provided in note 16. The reduction in restricted funds during 2016/17 and 2017/18 was due to planned expenditure on funded projects during the year.

Unrestricted Funds

These are funds free from any restrictions and therefore Trustees can decide how the funds are allocated. Unrestricted funds are shown in two types as detailed below:

Designated Funds

Some of the Trust's unrestricted funds have been designated by Trustees to support certain activities such as land management, land acquisition or strategic investment in delivering our business plan. A land management designated fund has been established to cover funding gaps arising from changes to agri-environment schemes. A fund has been established to support strategic business plan investment in crucial areas of fundraising and communications to help build new sources of income and raise our profile. Another fund has been established to support repairs

and improvements to the Trust's freehold buildings to maintain their value. Finally, substantial unrestricted legacies received each year are also designated, allowing Trustees to allocate these funds to land acquisitions or new projects that help deliver our charitable purposes. Designated funds held at 31 March 2018 was £1,350,187 (2017: £979,873). Further details of these funds and the purposes for which they are set aside are provided in note 16.

General fund

The remainder of the Trust's unrestricted funds are held in a general fund, which as at 31 March 2018 was £5,980,907 (2017: £5,911,441). Of this, £4,586,691 represents unrestricted fixed and heritage assets (2017: £4,645,910).

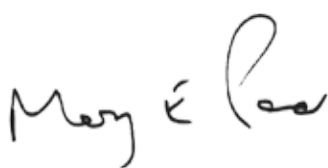
Free Reserves

Free reserves are calculated by deducting unrestricted tangible fixed assets and unrestricted heritage assets from total unrestricted funds (see note 17). The Trust's Financial Reserves policy is to hold sufficient free reserves to provide working capital and to provide a buffer of liquid funds to cover temporary shortfalls caused by an unforeseen loss of income, cash flow volatility, or an unexpected increase in costs or risk exposure. Should any of these circumstances arise, these free reserves are intended to ensure that the Trust can meet its contractual obligations to staff, suppliers, statutory bodies and funding partners.

The Trust's monthly cash flow is highly variable during the financial year, with the majority of funds being received towards the end of the year or after projects are completed. This means that free reserves are needed to fund the charity's activities during the year to cover the timing gap between expenditure and income. Cash flow is monitored daily by Trust staff and reviewed quarterly by the Trust's Business and Finance Committee. Currently, the expected annual cash flow fluctuation is likely to be in the region of £800,000. The current level of free reserves is considered sufficient to mitigate risk.

As at 31 March 2018 the free reserves were £1,394,217 (2017: £1,265,531).

SIGNED ON BEHALF OF COUNCIL on 6 September 2018



Mary Parker
Honorary Treasurer



Report of the Independent Auditors

to the members of Hampshire and Isle of Wight Wildlife Trust

Opinion

We have audited the financial statements of Hampshire and Isle of Wight Wildlife Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2018 on pages 30 to 51. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2018 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the group 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 group financial statements is not appropriate; or
- the trustees have not disclosed in the group financial statements any identified material uncertainties that may cast significant

doubt about the group and 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 annual report, other than the group financial statements and our Report of the Independent Auditors thereon.

Our opinion on the group financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the group financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the group financial statements; and
- the Report of the Trustees 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 their environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

Matters on which we are required to report by exception

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

- adequate 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 Statement of Trustees Responsibilities set out on page 52, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the group 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 group financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group financial statements, the trustees are responsible for assessing the group 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 and parent charitable company or to cease operations, or have no realistic alternative but to do so.



P E H Wright ACA DChA (Senior Statutory Auditor)
for and on behalf of Sheen Stickland
Chartered Accountants
Statutory Auditors
7 East Pallant
Chichester
West Sussex
PO19 1TR

Date: 6 September 2018

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the group financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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 group financial statements.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 group and charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.







Financial Statements

Consolidated Statement of Financial Activities

for the year ended 31 March 2018

	Notes	Unrestricted Funds	Restricted Funds	Endowment Fund	Total Funds 2018	Total Funds 2017
INCOME FROM		£	£	£	£	£
Donations and legacies	2	690,980	22,581	-	713,561	615,415
Charitable activities	3	2,410,728	1,239,982	-	3,650,710	3,224,064
Other trading activities		423,699	-	-	423,699	304,431
Investments		35,426	-	-	35,426	34,151
Other		6,693	-	-	6,693	11,229
Total income		3,567,526	1,262,563	-	4,830,089	4,189,290
EXPENDITURE ON						
Raising funds	4	516,351	-	-	516,351	576,879
Charitable activities	5	2,603,612	950,734	-	3,554,346	3,164,712
Total expenditure	6	3,119,963	950,734	-	4,070,697	3,741,591
Net gains/(losses) on investments	13	(7,783)	-	-	(7,783)	102,267
NET INCOME/(EXPENDITURE)		439,780	311,829	-	751,609	549,966
Transfers between funds	16	-	-	-	-	-
Other recognised gains/(losses):						
Gains on revaluation of fixed assets		-	-	-	-	897,500
Heritage assets not previously valued		-	-	-	-	229,639
Net movement in funds		439,780	311,829	-	751,609	1,677,105
RECONCILIATION OF FUNDS						
Total funds brought forward		6,891,314	1,136,940	4,508	8,032,762	6,355,657
TOTAL FUNDS CARRIED FORWARD		7,331,094	1,448,769	4,508	8,784,371	8,032,762

Continuing operations

All incoming resources and resources expended arise from continuing activities.

Balance Sheets as at 31 March 2018

The balance sheets for both the Group (the charity plus the subsidiary trading companies) and the Charity only are shown below.

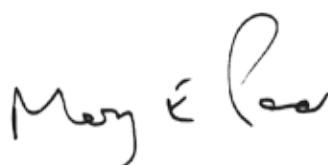
	Notes	The Group		The Charity	
		2018	2017	2018	2017
FIXED ASSETS					
Tangible assets	11	3,912,161	3,971,380	3,912,161	3,971,380
Heritage assets	12	1,937,710	1,587,710	1,937,710	1,587,710
Investments	13	1,028,586	1,036,369	1,028,786	1,036,569
		6,878,457	6,595,459	6,878,657	6,595,659
CURRENT ASSETS					
Stock		301,510	279,210	301,510	279,210
Debtors	14	1,456,914	1,090,137	1,411,414	1,101,002
Cash at bank and in hand		1,017,484	817,986	997,096	779,619
		2,775,908	2,187,333	2,710,020	2,159,831
CREDITORS					
Amounts falling due within one year	15	(869,994)	(750,030)	(804,306)	(722,728)
NET CURRENT ASSETS		1,905,914	1,437,303	1,905,714	1,437,103
TOTAL ASSETS LESS CURRENT LIABILITIES		8,784,371	8,032,762	8,784,371	8,032,762
NET ASSETS		8,784,371	8,032,762	8,784,371	8,032,762
FUNDS					
	16				
Endowment funds		4,508	4,508	4,508	4,508
Restricted funds		1,448,769	1,136,940	1,448,769	1,136,940
Unrestricted funds:					
Designated funds		1,350,187	979,873	1,350,187	979,873
General fund		5,980,907	5,911,441	5,980,907	5,911,441
TOTAL FUNDS		8,784,371	8,032,762	8,784,371	8,032,762

The notes on pages 33 to 51 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 6 September 2018 and signed on its behalf by:



David Jordan OBE
Chairman of Council



Mary Parker
Honorary Treasurer

Consolidated Cash Flow Statement

for the year ended 31 March 2018

	Notes	2018	2017
		£	£
Cash flows from operating activities:			
Cash generated from operations	a	529,461	83,581
Net cash provided by (used in) operating activities		529,461	83,581
Cash flows from investing activities:			
Purchase of tangible fixed assets		(17,855)	(477,226)
Purchase of heritage assets		(350,000)	(81,014)
Sale of fixed assets		2,467	3,555
Purchase of fixed asset investments		-	(46,500)
Sale of fixed asset investments		-	46,590
Interest received		35,426	34,151
Net cash provided by (used in) investing activities		(329,962)	(520,444)
Change in cash and cash equivalents in the reporting period	b	199,498	(436,863)
Cash and cash equivalents at the beginning of the reporting period		817,986	1,254,849
Cash and cash equivalents at the end of the reporting period		1,017,484	817,986

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

a) Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2018	2017
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	751,609	549,966
Depreciation	74,608	90,929
Gains/(losses) on investments	7,783	(102,267)
Interest received	(35,426)	(34,151)
Increase/(decrease) in stock	(22,300)	(78,348)
Increase/(decrease) in debtors	(366,777)	(411,939)
Increase/(decrease) in creditors	119,964	69,391
Net cash provided by (used in) operating activities	529,461	83,581

b) Analysis of cash and cash equivalents

	2018	2017
	£	£
Balance brought forward	817,986	1,254,849
Net cash (outflow)/inflow for year	199,498	(436,863)
Balance at 31 March 2018	1,017,484	817,986

Notes to the Consolidated Financial Statements for the year ended 31 March 2018

These notes form part of the financial statements.

1. Accounting Policies

a) Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

b) Consolidation

The financial statements incorporate the results of Hampshire and Isle of Wight Wildlife Trust and its wholly-owned subsidiaries, prepared on a line by line basis.

Exemption has been taken from including the statement of financial activities of Hampshire and Isle of Wight Wildlife Trust in accordance with section 408 of the Companies Act 2006.

c) Income

All income is included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Legacies and donations are accounted for when receipt of the income is probable. Wherever possible, donated assets have been included at a reasonable estimate of their value to the Trust.

d) Membership income

Membership subscriptions are accounted for when received irrespective of the period of membership, since any cancellation in membership will not result in a refund for any proportion of unused subscriptions.

e) Branch income

The Trust has twelve local groups and three specialist groups who carry out various fundraising activities during the year. The proceeds of these activities are reflected as income in the financial statements upon receipt from the individual groups.

f) Volunteer contributions

No value is ascribed to the unpaid contributions of time and skills provided by volunteers due to the difficulty in attributing an economic value.

g) Expenditure

All expenditure is accounted for on an accruals basis inclusive of any VAT that cannot be recovered and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of the resources. Costs of raising funds include the costs incurred as a result of raising donations, developing legacy income and applying for grants. Governance costs are those incurred in connection with constitutional and statutory requirements, including audit and legal fees.

h) Stock

Stocks are stated at the lower of cost or net realisable value except for livestock, which is valued at an average market value on each balance sheet date.

i) Tangible fixed assets

Depreciation is provided with the intention of writing off the costs of the tangible fixed assets over their useful lives. The provision is calculated using the straight line method over the following periods:

Plant and machinery	5 years
Motor vehicles	5 years
Computer equipment	5 years

Freehold and leasehold buildings and land are not depreciated.

j) Heritage assets

Heritage assets are defined by the Trust as nature reserves. Nature reserves purchased by the Trust are shown on the balance sheet at original cost or valuation at the date of acquisition where known. Where Heritage Assets have been donated (or gifted) to the Charity they are recognised initially at their fair value where practicable. No value is placed on assets where their cost or valuation is not available and such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the charity. No depreciation is charged on Heritage Assets as permitted by SORP FRS 102. Note 12 provides further information.

k) Taxation

The Trust is exempt from direct taxation on its charitable activities.

l) Investments

Fixed asset investments are stated at market value based on the bid price valuation provided by the Trust's investment managers; Sarasin & Partners LLP, as required by SORP (FRS 2015). Any diminution in value is deducted if, in the opinion of the investment managers, it is considered necessary.

The investments are administered by Sarasin & Partners LLP on behalf of the Trust.

Investment income is accounted for when received by the Trust or its appointed agent.

m) Investment gains and losses

Realised and unrealised gains and losses on investments arising from the valuation of investments are recognised in the Statement of Financial Activities.

n) Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

o) Pension costs

The charity operates a defined contribution pension scheme. Contributions payable for the year are charged in the Statement of Financial Activities.

p) Fund accounting

The permanent endowment fund represents donations made where the donor requested that the capital be invested and the income either added to the capital or used to cover expenditure, depending on the conditions of the endowment.

Restricted funds are funds for which the donor has specifically restricted the purpose for which they can be used. The amounts in the funds represent the monies still remaining available for future expenditure, or funds represented by assets purchased partly or fully from restricted funds.

Unrestricted funds

These are funds free from any restrictions and Trustees can decide what they are spent on. Unrestricted funds are shown in two types as detailed below:

Designated funds are funds for which Council has specifically designated the purpose for which they can be used. The amounts remaining in the funds represent the monies still remaining available for future expenditure.

General funds represent the unrestricted net assets of the charity, excluding designated funds.

All income is allocated to the general fund unless otherwise restricted by the donor or specifically designated by Council.

2. Donations and Legacies

	Group	
	2018	2017
	£	£
Donations and Fundraising	281,315	488,802
Legacies	432,246	126,613
	713,561	615,415

As at 31 March 2018 the Trust has been notified of its entitlement to receive legacies which at the date of this report have been estimated to amount to £46,470. These have yet to be received and no provision has been included in these financial statements.

3. Income from Charitable Activities

	Unrestricted Income	Restricted Income	Endowment Income	2018	2017
	£	£	£	£	£
North Hampshire Conservation	473,551	540	-	474,091	648,292
Solent & IOW Conservation	142,356	183,082	-	325,438	342,308
Central & West Conservation	299,708	206,672	-	506,380	346,234
Estates & Grazing Enterprise	371,819	333,400	-	705,219	316,478
Education & Engagement	15,409	335,633	-	351,042	343,657
External Affairs	48,233	180,655	-	228,888	182,253
Membership	1,059,652	-	-	1,059,652	1,044,842
	2,410,728	1,239,982	-	3,650,710	3,224,064

4. Expenditure on Raising Funds

	Group	
	2018	2017
	£	£
Sales and commercial income	516,351	576,879

5. Expenditure on Charitable Activities

	Direct Costs	Support Costs	2018	2017
	£	£	£	£
North Hampshire Conservation	253,186	73,263	326,449	603,490
Solent & IOW Conservation	313,907	113,465	427,372	358,812
Central & West Conservation	473,958	114,352	588,310	486,075
Estates & Grazing Enterprise	619,928	127,746	747,674	625,902
Education & Engagement	437,269	121,057	558,326	577,086
External Affairs	539,694	87,636	627,330	304,088
Membership	246,035	32,850	278,885	209,260
	2,883,977	670,369	3,554,346	3,164,712

6. Total Expenditure

	Staff Costs	Other Direct Costs	Support Costs	2018	2017
	£	£	£	£	£
Charitable activities					
North Hampshire Conservation	183,759	69,427	73,263	326,449	603,490
Solent & IOW Conservation	231,305	82,602	113,465	427,372	358,812
Central & West Conservation	300,315	173,643	114,352	588,310	486,075
Estates & Grazing Enterprise	336,561	283,367	127,746	747,674	625,902
Education & Engagement	350,836	86,433	121,057	558,326	577,086
External Affairs	308,201	231,493	87,636	627,330	304,088
Membership	87,690	158,345	32,850	278,885	209,260
Expenditure on charitable activities	1,798,667	1,085,310	670,369	3,554,346	3,164,712
Expenditure on raising funds	310,445	64,665	141,241	516,351	576,879
	2,109,112	1,149,975	811,610	4,070,697	3,741,591

7. Analysis of Support Costs

	Raising funds	North Hampshire Conservation	Solent & IOW Conservation	Central & West Conservation	Estates & Grazing Enterprise
	£	£	£	£	£
IT	14,154	7,342	11,371	11,459	12,801
Finance	36,401	18,882	29,242	29,471	32,923
Premises	51,656	26,794	41,497	41,822	46,721
Human Resources	25,423	13,187	20,423	20,583	22,994
Governance	13,607	7,058	10,932	11,017	12,307
	141,241	73,263	113,465	114,352	127,746

	Education & Engagement	External Affairs	Membership	2017-18 Total	Basis of allocation
	£	£	£	£	
IT	12,131	8,782	3,292	81,332	No. of Staff
Finance	31,199	22,586	8,466	209,170	No. of Staff
Premises	44,274	32,051	12,014	296,829	No. of Staff
Human Resources	21,790	15,774	5,913	146,087	No. of Staff
Governance	11,663	8,443	3,165	78,192	No. of Staff
	121,057	87,636	32,850	811,610	

Net income/(expenditure) is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation – owned assets	74,608	90,929
Profit on sale of fixed assets	(11,000)	(3,455)
Operating leases – land and buildings	47,107	47,107
Auditors' remuneration – provision of audit services	8,150	8,000
Auditors' remuneration – non audit services	-	150

8. Trustees' Remuneration and Benefits

No Directors (Trustees) or persons connected with them have received nor waived any remuneration during the year (2017: none).

No Directors received reimbursement of expenses for travelling during the year (2017: none).

9. Staff Costs

	2018	2017
	£	£
Salaries and wages	2,078,777	1,907,387
Social security costs	179,535	167,846
Pension costs	118,970	109,313
	2,377,282	2,184,546

The average monthly number of full-time equivalent employees during the year was as follows:

	2018	2017
Cost of Generating Funds	5.0	5.3
Finance and Administration (includes Governance)	8.2	8.0
Charitable Activities	69.1	62.4
	82.3	75.7

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2018	2017
£60,001 - £70,000	1	1

10. Pension Scheme

The Trust operates a defined contribution pension scheme. The assets of the Scheme are held separately from those of the Trust in an independently administered fund. The pension cost charged to the Statement of Financial Activities was £118,970 (2017: £109,313).

11. Tangible Fixed Assets — Group and Charity

	Freehold Properties	Freehold Land	Plant and Machinery	Total
	£	£	£	£
Cost				
As at 1 April 2017	2,401,742	1,409,632	859,128	4,670,502
Additions	-	-	17,855	17,855
Disposals	-	-	(25,331)	(25,331)
Transfer	-	-	-	-
Revaluation	-	-	-	-
As at 31 March 2018	2,401,742	1,409,632	851,652	4,663,026
Depreciation				
At 1 April 2017	9,497	-	689,625	699,122
Transfer	-	-	-	-
Charge for the year	5,693	-	68,915	74,608
Depreciation on disposals	-	-	(22,865)	(22,865)
As at 31 March 2018	15,190	-	735,675	750,865
Net Book Value				
As at 31 March 2018	2,386,552	1,409,632	115,977	3,912,161
As at 31 March 2017	2,392,245	1,409,632	169,503	3,971,380

Tangible fixed assets are all functional assets used in furtherance of the charity's objects.

The Trust's three freehold properties are Beechcroft House, Dawkins Cottage and Brick Kiln Farm Cottage. They were most recently revalued in 2017 by Giles Wheeler-Bennett Limited (Chartered Surveyors) and these values are included in the table above.

Freehold land included above consists of: Tawny Barn Field, College Copse Farm and Hockley Meadows Farm.

12. Heritage Assets — Group and Charity

	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
	£	£	£	£	£
Cost					
At start of period	1,587,710	1,277,057	1,277,057	1,235,057	1,235,057
Additions	350,000	81,014	-	42,000	-
Heritage Assets not previously valued	-	229,639	-	-	-
Disposals	-	-	-	-	-
At end of period	1,937,710	1,587,710	1,277,057	1,277,057	1,235,057
Net book value					
Year End	1,937,710	1,587,710	1,277,057	1,277,057	1,235,057
Prior Year	1,587,710	1,277,057	1,277,057	1,235,057	1,235,057

Heritage Assets are defined as tangible property with historical, artistic, scientific, technological, geophysical or environmental qualities which are held and maintained principally for their contribution to knowledge and culture.

Hampshire and Isle of Wight Wildlife Trust defines its nature reserves as Heritage Assets as they are held for the purposes of conservation, and are intended to be kept indefinitely.

Nature reserves purchased by the Trust are shown on the balance sheet at original cost or valuation at the date of acquisition where known. Where Heritage Assets have been donated (or gifted) to the Charity they are recognised initially at their fair value where practicable. No value is placed on assets where their cost or valuation is not available and such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the charity. No depreciation is charged on Heritage Assets as permitted by SORP FRS 102.

The Trust continues to acquire new land for the purposes of conservation in accordance with its acquisitions policy. Assets are classified as heritage assets where appropriate at the time of acquisition. Heritage Assets held by the Trust as at 31 March 2018 are listed overleaf in tables 1 and 2.

Table 1. Heritage Assets: Freehold Nature Reserves

Name	Location	Size (hectares)
Alverstone Mead	Sandown, Isle of Wight	16.0
Arreton Down	Newport, Isle of Wight	19.0
Bartley Heath	Hook	91.0
Brick Kiln Farm	West Meon	20.0
Broughton Down	Broughton	24.0
Chappetts Copse	West Meon	12.0
Copythorne Common	Cadnam	15.4
Coulters Dean	Buriton	4.0
Emer Bog	North Baddesley	24.0
Fletchwood Meadows	Ashurst	5.0
Greywell Moors	Odiham	13.0
Hoe Road Meadow	Bishop's Waltham	3.0
Holmsley Gravel Pit	Bransgore	3.0
Kitt's Grave	Martin	36.0
Knighton Down	Brading, Isle of Wight	13.4
Linwood	Appleslade	10.5
Lower Test, The Crescent	Nursling	5.0
Lymington Reed Beds	Lymington	32.0
Mapledurwell Fen	Basingstoke	0.4
Martin's Wood	Newchurch, Isle of Wight	8.5
Micheldever Spoil Heaps - North	Micheldever	3.0
Morton Marsh	Sandown, Isle of Wight	10.5
Ningwood Common	Cranmore, Isle of Wight	11.7
Pewit Island	Portsmouth Harbour	1.2
Ron Ward's Meadow	Tadley	10.0
Royden Lane	Brockenhurst	2.2
Roydon Woods	Brockenhurst	379.7
Sandown Meadows	Sandown, Isle of Wight	18.0
Sandy Down	Brockenhurst	4.9
Shutts Copse	West Meon	4.0
Southmoor	North Langstone	11.3
St Clair's Meadow	Soberton	15.8
St Lawrence Bank Field	Whitwell, Isle of Wight	5.1
St Lawrence Undercliff Woods	St Lawrence, Isle of Wight	1.5
Swanpond Copse	Ryde, Isle of Wight	4.0
Upper Inhams Copse	Silchester	18.0
Upper Titchfield Haven	Hill Head	13.0
Upper Winnall Moors	Winchester	26.0
Weavers Down Bog	Longmoor	3.0
Whitehouse Meadows	Cove	1.0
Winnall Moors West	Winchester	21.5
Total		920.5

Table 2. Heritage Assets: Leasehold Nature Reserves

Name	Location	Size (hectares)
Ancells Farm	Fleet	12.0
Baddesley Common	North Baddesley	28.0
Blashford Lakes	Ringwood	91.0
Bouldnor Forest	Bouldnor, Isle of Wight	36.0
Old Burghclere Lime Quarry	Burghclere	3.0
Eagleshead Copse	Brading, Isle of Wight	10.0
Farlington Marshes	Portsmouth	120.0
Upper Flexford	Chandler's Ford	11.0
Lower Flexford	Chandler's Ford	9.0
Headley Gravel Pit	Headley	7.0
Hook Common	Hook	74.0
Hookheath Meadows	Southwick	14.0
Hythe Marshes	Hythe	9.0
Lymington & Keyhaven Marshes	Lymington	320.0
Long Aldermoor	Minstead	3.0
Lower Test	Totton	157.0
Lower Winnall Moors	Winchester	15.0
Milton Locks	Portsmouth	0.4
Noar Hill	Selborne	12.0
Pamber Forest	Silchester	194.0
St Catherine's Hill	Winchester	47.0
Swanwick Lakes	Fareham	28.0
Testwood Lakes	Totton	65.0
Total		1,265.4

13. Fixed Asset Investments — Group and Charity

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Investments	1,028,586	1,036,369	1,028,786	1,036,569

GROUP

	Listed investments	Unlisted investments	Cash and settlements pending	Totals
	£	£	£	£
Market Value				
At 1 April 2017	1,035,714	-	655	1,036,369
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluations	(7,783)	-	-	(7,783)
At 31 March 2018	1,027,931	-	655	1,028,586
Net Book Value				
At 31 March 2018	1,027,931	-	655	1,028,586
At 31 March 2017	1,035,714	-	655	1,036,369

Of the £1,028,586 investments held at 31 March 2018, all holdings are held in the UK.

CHARITY

	Listed Investments	Unlisted Investments	Cash and settlements pending	Totals
	£	£	£	£
Market Value				
At 1 April 2017	1,035,714	200	655	1,036,569
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluations	(7,783)	-	-	(7,783)
At 31 March 2018	1,027,931	200	655	1,028,786
Net Book Value				
At 31 March 2018	1,027,931	200	655	1,028,786
At 31 March 2017	1,035,714	200	655	1,036,569

The unlisted investments represents the charity's 100% interest in HIWWT Trading Limited and Arcadian Ecology and Consulting Limited.

Of the £1,028,786 investments held at 31 March 2018, all holdings are held in the UK.

13. Fixed Asset Investments — Group and Charity (continued)

Investments that are material in the context of the group and charity investment portfolio are detailed as follows:

	2018
	£
Charity Authorised Investment Fund for Endowments*	943,650
Charity Authorised Investment Fund for Income and Reserves*	84,280

All investments are held to preserve capital value and generate a modest income for use in the activities of the Trust.

The historical cost of investments held as at 31 March 2018 was £832,374 (2017: £832,374)

*Previously Alpha Common Investment Funds. Converted to Charity Authorised Investment Funds due to regulatory change.

14. Debtors: Amounts Falling Due Within One Year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade Debtors	399,840	270,326	158,838	202,457
Other Debtors	971,208	768,250	971,108	765,410
Prepayments and Accrued Income	85,866	51,561	85,866	51,561
Amounts Due from Group Undertakings	-	-	195,602	81,574
	1,456,914	1,090,137	1,411,414	1,101,002

15. Creditors: Amounts Falling Due Within One Year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade Creditors	199,885	174,585	172,507	168,142
Other Creditors	31,830	27,715	31,830	27,714
Accruals	185,753	134,717	183,478	133,187
Taxation and Social Security	71,476	70,461	37,706	58,473
Amounts Owed to Group Undertakings	-	-	35	3,229
Deferred Income	381,050	342,552	378,750	331,983
	869,994	750,030	804,306	722,728

16. Analysis of Charitable Funds for the Prior Year 2016/17

	Balance at 1 April 2016	Incoming resources and fund transfers in	Outgoing resources and funds expended	Balance before movements at 31 March 2018	Investment Gains/ (Losses)	Transfers	Balance at 31 March 2017
Unrestricted funds	£	£	£	£	£	£	£
Designated Funds							
Land Management	742,228	-	-	742,228	-	69,032	811,260
North Hampshire Reserves	91,536	-	(40,000)	51,536	-	(51,536)	-
New Forest Reserves	82,720	-	(20,000)	62,720	-	(62,720)	-
Solent Reserves	39,761	-	(10,000)	29,761	-	(29,761)	-
Lower Test Reserves	57,855	-	(5,000)	52,855	-	(52,855)	-
Ecology & Evidence Programme	2,000	-	-	2,000	-	(2,000)	-
South Downs Reserves	12,324	-	(3,000)	9,324	-	(9,324)	-
Education & Engagement	4,915	-	(4,915)	-	-	-	-
Capital Expenditure	63,000	-	(20,000)	43,000	-	-	43,000
Legacies	-	-	-	-	-	125,613	125,613
Richard Hedley Fund	4,574	-	-	4,574	-	(4,574)	-
Total Designated Funds	1,100,913	-	(102,915)	997,998	-	(18,125)	979,873
General Fund	4,148,719	4,580,701	(2,930,783)	5,798,637	102,267	10,537	5,911,441
Total Unrestricted Funds	5,249,632	4,580,701	(3,033,698)	6,796,635	102,267	(7,588)	6,891,314

Restricted Funds

Badger Appeal	13,372	-	(2,500)	10,872	-	-	10,872
Big Lottery Fund Grant	2,263	-	(2,263)	-	-	-	-
Blashford	6,500	-	(6,500)	-	-	-	-
Brough Naturalists' Fund	23,250	-	(500)	22,750	-	-	22,750
Central & West Conservation	-	111,981	(111,981)	-	-	-	-
College Copse	-	12,000	-	12,000	-	-	12,000
Ecology & Evidence Projects	13,185	-	(13,185)	-	-	-	-
Education & Engagement	-	273,640	(273,640)	-	-	-	-
Emer Bog and Heathlands	43,835	-	(11,160)	32,675	-	-	32,675
Hanson Concrete Charitable Trust	10,000	-	-	10,000	-	-	10,000
IOW Match Funding	-	10,000	-	10,000	-	-	10,000
Itchen Navigation/Winnall Moors	68,814	-	(9,000)	59,814	-	-	59,814
Landscape & Catchment Projects	-	63,055	(63,055)	-	-	-	-
Loddon Project	8,600	-	(8,600)	-	-	-	-
Non-Native Plants Projects	36,806	19,041	(39,871)	15,976	-	-	15,976

16. Analysis of Charitable Funds for the Prior Year 2016/17 (continued)

	Balance at 1 April 2016	Incoming resources and fund transfers in	Outgoing resources and funds expended	Balance before movements at 31 March 2018	Investment Gains/ (Losses)	Transfers	Balance at 31 March 2017
Restricted Funds (cont.)	£	£	£	£	£	£	£
North Hampshire Conservation	-	25,568	(25,568)	-	-	-	-
Restricted Donations/Legacies	2,000	3,656	(3,656)	2,000	-	-	2,000
Richard Hedley Fund	-	8,180	-	8,180	-	4,574	12,754
Secrets of the Solent	3,250	68,792	(72,042)	-	-	-	-
SE Wildlife Trusts Strategic Dev.	14,919	-	-	14,919	-	-	14,919
Solent & IOW Conservation	-	61,815	(61,815)	-	-	-	-
Swanwick	2,557	-	(2,557)	-	-	-	-
Test & Itchen Catchment Project	20,000	-	-	20,000	-	-	20,000
	269,351	657,728	(707,893)	219,186	-	4,574	223,760
Restricted Heritage Assets	832,166	78,000	-	910,166	-	3,014	913,180
Total Restricted Funds	1,101,517	735,728	(707,893)	1,129,352	-	7,588	1,136,940
Permanent Endowment Fund:							
Ted Wallace Fund	4,508	-	-	4,508	-	-	4,508
Total Endowment Funds	4,508	-	-	4,508	-	-	4,508
TOTAL CHARITABLE FUNDS	6,355,657	5,316,429	(3,741,591)	7,930,495	102,267	-	8,032,762

16. Analysis of Charitable Funds for the Current Year 2017/18

	Balance at 1 April 2017	Incoming resources and fund transfers in	Outgoing resources and funds expended	Balance before movements at 31 March 2018	Investment Gains/ (Losses)	Transfers	Balance at 31 March 2018
	£	£	£	£	£	£	£
Unrestricted funds							
Designated Funds							
Land Management	811,260	-	(46,987)	764,273	-	-	764,273
Capital Expenditure	43,000	-	(20,000)	23,000	-	-	23,000
Legacies	125,613	384,750	(50,000)	460,363	-	-	460,363
Business Plan Strategic Dev.	-	47,496	-	47,496	-	-	47,496
Building Maintenance	-	55,055	-	55,055	-	-	55,055
Total Designated Funds	979,873	487,301	(116,987)	1,350,187	-	-	1,350,187
General Fund	5,911,441	3,080,224	(3,002,975)	5,988,690	(7,783)	-	5,980,907
Total Unrestricted Funds	6,891,314	3,567,525	(3,119,962)	7,338,877	(7,783)	-	7,331,094
Restricted Funds							
Badger Appeal	10,872	-	-	10,872	-	-	10,872
Brough Naturalists' Fund	22,750	-	-	22,750	-	-	22,750
Central Rivers & Downs Conservation	-	206,672	(206,672)	-	-	-	-
College Copse	12,000	-	(5,030)	6,970	-	-	6,970
Education & Engagement	-	335,633	(335,633)	-	-	-	-
Emer Bog and Heathlands	32,675	-	(3,500)	29,175	-	-	29,175
Estates Conservation	-	5,981	(5,981)	-	-	-	-
Hanson Concrete Charitable Trust	10,000	-	-	10,000	-	-	10,000
IOW Match Funding	10,000	-	(10,000)	-	-	-	-
Itchen Navigation / Winnall Moors	59,814	-	(7,000)	52,814	-	-	52,814
Landscape & Catchment Projects	-	180,655	(180,655)	-	-	-	-
Non-Native Plants Project	15,976	-	(3,569)	12,407	-	-	12,407
North Hampshire Conservation	-	540	(540)	-	-	-	-
Restricted Donations/Legacies	2,000	-	-	2,000	-	-	2,000
Richard Hedley Fund	12,754	-	(5,468)	7,286	-	-	7,286
SE Wildlife Trusts Strategic Dev.	14,919	-	-	14,919	-	-	14,919
Solent & IOW Conservation	-	183,083	(183,083)	-	-	-	-
Test & Itchen Catchment Project	20,000	-	(3,604)	16,396	-	-	16,396
	223,760	912,564	(950,735)	185,589	-	-	185,589
Restricted Heritage Assets	913,180	350,000	-	1,263,180	-	-	1,263,180
Total Restricted Funds	1,136,940	1,262,564	(950,735)	1,448,769	-	-	1,448,769
Permanent Endowment Fund:							
Ted Wallace Fund	4,508	-	-	4,508	-	-	4,508
Total Endowment Funds	4,508	-	-	4,508	-	-	4,508
TOTAL CHARITABLE FUNDS	8,032,762	4,830,089	(4,070,697)	8,792,154	(7,783)	-	8,784,371

16. Explanation of Charitable Funds 2017/18

Designated Funds

Designated funds are set aside to support the delivery of the Trust's Strategic Plan and to help the Trust manage major risks.

Land Management: Further to a review of the risk associated with the agri-environment funds received by the Trust to manage nature reserves and other land, the Trustees have amalgamated all of the previously designated funds for land management into a single strategic fund, thereby providing some flexibility and contingency for the next five years.

Capital Expenditure: A fund to offset the depreciation costs of our major investment in IT infrastructure over a five year period.

Legacies: Legacy income received by the Trust is no longer included in the annual budgeting process, and so the majority of unrestricted legacies received are allocated to this designated fund for future investment on projects, land acquisitions and other activities that help the Trust deliver against its strategic plan priorities. Spending against this fund is overseen by the Trustees.

Business Plan Strategic Development: A fund established by the Trustees to allow investment in crucial areas of fundraising and communications to help the Trust build resilience and manage risk, in line with details agreed in the Trust's Business Plan.

Building Maintenance: A fund to offset maintenance costs of buildings.

Restricted Funds

Restricted funds are strictly tied to our specific projects. Often the Trust receives project funding in advance and so we need to 'ring fence' the monies for spending on the project, as agreed with the funder or donor. Sometimes the projects can run over a number of years. Normally the fund will close once the project is finished.

Badger Appeal: Appeal funds to put towards research and practical control of bovine tuberculosis and deployment of vaccination where appropriate.

Brough Naturalists' Fund: Fund containing an in-memoriam donation given by Antoinette Brough in memory of her husband Dr Peter Brough, a former Trustee and long-term supporter of the Trust. The donation was used to establish an annual prize fund of up to £500 per year to acknowledge and encourage the work of amateur naturalists.

College Copse: Funds remaining from the College Copse Farm appeal, to be spent on upgrading the facilities there.

Emer Bog and Heathlands: Funds for heathland restoration and ongoing management of Emer Bog nature reserve, funded via a developer's contribution.

Hanson Concrete Charitable Trust: Balance transferred from the Hanson Concrete Block Charitable Trust when it closed; to support capital investment in Blashford Lakes and capital investment within the Parish.

Itchen Navigation/Winnall Moors: Ten-year Heritage Lottery Fund legacy commitment for Itchen Navigation and Winnall Moors projects.

Non-Native Plants Projects: Partnership funding for delivery of New Forest and Avon Valley Non-Native Plants project work.

Restricted Donations/Legacies: £2,000 given by Miss Lipscombe for replacement benches on Warnborough Greens.

Richard Hedley Fund: Funds raised in memory of Richard Hedley, a former Trustee and one of the Trust's most long-standing supporters. Richard's family plans to continue fundraising and the money raised will support one or more ecology trainee positions in the Trust.

SE Wildlife Trusts Strategic Development: Funds set aside in agreement with the regional grouping of Wildlife Trusts for spending on strategic pan-regional projects.

Test and Itchen Catchment Project: Funding received in advance for the Test and Itchen Catchment Project.

17. Analysis of Net Assets Between Funds

	Unrestricted Funds	Designated Funds	Restricted Funds	Permanent Endowment Funds	Total Funds
	£	£	£	£	£
Tangible Fixed Assets	3,912,161	-	-	-	3,912,161
Heritage Assets	674,530	-	1,263,180	-	1,937,710
Fixed Asset Investments	1,024,078	-	-	4,508	1,028,586
Current Assets	1,240,133	1,350,187	185,588	-	2,775,908
Current Liabilities	(869,994)	-	-	-	(869,994)
	5,980,908	1,350,187	1,448,768	4,508	8,784,371

Free reserves value £1,394,217

18. Trading Subsidiaries

- a. The wholly-owned subsidiary company, **Arcadian Ecology and Consulting Limited**, which is incorporated in England and Wales, donates all its profits to the charity by way of a deed of covenant. The charity owns the entire share capital of 100 ordinary shares of £1.

Audited accounts are filed with the Register of Companies at Companies House.

A summary of the trading results is shown below:

Profit and Loss Account

	2018
	£
Turnover	
- Third party	345,413
- Group	123,778
Cost of sales	
- Third party	(390,412)
- Group	-
Gross profit	78,779
Administration costs	-
Profit before taxation	78,779
Deed of Covenant to Hampshire and Isle of Wight Wildlife Trust	(78,779)
Profit before taxation	-
Tax on profit on ordinary activities	-
Net profit	-
Share capital - 100 ordinary shares	100

- b. The wholly-owned subsidiary company, **HIWWT Trading Limited**, which is incorporated in England and Wales, donates all its profits to the charity by way of a deed of covenant. The charity owns the entire share capital of 100 ordinary shares of £1. The company was dormant throughout the current year.

19. Operating Lease Commitments

The amount payable in respect of operating leases shown below are analysed according to the expiry of the leases.

	Land and Buildings	
	2018	2017
Amounts payable:	£	£
Within one year	-	-
Between two to five years	17,000	17,000
More than five years	361,751	408,858
	378,751	425,858

20. Ultimate Controlling Party and Members' Guarantee

The Trust is controlled by its members, no one member has overall control.

21. Legal Status of the Charity

The Trust is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

22. Donors, Grant Funders and Legacies Received

The Trust receives help and support, financial and otherwise, from many individuals (including members who give additional donations over and above membership fees), companies, government agencies, grant-making bodies and other organisations. In addition, we receive gifts from many people who kindly remember the Trust in their will. We would like to thank all of our supporters, as these generous donations are vital to the Trust and we would not be able to continue our work without them.

A list of our donors, grant funders, legacies and supporters can be found overleaf.

Donations in memory of

Peter John Bardon
Peter Brian Bignell
Gwendolen Margaret Bunce
Peter Craddock
Colin Crocker
Eric Cross
Hazel Claire Dale
Frederick Gay

Richard Hedley
Margaret Jean Hoad
Geoffrey Kite
Caroline Mary Stewart Littlewood
Brian Marchant
Barbara Joan Offer
Josephine Oliver
C Percy

Cyril Leslie Reeves
Ursula Mary Smith
Kath Spencer
E J Symonds
Alfred Wallace
Joyce and Mac Watkins
Ian Douglas Williams

Gifts in Wills from

Denise Margaret Baker
Jane Margaret Bateman
Joan Winifred Beer
Ellen Betty Brown
Margaret Betty Clarke

Lucinda Cooper
Beryl Foote
Hilary Mary Fowler
Angela Mary Gould
Christopher Robin Hall

Margaret Allison McAnuff
Hazel Kathleen Rouse
Kathleen Florence Spencer
Margaret Nesta Vokes
Mary Elizabeth Young

Other donors

We would also like to thank all who have supported our work but wish to remain anonymous as well as all those who donated to the purchase of St Clair's Meadow and to our Secrets of the Solent appeal. The number of donors involved makes it impossible for us to name you all individually but we are truly grateful for your support.

Support for conservation and nature reserves

Support for our conservation work has allowed us to deliver a wide range of activities including the purchase of our newest nature reserve, St Clair's Meadow, thanks to generous support from Biffa Award and members of the local community. Generous individuals and trusts have funded infrastructure improvements and habitat management at key areas including Roydon Woods, Lymington River and Hockley Meadows Farm. We have also received funding for a range of conservation projects including the ongoing partnership project to reintroduce the marsh fritillary to north Hampshire, our work to protect the native crayfish population, our continuing work to remove invasive non-native species from the water bodies in the New Forest and our work to preserve the headwaters of the Test and Itchen chalk streams. Our thanks go to the following:

Basingstoke and Deane Borough
Council
Biffa Award
Bournemouth Water
Butterfly Conservation – Hampshire
and Isle of Wight branch
Environment Agency
Hampshire County Council
Hampshire Ornithological Society
Hatcher Animal Welfare Trust
Heritage Lottery Fund
Hook Parish Council
Isle of Wight AONB
Isle of Wight Council

John Spedan Lewis Foundation
Mr H Jones
Jordans Cereals
Lymington and Pennington Town
Council
NATS
Natural England
New Forest National Park Authority
Pamber Parish Council
Pig Shed Trust
Portsmouth City Council
Silchester Parish Council
Southern Co-op
South Downs National Park Authority

Southern Water
Sovereign Housing Association
Tadley Parish Council
Test Valley Borough Council
Thames Water
The Knights Trust
The Park Café Romsey
The Verderers of the New Forest
The Wildflower Society
Vitacress Conservation Trust
Wessex Water Services Ltd
Waitrose
Winchester Rotary

Support for education and engagement

The success of our education and engagement programme could not be achieved without the continued support of our partners and generous individual donors. Our work this year was supported by funding for a number of engagement projects such as Secrets of the Solent, Woodland Therapy, New Leaves, Young Naturalists, Milton's Hidden Seashore, Down to the Coast, and My Wild Neighbourhood. Other funding supported ongoing education activities that engage children, schools and members of the public with the natural world. This includes funding for our Education Centres at Blashford, Testwood and Swanwick Lakes, as well as activities like Forest School and Wildlife Watch groups. We are very grateful to the following individuals and organisations:

Big Lottery Fund	Hildon Ltd	Red Hill Trust
Blagrove Trust	Isle of Wight AONB	Southern Co-op
Bournemouth Water	Mr H Jones	Southern Water
Cameron Bepolka Trust	NATS	The Co-operative
Co-op Group Ltd	New Forest District Council	Waitrose
Denplan Community Fund	Nineveh Charitable Trust	Waterside Natural History Society
Heritage Lottery Fund	Mr N Pasley	Wessex Water Services Ltd

Support for our staff

Thanks to external funders we were able to recruit four trainee members of staff this year: two trainee ecologists were supported by donors that wish to remain anonymous and a trainee geospatial ecologist was funded by the Richard Hedley Fund. Other funding supported a Trainee Assistant Reserves Officer for our Winchester nature reserves. In addition, the first four apprentices funded through the landscape partnership project, Down to the Coast, have all successfully completed their apprenticeships and have gone on to find full time employment in the environmental sector. We would like to acknowledge the Royal Society of Wildlife Trusts for providing secondment opportunities for two members of our policy team.

Heritage Lottery Fund	Richard Hedley Fund
Island Roads Foundation	Royal Society of Wildlife Trusts
Isle of Wight AONB	The Roger and Ingrid Pilkington Charitable Trust

Other supporters

The Trust enjoys successful partnerships with a number of businesses and partner organisations. We would like to acknowledge the following:

Aquascience Ltd	Forest Holidays – Blackwood Forest	Peters Trust
BAM Nuttall Ltd	Greenhouse Graphics Ltd	Portsmouth Water
Basingstoke and Deane Borough Council	Hambrooks Landscapes Ltd	Primary Tree Surgeons Ltd
Beaulieu Settled Estate	Hildon Ltd	Rowan Bentall Charitable Trust
Bournemouth Water	Hill Farm Juice	South Downs National Park Authority
Bowman Ales Ltd	HPW Architecture Ltd	Southern Co-op
Castle Cameras	Ian Clark Restoration	Southern Water
Cleansing Service Group Ltd	John Lewis Partnership	Springvale Equipment Ltd
Commercial Lighting Systems Ltd	Kingsclere Estate Limited	Taylor Made Computer Solutions Ltd
Dean & Reddyhoff Marinas	Lakeside North Harbour Business Campus	Vetark Professional
DJY Consultancy Ltd	Larcomes LLP	Vine House Farm
Designs for Lighting Ltd	Liberty's Owl, Raptor & Reptile Centre	Vintage Roots Ltd
Era Screens Ltd	New Forest Wildlife Park	Vitacress Salads Limited
Estée Lauder	Oil Spill Response Limited	Waitrose
Exbury Estate	P M Leisure Homes Ltd	Wight Building Materials
F H Brundle		Wildflower Turf Ltd
		Wildlife Travel

Charity Information

Structure

Hampshire and Isle of Wight Wildlife Trust is a registered charity (No. 201081) and a company limited by guarantee in England and Wales (No. 676313). VAT registration number 238466579.

The charity was founded and incorporated as a company limited by guarantee on 28 November 1960, as Hampshire and Isle of Wight Naturalists' Trust Limited. On 4 June 1991 the charity changed its name to Hampshire and Isle of Wight Wildlife Trust Limited, later simplifying it to Hampshire and Isle of Wight Wildlife Trust on 19 December 2006.

The charity has two subsidiary trading companies. The work of the subsidiary companies is overseen by a board of Directors which is accountable to Council. Day-to-day management of the Trust's two subsidiary companies is delegated to the Chief Executive who oversees their activity.

Arcadian Ecology and Consulting Limited

Established in 2016; Company No. 10033962. Arcadian Ecology and Consulting employs seven staff who deliver a range of chargeable services including ecological surveys and the provision of land management advice. As a subsidiary of the Trust, Arcadian abides by the Trust's policies and procedures and staff are subject to the same terms and conditions of employment.

HIWWT Trading Limited

Established in 2013; Company No. 08478757. HIWWT Trading provides the Trust with a vehicle for the potential development of other trading activities in the future, such as retail sales.

Hampshire and Isle of Wight Wildlife Trust is a member of the Royal Society of Wildlife Trusts (registered charity number 207238) along with 45 other Wildlife Trust members throughout the UK which are collectively known as The Wildlife Trusts.

Charitable Purposes

Hampshire and Isle of Wight Wildlife Trust has two charitable purposes in accordance with the Charities Act 2011 and as set out in our Articles of Association:

1. For the benefit of the public, to advance, promote and further the conservation, maintenance and protection of the environment.
2. To advance the education of the public in the principles and practice of sustainable development and biodiversity conservation.

In support of these purposes, the Trust promotes research in all branches of nature study and the publishing of the useful results thereof. The Trust delivers its charitable purposes through its strategic objectives as described in this report.

Public Benefit

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. The Trust's public benefit is enshrined in its charitable objectives and activities, providing multiple benefits for the public which are wide-ranging and long-lasting.

Our nature reserves are used extensively by the public for quiet recreation; many have access on clearly marked paths along with information and interpretation for visitors. The land we manage provides a range of other public benefits such as flood risk management, carbon storage, pollination, pollution control and aesthetic beauty. Government and businesses are now recognising the essential role that nature plays in supporting the economy, not least through the provision of these public goods and services.

Through providing advice and assistance to farmers and landowners, the Trust helps to support the rural economy and wider landscapes valued by the public. We deliver an extensive education and engagement programme, inspiring thousands of people of all ages — from schools, colleges, adult groups and the wider public — to enjoy contact with the natural world and benefit from its positive effect on health and wellbeing.

Evidence and advice provided by the Trust to local government, private companies, landowners and communities helps to ensure that decisions on policies relating to land management, development, and public health take full account of the public benefit of wildlife and a healthy environment.

Governance

Council

Council is the Trust's governing body, made up of 10-15 members who serve as both Trustees of the charity and Directors of the company. Trustees are elected by the members at the Annual General Meeting. Trustees can serve for three consecutive terms of three years and then must stand down for a year before becoming eligible to stand again. The exception is that of the Chair and the Honorary Treasurer who can stand for a fourth consecutive term. All Trustees are volunteers, give freely of their time and have no beneficial interest in the company or charity. To ensure that Council is equipped to carry out its responsibilities it carries out skills analysis of existing members, inducts new members into the charity and provides Trustee training as required. Council members are listed on page 54.

Responsibilities of Council

Council meets on a quarterly basis. Trustees are responsible for setting the charity's strategic objectives and policies and for ensuring they are achieved.

Under the Companies Act, Trustees as Directors of the company must prepare the Report of the Trustees and the Financial Statements for each financial year in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company law requires the financial statements to give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a 'going concern' basis unless it is inappropriate to;
- presume that the charitable company will continue in business.

Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the charitable company and for taking reasonable steps for the prevention and detection of fraud and other irregularities. Council is also responsible for assessing, managing and monitoring strategic risks to the delivery of the charity's purposes.

Statement as to disclosure of information to auditors

So far as Council is aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

Committees

Council is assisted by a number of sub-committees that meet regularly and report to Council each quarter. All non-staff members of committees are volunteers.

- *Business and Finance Committee:* provides expertise and advice to Council on all financial matters, undertakes scrutiny of accounts, maintains oversight of investments and financial controls, develops policy and provides advice on business risk and resource management.
- *Conservation and Science Committee:* advises Council on conservation policy, maintains oversight of major projects, advises on land acquisitions and disposals.

- *Health and Safety Committee:* advises Council on health and safety matters, develops policy, monitors compliance, maintains oversight of any incidents, reviews procedures.
- *Safeguarding and Child Protection Committee:* provides advice to Council on safeguarding and child protection matters, develops policy, monitors compliance, maintains oversight of any incidents, reviews procedures.
- *Human Resources (HR) and Remuneration Committee:* advises Council on HR matters, develops policy and strategy, monitors key HR metrics and provides advice on succession planning and the use of volunteers. The Committee also has oversight of staff remuneration and benefits.

Staff Remuneration

The Trust uses a job scoring system based on a model developed by the Royal Society of Wildlife Trusts. The Chief Executive has delegated authority to set salaries for staff using this system alongside available benchmarking information. Salaries for senior posts are agreed with Trustees. The Chief Executive's salary is set by the HR and Remuneration Committee using a similar process of assessment and confidential benchmarking.

Auditors

An independent audit is performed annually to fulfil the charity's legal obligations and for Council to ensure that the financial statements have been properly prepared and give a true and fair view. The auditor's report to the members of the charity is given on page 26. Sheen Stickland have expressed their willingness to continue in office as the group's auditors and a resolution to re-appoint them will be proposed at the next Annual General Meeting on 27 October 2018.

Registered Auditors:

Sheen Stickland, 7 East Pallant, Chichester, West Sussex PO19 1TR

Principal Bankers:

Unity Trust Bank plc, Nine Brindley Place, Birmingham B1 2HB

Investment Managers:

Sarasin & Partners LLP, Juxon House, 100 St. Paul's Churchyard, London EC4M 8BU

Solicitors:

Coffin Mew, Kings Park House, 22 Kings Park Road, Southampton SO15 2UF

Registered Office and Principal Address:

Hampshire and Isle of Wight Wildlife Trust, Beechcroft House, Vicarage Lane, Curdridge, Hampshire SO32 2DP

Thank you

Thank you to all of our members, staff, volunteers, donors, funders and investors for their commitment to nature conservation and without whose help we would not be able to carry out our vital work to safeguard the wildlife and wild places of Hampshire and the Isle of Wight.



Our People

Members of Council

David Jordan OBE
James Bain
Lesley Chin
Christopher Collins
Oliver Cox
Christopher Langford
Andrew Lee
Helen McCormack

Jane Page
Mary Parker
Tim Pinchen

Matt Prescott
Malcolm Sonnex
Professor Paul Tyler MBE
Dr Peter Vaughan

Simon Woolfries

Chairman

Co-opted June 2018 and standing for election at the October 2018 AGM

Co-opted June 2017 and elected November 2017

Vice-Chair from November 2017

Co-opted September 2017 and elected November 2017; Safeguarding Trustee from November 2017

Honorary Treasurer from October 2017; Safeguarding Trustee until November 2017

Chair of Business and Finance Committee from October 2017; Health and Safety Trustee from November 2017

Co-opted June 2017 and elected November 2017

Chair of Conservation and Science Committee

Honorary Treasurer until October 2017; Chair of Business and Finance Committee until October 2017

Retired November 2017; Vice-Chair until November 2017; Health and Safety Trustee until November 2017



Management

Day-to-day management of the Trust and its two subsidiary companies is delegated to the Chief Executive, according to a Scheme of Delegation approved by Council. The Chief Executive reports to Council and works with a team of executive directors to deliver the work of the charity. The Chief Executive oversees the day-to-day management of the trading subsidiary, Arcadian Ecology and Consulting Limited, delivered by the Consultancy Manager and team.

Senior Staff

Deborah Tann	Chief Executive
John Durnell	Director of Estates and Conservation Delivery
Alison Fowler	Director of Education and Engagement
Kate Sandys	Director of Fundraising
Hannah Terrey	Director of Communications and External Affairs
Natasha Thorneloe	Director of Finance and Resources

Company Secretary Clive Chatters

Consultancy Manager Deborah Whitfield

President

John Collman

Vice Presidents

Michael Baron
 Lord Montagu of Beaulieu
 Roger Harrison
 Victoria Harrison MVO
 Harvey Jones
 Earl of Selborne GBE FRS DL FIBiol
 Major General Sir Martin White
 KCVO CB CBE JP



Hampshire &
Isle of Wight
Wildlife Trust



Hampshire and Isle of Wight Wildlife Trust

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