

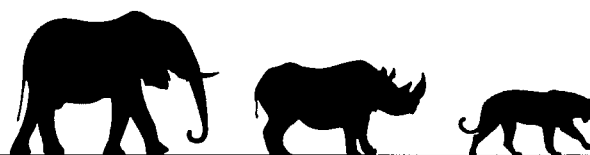
**The
David
Shepherd
Wildlife
Foundation**

**Annual Report and Consolidated Financial
Statements**

31 March 2018

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

Charity Registration Number
1106893



DAVID SHEPHERD
WILDLIFE
FOUNDATION

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Reference and administrative details of the charity, its Trustees and advisers 31 March 2018

Founder and President	The late David Shepherd CBE FRSA FRGS
Honorary Vice Presidents	Mark Carwardine Saba Douglas-Hamilton David Gower OBE Simon King OBE Gary Lineker OBE Mandy Shepherd
Trustees	Melanie, Lady Lamb (Chairman) Bruce Norris (retired 15 August 2018) Nigel Colne CBE Christopher Cowdray Nigel Keen Fiona Luck Andre Pienaar
Captain 'Young Friends'	Gary Lineker OBE
Conservation Advisor	Mark Carwardine
Chief Executive	Karen Botha
Principal address	Saba House 7 Kings Road Shalford Surrey GU4 8JU
Telephone	01483 272323
Email	dswf@davidshepherd.org
Website:	www.davidshepherd.org
Registered office	50 Broadway London SW1H 0BL
Company registration number	04918382 (England and Wales)

Reference and administrative details of the charity, its Trustees and advisers 31 March 2018

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

The Trustees present their statutory report together with the consolidated financial statements of The David Shepherd Wildlife Foundation (DSWF) and its subsidiary for the year ended 31 March 2018.

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

The financial statements have been prepared in accordance with the accounting policies on pages 26 to 30 of the attached financial statements and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of Statement of Recommended Practice "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

Governance, structure and management

◆ Governance

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

◆ Trustees

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

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

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

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

Governance, structure and management (continued)

♦ Trustees (continued)

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

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

Bruce Norris spent 25 years in the British Army, retiring in 1987. A further 18 years were spent as Managing and Financial Director of a London based security company. He has spent considerable time overseas throughout his working life and continues to travel extensively in Southern Africa and Asia. He became a Trustee of the Foundation in 1997 and was Chairman from 2002 to 2014. Bruce retired as a Trustee on 15 August 2018.

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

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

Nigel Keen was appointed a Trustee in 2003. He is Chair of Deltex Medical Group plc, Syncona Investment Management Ltd, MedAccess (Private) Ltd, The Oxford Academic Health Science Network and Oxford University Innovation Limited.

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

Governance, structure and management (continued)

♦ **Trustees (continued)**

Andre Pienaar is the Founder and Managing Partner of C5. He is a member of the US Government's Institute of Peace International Advisory Council and a Director of PeaceTech Lab in Washington DC. He supports a number of charitable organisations and is a member of the National Council on White House History and a Director of the International Centre for Missing and Exploited Children. Andre is a lawyer and an expert on cyber law and cybercrime. He became a Trustee in 2011.

♦ **Key management personnel**

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

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

♦ **Statement of Trustees' responsibilities**

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the income and expenditure of the group for that period.

In preparing these financial statements the Trustees are required to:

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- ♦ make judgements and estimates that are reasonable and prudent;

Governance, structure and management (continued)

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

- ♦ state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Each of the Trustees confirms that:

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

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

♦ **Structure and management reporting**

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

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

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

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

Governance, structure and management (continued)

♦ Risk management

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

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

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

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

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

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

Audit visits or meetings with Project Managers have been made by Foundation Trustees, appointed consultants and staff to evaluate projects in Africa and Asia. The results have been used to determine project funding strategy and to reduce associated risks. An audit visits to Zimbabwe was undertaken during the year.

Project evaluation is also undertaken by a scoring process to ensure project activities meet the Foundation's mission and that projects are well managed and sustainable. As part of the grant application process projects are asked to confirm their monitoring and control processes including external financial audit procedures. The results of the scoring and all annual grant applications are reviewed regularly by the Foundation's conservation advisor, Mark Carwardine.

Governance, structure and management (continued)

♦ **Public benefit**

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

Objectives, activities and relevant policies

♦ **Activities and specific objectives**

The Foundation's objects are:

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

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

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

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

The Foundation's successful education programme works across all ages in project areas and in the UK through learning about wildlife and the environment.

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

Objectives, activities and relevant policies (continued)

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

The Foundation is a UK-based organisation, benefiting from the active support of leading wildlife experts around the world and many celebrities and volunteers. To carry out its objectives for the benefit of the public the Foundation undertakes the following activities:

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

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

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

♦ **Scope of the consolidated financial statements**

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

Objectives, activities and relevant policies (continued)

♦ Scope of the consolidated financial statements (continued)

The principal activity of the trading company is that of trading in the work of David Shepherd and other wildlife artists. Trading is conducted through various events and exhibitions, its gallery and the David Shepherd secondary market art sales programme.

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

♦ Project audits

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

Achievements and performance

♦ Review of activities

Conservation

During the year the Foundation has made grants to its projects in Africa and Asia. It has also engaged in the arena of international policy on wildlife protection. These activities fulfil its conservation objectives.

The year marked significant challenges for wildlife conservation around the globe with constant pressure and growing threats facing species survival. However, this was set against a backdrop of positive steps towards the closures of domestic ivory markets around the world and the destruction of ivory stockpiles. With the ongoing rhino poaching epidemic in South Africa, the Foundation were proud to bring a new project into its rhino protection portfolio to provide rapid response helicopter support to poaching incidents in the country. Projects both in Africa and Asia still face a constant and ongoing uphill challenge due to growing human populations and resulting human-wildlife conflict, a lack of resources and dangerous working environments.

Achievements and performance (continued)

♦ **Review of activities** (continued)

Conservation (continued)

In Zambia £230,022 (2017 - £285,751) was granted to Game Rangers International to fund park protection and ranger training programmes in Kafue National Park, a rescue, rehabilitation and release programme for elephant orphans, community outreach and education programmes in the project areas and the rescue, rehabilitation and release of captured pangolins. Additional funds were provided in the year for water pipe lines and the improvement in welfare and living conditions of the rangers.

In Zimbabwe, £33,500 (2017 - £30,000) was granted to the Painted Dog Conservation Project - working to save a leading population of Africa's most endangered carnivore in and around Hwange National Park. Funding focuses on anti-poaching activities and on supporting the costs of the renowned Children's Bush Camp school where some of the earliest attendees are now returning to train as anti-poaching rangers. Additional funds were provided in the year for urgent vehicle repairs.

In Namibia £30,070 (2017 - £39,832) was granted to Save the Rhino Trust – funding a rhino monitoring and patrol team in the Kunene region where the largest and only free ranging population of black rhino in Africa are being protected.

In Uganda, £95,228 (2017 - £105,995) was granted to Uganda Conservation Foundation as a continuation of the funding of a communication, recovery and protection programme in Murchison Falls National Park. Additional ranger stations have been added to the infrastructure of the parks and a much needed veterinary unit is under construction. Funding is also being provided for the establishment of a vocational ranger training programme in the project area. The Foundation also funded a lion research and collaring programme in Kidepo Valley National Park to better understand pride structures and movements as well as interactions with communities living contiguously to the protected areas. Funding from Dulverton Trust of £76,314 (2017 - £82,161) was received for this project.

Also in Uganda, funding of £20,364 (2017 - £nil) was granted for the development of standard operating procedures in consultation with the Uganda Wildlife Authority on the safe rescue and release handling of pangolins. Safe release zones were identified to ensure there is little non-natural impact on both habitat and pangolin populations. The project also aimed to establish awareness and legal ramifications for pangolin related crimes.

Achievements and performance (continued)

♦ Review of activities (continued)

Conservation (continued)

In Russia, £30,000 (2017 - £48,800) was granted to the Phoenix Fund for the Amur Tiger Project – to protect wild Amur tigers through anti-poaching operations, education programmes and community outreach work. This funding also supported the use of SMART (anti-poaching) technology in Primorye, education and outreach work in Novopokrovka and Tiger Day Festivals in Vladivostok and Luchegorsk.

In India, £55,000 (2017 - £55,500) was granted to the Aaranyak Society – working in key wildlife areas of Assam to protect one of the last strongholds of Indian rhinos, tigers and wild elephant populations. Funding focused on ranger equipment, education programmes and community and alternative livelihood support schemes for those living alongside the rhino and tiger habitats. Funds were also granted for wildlife crime monitoring work including undercover investigations, intelligence gathering and sharing, judicial training to improve conviction rates for wildlife crimes and for the training and running costs of two anti-poaching dogs.

Also in India, through the Wildlife Trust of India, £20,000 (2017 - £4,720) was granted in support of Rapid Action projects to address wildlife crises across the country. Funded work focused on Fishing Cat protection initiatives and alert monitoring systems to avoid potential human wildlife conflicts. Funding was also provided for a warning system to better understand wildlife mortality rates on roads and railways and to reduce unnecessary wildlife deaths.

In Thailand £15,880 (2017 - £15,750) was granted to Freeland Foundation in support of on-going work to provide sustainable skill development for the rangers in the Eastern Forest complex area where there is a small but vital tiger population. The funding also supports data analysis and education programmes in and around the National Parks in the Dong Phrayayen-Khao Yai Forest Complex.

In Mongolia, £15,000 (2017 - £20,000) was granted to the Snow Leopard Trust to fund research and population monitoring of snow leopards in the mountains of Mongolia and China to enable local communities to seek protected area status for any relevant areas identified. Funding was also used on education and community programmes, insurance and livelihood schemes in the herder communities of the Tost Mountains to build tolerance and understanding, and therefore protect the snow leopards that enter this area.

In Kyrgyzstan, £15,000 (2017 - £nil) was granted to the Snow Leopard Trust to develop an old hunting concession to become a prime snow leopard and prey species protected area and habitat. This is a government backed scheme in one of the world's most important snow leopard habitats. Funding was also granted to develop research accommodation at the concession for future use.

Achievements and performance (continued)

♦ Review of activities (continued)

Conservation (continued)

£15,000 (2017 - £10,000) was granted to WildAid Vietnam to support a programme of public service announcements, billboards and printed materials to raise awareness of the consequences of the use of pangolin products in demand countries.

£19,619 (2017 – £122,484) was granted to support ivory policy and advocacy work undertaken by a team of experts to prepare for the 2018 Standing Committee and Conference of Parties (CoP) of the Convention on International Trade in Endangered Species (CITES) where key decisions will be made on the rules on trading key species of endangered animals. Spending was high in the previous year with the receipt of a large grant to support attendance at the 2016 CoP in Johannesburg. Work was also undertaken during the UK government consultation on the closure of domestic ivory markets.

In Guinea £12,000 (2017 - £nil) was granted to the Chimpanzee Conservation Centre. Work carried out supported education days and workshops to local communities and trade interventions to ensure chimps being trafficked into the illegal trade were safely rescued and brought to the rehabilitation centre for ultimate release.

In South Africa £10,000 (2017 - £nil) was granted to Rhino 911 to provide a rapid response capability via helicopter to poaching incidents. This support provides real time flying support to track poachers post-incident, transfer vets to poached rhino in need of immediate aid and to relocate rhino orphans to rescue centres.

£10,482 (2017 - £nil) was granted to the Environmental Investigations Agency for undercover investigations into the trans-Himalayan trade in Asian big cats. Funds were deployed to establish and dismantle criminal networks involved in the trafficking of Asian big cat parts and derivatives headed for Asians consumer markets.

Other small grants in the year included £1,000 for wildlife training workshops in the UK and £1,910 granted to the Stop Ivory campaign.

Education

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

Achievements and performance (continued)

♦ Review of activities (continued)

***Education* (continued)**

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

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

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

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

TigerTime is an innovative campaign of the Foundation that aims to protect tigers in the wild and to ban the trade in all tiger parts and derivatives. TigerTime exposes the key threats facing wild tiger populations, calls for the closure of tiger breeding farms and aims to reduce the illegal poaching and trafficking of wild tigers.

The campaign facilitates the engagement and urgent action of individuals, civil society organisations, government and other stakeholders to promote conservation initiatives and is building momentum towards legislative change through campaigning for stronger laws and protectionist policies.

With over 750,000 Facebook followers and 364,000 signatories to the petition to end the trade in tigers the impact of the campaign has been international and influential.

Fundraising

The Foundation has a strategic fundraising plan that concentrates on donor cultivation and development whilst using its unique links to the art world for fundraising purposes. It is recognised that in an uncertain financial climate and with recent instances of bad practice in charity fundraising, significant fundraising challenges face all charities.

Achievements and performance (continued)

♦ Review of activities (continued)

Fundraising (continued)

The Foundation does not employ external fundraising agencies to raise funds other than buying in auction technology at events and the use of selected online fundraising platforms. Fundraising activities carried out by Foundation staff and Ambassadors are monitored and must comply with the Foundation's fundraising policy. Membership of an external Fundraising Regulatory Board is to be introduced in the year ahead. The Foundation is compliant with GDPR regulations. No complaints have been received about its fundraising activities during the year or in previous years. If any such complaint was made it would be dealt with by a senior member of staff.

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

- ♦ The annual black tie event at The Dorchester, London in November 2017 raised £208,000 (2017 - £242,000);
- ♦ Participation in the Virgin London Marathon and Prudential Ride London raised £24,000 (2017 - £27,000);
- ♦ The Wildlife Artist of the Year competition raised income of £42,000 (2017 - £34,000) in entries, donations and sponsorship and £86,000 (2017 - £81,000) from the exhibition and sales at the Mall Galleries in June 2017. The Bigger Picture event held at the Mall Galleries at the same time raised £18,000.
- ♦ An Art Ambassadors event was held at Christies' in November 2017 and raised £70,000 from the sale of artworks.

Legacy income of £249,000 was received in the year (2017 - £120,000).

Fundraising from individual donors, including appeals and an active major donor programme, school and community fundraising, membership programme and animal adoptions raised £406,000 (2017 - £392,000), Trust and Foundation income was £186,000 (2017 - £380,000) and income raised from corporate donations totalled £49,000 (2017 - £25,000).

The Foundation received gifts in kind in the year of £54,000 (2017- £45,000) relating to the costs of the event at the Dorchester.

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

Achievements and performance (continued)

♦ **Review of activities (continued)**

Fundraising (continued)

The DSWF Trading Company continued to trade in David Shepherd and other wildlife artist original paintings, prints, sculpture and other merchandise. The company has been restructured to provide artist liaison and support for Foundation activities whilst continuing to earn income from direct sales. The results of the company are consolidated into the financial statements of the Foundation. The turnover in the year was £85,275 (2017 - £110,306) with a gross profit of £57,468 (2017 - £61,718).

Financial report for the year

♦ **Results for the year**

A summary of the year's results is given on page 23 of the financial statements.

Total income for 2018 was £1,533,058 (2017 - £1,555,303). After deducting the cost of raising funds of £721,673 (2017 - £527,801), the net income available for charitable application amounted to £811,385 (2017 - £1,027,502).

The net income, together with reserves brought forward, funded conservation activities of £791,852 (2017 - £837,896) and education activities of £120,593 (2017 - £186,652).

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

The DSWF Trading Company made a loss of £9,236 (2017 – loss of £11,285) in the year.

♦ **Reserves policy**

Total reserves as at 31 March 2018 amounted to £894,731 (2017 - £1,000,841). Restricted funds as at 31 March 2018 were £164,173 (2017 - £167,101). Restricted funds represent unexpended balances of donations and grants to be applied for specific purposes. The endowment fund at 31 March 2018 totalled £342,887 (2017 - £297,227). It is the policy of the Trustees that the reserves held by the Foundation should at least total the sum of all restricted funds not yet distributed and certain unrestricted funds. These unrestricted funds should be sufficient to operate the Foundation for a minimum of 4 months.

The Trustees consider that at 31 March 2018, the level of free reserves of £730,558 is in line with the reserves policy (2017 - £833,740). The Trustees are of the opinion that the operation of the reserves policy provides sufficient flexibility to cover temporary shortfalls in income due to timing differences in income flows, adequate working capital to cover core costs and will allow the charity to cope and respond to unforeseen emergencies whilst specific action plans are implemented.

Financial report for the year (continued)

◆ Investment performance

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

Smith & Williamson Investment Managers LLP manages the Foundation's investments. During the year, holdings were increased by £60,000 and the market value increased by £55,000. Unrealised losses on the revaluation of the investments amounted to £5,000. At 31 March 2018, the Foundation had listed investments with a market value of £302,118 and, at that date, a further £15,978, was held as cash.

Investment income on those listed investments was £6,059 (2017 - £1,016).

The Foundation's investment portfolio is monitored on a regular basis to ensure that its value is appropriately aligned with the investment policy.

Plans for future periods

◆ Conservation

The Foundation intends to continue to focus on the long term support of vital and innovative conservation projects protecting key populations of endangered mammals across Africa and Asia. Due to the significant increase in the amount, sophistication and scope of the illegal wildlife trade, the Foundation wishes to increase support to projects addressing wildlife crime and demand reduction, both at a local and international level. Where funds are available the Foundation will continue to react to specific conservation crises, the increases in threats to other species of mammals, as well as requests for emergency funding from current projects.

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

◆ Education

The Foundation intends to continue and grow its investment in an education programme both in the UK and throughout its project regions. Education of both children and adults is at the core of the Foundation's activities and this will continue into future years. Work is underway on the development of a programme that would provide a deeper and more sustainable engagement with schools. The Foundation's strategy is to significantly increase its educational capacity within the UK over the next five years.

Plans for future periods (continued)

♦ **Fundraising**

The Foundation's income generation strategy is to increase income over the next five years to enable much needed support to be given to conservation projects and the fight against wildlife crime. Based on the Foundation's experience of where funds are most likely to be generated, the growth is planned around a portfolio of fundraising activity and is focused on significant growth in individual donors, corporate support and grants from trusts and foundations.

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

President

David Shepherd, CBE, FRSA, FRGS, the Foundation's founder, died on 19 September 2017 but was the Foundation's President at the date of this report.

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

Volunteers

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

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

Plans for future periods (continued)

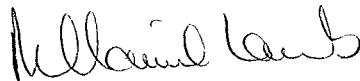
Employees

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

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

Signed on behalf of the Trustees:

Trustee



Approved on: 15 August 2018.

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

Opinion

We have audited the financial statements of The David Shepherd Wildlife Foundation (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the group statement of financial activities, the group and charitable parent company balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- ◆ the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable parent 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 financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- ◆ adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the charitable parent company financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the charitable parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

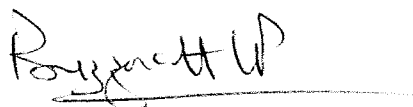
Auditor's responsibilities for the audit of the financial statements

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

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

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

22 October 2018

Group statement of financial activities Year to 31 March 2018

	Notes	Unrestricted fund - trading £	Unrestricted fund charity £	Restricted funds £	Expendable endowment fund £	2018 Total funds £	2017 Total funds £
Income from:							
Donations and legacies	1	—	437,400	459,870	46,927	944,197	962,984
Other trading activities	2	85,275	477,779	17,402	—	580,456	546,054
Investment income		—	363	—	6,059	6,422	3,441
Other income		—	1,977	6	—	1,983	42,824
Total income		85,275	917,519	477,278	52,986	1,533,058	1,555,303
Expenditure on raising funds:	3						
. Trading company costs		93,751	—	—	—	93,751	120,853
. Other		—	572,351	54,412	1,159	627,922	406,948
		93,751	572,351	54,412	1,159	721,673	527,801
Net (expenditure) income available for charitable application		(8,476)	345,168	422,866	51,827	811,385	1,027,502
Charitable activities							
. Conservation	4	—	366,930	424,202	720	791,852	837,896
. Education	5	—	107,894	12,302	397	120,593	186,652
		—	474,824	436,504	1,117	912,445	1,024,548
Total expenditure		93,751	1,047,175	490,916	2,276	1,634,118	1,552,349
Net (expenditure) income for the year before gains on investments	8	(8,476)	(129,656)	(13,638)	50,710	(101,060)	2,954
Net investment (losses) gains	13	—	—	—	(5,050)	(5,050)	9,139
Net (expenditure) income		(8,476)	(129,656)	(13,638)	45,660	(106,110)	12,093
Gross transfers between funds	18/19	—	(10,710)	10,710	—	—	—
Net (expenditure) income and net movement in funds		(8,476)	(140,366)	(2,928)	45,660	(106,110)	12,093
Reconciliation of funds:							
Balances brought forward at 1 April 2017		21,372	515,141	167,101	297,227	1,000,841	988,748
Balances carried forward at 31 March 2018		12,896	374,775	164,173	342,887	894,731	1,000,841

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

Balance sheets 31 March 2018

	Notes	Group		Charity	
		2018 £	2017 £	2018 £	2017 £
Fixed assets					
Tangible fixed assets	11	18,288	34,328	18,288	28,678
Investment in group undertaking	12	—	—	100	100
Investments	13	318,096	297,227	318,096	297,227
		<u>336,384</u>	<u>331,555</u>	<u>336,484</u>	<u>326,005</u>
Current assets					
Stock	14	10,726	15,330	—	—
Debtors	15	97,767	33,881	134,126	75,508
Cash at bank and in hand		524,660	673,225	469,021	625,695
		<u>633,153</u>	<u>722,436</u>	<u>603,147</u>	<u>701,203</u>
Creditors: amounts falling due within one year	16	(74,806)	(53,150)	(53,146)	(43,844)
Net current assets		<u>558,347</u>	<u>669,286</u>	<u>550,001</u>	<u>657,359</u>
Total net assets		<u>894,731</u>	<u>1,000,841</u>	<u>886,485</u>	<u>983,364</u>
The funds of the charity					
Restricted funds	18	164,173	167,101	164,173	167,101
Unrestricted funds					
. General fund		374,775	515,141	379,425	519,036
. Non charitable trading funds		12,896	21,372	—	—
Expendable endowment fund	19	342,887	297,227	342,887	297,227
Total funds	20	<u>894,731</u>	<u>1,000,841</u>	<u>886,485</u>	<u>983,364</u>

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

Trustee 

Trustee 

Approved by the Trustees on: 15 August 2018

Group statement of cash flows 31 March 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	A	(126,801)	83,317
Cash flows from investing activities:			
Investment income		6,422	3,441
Purchase of tangible fixed assets		(2,267)	(7,484)
Purchase of investments		(105,629)	(237,710)
Proceeds from disposal of investments		45,289	—
Net cash used in investing activities		(56,185)	(241,753)
Change in cash and cash equivalents in the year		(182,986)	(158,436)
Cash and cash equivalents at 1 April 2017	B	723,624	882,060
Cash and cash equivalents at 31 March 2018	B	540,638	723,624

Notes to the statement of cash flows for the year to 31 March 2018.

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

	2018 £	2017 £
Net movement in funds (as per the statement of financial activities)	(106,110)	12,093
Adjustments for:		
Depreciation charge	18,307	18,228
Gains (losses) on investments	5,050	(9,139)
Investment income	(6,422)	(3,441)
Decrease in stocks	4,604	22,616
(Increase) decrease in debtors	(63,886)	63,869
Increase (decrease) in creditors	21,656	(20,909)
Net cash (used in) provided by operating activities	(126,801)	83,317

B Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	524,660	673,225
Cash held by investment manager	15,978	50,399
Total cash and cash equivalents	540,638	723,624

Principal accounting policies 31 March 2018

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

Basis of preparation

These financial statements have been prepared for the year to 31 March 2018.

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) and the Charities Act 2011.

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

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

Basis of consolidation

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

The Foundation has taken advantage of Section 408 of the Companies Act 2006 and not included its own statement of financial activities in these financial statements. The parent's net expenditure for the year was £96,874 (2017 – net income £23,378).

Critical accounting estimates and areas of judgement

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

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

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

Assessment of going concern

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

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

Income

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

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

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

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

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

Income (continued)

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

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

Expenditure recognition

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

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

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

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

Allocation of support and governance costs

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

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

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

Gifts in kind

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

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

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

Tangible fixed assets

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

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

- ♦ Fixtures and fittings 25% p.a. on cost
- ♦ Computer and office equipment 25% p.a. on cost

Investments

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

Stock

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Fund accounting

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

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

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

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

Foreign currencies

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

Operating leases

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

Pensions

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

1 Donations and legacies

	Unrestricted funds £	Restricted funds £	Endowment fund £	2018 Total funds £	2017 Total funds £
Legacies	193,453	8,435	46,927	248,815	120,318
Gifts in kind	—	54,412	—	54,412	45,000
Donations					
. Individuals	203,118	142,156	—	345,274	335,554
. Corporate donors	4,517	44,117	—	48,634	25,444
. Trusts and foundations	25,890	159,797	—	185,687	380,544
. Community fundraising	10,422	7,221	—	17,643	10,775
. Animal adoption programme	—	35,039	—	35,039	39,170
. Education programme	—	8,693	—	8,693	6,179
2018 Total funds	437,400	459,870	46,927	944,197	962,984
2017 Total funds	239,526	723,458	—	962,984	

During the year the Foundation received gifts in kind of £54,412 (2017 - £45,000) relating to the use of a venue, food and drink costs for the annual black tie dinner.

2 Other trading activities

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Events				
. London Marathon	8,620	8,579	17,199	11,758
. Ride London	6,632	—	6,632	15,703
. Children's Art Competition	5,020	—	5,020	410
. Wildlife Artist of the Year	123,387	4,625	128,012	115,300
. Dorchester Wildlife Ball	203,465	4,123	207,588	241,586
. Art Ambassadors	69,614	—	69,614	—
. The Bigger Picture	18,085	75	18,160	—
. Bermuda event	—	—	—	3,799
. Golf Day	—	—	—	4,558
. Sundry sponsored events	—	—	—	1,580
Subscriptions	42,956	—	42,956	41,032
Total	477,779	17,402	495,181	435,726
Trading company income	85,275	—	85,275	110,328
2018 Total funds	563,054	17,402	580,456	546,054
2017 Total funds	538,974	7,080	546,054	

3 Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	Endowment fund £	2018 Total funds £	2017 Total funds £
Event costs	252,768	54,412	—	307,180	182,166
Appeal and adoption costs	24,388	—	—	24,388	20,145
Auction and raffle costs	—	—	—	—	60
Membership costs	143	—	—	143	386
PR and marketing	6,410	—	—	6,410	919
Fundraising costs	10,526	—	—	10,526	1,170
Wildlife Matters	4,177	—	—	4,177	2,353
Website	9,503	—	—	9,503	20,417
Charity donation site charges	3,899	—	—	3,899	—
	311,814	54,412	—	366,226	227,616
Support costs	260,537	—	1,159	261,696	179,332
	572,351	54,412	1,159	627,922	406,948
Trading company costs	93,751	—	—	93,751	120,853
2018 Total funds	666,102	54,412	1,159	721,673	527,801
2017 Total funds	479,798	48,003	—	527,801	

4 Conservation

Group and charity	Unrestricted funds £	Restricted funds £	Endowment fund £	2018 Total funds £	2017 Total funds £
Grants payable					
Game Rangers International - Zambia	65,325	156,222	—	221,547	274,551
Game Rangers International Pangolin Project	—	8,475	—	8,475	11,200
Painted Dog Conservation Project – Zimbabwe	—	33,500	—	33,500	30,000
Save the Rhino Trust – Namibia	19,630	10,440	—	30,070	39,832
Uganda Conservation Foundation – Uganda	17,139	98,453	—	115,592	105,995
Phoenix Fund Amur Tiger Project – Russia	—	30,000	—	30,000	48,800
Aaranyak – India	54,820	180	—	55,000	55,500
WTI Rapid Action Project – India	20,000	—	—	20,000	4,720
Freeland Tiger Project – Thailand	—	15,880	—	15,880	15,750
Animals Asia Moon Bear Rescue – China	—	—	—	—	4,394
Snow Leopard Trust – Mongolia	—	15,000	—	15,000	20,000
Snow Leopard Trust - Kyrgyzstan	—	15,000	—	15,000	—
Fighting Illegal Wildlife Trade/CITES	—	19,619	—	19,619	122,484
Environmental Investigation Agency	2,204	8,278	—	10,482	—
WildAid – China and Vietnam	5,770	9,230	—	15,000	10,000
Chimp Conservation Centre – Guinea	12,000	—	—	12,000	—
Rhino 911 – South Africa	7,075	2,925	—	10,000	—
Operation Charm	—	1,000	—	1,000	640
Small funds	2,590	—	—	2,590	830
	206,553	424,202	—	630,755	744,696
Other direct costs					
Overseas travel	3,447	—	—	3,447	499
Other administration costs	3,752	—	—	3,752	2,002
	7,199	—	—	7,199	2,501
Support costs	153,178	—	720	153,898	90,699
2018 Total funds	366,930	424,202	720	791,852	837,896
2017 Total funds	110,692	727,204	—	837,896	

5 Education

Group and charity	Unrestricted funds £	Restricted funds £	Endowment fund £	2018 Total funds £	2017 Total funds £
Wildlife Matters	16,709	—	—	16,709	9,413
Education programme	7,854	12,302	—	20,156	25,174
Appeal and adoption costs	6,097	—	—	6,097	4,794
Membership costs	142	—	—	142	386
Website	3,836	—	—	3,836	5,032
	34,638	12,302	—	46,940	44,799
Support costs	73,256	—	397	73,653	141,853
2018 Total funds	107,894	12,302	397	120,593	186,652
2017 Total funds	183,649	3,003	—	186,652	

6 Support costs

Charity	Unrestricted funds £	Restricted funds £	Endowment fund £	2018 Total funds £	2017 Total funds £
Staff costs	347,475	—	—	347,475	295,658
Property costs	28,139	—	—	28,139	28,149
Travel and entertaining	1,000	—	—	1,000	443
Office costs	21,802	—	—	21,802	9,301
Depreciation	12,210	—	—	12,210	11,234
Irrecoverable VAT	33,690	—	—	33,690	20,105
Legal, professional and accountancy	19,201	—	—	19,201	29,880
Bank, credit card, gift aid administration	5,924	—	—	5,924	9,030
Investment manager fees	—	—	2,276	2,276	482
Other administration costs	17,530	—	—	17,530	7,602
2018 Total funds	486,971	—	2,276	489,247	411,884
2017 Total funds	411,884	—	—	411,884	

Charity	Raising funds £	Conservation grant giving £	Education £	2018 Total funds £	Basis of allocation
Staff costs	189,492	109,074	48,909	347,475	% staff split
Property costs	14,331	8,897	4,911	28,139	% staff split
Travel and entertaining	509	316	175	1,000	% staff split
Office costs	11,104	6,893	3,805	21,802	% staff split
Depreciation	6,219	3,860	2,131	12,210	% staff split
Irrecoverable VAT	17,158	10,652	5,880	33,690	% staff split
Legal and professional	9,779	6,071	3,351	19,201	% staff split
Bank, credit card, gift aid administration	3,017	1,873	1,034	5,924	% staff split
Investment manager fees	1,159	720	397	2,276	% staff split
Other administration costs	8,928	5,542	3,060	17,530	% staff split
	261,696	153,898	73,653	489,247	% staff split

7 Governance

Included within support costs as legal and professional expenses, are the following:

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Auditor's remuneration:				
- Audit of the financial statements	8,800	—	8,800	8,880
- Audit of subsidiary	—	—	—	2,550
Legal, professional and accountancy	10,401	—	10,401	7,545
Consultancy fees	—	—	—	10,905
2018 Total funds	19,201	—	19,201	29,880
2017 Total funds	29,880	—	29,880	

Legal and professional expenses incurred by the subsidiary company have been classified as "expenditure on raising funds" and have been excluded from support costs, which now include only expenses incurred by the charity.

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

This is stated after charging

Group	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Staff costs (note 9)	382,348	—	382,348	319,525
Auditor's remuneration				
. Audit of the group financial statements	8,800	—	8,800	8,880
. Audit of the subsidiary	2,580	—	2,580	2,550
Depreciation (note 11)	18,307	—	18,307	18,228
Operating lease rentals	30,000	—	30,000	30,000

9 Staff costs and Trustees' remuneration

	2018 £	2017 £
Staff costs during the year were as follows:		
. Wages and salaries	350,121	302,279
. Social security costs	30,078	13,679
. Pension costs	2,149	3,567
	382,348	319,525

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

Group	2018	2017
Charity	10	11
Trading subsidiary	1	1
	11	12

9 Staff costs and Trustees' remuneration (continued)

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

No Trustee received any remuneration in respect of their services during the year (2017 - £nil).

No expenses were reimbursed to the Trustees during the year (2017 - £nil).

No employees earned £60,000 per annum or more during the year (2017 - £nil).

The key management personnel of the Foundation in charge of directing and controlling, running and operating the Foundation on a day to day basis comprise the Trustees together with the Chief Executive, the Head of Finance, the Head of Programmes and Policy and the Head of Fundraising. The total remuneration (including taxable benefits and employer's national insurance contributions) payable to key management personnel during the year was £115,671, with the team during this period comprising the CEO, Head of Finance and Head of Policy and Programmes (2017 - Key management consisted of the Trustees and the Chief Executive and total remuneration amounted to £49,970)

10 Taxation

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

The Foundation is unable to reclaim all VAT suffered on expenditure due to the partial exemption rules. Irrecoverable VAT suffered during the year amounted to £33,690 (2017 - £20,105).

11 Tangible fixed assets

Group	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 April 2017	49,539	7,297	6,046	50,516	113,398
Additions	—	447	167	1,653	2,267
At 31 March 2018	49,539	7,744	6,213	52,169	115,665
Depreciation					
At 1 April 2017	42,886	5,531	5,191	25,462	79,070
Charge for year	6,653	1,408	467	9,779	18,307
At 31 March 2018	49,539	6,939	5,658	35,241	97,377
Net book values					
At 31 March 2018	—	805	555	16,928	18,288
At 31 March 2017	6,653	1,766	855	25,054	34,328

Charity	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 April 2017	10,000	4,793	1,955	49,467	66,215
Additions	—	—	167	1,653	1,820
At 31 March 2018	10,000	4,793	2,122	51,120	68,035
Depreciation					
At 1 April 2017	8,667	3,357	1,097	24,416	37,537
Charge for year	1,333	631	467	9,779	12,210
At 31 March 2018	10,000	3,988	1,564	34,195	49,747
Net book values					
At 31 March 2018	—	805	558	16,925	18,288
At 31 March 2017	1,333	1,436	858	25,051	28,678

12 Investment in group undertaking

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

	2018 £	2017 £
Investment in The DSWF Trading Company Limited at cost	100	100
Profit and loss of subsidiary		
Turnover	85,275	110,306
Cost of sales	(27,807)	(48,588)
Gross profit	57,468	61,718
Staff costs	(26,418)	(23,866)
Other administrative expenses	(40,286)	(49,137)
Loss for the year	(9,236)	(11,285)
Retained loss for the financial year	(9,236)	(11,285)
Aggregated capital and reserves at 31 March 2018	8,341	17,577

The figures above include £760 (2017 - £760) of interest payable to the Foundation. It has been excluded from the consolidated figures.

13 Listed Investments

	2018 £	2017 £
Listed investments		
Market value at 1 April 2017	246,828	—
Additions at cost	105,629	237,710
Disposals at book value (proceeds: £45,289; gains: £276)	(45,013)	—
Unrealised (losses) gains	(5,326)	9,118
Market value at 31 March 2018	302,118	246,828
Cash held by investment managers	15,978	50,399
	318,096	297,227
Cost of listed investments at 31 March 2018	299,240	237,710

Listed investments held at 31 March 2018 comprised the following:

	2016 £	2017 £
UK equities	70,090	112,380
UK fixed interest	43,873	29,626
Overseas equities	113,189	67,766
Overseas fixed interest	14,605	4,856
Alternative assets	60,361	32,200
	302,118	246,828

13 Listed Investments (continued)

At 31 March 2018 listed investments included the following holdings, which represented material holdings relative to the market value of the total listed investments portfolio held at that date:

	Market value of holding £	Percentage of portfolio %
Findlay Park Funds PLC American USD Dis	34,438	11.4
Fund Partners Ltd Cruz European Spl Sit 1 GBP	17,450	5.78
JP Morgan Asset Mgmt UK Ltd UK Equity Core E Net Inc	15,930	5.27
RWC Asset Management LLP Enhanced Income B Inc	15,135	5.01

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

14 Stock

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Prints and other merchandise for sale	10,726	15,330	—	—

15 Debtors

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Trade debtors	730	600	499	—
Other debtors and prepayments	96,935	31,282	95,525	29,305
VAT recoverable	102	1,999	102	1,999
Amount owed by group undertaking	—	—	—	6,204
Loan facility to group undertaking	—	—	38,000	38,000
	97,767	33,881	134,126	75,508

The charity has provided the DSWF Trading Company Limited with a loan facility of £38,000 (2017 - £38,000) on which interest is payable at 1.5% above base rate

16 Creditors: amounts falling due within one year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	23,034	5,349	9,316	3,053
VAT	701	2,017	—	65
Accruals	19,907	14,058	10,780	9,000
Other creditors	31,164	31,726	31,164	31,726
Amounts due from group undertaking	—	—	1,886	—
	<u>74,806</u>	<u>53,150</u>	<u>53,146</u>	<u>43,844</u>

17 Leasing commitments

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

	2018	2017
	£	£
Within one year	30,000	25,000
Between one and two years	30,000	—
Between two and five years	90,000	—

18 Restricted funds

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

Charity and group	At 1 April 2017 £	Income £	Expenditure, gains, losses and transfers £	At 31 March 2018 £
Projects:				
Game Rangers International – Zambia	57,090	108,262	(147,787)	17,565
Game Rangers International – Zambia/Education	2,500	5,371	(6,200)	1,671
Painted Dog Conservation Project – Zimbabwe	9,855	40,948	(33,500)	17,303
Save the Rhino Trust – Namibia	275	13,144	(10,440)	2,979
Uganda Conservation Foundation – Uganda	9,892	119,741	(78,089)	51,544
Uganda Conservation Foundation – Uganda/Pangolin	—	20,364	(20,364)	—
Phoenix Fund Amur Tiger Project – Russia	11,756	19,714	(30,000)	1,470
Aaranyak – India	17,276	8,328	(180)	25,424
Freeland Tiger Project – Thailand	11,756	21,947	(15,880)	17,823
Snow Leopard Trust – Mongolia	11,156	4,667	(15,000)	823
Snow Leopard trust - Kyrgyzstan	18,670	1,987	(15,000)	5,657
Rhino 911 – South Africa	—	2,925	(2,925)	—
Wildaid – China and Vietnam/Pangolin	—	9,230	(9,230)	—
CITES	—	38,750	(19,619)	19,131
Animals Asia Moon Bear Rescue – China	886	769	—	1,655
Environmental Investigation Agency	8,278	—	(8,278)	—
Operation Charm	1,232	—	(1,000)	232
Small funds	—	896	—	896
	160,622	417,043	(413,492)	164,173
Other:				
Education	6,479	5,823	(12,302)	—
Gifts in Kind	—	54,412	(54,412)	—
	6,479	60,235	(66,714)	896
Total	167,101	477,278	(480,206)	164,173

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

19 Expendable endowment fund

	At 1 April 2017 £	Income £	Expenditure, gains, losses and transfers £	At 31 March 2018 £
Expendable endowment fund	297,227	52,986	(7,326)	342,887

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

20 Analysis of net assets between funds

Group	Restricted funds £	Unrestricted funds £	Non- charitable trading funds £	Expendable endowment fund £	31 March 2018 £
Fund balances at 31 March 2018 are represented by:					
Fixed assets	—	18,288	—	—	18,288
Investments	—	—	—	318,096	318,096
Net current assets	164,173	356,487	12,896	24,791	558,347
Total net assets	164,173	374,775	12,896	342,887	894,731

Charity	Restricted funds £	Unrestricted fund £	Expendable endowment fund £	31 March 2018 £
balances at 31 March 2018 are represented by:				
Fixed assets including investment in subsidiary	—	18,388	—	18,388
Investments	—	—	318,096	318,096
Net current assets	164,173	361,037	24,791	550,001
Total net assets	164,173	379,425	342,887	886,485

21 Related party transactions

The Foundation employs the daughter of a trustee as the Head of Programmes and Policy on an annual salary of £32,000 (2017: £24,240).