

Hampshire & Isle of Wight Wildlife Trust

Annual Report and Financial Statements

For the Year Ended 31st March 2013

Hampshire & Isle of Wight Wildlife Trust

Patron

Lord Brabourne

President

Jean Hedley MBE

Vice-Presidents

Michael Baron

Lord Montagu of Beaulieu

Roger Harrison

Victoria Harrison MVO¹

Chris Packham

Lord Selborne

¹ Victoria Harrison MVO was appointed Vice President at the AGM held on 20th October 2012

The Hampshire & Isle of Wight Wildlife Trust is a company limited by guarantee in England and Wales, company registration number 676313.

Administrative information

Members of the Council

The members of the Council, all of whom were members for the whole of the period ended 31st March 2013 and until the date of this report unless stated otherwise, are listed below:

Members of Council

John Collman	Chair Chair of Remuneration Committee
Simon Woolfries	Vice-Chair Health & Safety Director
Peter Kinloch	Honorary Treasurer Chair of Audit Committee
Mary Parker	Chair of Business and Finance Committee
Sarah Ball	Chair of Conservation Committee
Christopher Collins	Chair of Membership, Marketing and Education Committee
Damian Offer	
Andrew Powling	
Rosalind Rutt	
Philip Taverner	Resigned 17 th March 2013
Val Gwynn	
Tim Pinchen	
Melanie Rowlands	
Jim Whatley	
Martyn Smith	Resigned 26 th February 2013
Peter Vaughan	Co-opted 4 th June 2013

Chief Executive

Deborah Tann

Senior Management Team

Clive Chatters	Head of Policy and Evidence
Jolyon Chesworth	Head of Conservation (Marine) – in post until 3 rd May 2013
Lisa Chilton	Head of People and Wildlife – in post until 15 th March 2013
Alison Cross	Head of Conservation (North Hampshire)
John Durnell	Head of Conservation (West Hampshire)
Alison Fowler	Head of Education & Engagement – appointed 8 th July 2013
Richard Grogan	Head of Conservation (Isle of Wight)
Andy Holliday	Head of Membership and Fundraising (until 31 st March 2013) Head of Membership, Marketing and Fundraising (from 1 st April 2013)
Janet Parker	Head of Business, Finance and HR
David Rumble	Head of Conservation (South Hampshire)

External Advisers

Principal bankers

Unity Trust Bank plc
Nine Brindley Place
Birmingham
B1 2HB

Registered auditors

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

Investment managers

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

Solicitors

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

Company information

Registered office and principal address

Beechcroft House
Vicarage Lane
Curdrige
Hampshire
SO32 2DP

Company Secretary

Clive Chatters

Company registration number
676313
Registered charity number 201081
in England and Wales
VAT registration number
860205455

For more information please visit
our website: www.hiwwt.org.uk

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Structure, governance and management

Governing Document

The Trust is a registered charity and company limited by guarantee governed by the Memorandum & Articles of Association which were last altered by a special resolution at the Annual General Meeting on 20th October 2012. It is a member of the Wildlife Trusts Partnership (registered as the Royal Society of Wildlife Trusts, registered charity number 207238).

Election of Trustees

Those elected to serve on the Council of Management have a dual role as a Trustee of the charity and a Director of the company. There can be no fewer than 10 and no more than 15 Trustees. Trustees are elected at an Annual General Meeting and serve for a term of three years. Each Trustee can serve for three consecutive terms of office and then must stand down for a year until they become eligible to stand again, with the exceptions of the Chair and the Honorary Treasurer who can each serve a fourth consecutive term.

Trustee Induction & Training

All new Trustees have the opportunity to learn about the Trust and their responsibilities through being given an information pack and having meetings with key staff. There is also the opportunity to appoint an experienced Trustee as a mentor. Trustees are encouraged to participate in appropriate training and seminars.

Organisation

The Council meets on a quarterly basis. The Council is supported by five committees which also meet on a quarterly or semi-annual basis and report directly to Council: the Business & Finance Committee, the Membership, Marketing & Education Committee, the Conservation Committee and the Audit Committee. All of the committees are made up of Trustees except for the Membership, Marketing & Education and Conservation Committees which can also include outside experts. In addition there is the Remuneration Sub-Committee which reports to the Business & Finance Committee.

There is also a Health & Safety Committee which is made up of staff representatives, chaired by a senior manager, and attended by one or more Trustees.

Day to day management is undertaken by a senior management team who report through the Chief Executive to Council. The senior management team is organised into nine departments. There are four Area-based teams delivering on-the-ground conservation programmes including land management, land advice, education and community engagement in their respective areas (North Hampshire, South Hampshire, West Hampshire, and the Isle of Wight) as well as a dedicated Marine Conservation team. There are four central teams delivering functions across all departments: Business, Finance and HR (includes governance, finance, administration, HR and IT), Membership & Fundraising, People & Wildlife (includes marketing and communications, education and volunteering), and Policy & Evidence (includes ecological data management and planning).

Risk Management

A risk management strategy is in place and a risk register is maintained which identifies and categorises the potential risks to the Trust. The Audit Committee takes the lead on risk

management whilst still ensuring that there is involvement from all Trustees and senior staff. The Health & Safety Committee oversees health and safety in the workplace for all staff and volunteers.

Health & Safety

The Trust values the support it gets from the many members who volunteer to help manage the reserves. Staff and volunteers need to be able to work in a safe environment, and staff members can also be exposed to hazardous situations due to the nature of their work. Health and safety is therefore a major concern and is monitored closely by a designated member of staff. Committee meetings with representatives of every department are held four times a year and chaired by a senior manager. A Trustee attends these meetings and reports directly to Council on matters of concern to reflect the importance that the Trust has to ensure a safe environment for our visitors, staff and volunteers.

Objectives & Activities

The Trust's objects as set out in the current Memorandum and Articles of Association are:

For the benefit of the public, to advance, promote and further the conservation, maintenance and protection of:

- i) Wildlife and its habitats;
- ii) Places of natural beauty;
- iii) Places of zoological, botanical, geographical, archaeological or scientific interest;
- iv) Features of landscape with geological, physiographical, or amenity value in particular, but not exclusively, in ways that further biodiversity.

To advance the education of the public in:

- i) The principles and practice of sustainable development*;
- ii) The principles and practice of biodiversity conservation.

To promote research in all branches of nature study, and to publish the useful results thereof.

**Sustainable development is primarily defined as 'Development that meets the needs of the present without compromising the ability of future generations to meet their own needs' (Brundtland Commission).*

The Trust's Strategic Plan 2009-2014 provides the framework for the delivery of our charitable objectives throughout Hampshire and the Isle of Wight. The Trust aims to work with people to restore healthy landscapes where wildlife can thrive and peoples' quality of life can be enhanced. Our vision for 'living landscapes and living seas' is driven by a concern for the state of the natural environment, the pressures upon it and the negative impacts that a degraded environment has on the wellbeing of society. Habitats and natural ecosystems are now so severely fragmented that large-scale restoration and enhancement is needed – creating high quality wildlife-rich landscapes that are more joined up is a key part of our strategy.

We also aim to reconnect people with their environment in order to help create more sustainable communities. Our Strategic Plan, therefore, sets out three high-level objectives:

- (1) to create living landscapes and living seas to protect and enhance biodiversity,
- (2) to stand up for wildlife and the environment,

(3) to inspire people about the natural world and encourage everyone to take action for wildlife.

Public Benefit

The Trustees have considered the Charity Commission's guidance on public benefit and consider that the Trust complies with the guidance as set out within the following paragraphs.

Environmental protection and improvement is recognised as a charitable purpose and is widely regarded as producing a public good. The Trust exists to promote the care and protection of the environment and therefore provides a clear public benefit. The Trust's philosophy is based on the belief that the natural world deserves to be conserved for its own sake as well as for the many goods and services it provides for the public at large.

However, the public benefits provided by the Trust go much further:

- Our nature reserves, located throughout Hampshire and the Isle of Wight, are used extensively by the public for quiet recreation, and many have access on clearly marked paths. At most of our sites information and interpretation is provided to visitors. Our education programmes are aimed at schools, colleges, adult groups and the wider public.
- Our information gathering and provision of expert advice and opinion to local authorities in Hampshire and the Isle of Wight and others helps to ensure that planning decisions are made on a rational basis taking full account of the public benefit of wildlife and a healthy environment.

Key achievements of the year

The Trust's Chief Executive took up chairmanship of the newly established Hampshire and Isle of Wight Local Nature Partnership, gaining official recognition and endorsement from Government in the autumn. The wider partnership is supported by 50 key partners and a high-level Board has been established to steer, develop and lead a vision for nature's recovery across the two counties.

A great deal of work on the Trust's new five year Strategic Plan was undertaken during the year. So much has changed in the external environment, and so many of the challenges we face have come to a head, that this proved to be a more in depth exercise than originally envisaged. The new five year plan will cover the period 2014-2019 and the year 2013-2014 is to be a transition year whilst we complete a number of reviews, put in place an organisational restructure, develop a resilient business model and build capacity for the period ahead.

The very wet weather conditions presented some serious challenges to our conservation capital works programme and tested the patience and skill of reserves officers involved. Despite this the majority of the programme was delivered on time, although some elements had to be pushed back to 2013-2014.

Conservation – North Hampshire

The completion of an ambitious programme of works at Foxlease and Ancells Meadow, a Site of Special Scientific Interest (SSSI), including major tree removal and scrub clearance is a major step towards the reserve achieving favourable condition. The grazed area has increased from 76ha to 166ha and is having an obvious beneficial impact on the flora. Elsewhere in Thames Basin Heaths our heathland restoration work has continued with a very successful first year of grazing on Bramshot Heath and tree felling at Hartfordbridge Flats.

In the Whitewater Valley, Greywell Moors has shown a remarkable and rapid recovery towards open fen following the previous year's works and we embarked on our ambitious plans for the restoration of Hook Common.

Grazing is one of the most important tools for managing our reserves. We have bought a field close to Noar Hill which will enable us to better manage our grazing at Noar Hill and other sites by providing us with land where we can put the cattle when they are not on the reserves. We also negotiated to acquire, and subsequently acquired in June 2013, our own farm at College Copse Farm, Rotherwick which will provide a suitable area for calving and other herd management activities that are best done away from the nature reserves. It will allow the grazing of nature reserves to be more flexible and better suited to the management requirements.

Volunteering has remained a mainstay of reserves management. The North-east Reserves Team has gone from strength to strength and we have now established a Basingstoke Area Reserves Team which carries out vital conservation tasks at Pamber Forest SSSI.

Partnership working has continued to be prominent in our activities, whether through formal partnerships or delivery of land advice. We delivered an extremely successful and well received woodland management programme on behalf of the North Wessex Downs Area of Outstanding Natural Beauty (AONB); established a new landscape scale project (Winning Ways for Wildlife) with the Game & Wildlife Conservation Trust, Butterfly Conservation and Natural England; delivered a Catchment Sensitive Farming Programme for the Environment Agency in the Loddon Catchment; provided land advice, including assistance with agri-

environment schemes to 33 landholdings across north Hampshire and carried out a river restoration project with Water Framework Directive funding at Old Basing in partnership with Thames Water and Basingstoke & Deane Borough Council.

Conservation - South Hampshire

The five year Itchen Navigation Project was completed and even more work than originally planned was fitted into the year – notably habitat improvement, a bypass for fish and an end of project conference – not to mention scooping another national award for wetland conservation. In all, over 2km of river bank habitat has been transformed and nearly 4.5 km of footpath has been improved making a huge contribution to the Itchen Valley Living Landscape.

At Winnall Moors the focus has been on engaging with visitors and developing a sculpture trail in the public area as well as progressing towards the final phase of Heritage Lottery funded habitat enhancements.

The Itchen Valley Grazing Project started building up our own breeding herds of traditional breed cattle for restoring derelict grazing land in the Winchester area. Major habitat restoration at St Faiths & St Cross was carried out including restoring riverbanks, water meadows and fens. In the Itchen Valley the Trust took on new tenure covering nearly 100 hectares of floodplain, and this land is now under improved management. Partnership working under the South Downs Way Ahead Nature Improvement Area brought grazing to 6 derelict chalk downland sites covering approximately 30 hectares. As part of the Trust's contribution we undertook habitat restoration on St Catherine's Hill and further developed our volunteering programme in the area.

At Farlington and the Solent Coast we focused on advocacy surrounding Farlington Marshes and its future in the face of long-term planning for coastal defences; we also created a popular blog to celebrate the wildlife of the reserve and its surrounds.

The Trust's Water Policy work has taken a key step forward with one of our staff being seconded to the Royal Society of Wildlife Trusts. This has given us an improved understanding of the complex processes affecting our water environment.

Conservation - West Hampshire

The Avon Valley Source to Sea Project, a partnership project with Wiltshire Wildlife Trust and the Environment Agency which aims to eradicate invasive non-native plants within the Avon Valley catchment, started in earnest. This is the first time a catchment-wide approach has been utilised to address the issue on such a scale.

The New Forest Non-Native Plants Project has become nationally recognised for its research work into the impact of Invasive Non-Native plants. The project is also trialling some innovative control techniques; the results of the trials will help inform control programmes in a number of other European countries.

The New Forest Land Advice Service, which is a partnership project with the New Forest National Park Authority, has provided advice to over 100 commoners and small-scale farmers over the past 12 months. It has also expanded the range of work it carries out and now provides specialist advice for landowners in a number of the New Forest river catchments.

In the Roydon Woods, Lyminster valley and coast Living Landscape area, extensive coppice management has continued and the Trust is monitoring the impacts of changes to the tidal regime on the Lyminster River reedbeds. There have also been reports of a family

of otters in the woods and water voles in the valley. This is one of only a few sites for water voles in the New Forest. On a more negative note the terrible summer weather resulted in one of the worst years for breeding seabird success on the Trust's Lymington and Keyhaven Marshes reserve.

The Trust has also commissioned a study, on behalf of Natural England, looking at the impact of the exceptionally wet summer on hay meadow management and breeding waders in the Avon Valley.

Conservation - Isle of Wight

Using Heritage Lottery Funding Knighton Down has been re-fenced to allow the continued grazing management of this unimproved chalk grassland site in the heart of the Isle of Wight Eastern Chalk Living Landscape.

Grazing management has been introduced to the heathland reserve at Bouldnor in partnership with the National Trust, which will create habitat for Nightjars, Heath Dog-violet and Pale Dog-violet to thrive in.

We have increased the area of chalk grassland at Eaglehead and Bloodstone Copses by removing significant areas of ash and bramble scrub. The subsequent grassland will be grazed by Hebridean sheep to produce a close herb-rich sward.

Our Land Advice service on the Isle of Wight visited 21 farmers who manage over 1000ha of land. We completed and submitted 14 agri-environment schemes on behalf of these farmers, which generated over £653k of income for the Isle of Wight's rural economy.

Our Wetlands Project undertook primary research into the effects of Himalayan balsam on populations of water vole in the Isle of Wight. Studies of rivers with and without Himalayan balsam were surveyed for water vole and the data collected shows that the non-native invasive plant has a detrimental effect on water vole distribution. Using this research data the Wetland Project officer then helped to launch the Isle of Wight Invasive Non-natives Project – known as Plant Positive – and began formulating a strategy for non-native plant control on the Isle of Wight's rivers with project partners including Natural Enterprise and the Environment Agency.

Marine Conservation

Despite driving for the adoption of Marine Conservation Zones to give our local seas much needed protection, we were very disappointed that none of the 31 adopted nationally (out of the 127 put forward) were located around our two counties. Despite this we continued to gather much needed data on seagrass; this has been used by statutory bodies to direct byelaws, and data from the volunteer-diver Seasearch project was compiled to support the proposal for Marine Conservation Zones. The year also saw development and delivery of a joint project with French partners on marine conservation and citizen science.

The Trust successfully started a joint marine education project called Making Waves along with Sussex Wildlife Trust. This three year Heritage Lottery Fund project is aimed at reconnecting communities with the marine biodiversity on their doorstep especially through schools outreach, training and family events and developing resources. This year 15 schools across Hampshire and the Isle of Wight have been involved.

People and Wildlife

We have been delighted at how our Education Programme has taken off in North Hampshire. The continued development of Forest Schools in the area has enabled the delivery of high quality repeat engagement with schools and home education groups.

During 2012-2013 the Isle of Wight Education team established training courses for Early Years practitioners for the Isle of Wight Council. These courses are designed to help staff of nurseries and playgroups to use their outdoor spaces to give under-fives good quality learning experiences. This included the training and involvement of students from the Isle of Wight College studying Early Years Foundation Stage in Forest School activities. This will ensure that the next generation of nursery and playgroup staff are engaged with the education outside the classroom techniques.

Increased engagement with Wildlife Tots' groups means that now over 25 children are attending sessions each week during term-time at Bouldnor. These sessions have increased membership, created new contacts and promoted Forest Schools to schools through the enthusiasm of parents and children.

The Testwood and Blashford Lakes centres have seen over 6,500 children and adults participating in environmental education programmes this year.

At Swanwick Lakes and the wider community over 3000 children, young people and adults have participated in environmental education programmes this year. The reserve has been surveyed for great crested newts and the 15 or so species of dragonfly that live there, to help inform management of the reserve.

The education team delivered a total of 36 courses for 455 people, the most popular courses being those with a strong Wildlife Gardening theme.

The approach previously piloted on the Dogs on Reserves project to engage with dog owners was extended more widely across the Trust's estate.

The Wildline service responded to 450 wildlife-related queries from members of the public.

2012-13 saw continued progress on the youth volunteering programme in South Hampshire. A total of 408 young people have participated from across South Hampshire equating to over 4,200 volunteering hours and 20 young people have achieved their John Muir Award.

The Trust continued to deliver a successful youth volunteering project in North Hampshire. In the last 12 months 169 young people have participated in the project and over the lifetime of the project (4 years) over 600 young people have taken part.

Policy and Evidence

Despite the supportive gestures and policies of national and local government, we are finding the short-term demands of the economy overriding the long-term interests of wildlife. The budgets of statutory conservation agencies have been cut and the political direction is not to impede economic growth. It is becoming increasingly difficult to make the case for wildlife. We are therefore strengthening our partnership work with other conservation charities as well as using the opportunity of the Local Nature Partnership to make the case for investing in nature. We are also undertaking research to ensure the case for wildlife is supported by the best possible evidence. A selection of research reports is now published on our website: www.hiwwt.org.uk

Membership and Fundraising

During the year the membership recruitment agency used by many of the Wildlife Trusts went into administration. This event had been anticipated, and a mitigation plan was successfully implemented. The plan involved establishing a successful 'in house' membership recruitment team which, having recruited over 500 new Trust members in its first year has become a model for other Wildlife Trusts across the UK. Despite the difficult economic environment we managed to maintain annual membership numbers and income. The Trust also conducted valuable research amongst our members to ensure that we meet the interests of our members in future years. We are extremely grateful to our members for their continued loyalty to the Trust in difficult times. In Fundraising we established a cost effective Donor Development programme which resulted in significant new income to the Trust, launched a monthly cash prize draw (Wildlife Lottery) and launched a highly successful Badger Vaccination Appeal.

Plans for the future

2013-14 is a transition year as we complete one strategic plan and move to the next. We will continue to focus on Living Landscapes and Living Seas and we will seek out new ways for the benefits of nature to be recognised by society. We will establish new links with the local economy by demonstrating what can be done locally and communicating the essential role nature plays to communities and individuals. In response to the increasing difficulties and risks with grazing on our nature reserves we will seek to establish an in-house grazing operation supported by lay-back land which will provide strategic grazing hubs.

Conservation – North Hampshire

Following the acquisition of College Copse Farm in June 2013 we will secure a Higher Level Stewardship agreement on the land. We will begin to use it as a hub for our developing livestock enterprise which will help secure better management on Bartley Heath and re-introduce grazing to Hook Common. This will mark a major step towards the landscape-scale conservation of this part of north Hampshire. We will also be working with two neighbouring farmers through our land advice work to secure conservation measures that will benefit wildlife beyond our reserves.

Elsewhere in north-east Hampshire, we will continue with our capital works programme and increase livestock numbers on Thames Basin Heaths and Wealden Heaths sites as part of our on-going programme of heathland restoration.

In north-west Hampshire, we will help deliver the final year of Test Valley Borough Council's River Anton Enhancement Strategy and oversee implementation of the Winning Ways for Wildlife Project Year 2. This exciting project will result in the restoration of key areas of woodland and downland which will benefit species such as the Willow Tit and Duke of Burgundy butterfly. Both of these species have important but declining populations in the area.

Conservation - South Hampshire

We seek to consolidate management on the new land acquired or under new management in the Itchen Valley and South Downs Chalk Living Landscape areas. We also seek to undertake more ambitious habitat restoration work, for example by removing blocks of commercial hybrid poplar plantations to restore fen meadows and riverbanks.

We aim to finish the Winnall Moors Restoration Project with a suite of installations (an interpretive trail, which includes a series of way-markers, interpretation panels and other artistic features) and river enhancements in the city of Winchester to unite the public area of the reserve to the wider area.

We plan to develop sustainable woodland management at Swanwick and continue creating wood pasture habitat by developing markets for timber.

At Farlington Marshes we will be installing new access and signage.

On the Solent Coast and in the Forest of Bere we shall identify and promote strategic priorities for the protection of threatened wildlife, gathering key evidence to lend weight to our voice.

Conservation - West Hampshire

We will seek funding to develop a project which will help secure small flower rich meadows, one of our most endangered habitats.

We aim to continue expanding our estate and we are in discussion with a number of large scale landowners about future opportunities.

We aim to make significant improvements to the educational opportunities at both Testwood and Blashford through the creation of a new pond dipping pond at Testwood and the development of a new family trail at Blashford.

At Lower Test we have secured funding to extend and upgrade sections of the Test Way Boardwalk to improve access for users of the site.

Conservation - Isle of Wight

We plan to extend our Forest Schools work to other sites across the Island including our nature reserves and other landholdings

We will launch our Woodland Therapy initiative to help adults with mental health issues benefit from Forest School sessions and other activities.

We plan to establish a nature reserve on the River Medina in partnership with the Isle of Wight Council.

We plan to undertake river restoration works on our land and other landholdings on the eastern Yar River to increase the value of wetlands for wildlife.

Marine Conservation

We will need renewed advocacy following the disappointment of the Marine Conservation Zones process. Our policy work will need to be targeted carefully and new evidence will be deployed to meet the challenge of pushing for marine protected areas.

Education and Engagement

The Trust will begin to deliver its new Education & Engagement Strategy to work more deliberately towards establishing and nurturing lifelong connections with both nature and the Trust through the education centres, forest schools, courses and volunteer activities. The new strategy will focus on key age groups and seek to develop mentors to achieve this.

Policy and Evidence

As the planning system becomes less responsive to the process of consultation we will be redirecting our efforts to take up new opportunities. There are predictable impacts from urban growth on our nature reserves and other important wildlife sites. We will be undertaking research so we can better articulate those issues to decision makers. We will also be investigating what measures may be put in place to manage those impacts which we cannot avoid. As wildlife knows no boundaries, our research work will look at issues which cross county boundaries.

Marketing, Membership and Fundraising

As part of the Trust's organisational re-structure we have brought Marketing, Membership and Fundraising into a new department. During the next year we will expand our in-house recruitment team and test other membership recruitment methods in collaboration with other Wildlife Trusts across the country. We will also be investing in the development of a Trust-wide integrated Marketing & Communications Strategy aimed at increasing public understanding of wildlife issues and recognition of the Trust's commitment to local wildlife.

In line with our new branding and communications review we will begin rolling out new and improved interpretation on our nature reserves.

Trading Subsidiary

In May 2013 a new trading subsidiary company was formed called HIWWT Trading Limited. The company is a wholly owned subsidiary of the Trust. The company was created with the objective of generating new sources of income to support the charitable objectives of the Trust. The company will focus on activities that complement the charitable objectives of the Trust but have a more commercial focus, for example the sale of sustainable produce from our reserves, conservation management for third parties, ecological surveys and consultancy services.

Financial review

Despite the difficult economic conditions the Trust ended the year in a satisfactory financial position with a sound base from which to develop its future activities.

Statement of Financial Activities

Incoming resources

Total income for the year was similar to last year at £4.64m. While unrestricted income fell by 6% to £2.7m, membership subscriptions increased to in excess of £1m. This is an excellent outcome when compared to national trends and reflects the loyal support of our members and the hard work and dedication of our membership team. Restricted income increased by 8% to £1.94m, which included a grant of £200k from a major supporter towards the cost of purchasing College Copse Farm. The farm was purchased after the year-end in June 2013.

Resources expended

Total resources expended during the year of £4.42m were at a similar level to last year. Notwithstanding the 'run down' of expenditure on a major project, expenditure on charitable activities was maintained at £4.19m, amounting to 95% of the total. During the year the Trust received a donation of land at Kitt's Grave to the value of £28k in support of our living landscape strategy. In addition, the Trust purchased land costing £81k to support conservation management at Noar Hill. The Trust has also invested significantly in membership services as part of a drive to rely less on external agencies and gain greater financial independence. A second membership recruitment vehicle was purchased during the year bringing the whole of this function 'in house' with encouraging results.

Investments

Investments produced an unrealised gain of £184k and income of £65k. During the year £348k was withdrawn from investments to provide part of the funding for the acquisition of College Copse Farm, Rotherwick. These monies were originally donated to the Trust for the acquisition of land in furtherance of its charitable objectives. In accordance with our Memorandum and Articles of Association the Trustees have delegated responsibility for management of the Trust's investments to Sarasin & Partners LLP, within an agreed strategy and risk profile. The Trust is currently undertaking a review of its investment and cash management policies to ensure that these are 'fit for purpose' in the context of the forthcoming strategic plan.

Net movement of funds

Total fund balances at the year-end increased by £433k to £6.95m. Unrestricted funds increased by £1.04m to £4.54m mainly arising from a re-allocation of funds previously classified as restricted to designated funds (see note 15). Restricted funds consequently fell by £604k to £2.41m after accounting for the grant of £200k and for a net transfer of £159k from unrestricted to restricted funds to support key projects where the majority of funding is provided by external donors. The increase in unrestricted funds also included donations towards the Trust's Badger Appeal of £24k.

Financial Reserves

Designated funds

The Trust has established designated funds to support land acquisition and management through the Hampshire Nature fund and the Wight Wildlife fund and to hold unrestricted funds for specific work to be carried out in future years. Following a review of the allocation of funds with our auditors, Sheen Stickland LLP, certain funds that were no longer considered to be restricted are now held as designated funds. This reallocation will provide funds to enable the Trust to further develop its living landscapes and other strategically important programmes, as set out in note 15.

Grants, donations and legacies

At the year end the Trust held grants, donations and legacies of £1.6m as restricted funds. Of these funds, £549k was used to purchase the first part of College Copse Farm in June 2013.

Free Reserves

Free reserves are funds held to be used as working capital, to fund investment in programmes to further our charitable objectives and to provide a buffer of liquid funds to cover temporary shortfalls caused by an unforeseen decline in income or an unexpected increase in costs or risk exposure. Should any of these circumstances arise, these funds are intended to ensure that the Trust can meet its contractual obligations to staff, premises, statutory bodies and funding partners.

Free reserves are currently calculated by deducting tangible fixed assets and heritage assets from total unrestricted fund balances (see Note 16 'Analysis of Net Assets between Funds'). The Trustees seek to maintain a level of free reserves of between 3 and 6 months' average unrestricted expenditure. As at 31st March 2013 the free reserves were £1,351k (2012: £1,248k).

Council's responsibilities in relation to the financial statements

The Trustees (who are also Directors of the Hampshire & Isle of Wight Wildlife Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (GAAP).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing those 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 (SORP)
- 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

The 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 also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

So far as the Trustees are 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.

Auditors

The auditors, Sheen Stickland LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

SIGNED ON BEHALF OF THE BOARD:

Clive Chatters
Company Secretary

13th August 2013

Report of the Independent Auditors to the Members of Hampshire & Isle of Wight Wildlife Trust

We have audited the financial statements of Hampshire & Isle of Wight Wildlife Trust for the year ended 31st March 2013 on pages 17 to 39. 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, 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. 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's affairs as at 31st March 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

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 in preparing the Report of the Trustees

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

Date: 13th August 2013

Statement of financial activities for the year ended 31st March 2013

	Note	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2013 £	Total Funds 2012 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income:						
Donations		237,615	10,135	-	247,750	224,891
Legacies	2	108,697	5,000	-	113,697	67,189
Investment Income		65,436	-	-	65,436	68,439
Incoming resources from charitable activities	3	2,275,371	1,921,164	-	4,196,535	4,222,927
Other incoming resources		13,914	-	-	13,914	72,594
Total incoming resources		2,701,033	1,936,299	-	4,637,332	4,656,040
Resources expended						
Costs of generating funds:						
Costs of generating voluntary income	4	182,325	-	-	182,325	205,536
Charitable activities		2,096,666	2,096,540	-	4,193,206	4,162,526
Governance costs		46,291	-	-	46,291	47,378
Total resources expended		2,325,282	2,096,540	-	4,421,822	4,415,440
Net incoming/(outgoing) resources before transfers		375,751	(160,241)	-	215,510	240,600
Gross transfers between funds	15	534,721	(534,721)	-	-	-
Net incoming/(outgoing) resources before other recognised gains and losses	8	910,472	(694,962)	-	215,510	240,600
Other recognised gains/(losses):						
Gains on revaluation of fixed assets for charity's own use		-	-	-	-	-
Unrealised gains/(losses) on investments		127,211	56,835	-	184,046	23,769
Realised gains/(losses) on investments		-	33,426	-	33,426	-
NET MOVEMENT IN FUNDS		1,037,683	(604,701)	-	432,982	264,369
Total funds brought forward as at 1 st April 2012		3,501,192	3,015,318	4,508	6,521,018	6,256,649
Total funds carried forward as at 31st March 2013		4,538,875	2,410,617	4,508	6,954,000	6,521,018

Continuing operations

All incoming resources and resources expended arise from continuing activities.

Balance sheet for the year ended 31st March 2013

	Note	31 st March 2013 £	31 st March 2012 £
Fixed assets			
Tangible fixed assets	10	1,758,559	1,602,641
Heritage assets	11	1,235,057	1,207,057
Investments	12	2,139,217	2,265,730
Total fixed assets		5,132,833	5,075,428
Current Assets			
Debtors	13	982,957	953,257
Cash at bank and in hand		1,334,024	898,474
Total current assets		2,316,981	1,851,731
Liabilities			
Creditors: amounts falling due within one year	14	(495,814)	(406,141)
Net current assets		1,821,167	1,445,590
Total assets less current liabilities		6,954,000	6,521,018
NET ASSETS		6,954,000	6,521,018
Funds of the charity			
	15		
Permanent endowment fund		4,508	4,508
Restricted funds		2,410,617	3,015,318
Unrestricted funds:			
Designated funds		1,025,503	275,718
General fund		3,513,372	3,225,474
TOTAL CHARITY FUNDS		6,954,000	6,521,018

The financial statements on pages 17 to 39 were approved by the Council on 13th August 2013, and signed on its behalf by:

John Collman
Chair

Peter Kinlochan
Honorary Treasurer

Clive Chatters
Company Secretary

Cash flow statement for the year ended 31st March 2013

	Note	31 st March 2013 £	31 st March 2012 £
Net cash inflow from operating activities	17	278,349	150,506
Returns on investments and servicing of finance			
Investment income		65,436	68,439
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(224,220)	(82,065)
Payments to acquire heritage assets		(28,000)	(134,738)
Receipts from the disposal of tangible fixed assets		-	40,962
Payments to acquire fixed asset investments		(3,564)	(595,000)
Receipts from the disposal of fixed asset investments		347,549	-
Net capital expenditure and financial investment		91,765	(770,841)
(DECREASE)/INCREASE IN CASH IN THE YEAR	18	435,550	(551,896)
Cash as at 1st April 2012		898,474	1,450,370
Cash as at 31st March 2013		1,334,024	898,474

Notes to the financial statements

1. Accounting policies

a) Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations of the Statement of Recommended Practice: 'Accounting and Reporting by Charities', published in March 2005 (SORP 2005).

b) Incoming resources

All incoming resources are 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 there is a reasonable assurance of receipt. Wherever possible, donated assets have been included at a reasonable estimate of their value to the Trust.

c) 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.

d) Branch income

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

e) 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.

f) Resources expended

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 generating voluntary income 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.

Notes to the financial statements (continued)

1. Accounting policies (continued)

g) 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	3 years

Freehold and leasehold buildings and land are not depreciated.

h) Heritage assets

Heritage assets are defined as nature reserves. On 1 January 1999 the Trust changed its accounting policy with respect to the capitalisation of nature reserves.

Since 1999 nature reserves are capitalised at cost. No depreciation is charged on nature reserves.

i) Taxation

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

j) Investments

Fixed asset investments are stated at market value based on the valuation provided by the Trust's investment managers, Sarasin & Partners LLP, as required by the SORP 2005. Any diminution in value is deducted if, in the opinion of the investment managers, it is considered necessary.

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

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

k) 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.

Notes to the financial statements (continued)

1. Accounting policies (continued)

l) Operating leases

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

m) Pension costs

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

n) 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. Additional legacies

As at 13th August 2013 the charity has been notified of its entitlement to additional legacies estimated at £6,500 (2012 - £87,000). No provision has been included in the financial statements for these amounts.

Notes to the financial statements (continued)

3. Analysis of incoming resources for charitable activities

	Unrestricted Funds	Restricted Funds	Permanent Endowment Funds	Total Funds 2013	Total Funds 2012
	£	£	£	£	£
North Hampshire Conservation	721,394	325,636	-	1,047,030	1,005,713
South Hampshire Conservation	146,125	635,826	-	781,951	754,989
West Hampshire Conservation	284,040	196,684	-	480,724	531,491
Isle of Wight Conservation	50,251	127,755	-	178,006	198,929
Marine Conservation	-	171,628	-	171,628	82,627
People and Wildlife	50,162	348,408	-	398,570	530,986
Policy and Evidence	20,680	115,227	-	135,907	128,841
Membership and Fundraising	1,002,719	-	-	1,002,719	989,351
	2,275,371	1,921,164	-	4,196,535	4,222,927

4. Analysis of resources expended

	Direct Staff Costs	Other Direct Costs	Support Costs	Total Costs 2013	Total Costs 2012
	£	£	£	£	£
Cost of generating funds	113,689	22,958	45,678	182,325	205,536
Charitable activities					
North Hampshire Conservation	295,978	314,108	118,917	729,003	1,063,261
South Hampshire Conservation	326,155	556,671	131,041	1,013,867	809,202
West Hampshire Conservation	282,188	130,495	113,377	526,060	539,381
Isle of Wight Conservation	182,692	48,097	73,402	304,191	261,881
Marine Conservation	116,554	50,940	46,828	214,322	120,889
People and Wildlife	363,475	108,072	146,036	617,583	679,778
Policy and Evidence	249,872	41,191	100,393	391,456	361,619
Membership and Fundraising	128,453	216,662	51,609	396,724	326,515
Governance	24,791	11,539	9,961	46,291	47,378
	2,083,847	1,500,733	837,242	4,421,822	4,415,440

Support costs include administration, finance, human resources and information technology expenditure. Governance costs include audit fees, Trustees' expenses and staff costs. Support and Governance costs are allocated to charitable activities based on staff numbers.

Notes to the financial statements (continued)

5. Analysis of staff costs

	Total Costs 2013 £	Total Costs 2012 £
Salary costs	2,108,665	1,924,763
Social security costs	192,918	183,919
Pension costs	178,834	169,352
	2,480,417	2,278,034

No employees received remuneration in excess of £60,000 in 2013 (2012: Nil).

6. Staff numbers

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

	2013 Number	2012 Number
Cost of generating funds	3.9	4.2
Support costs	13.0	13.1
Charitable Activities	67.2	61.1
	84.1	78.4

7. Pension scheme

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charged to the Statement of Financial Activities was £178,834 (2012: £169,352). At the year-end the charity owed the scheme £18,948 (2012: £17,781). The cost for the year ended 31st March 2014 is estimated to be £207,715.

8. Movement in total funds for the year

This is stated after charging:

	2013 £	2012 £
Depreciation – owned assets	68,302	75,306
Operating leases – land and buildings	46,198	40,369
Auditor's remuneration – provision of audit services	8,900	9,278

Notes to the financial statements (continued)

9. Directors' remuneration

The directors (Trustees) and persons connected with them have not received nor waived any remuneration during the year (2012: Nil).

Jim Whatley was appointed as a Trustee in October 2011. Fees totalling nil (2012: £6,250) were paid to Jim Whatley in his capacity as a Consultant to the Trust during the year.

Seven directors (2012: eight) received reimbursement of expenses for travelling totalling £2,639 (2012: £2,687).

10. Tangible fixed assets

	Land £	Freehold Properties £	Plant and Machinery £	Total Fixed Assets £
Cost or valuation				
As at 1 st April 2012	-	1,447,316	677,152	2,124,468
Additions	81,092	-	143,128	224,220
Disposals	-	-	(18,116)	(18,116)
Transfers	-	-	-	-
Revaluation	-	-	-	-
As at 31st March 2013	81,092	1,447,316	802,164	2,330,572
Accumulated Depreciation				
As at 1 st April 2012	-	7,315	514,512	521,827
Transfers	-	-	-	-
Charge for the year	-	-	68,302	68,302
Eliminated on disposals	-	-	(18,116)	(18,116)
As at 31st March 2013	-	7,315	564,698	572,013
Net book value				
As at 31st March 2013	81,092	1,440,001	237,466	1,758,559
As at 31 st March 2012	-	1,440,001	162,640	1,602,641

The charity's freehold buildings were valued at £1,440,000 as at 31st 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.

Trustees review the valuation on an annual basis, and consider that the valuation is still an accurate reflection of the market value of the charity's freehold buildings.

Notes to the financial statements (continued)

11. Heritage assets

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.

The Hampshire & 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. Heritage assets are not depreciated.

The Hampshire & Isle of Wight Wildlife 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. The Trust also receives donations of land which may also be classified as heritage assets if the required criteria are met.

In the last five years, the funds spend on acquisitions have been as follows:

	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
	£	£	£	£	£
Cost					
At start of period	1,207,057	1,072,319	986,484	976,434	923,770
Additions	28,000	134,738	85,835	10,050	52,664
At end of period	1,235,057	1,207,057	1,072,319	986,484	976,434
Net book value					
As at 31st March 2013	1,235,057	1,207,057	1,072,319	986,484	976,434
As at 31 st March 2012	1,207,057	1,072,319	986,484	976,434	923,770

During 2012-2013 the Trust received a donation of land at Kitt's Grave, with a market value of £28,000 at the date of donation.

Freehold and leasehold nature reserves donated to the Trust or purchased by the Trust were not included as assets in the balance sheet prior to 1st January 1999. Since that date the accounting policy has changed and all reserves acquired either by purchase or donation are now recognised in the balance sheet. The following table lists all of the nature reserves in which the Trust had a freehold or leasehold interest prior to this date and which are not therefore shown in the Trust's balance sheet:

Notes to the financial statements (continued)

Freehold nature reserves acquired before 1st January 1999

Name	Location	Size (hectares)
Bartley Heath	Hook	91
Broughton Down	Broughton	24
Brick Kiln Farm	West Meon	20
Chappetts Copse	West Meon	12
Coulters Dean	Buriton	4
Emer Bog	North Baddesley	24
Fletchwood Meadows	Ashurst	5
Greywell Moors	Odiham	13
Hoe Road Meadow	Bishops Waltham	3
Holmsley Gravel Pit	Bransgore	3
The Crescent, Lower Test	Nursling	5
Lymington Reed Beds	Lymington	32
Mapledurwell Fen	Basingstoke	0.4
Micheldever Spoil Heaps – North	Micheldever	3
St. Lawrence Undercliff Woods	St. Lawrence, Isle of Wight	3
Ron Ward's Meadow	Tadley	10
Roydon Woods	Brockenhurst	381
Shutts Copse	West Meon	4
Swanpond Copse	Ryde, Isle of Wight	4
Upper Titchfield Haven	Hill Head, Fareham	13
Upper Winnall Moors	Winchester	26
Weavers Down Bog	Longmoor	3
Whitehouse Meadows	Cove	1
Total		684.4

Leasehold nature reserves acquired before 1st January 1999

Name	Location	Size (hectares)
Ancells Farm	Fleet	12
Baddesley Common	North Baddesley	28
Blashford	Ringwood	91
Burghclere Lime Quarry	Burghclere	3
Eagleshead Copse	Brading, Isle of Wight	10
Farlington Marshes	Portsmouth	120
Upper Flexford	Chandler's Ford	11
Lower Flexford	Chandler's Ford	9
Great Salterns	Portsmouth	6
Headley Gravel Pit	Headley	7
Hook Common	Hook	74
Hookheath Meadows	Southwick	14
Hythe Marshes	Hythe	9
Keyhaven	Lymington	320
Long Aldermoor	Minstead	3
Lower Test	Totton	157
Lower Winnall Moors	Winchester	15
Milton Locks	Portsmouth	0.4
Noar Hill	Selborne	12
Pamber Forest	Silchester	194
St. Catherine's Hill	Winchester	47
Swanwick	Fareham	28
Testwood Lakes	Totton	65
Total		1235.4

Freehold nature reserves acquired by the Trust since 1st January 1999 and therefore included in the balance sheet as at 31st March 2013 are as follows:

Notes to the financial statements (continued)

Freehold nature reserves included in balance sheet

Name	Location	Size (hectares)
Upper Inhams Copse	Silchester	18
Roydon Lane	Brockenhurst	3
Arreton Down	Newport, Isle of Wight	19
Pewit Island	Portsmouth Harbour	1.2
Copythorne Common	Cadnam	15.4
Ningwood Common	Cranmore	11.7
Southmoor	North Langstone	11.3
Linwood	Appleslade	10.5
St. Lawrence Bank Field	Whitwell, Isle of Wight	5.1
Winnall Moors West	Winchester	21.5
Sandy Down	Brockenhurst	4.9
Knighton Down	Brading, Isle of Wight	13.4
Sandown Meadows	Sandown, Isle of Wight	18
Kitt's Grave	New Forest	36
Total		189

12. Fixed asset investments

The charity's investments are managed by Sarasin & Partners LLP.

In line with the charity's attitude to risk the Trustees have invested in CIF (Common Investment Funds). These investment funds consist of a broadly diversified global portfolio covering the world's principal stock, bond and currency markets, convertible bonds and cash together with investments in 'alternative' assets such as property and hedge funds.

	2013 £	2012 £
Investments	2,139,013	2,263,443
Cash with investment manager	204	2,287
	<u>2,139,217</u>	<u>2,265,730</u>

	£
Market value brought forward as at 1 st April 2012	2,263,443
Acquisitions	4,198
Disposals	(312,674)
Net gain on revaluation at 31 st March 2013	184,046
Market value carried forward as at 31st March 2013	<u>2,139,013</u>

12. Fixed asset investments (continued)

Analysis of the market value of investments by type:

	2013 £	2012 £
Common Investment Funds	2,139,013	2,263,443
	<u>2,139,013</u>	<u>2,263,443</u>

Notes to the financial statements (continued)

Analysis of the market value of investments between those within and those outside the United Kingdom:

	2013 £	2012 £
Within the United Kingdom	2,139,013	2,263,443
	<u>2,139,013</u>	<u>2,263,443</u>

The Trustees consider that the following individual investment holdings are material, each representing more than 5% of the total investment portfolio:

	Market Value £	Cost £
Unrestricted funds		
Alpha CIF for Endowments	666,381	574,636
Alpha CIF for Income and Reserves	545,042	486,850
Sarasin CI GlobalSar Income	243,512	200,000
Restricted funds		
Alpha CIF for Income and Reserves	338,323	302,295
Sarasin CI GlobalSar Income	345,755	300,366
Total funds	2,139,013	1,864,147

13. Debtors

	2013 £	2012 £
Trade debtors	931,312	899,603
Other debtors	163	1,119
Prepayments and accrued income	51,482	52,535
	<u>982,957</u>	<u>953,257</u>

14. Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	230,244	207,506
Other creditors	33,869	32,723
Accruals	180,403	116,010
Taxation and social security	51,298	49,902
	<u>495,814</u>	<u>406,141</u>

Notes to the financial statements (continued)

15. Analysis of charitable funds

	Balance as at 1 st April 2012	Incoming Resources	Resources Expended	Investment Gains/ (Losses)	Transfers	Balance as at 31 st March 2013
	£	£	£	£	£	£
Unrestricted funds						
Designated funds						
Hampshire Nature Fund	126,286	-	-	-	-	126,286
Wight Wildlife Fund	18,379	-	-	-	-	18,379
North Hampshire Reserves	43,000	28,000	-	-	28,336	99,336
Roydon, Lymington Valley & Coast Living Landscape	13,580	4,000	-	-	180,025	197,605
Langstone & Portsmouth Harbours Living Landscape	74,473	-	-	-	(4,212)	70,261
Living Rivers Programme	-	-	-	-	151,919	151,919
Lower Test Valley Living Landscape	-	-	-	-	89,684	89,684
Ecology & Evidence Programme	-	-	-	-	53,435	53,435
South Downs Living Landscape	-	-	-	-	39,724	39,724
Trust Grazing Enterprise	-	-	-	-	8,000	8,000
Living Seas (Marine) Programme	-	-	-	-	42,033	42,033
Education & Engagement Programme	-	-	-	-	32,915	32,915
Loddon & Eversley Living Landscape	-	-	-	-	27,097	27,097
Isle of Wight Living Landscape	-	-	-	-	45,034	45,034
Badger Appeal	-	23,795	-	-	-	23,795
Total designated funds	275,718	55,795	-	-	693,990	1,025,503
General fund	3,225,474	2,645,238	2,325,282	127,211	(159,269)	3,513,372
Total unrestricted funds	3,501,192	2,701,033	2,325,282	127,211	534,721	4,538,875

Notes to the financial statements (continued)

15. Analysis of charitable funds (continued)

	Balance as at 1 st April 2012	Incoming Resources	Resources Expended	Investment Gains/ (Losses)	Transfers	Balance as at 31 st March 2013
	£	£	£	£	£	£
Restricted funds						
North Hampshire Conservation	93,198	135,771	174,266	3,177	(49,280)	8,600
South Hampshire Conservation	556,014	635,825	777,774	7,662	(260,694)	161,033
West Hampshire Conservation	396,940	201,684	169,120	11,921	(277,843)	163,582
Isle of Wight Conservation	60,634	127,756	192,211	-	3,821	-
Marine Conservation	42,033	171,628	214,322	-	15,661	15,000
People and Wildlife	115,102	348,408	445,455	-	65,719	83,774
Policy and Evidence	94,689	115,227	123,392	-	(31,855)	54,669
Major Donations/Legacies	799,542	200,000	-	67,501	-	1,067,043
Brough Naturalist's Fund	25,000	-	-	-	(250)	24,750
Restricted heritage assets	2,183,152	1,936,299	2,096,540	90,261	(534,721)	1,578,451
Total restricted funds including heritage assets	832,166	-	-	-	-	832,166
Permanent endowment fund:						
Ted Wallace fund						
Total charitable funds	4,508	-	-	-	-	4,508

Explanation of charitable funds

Designated funds

A series of new designated funds have been established to prepare the Trust for our new Strategic Plan and to give us a strong platform to take our Living Landscapes work forward. Transfers from old restricted funds have been undertaken where monies have been given to the Trust or small surpluses have built up over a number of years from a variety of projects. These funds are not strictly restricted to specific projects and so a re-classification was necessary. However, in keeping with the original intention of the funding the Trust has been careful to allocate these monies to the appropriate geographic area or type of work.

Hampshire Nature Fund

For land acquisition and management in Hampshire.

Wight Wildlife Fund

For land acquisition and management on the Isle of Wight.

North Hampshire Reserves

A variety of funds, donations, legacy gifts and project surpluses have been grouped together, all of which are related to the ongoing management of Trust nature reserves in North Hampshire: Hook Common, Pamber Forest, Ron Ward's Meadow and Whitehouse Meadows.

Notes to the financial statements (continued)

Roydon, Lymington Valley and Coast Living Landscape

This fund is comprised of various elements, all related to work in this geographic area but not restricted to specific projects. It includes residual funds from selling assets in the area many years ago, funds given for the ongoing management of Roydon Woods and residual funds from a public appeal held in the Lymington Valley for land acquisition many years ago. It includes funds given to the Trust by the Christopher Tower foundation to be spent in the Lymington Valley and a variety of other small sums intended for work in the New Forest. It is intended to use a proportion of this fund for land acquisition in the area when opportunities arise.

Langstone and Portsmouth Harbours Living Landscape

This fund is largely made up of a section 106 agreement for managing Southmoor and the surrounding land including Farlington Marshes. Other small sums in relation to previous projects in and around the Harbours have also been added to this fund.

Living Rivers Programme

This fund includes monies set aside to cover the Trust's 10-year post-project commitment for the now-finished Itchen Navigation project. In addition the fund includes various donations and small project surpluses for river-related projects.

Lower Test Valley Living Landscape

This fund includes section 106 monies for managing The Crescent which is managed as part of the suite of land at Lower Test nature reserve. Additional donations and surplus funds in relation to projects at Lower Test along with Testwood Lakes have been added to the fund.

Ecology and Evidence Programme

This fund includes donations and tiny project surpluses accumulated over many years, all of which are related to species projects, survey work and/or policy work. The fund also includes money set aside to support the Local Nature Partnership as well as the work of the Policy and Evidence team.

South Downs Living Landscape

This fund includes donations and project surpluses for two main areas of work: our conservation grazing and land advice work in the South Downs area, along with ongoing management of Hoe Road Meadow.

Trust Grazing Enterprise

This fund is made up of donations to help the Trust build support for our new grazing enterprise scheme, which is something we are developing for the new Strategic plan.

Living Seas (Marine) Programme

This fund is largely made up of donations and various project surpluses. The fund helps to support the development of our ambitious aims for marine conservation in the coming years. There is a 'sister' restricted fund for the Making Waves project, supported by the Heritage Lottery Fund.

Education and Engagement Programme

This fund has been created to tidy up a variety of very small old funds which had been held in restricted funds for many years. On examination of these funds it was clear that none of them were truly restricted, and that they were all intended for various people-engagement activities. With the restructuring of the Trust and the creation of a new Education and Engagement strategy the Trustees felt that it was appropriate to establish this new fund to support the new strategy. The fund therefore includes monies to fund engagement activities, including but not limited to volunteering, education work in North Hampshire, events at Swanwick and wildlife gardening. In addition, £1,000 of this fund is committed to the Miss Lipscombe annual prize to provide an educational achievement award for children participating in the North Hampshire education programme.

Loddon and Eversley Living Landscape

Donations and project surpluses for work in the Loddon and Eversley area have been grouped together to form this fund. The fund is intended to provide general ongoing support for our work in this Living Landscape area. There is a 'sister' restricted fund for work in this area for certain projects, as agreed with the funding partners.

Notes to the financial statements (continued)

Isle of Wight Living Landscape

A number of small project surpluses and donations for work on the Island have been grouped together to provide a fund to support the development of our Living Landscapes work across the Isle of Wight.

Badger Appeal

The appeal was launched in November 2012 and the funds raised will be used to fund a vaccination programme for badgers on Trust land over the next five years.

Restricted funds

These are funds which are strictly tied to 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.

North Hampshire

Specific funds received in advance from the Environment Agency for a river restoration project in the Loddon and Eversley area.

South Hampshire

This includes funds received in advance from the Environment Agency to support the Southern Chalk Rivers project.

The fund also includes Heritage Lottery Fund project funding for the Winnall Moors project, which is due to finish in 2013.

West Hampshire

This fund includes funds for work at Blashford Lakes as agreed with the funding partners, and project funds for the New Forest and Avon Valley Non-native plants project received in advance.

People and Wildlife

This fund is made up of Heritage Lottery Fund project funds for the 'Access to Nature - PUSHing down the Barriers' project due to finish in 2013.

Marine Conservation

This fund is made up of Heritage Lottery Fund project funds for the three-year 'Making Waves' project.

Major Donations/Legacies

This fund includes a sum of money left to the Trust by David Purslow to be used for the purchase of native woodland or land on which trees can be planted in the county of Hampshire, and also a sizeable 'in memoriam' donation in memory of Dr. Peter Brough.

Brough Naturalists' Fund

This fund represents an in-memoriam donation of £25,000 given by Annette Brough in memory of her husband Dr. Peter Brough, an ex-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.

Policy & Evidence

This fund is made up of funds received from a number of partner Wildlife Trusts and funding from the High Speed 2 rail link (HS2) to support the work of the Director of Conservation Policy for the Wildlife Trusts in the South-East.

Notes to the financial statements (continued)

16. Analysis of net assets between funds

	Unrestricted Funds	Designated Funds	Restricted Funds	Permanent Endowment Funds	Total Funds
	£	£	£	£	£
Tangible fixed assets	1,758,559	-	-	-	1,758,559
Heritage assets	402,891	-	832,166	-	1,235,057
Fixed asset investments	78,304	1,025,503	1,030,902	4,508	2,139,217
Current assets	1,769,432	-	547,549	-	2,316,981
Current liabilities	(495,814)	-	-	-	(495,814)
Net assets	3,513,372	1,025,503	2,410,617	4,508	6,954,000

Free reserves are calculated as total unrestricted funds less tangible fixed assets and heritage assets. Free reserves as at 31st March 2013 were £1,351k (2012: £1,248k).

17. Reconciliation of net incoming resources to net cash flow from operating activities

	2013	2012
	£	£
Net incoming resources	215,510	240,600
Investment income	(65,436)	(68,439)
Depreciation	68,302	75,306
(Increase)/decrease in debtors	(29,700)	(76,501)
(Decrease)/increase in creditors	89,673	(20,460)
Net cash (outflow)/inflow from operating activities	278,349	150,506

18. Analysis of changes in cash and cash equivalents

	2013	2012
	£	£
Balance brought forward as at 1 st April 2012	898,474	1,450,370
Net cash (outflow)/inflow for year	435,550	(551,896)
Balance as at 31st March 2013	1,334,024	898,474

Notes to the financial statements (continued)

19. Operating lease commitments

The amount payable in respect of operating leases for land and buildings as shown below is analysed according to the expiry of the leases.

	2013	2012
Amounts payable:	£	£
Within one year	-	15,940
Between two to five years	15,803	-
More than five years	30,395	28,857
	<hr/>	<hr/>
	46,198	44,797

20. Capital Commitments

As at 31st March 2013 the Trust had a capital commitment of £549k for the acquisition of College Copse Farm, Rotherwick. The purchase of the first lot of land was completed on 5th June 2013. The funds were taken from the Major Donations/Legacies restricted fund, as the acquisition met the criteria set by the donors.

21. Ultimate controlling party and members' guarantee

The charity is controlled by its members. No single member has overall control.

22. Legal status of the charity

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

23. Donors and grant funders

The Hampshire & 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.

We would like to thank all of our supporters, as these donations are vital to the Trust and we would not be able to continue our work without them.

Many of our supporters are listed below.

Notes to the financial statements (continued)

Grant funders

ARG UK
Basingstoke & Deane District Council
Big Lottery Fund
Biodriven Power
Bramshill Parish Council
Cliddesden Parish Council
Defra
Eastleigh Borough Council
Environment Agency
European Union Two Seas Programme
Ewshot Parish Council
Fareham Borough Council
Farnborough Airport Community Fund
Fleet Town Council
Forestry Commission
Grassroots Grants
Hampshire Biodiversity Information Centre
Hampshire County Council
Hart District Council
Havant Borough Council
Heckfield Parish Council
Heritage Lottery Fund
Hook Parish Council
Ideas Tap
Isle of Wight AONB
John Spedan Lewis Foundation
Langstone Harbour Board
Marine Conservation Society
Million Ponds Project
Monk Sherborne Parish Council
National Trust
NATS
Natural England
New Forest District Council
New Forest National Park Authority
Newnham Parish Council
Newport Parish Council
North Wessex Downs AONB
Odiham Parish Council
OPEL
Pamber Parish Council
Peoples Trust for Endangered Species
Pond Conservation Trust
Portsmouth City Council
River Hamble Harbour Authority
Royal Society of Wildlife Trusts
Rural Development England - Leader
Seasearch
Sherfield on Loddon Parish Council
Silchester Parish Council
Sembcorp (Bournemouth water)
Solent Forum
South Downs National Park Authority
South Downs Way Ahead NIA
Southern Water

Notes to the financial statements (continued)

Southampton City Council
Tadley Parish Council
Test Valley Borough Council
The Barker-Mill Foundation
The Frognall Trust
The New Forest Association
The New Forest Trust
Veolia Environmental Trust
Verderers of the New Forest
Viridor Credits
Vitacress Conservation Trust
Wessex Water
West Wight Landscape Partnership
Wight Nature Fund
Winchester City Council
Winchfield Parish Council
Children's Services Integrated Grants - Hampshire County Council

Charitable trusts

Esmée Fairbairn Foundation
Delphie Lakeman Charitable Trust
Peter de Haan Charitable Trust
The Pig Shed Trust
Tubney Charitable Trust

Corporate supporters

Action Van
Asendia
BAM Nuttall Ltd
Bardon Vectis
Bio Bubble Technologies Ltd
Castle Cameras
Catering and Leisure Supplies Ltd
Clarity Communication
Cleansing Service Group Ltd
Commercial Lighting Systems Ltd
Earlcoate Construction and Plant
Era Screens Ltd
Evergreen Roof Gardens
F H Brundle
Fiddlers House
Focal Point Training
Footprint Communications
Fortek Computers Ltd
Greenhouse Graphics Ltd
Hambrooks Landscapes Ltd
Hampshire Garden Machinery
Heathland Management Services
Hildon Ltd
Hill Farm Products Ltd
HPW Partnership Ltd
Ian Clark Restoration
Larcomes LLP

Notes to the financial statements (continued)

Leckford Estate
Liberty's Owl, Raptor & Reptile Centre
London Camera Exchange Southampton
Making Impressions
Matchtech Group
National Air Traffic Services Ltd
New Forest Wildlife Park
Newlyns Farm Shop
Newport Golf Club
Oil Spill Response Limited
P M Leisure Homes Ltd
Portsmouth Water
Primary Tree Surgeons Ltd
R J R Solicitors
Sandy Balls Estate
Seaview Wildlife Encounter
Sembcorp Bournemouth Water Ltd
Southern Water
The Croft Management Centre
The Natural Garden
The Southern Co-operative Ltd
Taylor Made Computer Solutions Ltd
Trinley Estate
Vetark Professional
Vintage Roots Ltd
Vitacress Salads Limited
Waterland Management Ltd
Wessex Land and Water Ltd
Wessex Water Services Ltd
Wildflower Turf Ltd

Notes to the financial statements (continued)

Individual donations > £1,000

Miss J Glaister
Dr. R Grayer
V Gwynn
Mr J & Mrs L Hawkins
Dr. N P Johnson
Mr H Jones
J Wallen

24. Legacies received

In addition, we received gifts from many people who kindly remembered the Hampshire & Isle of Wight Wildlife Trust in their will, including:

Mrs Phyllis Marguerite Brown
Mrs Pamela Clayton
Mr Richard Martin Lee
Mr Phillip Lewis Lloyd
Miss Christine Anne Oliver
Miss Ena Cecilia Scott Robertson
Miss Vera Cecilia Steer
Lady Monica Tuck