




Hampshire &
Isle of Wight
Wildlife Trust

A close-up photograph of a bumblebee on a purple thistle flower. The bee is positioned on the left side of the flower, facing right. Its body is covered in orange and black fur, and its wings are partially spread. The flower is a vibrant purple color with many small, pointed petals. The background is a soft, out-of-focus green.

Hampshire and Isle of Wight Wildlife Trust
Annual Report
2016-17



Playing in water © Adrian Clarke

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Cover photo: Common carder bee at St Catherine's Hill © Chris Button

Foreword

From the Chairman



I was honoured to become Chairman of Hampshire and Isle of Wight Wildlife Trust in November last year and I would like to acknowledge the vital role played by my predecessor, John Collman, who steered the Trust in an exemplary fashion

in the six years in which he was Chairman. During this time the Trust achieved much for the environment and I am delighted that John has now stepped into the role of our President.

Since joining as a trustee in 2015 I have been profoundly impressed by the passion and expertise of the staff and indeed the Council. The Trust is a well-respected voice in the community, owning and managing a significant area of land across the two counties. We provide advice to others and influence many decisions for the benefit of wildlife and the wider environment. This, in turn, benefits the many people who live locally or who come to visit our nature reserves and wider estate.

We are grateful to those who share our passion and commitment for wildlife and support our work. Our donors, volunteers and members truly are our lifeblood — without them we simply would not exist.

Our aim over the coming months and years is to increase our engagement and membership, to enable us to do more for them and for wildlife.

I firmly believe in the value of the Trust owning land of high conservation value, as well as our role in managing land for others. Land in our care enables the ultimate protection and restoration of vulnerable habitats and species. I was delighted that we were able to purchase Hockley Meadows Farm early in 2017, thanks to the generous support of many individuals and organisations. Not only has this allowed us to extend our impact in this part of the Itchen Valley, it has also provided us with a crucial second location to look after our conservation grazing animals which are essential to the management of so many of our nature reserves.

Undoubtedly our Wildlife Trust has been buffeted by some of the turbulence of the last two years or so, with changes in funding in particular presenting real challenges. Equally without doubt, we have emerged stronger and I feel privileged to be part of the Trust's future.

A handwritten signature in blue ink, which appears to read 'David Jordan'.

David Jordan OBE
Chairman

“ **Our donors, volunteers and members truly are our lifeblood — without them we simply would not exist.** ”



Your Wildlife Trust

Overview from the Chief Executive



2016-17 was a challenging year for Hampshire and Isle of Wight Wildlife Trust with a period of intense political turmoil as well as ongoing financial challenges. It was also the year in which the

second State of Nature Report was published, which confirmed that 56% of species are still in decline in the UK and 15% threatened with extinction.

With wildlife in trouble across the country, it is clear to see the crucial role of our nature reserves. Butterflies are struggling in many areas, but the good news is that our conservation management supports strongholds of the Duke of Burgundy and the chalkhill blue. Long-term conservation management through careful scrub control and appropriate grazing has been the key to improving conditions for butterflies and other wildlife at sites like Noar Hill and Arreton Down. Overall, we are proud that 98% of our nature reserves are in target condition for wildlife.

By far the biggest impact on biodiversity is intensive farming and with this being the majority land use, there is so much to be gained by working with farmers. Creating opportunities for wildlife in the wider countryside is a key part of our strategy for Living Landscapes. By creating bigger, better and more joined-up networks for nature, we should start to reverse the declines being suffered by many species. In the past year we more than doubled the amount of land advice we provided covering topics as broad as pollinators, soil conservation, water quality and habitat creation. Our experience and knowledge is highly respected and demand for our advice is growing.

This year I have been overwhelmed by the commitment, dedication and passion of our staff, volunteers and supporters. The number of people regularly giving their time as volunteers across all of our work has increased dramatically this year to an incredible 1,400. Their stories are inspiring. Our volunteers cut scrub, pull balsam, count species, collate data, answer phones, teach school groups, check cattle, and lead guided walks. Our volunteers do this because they love wildlife and they choose to make a personal contribution to the cause. Our staff have had a difficult two years with the cuts we were forced to make to resize the Trust in response to the challenging financial climate. Under pressure to do more with less, they have been resilient and have never lost their passion for the Trust or for our fantastic wildlife.

Our 55-year history is an important part of our success. We take the long view and build trusted relationships over time based on shared interests and people coming together in a common aim. It can take many years to influence and shape decisions, to secure funding or acquire land. Building an accurate picture of wildlife relies on long-term data sets and an understanding of land management developed through hands-on experience. We have all of those things across the Trust and in our people, but we never take them for granted. Only by continuing to connect people with wildlife can we hope to save it for the future.

We are, and always have been, a people-powered movement and by coming together we can demonstrate to decision makers and politicians that nature matters.



Deborah Tann
Chief Executive



“

This year I have been overwhelmed by the commitment, dedication and passion of our staff, volunteers and supporters

”



Our Impact



Wildlife & Nature Reserves

In 2016-17 we made great progress against our key conservation strategy to create a larger network of bigger, better and joined-up spaces for wildlife. We continued to protect and enhance our best wildlife sites, and worked with others to link and expand these areas, contributing further to our vision for Living Landscapes.

The Wildlife Trust is one of the largest landowners in Hampshire and the Isle of Wight, with 53 nature reserves, farms and land of high wildlife value under our management. This year our estate grew to 4,384 hectares (2016: 4,295 hectares). The newly-purchased Hockley Meadows Farm in Twyford was a strategically important acquisition, now providing a vital hub for our conservation management across the Itchen Valley. Under the careful management of Laura Fairs and Jack Norris, our conservation grazing operation helped us to effectively manage sensitive habitats.

On the Isle of Wight we acquired Morton Marsh, adding 10.5 hectares to our existing nature reserve at Sandown Meadows. We also secured another site nearby at Alverstone Mead. Together these sites made an important step towards creating a Living Landscape across the Eastern Yar valley, benefitting wetland species like water vole, kingfisher and snipe.

We restored two hectares of rare fen habitat at Greywell Moors nature reserve near Basingstoke, whilst conifer clearance across three hectares of heathland at Copythorne Common in the New Forest saw reptiles colonising newly-restored areas almost immediately. Led by Elliott Fairs, extensive restoration continued across 180 hectares of heathland that we manage on behalf of the Ministry of Defence (MOD) in North Hampshire.

Sound ecological evidence underpins our management and conservation practices. We are proud of the wide-range, long-term recording across many of our sites. For example, Reserves Officer Simon King has led 19 years of Wetland Bird Survey counts at Lower Test nature reserve near Southampton and Graham Dennis is responsible for 30 years of butterfly surveying at Pamber Forest near Basingstoke. Such significant datasets allow us to monitor our impact in supporting vulnerable habitats and species.

Our practical conservation work, surveys and livestock monitoring depend on our dedicated and hard-working teams of volunteers. During the year volunteers gave 29,000 hours to help manage our nature reserves.

Highlights

- A harbour seal was seen at Lower Test nature reserve, bringing joy to local people delighted to see this rare sight on their doorstep.
- This year saw the first records of 16-spot ladybird and 24-spot ladybird on Portsea Island at Milton Locks nature reserve.
- A peak count of Duke of Burgundy butterfly at Noar Hill nature reserve near Alton contributed to a change in conservation status from 'declining' to 'stable'.
- Broad-bodied chaser, scarce chaser and hairy dragonfly, as well as banded demoiselle were seen in good numbers across our sites in the Eastern Yar Valley on the Isle of Wight.
- Nightjar and woodlark were recorded on land we manage on behalf of the MOD near Fleet; we successfully created a wildlife corridor connecting the two Special Protection Areas adjacent to the site.
- A bittern was spotted at Winnall Moors nature reserve in Winchester. Our habitat management has enabled the public to witness such an impressive species within walking distance of the busy city centre.
- Our livestock herd and flock grew to 377 cattle and 181 sheep, better enabling us to graze our nature reserves and others' land for wildlife.





Hockley Meadows Farm

An incredible outpouring of support made our February purchase of Hockley Meadows Farm in Twyford possible. Over 1,600 people donated to our appeal and, combined with contributions from organisations like Banister Charitable Trust, Southern Co-op and The Calleva Foundation, we were able to raise an incredible £270,438. This, together with a generous gift in a will from Miss Patricia James, meant we were able to secure the purchase of the 12.6 hectare farm at the heart of the Itchen Valley.

As well as providing a new base for our conservation grazing operations, it is another piece of the jigsaw of habitats that we manage or influence along the River Itchen. The opportunity to buy the farm arose as a result of a long-standing relationship with the landowner. Our conservation grazing team got to work quickly, readying the fencing and barns before the arrival of the first animals. This spring 99 lambs were born in the safe confines of the farm.



THE PRINCE'S
COUNTRYSIDE
FUND



Jordans Farm Partnership

The Jordans Farm Partnership is a new and unique collaboration between Jordans Cereals, the Wildlife Trusts, LEAF (Linking Environment and Farming) and the Prince's Countryside Fund. Alison Cross, the Trust's Principal Farm Advisor, has been involved with the Jordans Farm Partnership from the start when she was asked to work with farmers across the country to design and develop the scheme. The concept is simple; the farmer does more for wildlife and receives

a premium payment from Jordans for doing so. Now the scheme is in place, Jordans farmers manage a minimum of 10% of their land for wildlife, half of this specifically to address the needs of pollinators, as well as tailoring management to benefit locally sensitive species. In the coming years, the scheme will be rolled out across all 42 Jordans farms, including four in Hampshire, meaning 44,500 acres across the UK will be farmed with wildlife in mind.

Our Impact



Conservation Beyond Our Nature Reserves

Our impact extends beyond the boundaries of the land we manage. We build partnerships, deliver funded projects for specific habitats and species as well as providing advice and consultancy to others. This year we gave advice on managing 15,530 hectares across the two counties.

Our wholly-owned subsidiary, Arcadian Ecology and Consulting Limited, provides ecological services, land advice and specialist environmental contract supervision to a range of clients, including government agencies, local authorities, community groups and private landowners. All surplus funds from paid-for services are gifted back to the charity. This year our ecology team, led by Debbie Whitfield, completed protected species surveys for bats, water voles, dormice, white-clawed crayfish and great crested newts. This included species surveys for Gilbert White's House in Selborne, helping them to deliver an exciting project at the home of the eponymous naturalist who was a key advocate of the 'arcadian' school of ecological thought.

As part of our Living Landscape aspirations in North Hampshire, we worked with our partners on significant sites such as Blackbushe Airfield and Tweseldown racecourse — both Sites of Special Scientific Interest (SSSI) and Special Protection Areas that were in a state of neglect and decline. Having written management plans

for both sites, we have assisted with restorative conservation work. We also took a key role in the Heritage Lottery funded Heathlands Reunited project, offering advice and expertise on managing heathland and mitigating recreational pressure.

We continue to work with partners to deliver the New Forest Land Advice Service. Since 2010, the service has supported farmers, commoners and land owners 521 times providing advice, training and habitat restoration. In recent years mire habitat has been restored on a large farm near Bransgore, improving the land for marsh pennywort and bog myrtle.

Through the 'Down to the Coast' project on the Isle of Wight, wetland project officer Steve Egerton-Read delivered extensive habitat restoration on private land across the Eastern Yar Valley, including Alverstone Marsh SSSI. Early indications show that a number of wetland plants are now flourishing at Alverstone, including bur marigold, cypress sedge and common valerian. Thanks to Heritage Lottery funding for the same project, we recruited a Woodlands Assistant and enabled four apprentices to learn vital woodland conservation skills. Their practical work is helping to restore ten neglected woods in the East Wight, benefitting red squirrels, dormice, bats and woodland butterflies.

Highlights

- We continued to lead the National Water Vole Database and Mapping Project, working in partnership with the Royal Society of Wildlife Trusts and People's Trust for Endangered Species. This pioneering research project surveys water vole distribution and identifies areas for conservation. An updated report will be published next year.
- Senior Ecologist Ben Rushbrook completed an extensive macro-invertebrate survey of the River Itchen headwaters for Eastleigh Borough Council and played an instrumental role in the wetland enhancement work for the Environment Agency at Tichborne.
- Our ecology team carried out Environmental Impact Assessments to inform coastal habitat creation plans in the Solent.
- As part of 'Our Past, Our Future', the Heritage Lottery funded partnership project in the New Forest, we led volunteer wildlife surveying. This resulted in nearly 2,000 new records for 143 species including the rare barbastelle bat.
- We employed two Trainee Ecologists, supported by funding from major donors, as well as a Trainee Assistant Reserves Officer thanks to funding from The Roger and Ingrid Pilkington Charitable Trust.

Our Impact



People & Nature

People are at the heart of a future rich in wildlife; public support for measures to protect and restore wild places is essential. Meanwhile, mounting evidence shows how a connection with wildlife is beneficial for mental and physical wellbeing. With this in mind we continued to provide opportunities for people of all ages to experience and engage with the natural environment.

The Wildlife Trust is now the largest provider of environmental education in the two counties. In 2016-17 we supported 220 formal school visits and 702 informal education sessions. In total, we offered over 17,000 opportunities for children to learn about local wildlife.

Our extensive education and events programme is made possible by our committed volunteers, who generously give their time to inspire others with their expertise and passion for local wildlife. Nearly 10,000 hours were given during the year to facilitate Forest School sessions, lead Wildlife Watch and Tots sessions, organise walks and talks and other valuable learning experiences.

Wherever possible we strive to offer opportunities that are open to all, regardless of age or mobility. This year we received generous grant funding and

in-kind support from a variety of organisations for pathway and accessibility improvements at Testwood Lakes and Swanwick Lakes.

Through carrier bag levy funding from Southern Co-op, we led 10 Wildlife Trusts across the South of England to encourage families to explore nature in their neighbourhoods. We continued to help people learn more about local wildlife through our WildLine information service, managed by Deborah Griffiths, which received 562 enquiries this year.

It is vital that people care about our marine environment too. Initial development funding from the Heritage Lottery Fund has enabled us to explore ways to interest people in marine wildlife, under the banner Secrets of the Solent. If successful in securing further funding, we will deliver an innovative four-year programme to encourage people to care for their local marine environment and reduce activities that can damage important habitats. Under the separately-funded Down to the Coast project, Assistant Education Officer Ric Temple coordinated our 'Wildbeach' programme on the Isle of Wight. Over 1,190 individuals were engaged in repeated visits to the coast, including families and eight school groups.

Highlights

- In our two counties, nearly 1,000 people took part in The Wildlife Trusts' annual 30 Days Wild challenge, finding ways to incorporate nature into their lives every day throughout June.
- At Blashford Lakes nature reserve near Ringwood we re-established the Bird Trail in partnership with Hampshire Ornithological Society. The event was supported by Chris Packham and attracted eight teams of young wildlife enthusiasts.
- Vitacress generously funded an outdoor education programme in Andover, allowing us to provide new opportunities for children to engage with nature in North Hampshire.
- Our Young Naturalists group for teenagers, led by Tracy Standish at Blashford Lakes and supported by the Cameron Bepolka Trust, was a finalist in CPRE's Countryside Awards 2016.
- Our Woodland Therapy programme for people with mental health issues, run by Kathy Grogan, was shortlisted for a National Lottery Award under the Health category. We were delighted that the concept of using nature to support health and wellbeing was recognised.
- Winchester-based company Denplan funded a new monthly Wildlife Tots group at St Cross.



Milton's Hidden Seashore

Our Milton's Hidden Seashore project has demonstrated how to build a community around urban nature reserves. There is an abundance of wildlife in this small pocket of Portsmouth, including oystercatcher, curlew, and common lizards. It also has a rich cultural heritage, having started life as part of the Portsmouth to Arundel canal, and later inspired Portsmouth's most prolific painter, Edward King. Thanks to the Heritage Lottery Fund, a programme

of events, led by Community Education Officer Jess Parsons, has raised the profile of this wildlife haven with some 1,400 people joining us for events connected to the nature reserve. This included public art events, drop-in open days and school visits. We will continue this work with the commission of a special documentary about the reserve and local history, and the establishment of a Friends of Milton Locks group to help us care for it into the future.



Barton Meadows Nature Reserve

Kings Barton is a new housing development on farmland north of Winchester. It has been controversial at times and the Wildlife Trust previously raised concerns about impacts on nearby sensitive sites including our nature reserves. Once it became adopted in the Local Plan, however, we worked closely with the developer and Winchester City Council to guide the proposals so that they provided not only a net gain for wildlife, but also an attractive place for new residents to enjoy. The

planning process identified a need to create new habitats for wildlife displaced by the development. This year we reached an important milestone where we secured the management of 30 hectares adjacent to the site, now known as Barton Meadows nature reserve. The land will be re-seeded and converted into two large wildflower meadows, which will be home to bees, butterflies and birds, and become a cherished place for the local community.

Our Impact



Standing Up For Wildlife

As well as directly supporting wildlife through conservation, it is vital that we use our expertise and knowledge to influence decisions and shape the wider legislative and regulatory environment.

This year we responded to over a hundred consultations on planning, freshwater and marine issues, and promoted the social and economic value of the natural environment among businesses, local authorities and partner organisations. We continued to play a lead role on freshwater catchments, co-hosting both the Test & Itchen and the Loddon Catchment Partnerships. This year we developed two major bids for freshwater conservation work and delivered a targeted suite of projects to influence policy and practice externally. Two members of staff, Ali Morse and Tim Ferrero, were seconded to the Royal Society of Wildlife Trusts to provide expertise in freshwater and marine policy.

In the New Forest we promoted large-scale conservation efforts in liaison with the Forestry Commission including major wetland restoration, the Forest Design Plan, and a ban on commercial picking of fungi. We worked with Natural England and landowners to define a route for the England Coast Path that minimises the impact on coastal

wildlife, while also developing a major update to the Solent Waders and Brent Goose Strategy. We continued to influence strategic mitigation packages to protect wildlife from the impacts of development, especially in Hampshire's heathlands, the New Forest and the Solent.

We worked with key stakeholders and regulators to ensure the future designation of four recommended Marine Conservation Zones in what will be the third and final tranche of designation in the next two years. We took the lead in preparing a joint response for the South East Wildlife Trusts to the Marine Management Organisation's South Marine Plan. When the final plan is published in late 2017, it will form the long-term guidance and strategy for marine developments and activities in our region.

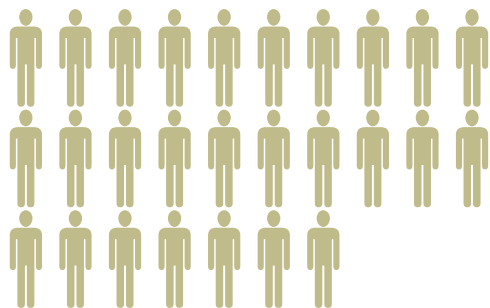
The referendum on the UK's decision to leave the European Union (EU) was a key moment to make the case for wildlife. We worked as part of the Greener UK Alliance to call on the Government to ensure future environmental protections meet or exceed those currently set by the EU. Locally we secured commitments from 10 MPs who signed a Pledge for the Environment.

Highlights

- Our work with the Southern Inshore Fisheries and Conservation Authority has led to the strengthening of management measures within European Marine Sites. This includes new byelaws to prohibit bottom towed fishing gear in sensitive habitats and to manage the impacts of dredge fisheries more effectively.
- We liaised with the Environment Agency to identify ways of dealing with the problem of coastal squeeze along the Hampshire coast. Through the Regional Habitat Creation Programme we aim to create new areas of coastal and wetland habitats to replace those being lost due to sea level rise, allowing wildlife to adapt to climate change.
- We were alerted to 4,039 planning applications and 45 policy documents that had the potential to impact wildlife. Our planning specialist Trevor Codlin responded to 129 consultations in detail where the impact was judged most significant. Notable successes included the prevention of a fibre optic cable being installed through saltmarsh and intertidal habitats at Lymington and Keyhaven Marshes nature reserve.
- Working with the Environment Agency and other partners, we prepared a report analysing sources of polluting phosphorus in the delicate ecology of the upper River Itchen.



Our Year in numbers



24,561
members
(2016: 26,015)



1,400
volunteers
(2016: 900)

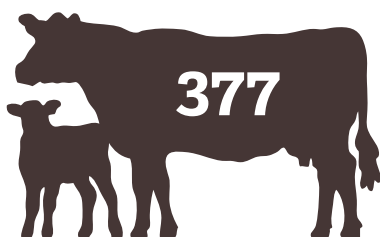


76
employees
(2016: 83)



4,039

We were alerted to **4,039** planning applications and **45** policy documents that had the potential to impact wildlife. We responded to **129** consultations in detail where the impact was judged most significant.



377

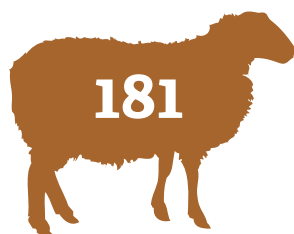
Our livestock herd grew to **377** cattle, better enabling us to graze our nature reserves and others' land for wildlife

£126,613 received from gifts in wills allowing us to invest in future conservation priorities



In 2016/17 we gave land advice on **15,530** hectares outside our estate

15,530



181

Our flock grew to **181** sheep. Hockley Meadows Farm in Twyford has proved to be an excellent home for our sheep, with **99** lambs born there in spring

£££££

£2,378,366

spent on conservation

£££££

£££££

£577,086

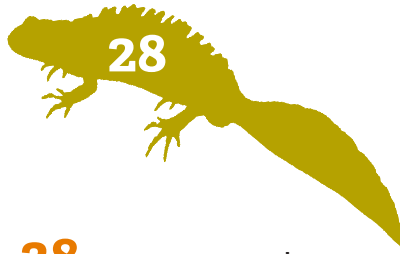
spent on education and engagement activities

Volunteers contributed **44,228** hours of their time, equivalent to **6,347** days or **29** members of staff

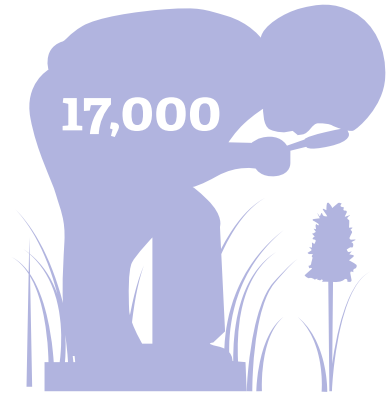




Volunteer wildlife surveying in the New Forest resulted in nearly **2,000** new records for **143** species including the rare barbastelle bat.



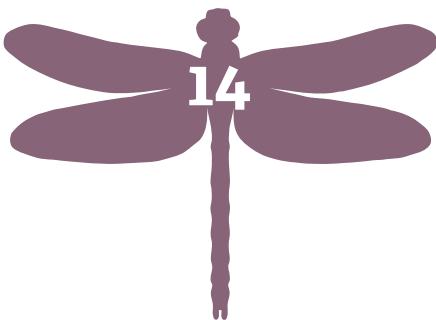
28 great crested newts were recorded at Emer Bog & Baddesley Common nature reserve near Romsey



220 formal school visits and **702** informal education sessions. In total, we offered over **17,000** opportunities for children to learn about local wildlife.



A peak count of **59** Duke of Burgundy butterflies at Noar Hill nature reserve near Alton, contributed to a change in conservation status from 'declining' to 'stable'



14 species of dragonfly and damselfly were recorded at Bouldnor Forest on the Isle of Wight, including a new species for the nature reserve – the southern emerald damselfly



4,384 hectares of land across the two counties are directly managed by Hampshire & Isle of Wight Wildlife Trust (2016: 4,295)



The improved sand martin bank at Testwood Lakes was successful with **77** nesting burrows occupied over the summer (2015: 62 burrows)



1 newly-discovered species – the grey sea slug *Aeolidia papillosa* – found on a Shoresearch survey at Lee-on-the-Solent. This is our first record of this species in Hampshire.



384 people attended our adult learning courses (2016: 269)

Looking Ahead



Delivering our Vision

Our long-term vision for the future remains unchanged — we want our **land and seas to be rich in wildlife and valued by everyone**. We aim to halt the decline in biodiversity and reduce the fragmentation of habitats. Our strategic approach is to create **Living Landscapes and Living Seas** across Hampshire and the Isle of Wight, a network of wildlife-rich and connected habitats that can help nature survive and thrive on land and at sea. We also aim to inspire as many people as possible to join us in this mission.

Whilst this remains certain, the funding, legislative and regulatory environment around us is evolving rapidly and so our plans for the year ahead are, in part, focused on **navigating and responding to these changes**; maximising opportunities, **addressing risks** and ensuring that we remain on course to achieve our long-term strategic goals for wildlife.

Over the past 15 years we have more than doubled the land in our care. In the year ahead we aim to complete the **acquisition of at least one new nature reserve and secure further land for wildlife**, some of which we have been working to safeguard for several years. The addition of Hockley Meadows Farm in Twyford means that we will be able to strengthen our grazing operation, making the best use of our growing herds to naturally manage our land and other sites for the benefit of wildlife.

In order to achieve our long-term vision of Living Landscapes, it is vital that we **work with farmers and landowners outside our estate**, helping them to improve their land for wildlife. Last year we gave advice on over 15,000 hectares of land. In 2017-18 we will build on the solid successes achieved through the Jordans Farm Partnership, our farm advice projects and Catchment Partnerships to increase our impact even further. We will prioritise opportunities where we can increase connectivity between habitats, creating corridors and pathways that will help to protect and restore vulnerable species.

Our consultancy, **Arcadian Ecology and Consulting Limited**, is a real asset to the organisation, enabling us to provide high quality and essential expertise for others, whilst supporting our wider conservation aims and generating much-needed funds for the Trust. We envisage this consultancy growing over the coming year and we will expand the range of services we offer. Major projects in the coming year will also include the revised Solent Waders and Brent Goose Strategy and a biodiversity monitoring project for the New Forest.

Our involvement in **landscape partnership projects**, such as Down to the Coast on the Isle of Wight and Our Past, Our Future in the New Forest, will enable us to make tangible improvements

to biodiversity, whilst encouraging hundreds of others to take action for nature.

Projects such as Young Naturalists, Woodland Therapy and Milton's Hidden Seashore prove the impact that we can have through connecting people with wildlife and offering high quality education and engagement activities.

This is an important part of our achieving our strategic vision. It is vital that we are able to **inspire and mobilise more people to care for wildlife and support the work of the Trust**. Exciting campaigns, such as our 30 Days Wild challenge, will be used to engage new and existing audiences, complemented by a new website and an extensive programme of events and courses.

Improvements will be made to some of our most popular nature reserves to enhance the visitor experience. Better interpretation and facilities will allow visitors to discover the wildlife of the reserve as well as our wider work.

There will be a particular focus in **developing new ways to engage urban communities, schools and groups**; working with Portsmouth City Council, for example, to reconnect residents with their local green spaces.

We also hope to secure further funding to deliver Secrets of the Solent, an ambitious four-year engagement programme aimed at people who use or live alongside our local seas.

We will raise our profile as **a champion for wildlife**, taking every opportunity to positively shape policy and legislation. This means joining forces with Wildlife Trusts and other organisations to make the case for maintaining and improving our environmental laws and frameworks as the UK withdraws from the European Union.

At a local level, we will **stand up for wildlife in new developments** and encourage planning authorities to reflect joined-up ecological networks in their policies. We will seek to deliver tangible benefits through proposed housing schemes; aiming for a net gain for biodiversity where possible. **Greater marine protection** is required and we will push for our local waters to



School visit to Blashford Lakes nature reserve © Rex Waygood

be included in the third and final tranche of Marine Conservation Zones. We will work with water companies to **clean our rivers and to restore sustainable resource use** through Catchment Partnerships.

Dealing with Risks and Challenges

Achieving our vision is challenging, particularly given the growing pressures on our environment and the resource constraints that the Trust must operate within. Our plans for the year ahead are ambitious and are focused on significantly **increasing our reach and impact**. There are risks to us achieving our aims but we have robust plans in place to navigate and deal with the challenges ahead.

We are buoyed by the support, passion and loyalty of our tens of thousands of members and supporters. Although we have seen a drop in membership numbers in the past year we know that with renewed investment and focus we can reverse this decline and inspire people to join us. To help us rebuild numbers we have joined with seven other Wildlife Trusts to invest in a collaborative venture – South West Wildlife Fundraising Limited – focused on reaching thousands of people and enabling us to **grow membership numbers** through face-to-face supporter recruitment at events, shows and on our nature reserves across the region.



Harvest mouse © Natalie Light

Looking Ahead (cont.)

In addition to the financial support of members, we also rely on funding from a wide variety of sources including individual donors, grant making trusts, public bodies and businesses. Our supporters are at the heart of everything we achieve and **we are committed to fundraising in a responsible way** so that they have a positive experience and are clear how their money is helping wildlife.

We employ a small fundraising team that undertake a range of activities including grant applications, legacy marketing, membership recruitment and corporate fundraising. We rarely work with external agencies, although in the past year we employed QTS to conduct telephone welcome calls to new members.

The Trust follows best practice and has **registered with the new Fundraising Regulator**. In line with our fundraising promise (www.hiwwt.org.uk/responsible-fundraising) we work hard to ensure that supporters understand how their money will be used. We take all reasonable steps to protect the public, including vulnerable people, from intrusive or persistent fundraising approaches. We observe the principles of supporter care at all times and ensure that people never feel undue pressure to donate. **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. Our approach is reflected in the low levels of negative feedback and complaints we receive.

The Fundraising Regulator requires us to complete an Annual Return detailing all fundraising activity conducted in the past year, methods used and any complaints received. The Trust has good systems in place to collect this information for reporting purposes. In 2016 we reported nine fundraising complaints, which related to the frequency of addressed mailings, telephone fundraising and face-to-face fundraising. We responded to these complaints and resolved the issues raised.

To comply with data protection rules the Trust has identified where opt-in consent is required. This information determines who we contact, how we contact them, and what we contact them about.

New fundraising regulations and data protection laws mean that the Trust must continue to **invest in information technology systems** to ensure we have fit-for-purpose data management and communication systems. The Trust has been investing in IT for the past three years, including three new servers, a new finance system and measures to improve data security. All supporter data is held on a highly secure database which is regularly updated. Our IT is managed by Taylor Made Computer Systems who are also responsible for cyber security, data backups and business

continuity from an IT perspective. In response to the **new fundraising regulations and data protection legislation** the Trust is undertaking a thorough review of all procedures to ensure we are fully compliant and able to report to the regulators as required. This work will continue throughout 2017-18.

Local groups carry out events and fundraising activities on the charity's behalf. Our staff meet regularly with these groups to provide training and guidance to ensure they comply with Trust policies and fundraising regulations. For events that are part of a larger charitable giving scheme, such as the Great South Run, we offer general guidance and support to individuals fundraising in aid of the Trust.

A number of businesses and commercial partners support our work. To ensure that we adopt a transparent, professional and consistent approach towards such partnerships, we have an ethical partnerships policy to guide decision making. This includes due diligence checks on potential partners.

Changes to statutory funding also present an ongoing challenge for the organisation. In particular, leaving the European Union creates significant financial uncertainty for the Trust.

A large proportion of the funding for managing our nature reserves comes from agri-environment schemes derived from European policy. Whilst the Government has pledged to maintain payments for the current Parliament, the long-term future of this income source remains unknown. Some of the rules have already changed and many of the Trust's existing schemes will expire during the period.

A review of all agri-environment agreements held by the Trust has been undertaken following an inspection by the government agency responsible. A number of significant amendments have been made and this, in turn, has led to a drop in income. As the Trust renews expiring agreements, a change in the rules means there will be timing gaps before new ones become effective. A financial model has been developed to predict shortfalls



Above: Wildbeach session, Isle of Wight © HIWWT, Below: Prince's Trust visit Blashford Lakes © New Forest National Park Authority

in funding between 2017 and 2022. The size of this risk in financial terms is in the region of £500k. Whilst the Trust is starting to develop new sources of income to fill this gap, we have identified the potential use of designated funds as a contingency. As shown in note 16 the separate designated funds for nature reserves management have been amalgamated into one fund for "land management and acquisition" to allow greater flexibility in dealing with all of these uncertainties.





Financial Review

Hampshire and Isle of Wight Wildlife Trust had a positive year with a small net surplus in unrestricted funds for the first time in several years. Whilst funding remains a challenge, the loyal support of our members, our focused business plan and robust management of our finances are helping to move us in the right direction.

The overall surplus for the year to March 2017 was £549,966 (including unrealised investments gains of £102,267); this compares favourably with the previous year to March 2016 (£46,495). 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 at unrestricted funding first, this grew by £222,668 (7%) compared with the previous year when our unrestricted income dropped by 7%. This total includes the funds received for two land purchases (£270,438 towards Hockley Meadows Farm and £78,000 towards Morton Marsh). We also received £126,613 in legacy gifts which have been put into designated funds for future spending.

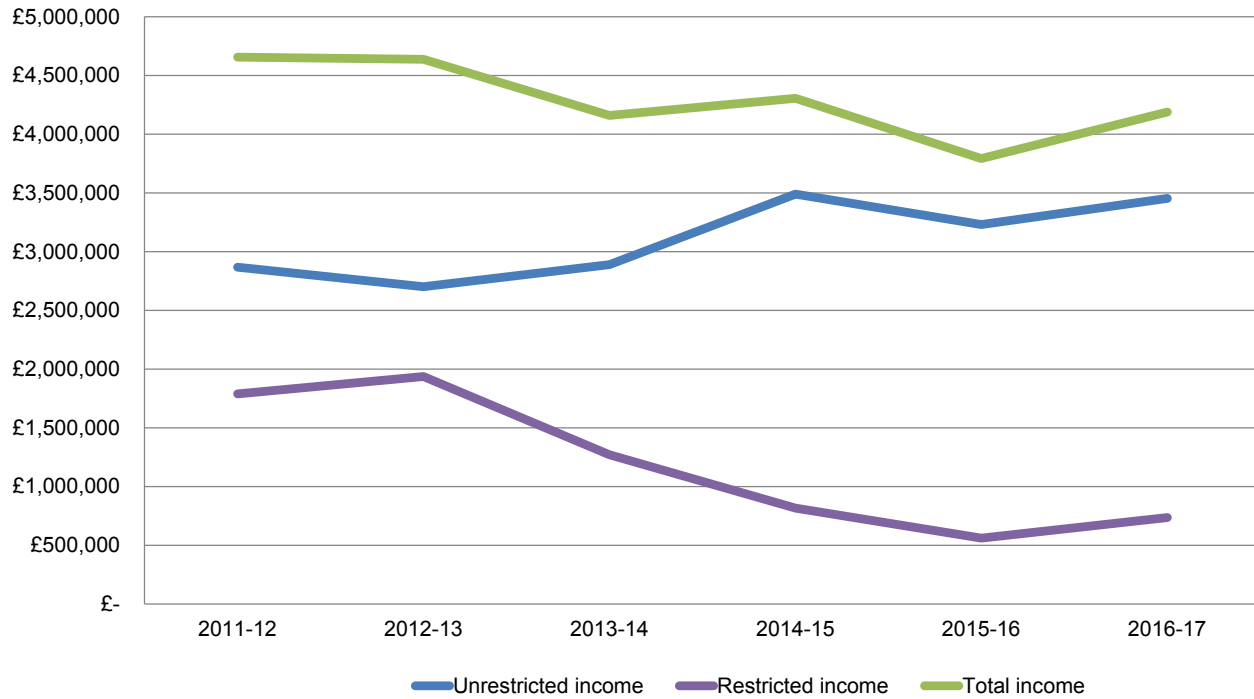
Turning to restricted funding (income from grants and for specific projects), we saw a rise of £173,945 (31%) compared with the previous year. Whilst this is welcome improvement, the longer-term trend in restricted funding shows a significant reduction, when compared with the position five years ago.

The Trust's freehold buildings were revalued in the year, having last been valued in 2010, adding £897,500 to the balance sheet. The acquisition of Hockley Meadows Farm and Morton Marsh have added a further £400,000 and £81,014 respectively. In addition, a change in accounting policy, explained in note 12, meant adding £229,639 to the value of existing Heritage Assets held by the Trust. These increases in value are reflected in both the balance sheet and the General Fund.

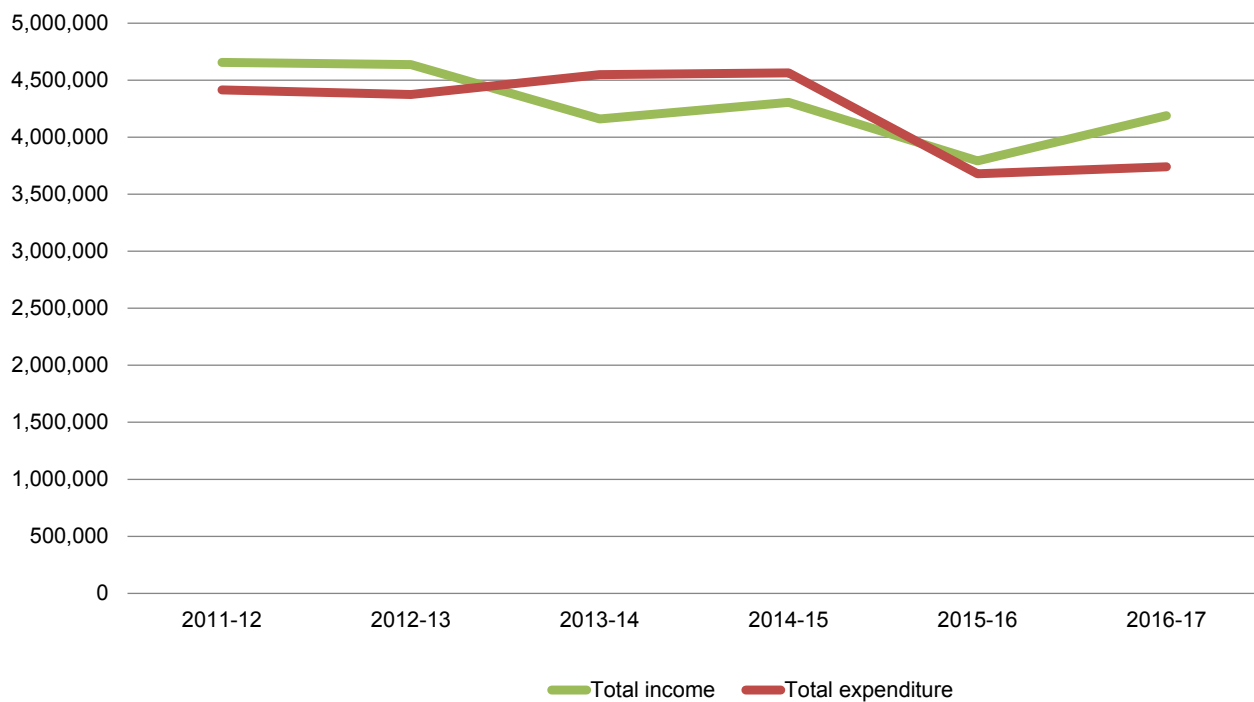
The next few years will remain challenging. The economic climate, changes to funding and the ramifications from exiting the European Union, will all have an impact on the Trust's resources. We must remain focused on covering our operating costs to ensure the organisation has a sustainable future. With the competition for grants continuing to rise and the growing constraints on public-sector resources, restricted funds are increasingly difficult to secure and so building our unrestricted income is our top priority.

Unrestricted income also provides greater flexibility to respond to external challenges and invest where the need is greatest. Our overall financial strategy has not changed and over the next two to three years we will focus on building medium to long-term growth in new income, whilst ensuring the sustainability of our expenditure in the short-term.

Income Trends 2011-2017



Income and Expenditure between 2011-2017



Income analysis 2016/17

Total incoming resources for the year increased by 10% compared with the previous year at £4,189,290 (2016: £3,792,678).

Unrestricted income increased by 7% to £3,453,562 (2016: £3,230,895), mainly due to a larger donation from the trading company compared with last year, as well as an increase in general donations and appeal donations allocated to the purchase of Hockley Meadows Farm. There was, however, a decrease in income from membership subscriptions and from legacies.

Membership income reduced by 4% to £1,044,842 (2016: £1,090,894). During the year we took a step back to review our in-house membership recruitment operation. This led to the decision to invest in South West Wildlife Fundraising Limited (SWWFL) — a membership recruitment company owned by seven Wildlife Trusts in southern England, to include Hampshire and Isle of Wight Wildlife Trust from May 2017. The cost of this investment will be a loan of £11,000 (repayable in 2018) together with an annual service charge and commission payments broadly comparable to costs previously spent by the Trust. However, 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 will help the Trust to reach more people and rebuild membership growth.

Legacy income reduced to £126,613 (2016: £357,237). This is an unpredictable but very important source of income which we aspire to grow further. A revamped legacy programme was developed during the year and this will go live during 2017-18.

In its first year of trading, Arcadian Ecology and Consulting performed as planned with a profit of £34,537. The profit was gifted to the charity as a deed of covenant and represents unrestricted income for the Trust.

Restricted income took an upward turn during the year, increasing to £735,728 (2016: £561,783). Several new projects began in the year, each bringing in new sources of grant funding.

Expenditure analysis 2016/17

Total expenditure for the year of £3,741,591 increased slightly by 2% compared with the previous year (2016: £3,680,322). This is in line with new funded projects and activities as noted above.

Expenditure on delivering charitable activities (conservation, education and membership) was £3,164,712 (2016: £3,256,243), representing 85% of the total resources expended (2016: 89%).

Expenditure on conservation activities decreased slightly from the previous year due to the completion of projects. Expenditure on engagement and education activities increased by 14% due to a number of new funded projects which started during the year.

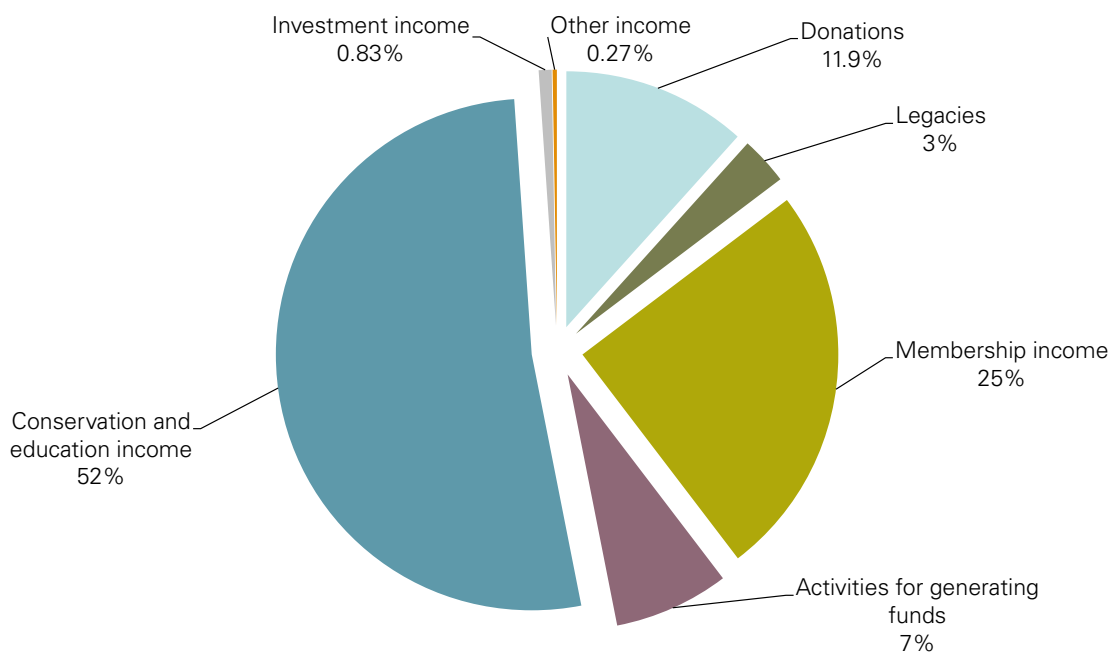


Total expenditure includes support costs (finance, human resources, information technology and facilities) of £841,543 (2016: £778,794), which are allocated proportionally across all activities depending on staff numbers. Support costs increased due to investment in information technology. Governance costs include audit fees and staff costs allocated to Governance activities, representing 1.9% of our total expenditure.

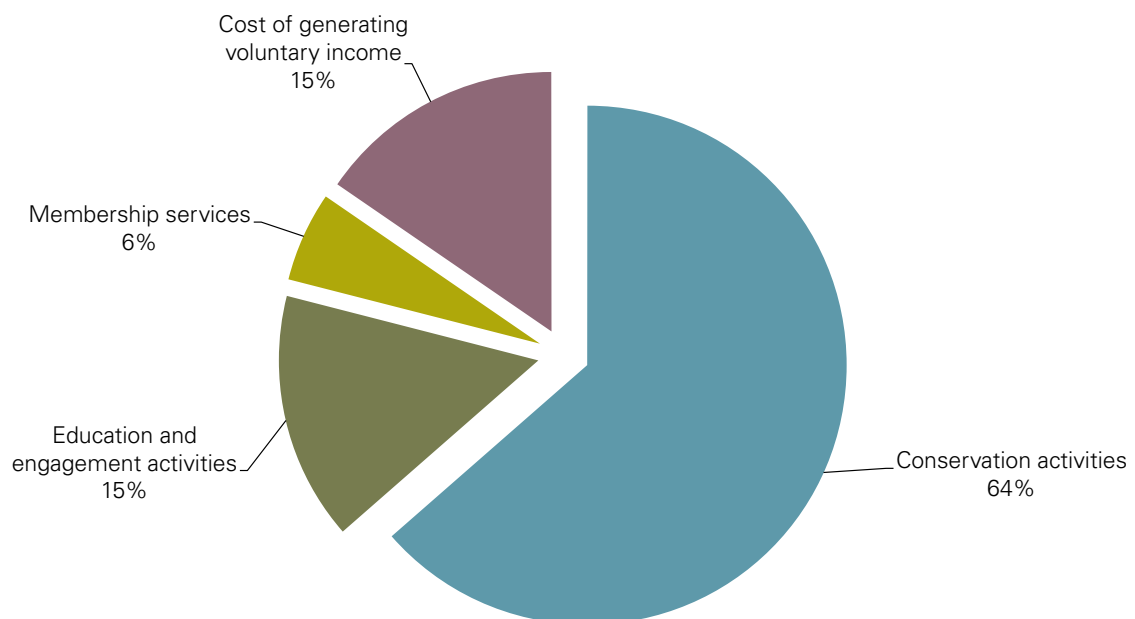
Also included in the total expenditure is the annual contribution we make to the Royal Society of Wildlife Trusts (£67k) which funds the work they do on behalf of The Wildlife Trusts across the UK.

Total staff costs reduced to £2,184,546 (2016: £2,374,229) having completed the organisational restructure and other business changes designed to make the Trust a more sustainable organisation in the current financial climate.

Income 2016/17



Expenditure 2016/17





Investments

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

Investments produced an unrealised gain of £97,440 (2016: £61,627 unrealised loss), a realised gain of £4,827 (2016: £34,697) and income of £34,151 (2016: £35,114).

As at 31 March 2017 the Trust's investments had a market value of £1,036,369 (2016: £934,201).

Financial Reserves

The Trust's financial reserves are made up of a small permanent endowment fund of £4,508 (2016: £4,508), and a variety of restricted and unrestricted funds, some of which have been designated for a specific purpose.

Total funds as at 31 March 2017 were £8,032,762 (2016: £6,355,657).

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 2017 restricted funds (not including restricted heritage assets) were £223,760 (2016: £269,351). 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 is due to expenditure on funded projects during the year.

Unrestricted Funds

Designated Funds

Some of the Trust's unrestricted funds have been designated by Council and set aside to support land management and acquisition, and to support specific work in future years. As part of the Trust's risk review in relation to changes in agri-environment funding, Trustees decided to amalgamate a number of separate designated funds for land management into a single fund, giving greater flexibility to deal with this risk in the coming years. As at 31 March 2017 designated funds totalled £979,873 (2016: £1,100,914). Further details of these funds and the purposes for which they are intended are provided in note 16.

General fund

The remainder of the Trust's unrestricted funds is held in a general fund, which as at 31 March 2017 was £5,911,441 (2016: £4,148,718). Of this, £4,645,910 represents unrestricted fixed and heritage assets (2016: £3,136,020).

Reserves policy

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, premises, 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 in the interim. Cash flow is monitored daily by Trust staff and reviewed by the Trust's Business and Finance Committee quarterly. Currently, the expected annual cash flow fluctuation is likely to be in the region of £800k. The current level of free reserves is considered sufficient to mitigate risk.

As at 31 March 2017 the free reserves were £1,265,531 (2016: £1,012,698).

SIGNED ON BEHALF OF COUNCIL on 5 September 2017



Peter Vaughan
Honorary Treasurer





Independent Auditor's Report

to the members of Hampshire and Isle of Wight Wildlife Trust

We have audited the financial statements of Hampshire and Isle of Wight Wildlife Trust for the year ended 31 March 2017 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).

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 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.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page 55, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company and the charitable group's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its results, 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

A handwritten signature in black ink, appearing to read 'P E H Wright', located below the text of the auditor's name.

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: 5 September 2017







Financial Statements

Consolidated statement of financial activities

for the year ended 31 March 2017

	Notes	Unrestricted Funds	Restricted Funds	Endowment Fund	Total Funds 2017	Total Funds 2016
INCOME FROM		£	£	£	£	£
Donations and legacies	2	603,579	11,836	-	615,415	559,020
Charitable activities	3	2,500,172	723,892	-	3,224,064	3,000,971
Other trading activities		304,431	-	-	304,431	184,818
Investments		34,151	-	-	34,151	35,114
Other		11,229	-	-	11,229	12,755
Total income		3,453,562	735,728	-	4,189,290	3,792,678
EXPENDITURE ON						
Raising funds	4	576,879	-	-	576,879	424,079
Charitable activities	5	2,456,819	707,893	-	3,164,712	3,256,243
Total expenditure	6	3,033,698	707,893	-	3,741,591	3,680,322
Net gains/(losses) on investments	13	102,267	-	-	102,267	(65,861)
NET INCOME/(EXPENDITURE)		522,131	27,835	-	549,966	46,495
Transfers between funds	16	(7,588)	7,588	-	-	-
Other recognised gains/(losses):						
Gains on revaluation of fixed assets		897,500	-	-	897,500	-
Heritage assets not previously valued		229,639	-	-	229,639	-
Net movement in funds		1,641,682	35,423	-	1,677,105	46,495
RECONCILIATION OF FUNDS						
Total funds brought forward		5,249,632	1,101,517	4,508	6,355,657	6,309,162
TOTAL FUNDS CARRIED FORWARD		6,891,314	1,136,940	4,508	8,032,762	6,355,657

Continuing operations

All incoming resources and resources expended arise from continuing activities.

Balance sheets as at 31 March 2017

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	
		2017	2016	2017	2016
FIXED ASSETS					
Tangible assets	11	3,971,380	2,691,129	3,971,380	2,691,129
Heritage assets	12	1,587,710	1,277,057	1,587,710	1,277,057
Investments	13	1,036,369	934,201	1,036,569	934,301
		6,595,459	4,902,387	6,595,659	4,902,487
CURRENT ASSETS					
Stock		279,210	200,862	279,210	200,862
Debtors	14	1,090,137	678,198	1,101,002	642,802
Cash at bank and in hand		817,986	1,254,849	779,619	1,195,829
		2,187,333	2,133,909	2,159,831	2,039,493
CREDITORS					
Amounts falling due within one year	15	(750,030)	(680,639)	(722,728)	(586,323)
NET CURRENT ASSETS		1,437,303	1,453,270	1,437,103	1,453,170
TOTAL ASSETS LESS CURRENT LIABILITIES		8,032,762	6,355,657	8,032,762	6,355,657
NET ASSETS		8,032,762	6,355,657	8,032,762	6,355,657
FUNDS					
	16				
Endowment funds		4,508	4,508	4,508	4,508
Restricted funds		1,136,940	1,101,517	1,136,940	1,101,517
Unrestricted funds:					
Designated funds		979,873	1,100,914	979,873	1,100,914
General fund		5,911,441	4,148,718	5,911,441	4,148,718
TOTAL FUNDS		8,032,762	6,355,657	8,032,762	6,355,657

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

The financial statements were approved by the Board of Trustees on 5 September 2017 and signed on its behalf by:



David Jordan OBE
Chairman of Council



Peter Vaughan
Honorary Treasurer

Consolidated cash flow statement

for the year ended 31 March 2017

	Notes	2017	2016
		£	£
Cash flows from operating activities:			
Cash generated from operations	a	83,581	723,175
Net cash provided by (used in) operating activities		83,581	723,175
Cash flows from investing activities:			
Purchase of tangible fixed assets		(477,226)	(120,106)
Purchase of heritage assets		(81,014)	-
Sale of fixed assets		3,555	7,808
Purchase of fixed asset investments		(46,500)	-
Sale of fixed asset investments		46,590	290,300
Interest received		34,151	35,114
Net cash provided by (used in) investing activities		(520,444)	213,116
Change in cash and cash equivalents in the reporting period	b	(436,863)	936,291
Cash and cash equivalents at the beginning of the reporting period		1,254,849	318,558
Cash and cash equivalents at the end of the reporting period		817,986	1,254,849

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

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

	2017	2016
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	549,966	46,495
Depreciation	90,929	95,775
Gains/(losses) on investments	(102,267)	65,861
Interest received	(34,151)	(35,114)
Increase/(decrease) in stock	(78,348)	(60,362)
Increase/(decrease) in debtors	(411,939)	335,986
Increase/(decrease) in creditors	69,391	274,534
Net cash provided by (used in) operating activities	83,581	723,175

b) Analysis of cash and cash equivalents

	2017	2016
	£	£
Balance brought forward	1,254,849	318,558
Net cash (outflow)/inflow for year	(436,863)	936,291
Balance at 31 March 2017	817,986	1,254,849

Notes to the consolidated financial statements for the year ended 31 March 2017

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.

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	
	2017	2016
	£	£
Donations and Fundraising	488,802	201,783
Legacies	126,613	357,237
	615,415	559,020

3. Income from charitable activities

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2017	Total Funds 2016
	£	£	£	£	£
North Hampshire Conservation	622,724	25,568	-	648,292	572,976
Solent & IOW Conservation	202,493	139,815	-	342,308	335,479
Central & West Conservation	215,212	131,022	-	346,234	388,811
Estates & Grazing Enterprise	316,478	-	-	316,478	266,118
Education & Engagement	70,017	273,640	-	343,657	220,002
External Affairs	50,406	131,847	-	182,253	126,691
Membership	1,044,842	-	-	1,044,842	1,090,894
	2,522,172	701,892	-	3,224,064	3,000,971

4. Expenditure on raising funds

	Group	
	2017	2016
	£	£
Sales and commercial income	576,879	424,079

5. Expenditure on charitable activities

	Direct Costs	Support Costs	Total Funds 2017	Total Funds 2016
	£	£	£	£
North Hampshire Conservation	505,468	98,021	603,490	554,826
Solent & IOW Conservation	249,874	108,938	358,812	479,887
Central & West Conservation	355,734	130,341	486,075	425,949
Estates & Grazing Enterprise	496,060	129,842	625,902	531,827
Education & Engagement	381,508	195,578	577,086	505,920
External Affairs	249,024	55,064	304,088	262,545
Membership	167,009	42,251	209,260	322,642
	2,404,677	760,035	3,164,712	3,256,243

6. Total expenditure

	Staff Costs	Other Direct Costs	Support Costs	Total Funds 2017	Total Funds 2016
	£	£	£	£	£
Charitable activities					
North Hampshire Conservation	182,542	322,926	98,021	603,489	554,826
Solent & IOW Conservation	187,936	61,938	108,938	358,812	479,887
Central & West Conservation	265,905	89,829	130,341	486,075	425,949
Estates & Grazing Enterprise	279,092	216,968	129,842	625,902	531,827
Education & Engagement	321,909	59,599	195,578	577,086	505,920
External Affairs	207,272	41,752	55,064	304,088	453,192
Membership	116,946	50,063	42,251	209,260	322,642
Expenditure on charitable activities	1,561,602	843,075	760,035	3,164,712	3,256,243
Expenditure on raising funds	161,588	333,783	81,508	576,879	424,079
	1,723,190	1,176,858	841,543	3,741,591	3,680,322

7. Analysis of support costs

	Raising funds	North Hampshire Conservation	Solent & IOW Conservation	Central & West Conservation	Estates & Grazing Enterprise
	£	£	£	£	£
IT	7,529	9,053	10,063	12,040	11,993
Finance	29,131	35,033	38,934	46,583	46,405
Premises	26,738	32,155	35,736	42,757	42,593
Human Resources	11,306	13,597	15,111	18,080	18,012
Governance	6,804	8,183	9,094	10,881	10,839
	81,508	98,021	108,938	130,341	129,842

	Education & Engagement	External Affairs	Membership	2016-17 Total	Basis of allocation
	£	£	£	£	
IT	18,066	5,086	3,903	77,733	No. of Staff
Finance	69,898	19,680	15,100	300,764	No. of Staff
Premises	64,158	18,063	13,860	276,060	No. of Staff
Human Resources	27,129	7,638	5,861	116,734	No. of Staff
Governance	16,327	4,597	3,527	70,252	No. of Staff
	195,578	55,064	42,251	841,543	

7. Net Income/(Expenditure)

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

	2017	2016
	£	£
Depreciation - owned assets	90,929	95,775
Profit on sale of fixed assets	(3,455)	(7,808)
Operating leases – Land and buildings	47,107	44,857
Auditors' remuneration – provision of audit services	8,000	8,000
Auditors' remuneration – non audit services	150	8,788

8. Trustees' Remuneration and Benefits

No Directors (Trustees) or persons connected with them have received nor waived any remuneration during the year (2016: none).

No Directors (2016: four) received reimbursement of expenses for travelling during the year (2016: £530).

9. Staff Costs

	2017	2016
	£	£
Salaries and wages	1,907,387	1,984,134
Social security costs	167,846	181,392
Pension costs	109,313	208,703
	2,184,546	2,374,229

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

	2017	2016
Cost of Generating Funds	5.3	6.7
Finance and Administration (includes Governance)	8.0	7.6
Charitable Activities	62.4	60.2
	75.7	74.5

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

	2017	2016
£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 Wildlife Trust in an independently administered fund. The pension cost charged to the Statement of Financial Activities was £109,313 (2016: £207,703). The reduction was due to a change in contribution rates.

11. Tangible Fixed Assets - Group and Charity

	Freehold properties	Land	Plant and Machinery	Total
	£	£	£	£
Cost				
As at 1 April 2016	1,447,316	1,009,632	869,646	3,326,594
Additions	56,926	400,000	20,300	477,226
Disposals	-	-	(30,818)	(30,818)
Transfer	-	-	-	-
Revaluation	897,500	-	-	897,500
As at 31 March 2017	2,401,742	1,409,632	859,128	4,670,502
Depreciation				
At 1 April 2016	7,315	-	628,150	635,465
Transfer	-	-	-	-
Charge for the year	2,182	-	88,747	90,929
Depreciation on disposals	-	-	(27,272)	(27,272)
As at 31 March 2017	9,497	-	689,625	699,122
Net Book Value				
As at 31 March 2017	2,392,245	1,409,632	169,503	3,971,380
As at 31 March 2016	1,440,001	1,009,632	241,496	2,691,129

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

The charity's three freehold properties were valued as at 31 December 2010 by R E Meeson MRICS of Carter Jonas on an open market value basis in accordance with the guidelines issued by the Royal Institution of Chartered Surveyors and are included at £1,440,001. They were re-valued as at 31 March 2017 by Giles Wheeler-Bennett and are included at £2,337,500 — an increase in value of £897,500.

Land included above as tangible fixed assets consists of: Tawny Barn Field, College Copse Farm and Hockley Meadows Farm.

12. Heritage Assets - Group and Charity

	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
	£	£	£	£	£
Cost					
At start of period	1,277,057	1,277,057	1,235,057	1,235,057	1,207,057
Additions	81,014	-	42,000	-	28,000
Heritage assets not previously valued	229,639	-	-	-	-
Disposals	-	-	-	-	-
At end of period	1,587,710	1,277,057	1,277,057	1,235,057	1,235,057
Net book value					
As at 31 March 2017	1,587,710	1,277,057	1,277,057	1,235,057	1,235,057
As at 31 March 2016	1,277,057	1,277,057	1,235,057	1,235,057	1,207,057

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.

Previously no cost or valuation was given to any nature reserves acquired before 1999. A detailed review was undertaken during the year to identify whether an original cost or valuation could be placed on these assets. As a result of this review additional costs or valuation amounting to £229,639 were determined and the Trustees have agreed that Heritage Assets should be revalued by this amount as at 31 March 2017. No subsequent valuations will be undertaken in respect of any existing Heritage Asset in the future.

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 2017 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, New Forest	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	Bishops Waltham	3.0
Holmsley Gravel Pit	Bransgore, New Forest	3.0
Kitt's Grave	Martin, Fordingbridge	36.0
Knighton Down	Brading, Isle of Wight	13.4
Linwood	Appleslade, New Forest	10.5
Lower Test, The Crescent	Nursling, Southampton	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	3.0
Roydon Woods	Brockenhurst	381.0
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 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, Fareham	13.0
Upper Winnall Moors	Winchester	26.0
Weavers Down Bog	Longmoor	3.0
Whitehouse Meadows	Cove, Farnborough	1.0
Winnall Moors West	Winchester	21.5
Total		906.9

St Lawrence Undercliff Woods reduced from 3.0 to 1.5 hectares as part of a land swap with the Isle of Wight Council where the Trust was given Alverstone Mead (16.0 hectares) in exchange.

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
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		1,229.4

13. Fixed asset investments - Group and Charity

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Investments	1,036,369	934,101	1,036,569	934,301

	Listed investments	Unlisted investments	Cash and settlements pending	Totals
GROUP	£	£	£	£
Market Value				
At 1 April 2016	933,945	-	156	934,101
Additions	46,500	-	499	46,999
Disposals	(42,171)	-	-	(42,171)
Revaluations	97,440	-	-	97,440
At 31 March 2017	1,035,714	-	655	1,036,369
Net Book Value				
At 31 March 2017	1,035,714	-	655	1,036,369
At 31 March 2016	933,945	-	156	934,101

Of the £1,036,369 investments held at 31 March 2017, all holdings are held in the UK.

	Listed Investments	Unlisted Investments	Cash and settlements pending	Totals
CHARITY	£	£	£	£
Market Value				
At 1 April 2016	933,945	200	156	934,301
Additions	46,500	-	499	46,999
Disposals	(42,171)	-	-	(42,171)
Revaluations	97,440	-	-	97,440
At 31 March 2017	1,035,714	200	655	1,036,569
Net Book Value				
At 31 March 2017	1,035,714	200	655	1,036,569
At 31 March 2016	933,945	200	156	934,301

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

Of the £1,036,569 investments held at 31 March 2017, 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:

	2017
	£
Alpha Common Investment Fund for Endowments	948,350
Alpha Common Investment Fund for Income and Reserves	87,364

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

The historical cost of investments held as at 31 March 2017 was £832,374 (2016: £828,045)

14. Debtors: amounts falling due within one year

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	270,326	566,168	202,457	499,862
Other debtors	768,250	9,960	765,410	9,960
Prepayments and accrued income	51,561	102,070	51,561	102,069
Amounts due from group undertakings	-	-	81,574	30,911
	1,090,137	678,198	1,101,002	642,802

15. Creditors: amounts falling due within one year

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	174,585	206,932	168,142	141,596
Other creditors	27,715	31,816	27,714	31,816
Accruals	134,717	107,905	133,187	107,905
Taxation and Social Security	70,461	74,137	58,473	45,157
Amounts owed to group undertakings	-	-	3,229	-
Deferred Income	342,552	259,849	331,983	259,849
	750,030	680,639	722,728	586,323

16. Movement in Funds

	Balance as at 1 April 2016	Incoming Resources	Resources Expended	Balance before movements at 31 March 2017	Investment Gains/ (Losses)	Transfers	Balance as at 31 March 2017
	£	£	£	£	£	£	£
Unrestricted funds							
Designated Funds							
Land Management & Acquisition Fund	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 Programme	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

Loddon Project	8,600	-	(8,600)	-	-	-	-
Test & Itchen Catchment Project	20,000	-	-	20,000	-	-	20,000
Non-Native Plants Projects	36,806	19,041	(39,871)	15,976	-	-	15,976
Emer Bog and Heathlands	43,835	-	(11,160)	32,675	-	-	32,675
Secrets of the Solent	3,250	68,792	(72,042)	-	-	-	-
Education & Engagement	-	273,640	(273,640)	-	-	-	-
Big Lottery Fund Grant	2,263	-	(2,263)	-	-	-	-

16. Movement in Funds (continued)

	Balance as at 1 April 2016	Incoming Resources	Resources Expended	Balance before movements at 31 March 2017	Investment Gains/ (Losses)	Transfers	Balance as at 31 March 2017
Restricted Funds (cont.)	£	£	£	£	£	£	£
Swanwick	2,557	-	(2,557)	-	-	-	-
Restricted Donations/ Legacies	2,000	3,656	(3,656)	2,000	-	-	2,000
IOW Match Funding	-	10,000	-	10,000	-	-	10,000
College Copse	-	12,000	-	12,000	-	-	12,000
Blashford	6,500	-	(6,500)	-	-	-	-
Itchen Navigation/Winnall Moors	68,814	-	(9,000)	59,814	-	-	59,814
Badger Appeal	13,372	-	(2,500)	10,872	-	-	10,872
Hanson Concrete Charitable Trust	10,000	-	-	10,000	-	-	10,000
GSE Wildlife Trusts Strategic Development Fund	14,919	-	-	14,919	-	-	14,919
North Hampshire Conservation	-	25,568	(25,568)	-	-	-	-
Solent & IOW Conservation	-	61,815	(61,815)	-	-	-	-
Central & West Conservation	-	111,981	(111,981)	-	-	-	-
External Affairs	-	63,055	(63,055)	-	-	-	-
Ecology & Evidence Projects	13,185	-	(13,185)	-	-	-	-
Richard Hedley Fund	-	8,180	-	8,180	-	4,574	12,754
Brough Naturalists' Fund	23,250	-	(500)	22,750	-	-	22,750
	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. Explanation of Charitable Funds (continued)

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 & Acquisition Fund

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

Fund to offset the depreciation costs of our major investment in IT infrastructure over a 5 year period.

Legacies

Since legacy income is no longer included in the annual budgeting process, substantial legacies received each year are now allocated to this designated fund for potential spend against the Trust's business plan and conservation priorities the following year, decided by the Trustees.

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.

Test and Itchen Catchment Project

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

Non-Native Plants Projects

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

Emer Bog and Heathlands

Funds for heathland restoration and ongoing management of Emer Bog nature reserve, funded via a developers contribution.

Restricted Donations/Legacies

£2,000 given by Miss Lipscombe for replacement benches on Warnborough Greens.

IOW match Funding

Funds raised as match funding for the IOW Heritage Lottery Fund project, to be spent during the next four years.

College Copse

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

Itchen Navigation/Winnall Moors

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

Badger Appeal

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

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.

GSE Wildlife Trusts Strategic Development Fund

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

Richard Hedley Fund

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

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.

17. Analysis of net assets between funds

	Unrestricted Funds	Designated Funds	Restricted Funds	Permanent Endowment Funds	Total Funds
	£	£	£	£	£
Tangible Fixed Assets	3,971,380	-	-	-	3,971,380
Heritage Assets	674,530	-	913,180	-	1,587,710
Fixed Asset Investments	1,031,861	-	-	4,508	1,036,369
Current Assets	983,700	979,873	223,760	-	2,187,333
Current Liabilities	(750,030)	-	-	-	(750,030)
	5,911,441	979,873	1,136,940	4,508	8,032,762

Free reserves are calculated as total unrestricted funds less unrestricted tangible fixed assets and unrestricted heritage assets. Free reserves as at 31 March 2017 were £1,265,531 (2016: £1,012,698).

18. Trading subsidiaries

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

	2017
	£
Turnover	
- Third party	218,388
- Group	115,194
Cost of sales	
- Third party	(299,045)
- Group	-
Gross profit	34,537
Administration costs	-
Profit before taxation	34,537
Deed of Covenant to Hampshire and Isle of Wight Wildlife Trust	(34,537)
Profit before taxation	-
Tax on profit on ordinary activities	-
Net profit	-
Share capital - 100 ordinary shares	100

18. Trading subsidiaries (continued)

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.

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

		2017
		£
Turnover	- Third party	39,833
	- Group	-
Cost of sales	- Third party	(39,833)
	- Group	-
Gross profit		-
Administration costs		-
Profit before taxation		-
Deed of Covenant to Hampshire and Isle of Wight Wildlife Trust		-
Profit before taxation		-
Tax on profit on ordinary activities		-
Net profit		-
Share capital - 100 ordinary shares		100

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	
	2017	2016
	£	£
Amounts payable:		
Within one year	-	14,750
Between two to five years	17,000	-
More than five years	408,858	417,363
	425,858	432,113

20. Ultimate controlling party and members' guarantee

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

21. Legal status of the charity

The Wildlife 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

Hampshire and Isle of Wight Wildlife 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 Hampshire and Isle of Wight Wildlife Trust in their will. We would like to thank all of our supporters, as these generous donations are vital to the Wildlife Trust and we would not be able to continue our work without them.

Donations in memory of

Colin Anderson
Robert (Bob) Brown
David Campbell
Robert James Chivers
John Clifton
Doreen Dye
Frederick Gay
Patricia Gillson
Grace Harding
Nicholas Harper
Michael John Harris
Richard Hedley
Barbara and David Hope
Molly Horn
David Leslie James
Carol Keane
Caroline Littlewood
Tony Lowman
Justina Ruth Martin
David William Hyde Mew
Phyllis Annie Mitcham
Judith Elizabeth O'Sullivan
Audrey Rolls
Mary Ursula Smith
Margaret Soanes
Jimmy Stow
Ian Williams

Gifts in Wills from

Gerald Barnard Balding
Dora Deacon
Pamela Winifred Foulds
Joan Clearista King
Margaret Edith Lord
Kenneth Martin
Rosemary Vass

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 our Hockley Meadows Farm appeal earlier this year. 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

Support for our conservation work this year enabled a range of activities. Generous individuals funded infrastructure improvements to benefit our essential conservation grazing enterprise at College Copse Farm, while other funding supported conservation at our nature reserves including Roydon Woods, Blashford Lakes, and newly-purchased Hockley Meadows Farm. We received funding for a number of conservation projects, such as our work to preserve Hampshire's precious chalk streams, a partnership project to reintroduce the marsh fritillary to Hampshire, our marine advocacy work and our work to update the Solent Waders and Brent Goose Strategy to name just a few. Our thanks go to the following:

Mr J Ayres	National Air Traffic Services Ltd (NATS)
Banister Charitable Trust	Natural England
Bournemouth Water	New Forest National Park Authority
Calleva Foundation	Pig Shed Trust
Environment Agency	Portsmouth City Council
Esmée Fairbairn Foundation	Southern Co-op
Farnborough Airport Community Fund	Southern Water
Hampshire Ornithological Society	Test Valley Borough Council
Isle of Wight AONB	The Verderers of the New Forest
Isle of Wight Council	The Wildflower Society
John Spedan Lewis Foundation	Vitacress Conservation Trust
Mr H Jones	Wessex Water Services Ltd
Jordans Cereals	Waitrose
Mr G Knight	Winchester Rotary
Marden Charitable Trust	

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:

Aquascience Ltd	Hampshire County Councillor Peter Latham
Amey	Hampshire County Councillor Seán Woodward
Austin and Hope Pilkington Trust	Heritage Lottery Fund
Big Lottery Fund	Hildon Ltd
Blagrove Trust	Hook Parish Council
Bournemouth Water	Isle of Wight AONB
Cameron Bespolka Trust	Mr H Jones
Denplan Community Fund	Lockhams Construction Ltd
The D'Oyly Carte Charitable Trust	Martin Laing Foundation
The Hamamelis Trust	National Air Traffic Services Ltd (NATS)
Hampshire County Councillor Adrian Collett	Nationwide Building Society
Hampshire County Councillor Keith Evans	New Forest District Council
Hampshire County Councillor Jonathan Glen	Newnham Parish Council

Nineveh Charitable Trust
Mr N Pasley
Red Funnell
Red Hill Trust
Rotherwick Parish Council

Southern Co-op
Southern Water
The Henry C Hoare Charitable Trust
Waitrose
Wessex Water Services Ltd

Support for our staff

Thanks to external funders we were able to recruit four trainee members of staff this year, including two trainee ecologists supported by donors that wish to remain anonymous. The landscape partnership project, Down to the Coast, now employs five members of staff working on wetland and woodland restoration projects across the Isle of Wight. Other funding supported a Trainee Assistant Reserves Officer for our Winchester nature reserves, and we would like to acknowledge the Royal Society of Wildlife Trusts for providing secondment opportunities for two members of our policy team.

Island Roads Foundation
Isle of Wight AONB

Royal Society of Wildlife Trusts
The Roger and Ingrid Pilkington Charitable Trust

Other supporters

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

Action Van
Aquascience Ltd
BAM Nuttall Ltd
Basingstoke and Deane Borough Council
Beaulieu Settled Estate
Bowman Ales Ltd
Castle Cameras
Cleansing Service Group
Commercial Lighting Systems Ltd
d&e Office Solutions Ltd
Designs for Lighting Ltd
DJY Consultancy Ltd
Ecological Survey & Assessment Ltd
Embers Camping
Era Screens Ltd
Exbury Estate
F H Brundle
Forestry Commission
Forest Holidays Blackwood Forest
Greenhouse Graphics Ltd
The Gunter Trust
Hambrooks Landscapes Ltd
Hampshire County Council
Hill Farm Juice
HPW Architecture Ltd
Ian Clark Restoration
Kingsclere Estate Limited
Lakeside North Harbour Business Campus

Larcomes LLP
Liberty's Owl, Raptor & Reptile Centre
Lymington and Pennington Town Council
Meon Valley News
Naturetrek
New Forest Wildlife Park
Oil Spill Response Limited
P M Leisure Homes Ltd
Pamber Parish Council
Portsmouth Water
Primary Tree Surgeons Ltd
Rowan Bentall Charitable Trust
Royal Caribbean Cruises Ltd
Silchester Parish Council
South Downs National Park Authority
Springvale Equipment Ltd
Tadley Parish Council
Taylor Made Computer Solutions Ltd
Teneo Ltd
Tweseldown Ltd
Vetark Professional
Vine House Farm
Vintage Roots Ltd
Vitacress Salads Limited
Wight Building Materials
Wildflower Turf Ltd
Wildlife Travel

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	Chairman of Council. Elected November 2016.
John Collman	Chairman of Council. Retired November 2016.
Simon Woolfries	Vice Chairman of Council
Dr Peter Vaughan	Honorary Treasurer. Chair of Business & Finance Committee
Professor Paul Tyler MBE	Chair of Conservation & Science Committee
Mary Parker	Safeguarding Director
Tim Pinchen	Health & Safety Director
Lesley Chin	
Christopher Collins	
Jacqueline Gazzard	Retired August 2016
Christopher Langford	
Andrew Lee	
Jane Page	
Malcolm Sonnex	

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



Management

Day-to-day management of the charity and the Trust's 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
Hannah Terrey	Director of Communications and External Affairs
Natasha Thorneloe	Director of Finance and Resources

Company Secretary Clive Chatters

Consultancy Manager Deborah Whitfield

Charity Information

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 Wildlife Trust to government, local authorities, 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.

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 46 other Wildlife Trust members throughout the UK which are collectively known as The Wildlife Trusts.

Governance

Council

Council is 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 52.

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 the 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 4 November 2017.





Hampshire &
Isle of Wight
Wildlife Trust



Hampshire and Isle of Wight Wildlife Trust

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