

Company Registration No. 585247 (England and Wales)

**Warwickshire Wildlife Trust Ltd
(A Company Limited by Guarantee)**

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

(Registered Charity Number 209200)



CONTENTS

	Page
Legal and administrative information	2
Trustees' Report	3
Auditor's Report	14
Consolidated Statement of Financial Activities	17
Consolidated and Parent Charity Income and Expenditure Accounts	18
Balance sheet	19
Statement of Cash Flows and Consolidated Statement of Cash Flows	20
Accounting Policies	21
Notes to the Financial Statements	23

Warwickshire Wildlife Trust Ltd
Legal and Administrative Information

DIRECTORS

Mrs C P Waring
Dr M G M Randall
M Bunney
J McKenzie
Mrs K M Reeve
D McArdle
Dr H I Brittain
A A Gabbittas
Dr S Juned
L Wilbraham
G Litterick

Chair
Vice Chair

Treasurer
Secretary

COMPANY SECRETARY

Mrs K M Reeve

Company No. 585247

Charity No. 209200

REGISTERED OFFICE

Brandon Marsh Nature Centre
Brandon Lane
Coventry
Warwickshire
CV3 3GW

Telephone: 024 7630 2912
Fax: 024 7663 9556
Email: enquires@wkwt.org.uk

AUDITORS

Harrison Beale & Owen Limited
Highdown House
11 Highdown Road
Leamington Spa
CV31 1XT

BANKERS

The Co-operative Bank
6 Warwick Row
Coventry
CV1 1EE

SOLICITORS

Wright Hassall LLP
Olympus Avenue
Leamington Spa
CV34 6BF

Warwickshire Wildlife Trust Ltd
Trustees' Report
For the year ended 31 December 2019

The board of Trustees present their annual report together with the audited consolidated financial statements of the charity and its subsidiary for the year ended 31 December 2019.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their account in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Annual report 2019

Warwickshire Wildlife Trust exists to achieve our vision of an environment rich in wildlife for everyone in Warwickshire, Coventry and Solihull.

The trust is a registered charity (No.209200) and a company limited by guarantee (No. 585247). We were established in 1970 to protect our local natural heritage and encourage people to engage, enjoy and get involved with the natural environment. We are a membership organisation, governed by a Memorandum and Articles of Association.

The Trust is managed by a Council of voluntary Trustees, elected from its members, who provide the overall strategic direction for the development and work of the charity. On a day-to-day basis our work is carried out by a staff of 151 (at 31 December 2019, including Middelmarsh Environmental Ltd, the Trust's wholly-owned subsidiary consultancy company), assisted hugely by a large number of volunteers. The Charity's Head Office is at Brandon Marsh Nature Centre near Coventry and it owns the Parkridge Centre in Brueton Park, Solihull as well as leasing offices for Middelmarsh Environmental Ltd near Meriden and the Hams Hall Environmental Centre, near Coleshill.

Warwickshire Wildlife Trust is one of 47 independent charities, which form a national partnership – The Wildlife Trusts - through the Royal Society of Wildlife Trusts. Together we have over 800,000 members and around 2,300 nature reserves throughout the UK. The Trust's junior membership is also part of the national environment club, Wildlife Watch, which provides projects for our members and affiliated schools, so involving them directly with environmental issues. During 2019, the membership of the Trust in Warwickshire, Coventry and Solihull totalled around 24,000. If you would like to join, or find out more, please contact us:

Warwickshire Wildlife Trust
Brandon Marsh Nature Centre
Brandon Lane
Coventry
CV3 3GW

Tel: (024) 7630 2912
Fax: (024) 7663 9556
Email: enquiries@wkwt.org.uk

Internet: www.warwickshirewildlifetrust.org.uk

A list of all Trustees, staff and advisors is provided later in this report.

Vision and Mission

People close to nature, with land rich in wildlife.

Our role in making this happen – our mission – is to bring about Living Landscapes and a society where Nature Matters.

Living Landscapes are where

- wildlife is abundant and thriving in our towns and cities, and across our rural landscape
- whole landscapes and ecosystems have been restored to provide a resilient foundation for wildlife and people for generations to come
- wildlife can adapt to a changing climate by moving freely across the land and along its watercourses
- natural habitats and soils accumulate carbon and store water helping to slow down climate change and reduce droughts and flooding

Nature Matters in a society when everyone

- has a strong personal connection with wildlife and wild places
- benefits from better health, well-being and prosperity thanks to a healthy natural environment, full of wildlife
- reflects the value of wildlife in their attitudes and behaviours
- takes action for wildlife and wild places to bring about nature's recovery

How We Will Achieve Change

We will achieve our mission by acting directly ourselves and by leading those around us, showing them what is possible.

We will inspire people to connect with wildlife by

- saving and nurturing wild places
- providing wild experiences
- telling wild stories

The outcome will be people connected to wild places and the natural world.

We will empower people to champion wildlife by

- supporting learning
- speaking out and encouraging influence
- promoting membership

The outcome will be a motivated society that supports investment in wild places and the natural world.

We will enable people to act for wildlife by

- providing guidance and advice
- supporting volunteering
- bringing together funds from many sources

The outcome will be a healthy wildlife rich environment that benefits society.

We will demonstrate the value of wildlife by

- collecting and sharing evidence
- pioneering natural solutions
- evaluating impact

The outcome will be more wildlife, more wild places and people closer to nature.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Board of Trustees

The Council of Trustees is responsible for the overall governance of the Trust. Trustees are either co-opted during the year or elected at the Annual General Meeting. Co-opted Trustees must stand for election at the Annual General Meeting immediately following their appointment. After election at the Annual General Meeting, Trustees serve for a period of 3 years and may be elected for 2 further periods of 3 years, but no longer unless the Council resolves that there are exceptional circumstances justifying their re-election. Council elects one of its numbers to act as Chair for the year at their first meeting following the Annual General Meeting.

Effective partnership between Trustees and staff continues to contribute significantly to our success. Trustees have differing experiences and backgrounds and their roles and responsibilities require them to have an understanding of all aspects of the Charity's work. Trustees meet at a minimum of four Council meetings each year, where they review strategy and operational performance and set policies, operating plans and budgets. New Trustees are offered an induction process to give them all the information they need about the Charity and its work. In addition, Trustee training sessions are held as and when needed. Trustees are encouraged to attend appropriate external training events where these will help their role.

The Council delegates the exercise of certain tasks in connection with the management and administration of the Charity as set out in a written list of delegated responsibilities, reviewed annually.

Statement of Trustees' Responsibilities and Corporate Governance

The Trustees (who are also directors of Warwickshire Wildlife Trust for the purposes of company law) are responsible for preparing the Trustees' annual report (including the Strategic Report) and the financial statements for each financial year in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Processes are in place as part of the Trust's Quality Management System to ensure that performance is monitored and the appropriate management information is prepared and reviewed monthly by executive management and regularly by the Board of Trustees. A programme of internal audits is in place, linked to a comprehensive risk assessment process.

The systems of internal control are designed to provide assurances against material misstatement or loss. They include:

- A strategic five-year plan and annual budget and work-plan approved by the Trustees;
- Regular consideration by the Trustees of financial results, variances from budget, non-financial performance indicators and benchmarking reviews;
- Delegation of day to day management authority and segregation of duties;
- Identification and management of risks

Statement of Trustees' Responsibilities and Corporate Governance (continued)

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Risk Management

Internal risks are minimised by the implementation of a Risk Management Strategy, reviewed annually, and by procedures for the authorisation of all transactions and projects. Procedures are also in place within the Quality Management System to ensure compliance with health and safety of staff, volunteers, clients and visitors, and to minimise our environmental impacts.

Key risks include: Loss of key staff; over-dependency on a few income streams; management of expenditure within budgets; health and safety and other risks of non-compliance; and reputational risks. Management have put in place systems and controls to mitigate these risks such as HR procedures; training and succession planning; development of a range of activities and income streams; and a robust reserves policy. Management are aware that risk management cannot entirely eliminate all risks to the Charity.

The council signed off the organisational risk register in August 2019.

Public Benefit

The advancement of environmental protection and improvement is recognised as a charitable purpose and is regarded universally as producing a public good. Warwickshire Wildlife Trust exists to promote the care and protection of the environment and therefore provides a clear public benefit. The Wildlife Trust's philosophy is based on the belief that the natural world deserves conserving for its own sake and, since this is widely perceived to be a worthy aim of public policy, it may fairly be regarded as a benefit to the public at large. However, the public benefits provided by Warwickshire Wildlife Trust go much further.

Firstly, our nature reserves are used by the public, and many have access on way-marked routes. At most sites information and interpretation is provided to visitors. There are a few cases where there may be a conflict between management requirements and unfettered access, but where this occurs we strive to keep any restrictions to a minimum.

Secondly, our education programmes are aimed at schools, colleges, adult groups and the wider public. Education is also, of course, recognised as a charitable activity in its own right.

Thirdly, our information gathering and provision of expert advice and opinion to local authorities and others helps to ensure that planning decisions are made on a rational basis taking full account of the public benefit of wildlife.

Fourthly, we can exert influence through our substantial membership at local level, and nationally through our membership of the Royal Society of Wildlife Trusts. It is also our belief that the involvement of many volunteers in our work provides an outlet for altruistic endeavour, which is of special benefit to those involved as well as delivering benefits to the wider public.

Promoting the enjoyment of the natural world is an important part of what we do: contact with the natural world and the appreciation of wildlife and wild places provides great pleasure to all and we try to make special provision for the disabled and disadvantaged wherever possible.

It is a requirement of the Council of Warwickshire Wildlife Trust to ensure that the organisation continues to deliver services for public benefit and the trustees have considered the Charity Commission's guidance on public benefit.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Council adopted a five year strategic plan in May 2017 with a number of strategic objectives. Therefore 2019 was the second full year in which the work of the Trust was focussed entirely on the new plan. Trustees reviewed progress towards the strategic objectives at Council on 27th February 2020, and this is a narrative summary.

Nature Reserves & Community Engagement

The signing of the lease on 11th February 2019 for Phase I of the southern extension completed the expansion of Brandon Marsh. Smiths Concrete and the landowner are both obliged to pass over Phase II to the Trust after mineral extraction has ceased, probably in the next 12-18 months. Work has therefore passed from strategic to operational e.g. securing access and interpretation improvements through grants, grazing and building a relationship with adjacent landowners and the operators of the commercial site on the A46. Spanning 2018 and 2019 this work has added 54 ha to the existing Brandon Marsh nature reserve: 33 ha have been leased from Tarmac and 21 ha from the Woodland Trust (Piles Coppice). The Trust now has a land holding of 141 ha from south of the River Avon to the A46 Coventry ring road, and this adjoins Brandon Wood, a 67 ha site owned and managed by a community/voluntary group the Friends of Brandon Wood, partners in the Dunsmore Living Landscape scheme. Taken together this forms a very large continuous wetland, woodland and grassland site under active management for wildlife, right on the outskirts of Coventry.

Forestry Commission approval for the outline management plans for our woodland estate was secured in March 2019 and formed the basis for a woodland development strategy which was approved by Council on 30th September. Work has passed from strategic to operational - delivery was initiated in the winter at Oakley Wood and Snitterfield Bushes but quickly postponed at the former because the extremely wet conditions would have meant too much damage would have been caused by extraction.

Funding for Help for Hedgehogs was further extended to the end of 2019. The successor partnership project with Garden Organic to the HS2 Community & Environment Fund was developed and submitted in July but was declined in October. Subsequently the project officer has moved to a new role within the Trust. Any further work on a new species campaign would have required starting from scratch and therefore work in this area was suspended in favour of concentrating on other objectives with higher potential.

Significant time in the year was allocated to the realignment of the Trust's engagement strategy so that this is consistent across all strategic objectives and operational areas. Work with schools supported by Children in Need and People's Postcode Lottery also continued for another year.

Habitat Biodiversity Audit

At the end of 2018 the Trustees designated £1 million to create a Nature Recovery Fund to support strategic habitat creation in Warwickshire. As part of the planning carried out in 2019 to prepare for the effective use of this fund the HBA team conducted a study based on 25 years of survey data on the county's habitats, their condition and ecological connectivity. This has helped to identify five priority areas where allocation of the Nature Recovery Fund would have the maximum possible benefit for wildlife at a landscape scale. This work will link to the emerging 30/30 national Wildlife Trust Campaign in 2020 which focuses on 30% of land and sea in the UK contributing towards nature's recovery by 2030.

Living Landscapes

Considerable work was carried out in 2019 to re-submit the River Sherbourne Valley Living Landscape to NLHF following an unsuccessful bid in 2018. External partners engaged with this and significantly increased the level and proportion of the match funding they will provide increasing this from 11% to 25% of the overall scheme value. Key partners now include Severn Trent, Environment Agency, Coventry City Council, Citizen Housing and the Diocese of Coventry. The announcement late in 2018 that Coventry was to be the City of Culture and discussion throughout 2019 consolidated ways in which the Trust's delivery of work in the Sherbourne catchment could support the City of Culture. Upstream of the city a collaborative agreement was signed with the Environment Agency for Natural Flood Management work in the Upper Sherbourne catchment through to 2021. All this allowed the resubmission of a considerably strengthened bid in late 2019, which was approved early in 2020 and the establishment of the Trust's first urban Living Landscape.

The Trust's work on its county wide rural Living Landscape scheme was enhanced by funding secured from Severn Trent Water for a further five years which allowed the continuation of the Agricultural Advisor post. The Arden Farm Wildlife Network supported by Natural England's Facilitation Funding has grown from 21 to 33 members and in 2019 funding for capital projects for the network identified by its members, £21,000 in total, was secured. The Trust was part of a consortium of West Midlands Wildlife Trusts which in 2019 successfully registered themselves as providers of agricultural advice with DEFRA and are now on a closed register able to bid for government contracts.

Health & Well-Being (including Training)

Spending time outdoors makes us feel better. A new project, Leamington Green Connections, started in late 2019 offering people the chance to do that. The Environment and Me project continued to deliver throughout the year generating more data on the efficacy of nature based interventions, life stories captured on film and holding events which increased the visibility of this work, especially events for NHS Commissioners. The project also won the prestigious Gordon Miller Award in 2019 and was presented with the trophy at the National Countrywide Management Conference in the Lake District on 10th October, also World Mental Health Day. TEaM was nominated by our colleagues in Parks at Coventry City Council and the award recognises the most deserving project, initiative or innovative practice that is making an outstanding contribution to countryside/urban green space management. The trophy is a beautiful owl known as Barnie which is on shared display at either Brandon Marsh Nature Centre or Coventry and Warwickshire Mind headquarters. Follow-on funding to continue the dramatic success which this project has had on beneficiaries' well being has been sought in 2019 via a second application to National Lottery Community Fund. Unfortunately an application to Comic Relief was unsuccessful at the final stage of a highly competitive international process.

Participation in a national initiative led the Royal Society of Wildlife Trusts has created the greatest potential for expansion of the Trust's work to promote the health benefits of nature with the hosting of a visit by James Sanderson, NHS England's Director of Personalised Care creating the possibility of link workers embedded in Trusts sign posting people towards our nature based interventions supported by their personal health budgets.

Little progress was made on the development of the Environmental Angling Centre at Lea Marston with the Environment Agency working through its internal processes related to a decision on the lease. During 2019 the possibility has emerged of the Trust receiving a long lease from the parish council of the former environmental centre at Hams Hall, some adjacent land and modest funding from E.ON, however detailed progress has also been slow. It may be that Hams Hall could form a base for the Trust to deliver health and wellbeing work in the north of the county, but without the substantial opportunities for habitat creation at Lea Marston.

2020 is the 50th anniversary of the Trust. In the second half of 2019 funding was secured for a Wilder Future for Warwickshire anniversary project which will deliver training identified by 18-35 year olds as being the most useful to empower them to meet the environmental challenges of their futures – advocacy, campaigning, marketing etc. A pyramid of engagement will create 12 wildlife ambassadors from this age range with perhaps 1 or 2 becoming trustees or taking on other governance roles at some point.

Two internal workshops have clarified our training offer across the Trust to ensure consistency and quality and the link to externally funded projects. The national apprenticeship scheme has been thoroughly explored and discounted for conservation opportunities because the schemes being developed would not provide what the Trust requires from potential trainees.

Nature Schools

The Red Kite Academy Trust application for permission to open a free school in Nuneaton was declined in May 2019 and in December the members and trustees decided to close RKAT because of the remote possibility that it was a route for establishing nature schools in the future.

Visitor Centres

2019 was the second year that the tea room at Parkridge had operated in house. New staff were recruited into the new visitor centre manager roles at both Parkridge and Brandon Marsh in March 2019 and investments in infrastructure included EPOS tills which give a real time connection to accounts generating data for the analysis of retail performance. A new play trail and seating area was funded and installed at Parkridge.

Volunteering

Improved systems are now all in place providing proper and consistent support to all areas of our volunteering function. This has allowed us to properly manage the health and safety of volunteer led work parties and address any issues in an effective and timely fashion. With our house in order we have been able to move to setting up new groups such as those at Parkridge, Ufton, Bishops Hill and the Western roaming reserves group. The work on identifying barriers to volunteering at the Trust has lagged and will be a focus for 2020 as will developing volunteer input in other areas of the Trust where it is most needed e.g. the visitor centres.

In 2018 we nominated the Brandon Marsh Voluntary Conservation Team for two awards, one being the Queen's Award for Voluntary Service which is the highest award given to local volunteer groups across the UK to recognise outstanding work done in their own communities. In May 2019 we found out that the BMVCT were successful and on 19th July the Lord Lieutenant of Warwickshire presented the group with their trophy at a ceremony at the Brandon Marsh visitor centre where it is now proudly displayed.

Membership

At the end of 2019 membership of the Trust was at a historic high and this has been achieved in a year which a new Customer Relationship Management system was also introduced: a double achievement. In-house capacity to recruit via door to door and face to face has ended with the resignation of the two employees leading this work, and there are no plans to replace them as our trading company, Wildlife Fundraising Central Ltd, is now performing strongly in Warwickshire and recruitment at the visitor centres has picked up significantly, especially at Brandon. The next strategic focus on this objective to operationalise the use of the CRM as its introduction was later than anticipated.

The Trust is very grateful to the following people who remembered local wildlife and gave a lasting gift in their wills this year, which contributed to total legacies received of £458,853: Christine Mary Kitchen; Harry David Hunter; Herbert Haywood; Joan Ierston; Robert William Sallis; Susan Mary Preedy; William Thomas Skinner.

Keeping Up The Good Work

In addition to work on the current strategic objectives we have kept up the good work which has sustained nature in Warwickshire for nearly 50 years. Through the management of our nature reserves we continued to look after wildlife where our supporters (members, volunteers, donors, well-wishers) live, work and play. Through the work of the HBA we continued to survey the habitats on other people's land, building our knowledge of the wildlife of our county and its condition and ecological functionality. We welcomed tens of thousands of local children to our environmental education programme, and similar numbers to our visitor centres plus thousands more people to our vibrant and varied programme of events. We provided a voice for nature commenting on everything from Environmental Statements submitted by HS2 through to major housing development schemes across Warwickshire, Coventry and Solihull. Projects we are part of and collaborations we have entered into have delivered on their current commitments over the past year, e.g. those within the Tame Valley Wetlands Partnership and the Dunsmore Living Landscape.

Warwickshire Wildlife Trust Ltd
Trustees' Report - continued
For the year ended 31 December 2019

Governance

A review of current governance arrangements against the seven principles and recommended practice in the Charity Commission Governance Code was carried out in 2019 with a report back to Council on 30th July.

Ron Hill resigned as a trustee this year after decades in the role. With the resignation of Luke Hamer and the sad death after a long illness of Frank Almond the Council has decided to carry out a trustee recruitment in 2020. Trustees will be sought with skills and experience complementary to those already in place within Council.

Financial Review

In the financial year under review there were 2 prior year adjustments made to the financial statements, the details of which are disclosed in Note 1.

On the basis of the restated comparatives, the Group's income increased from £6.876M in 2018 to £7.837M although costs also increased to £7.657M compared to £6.807M in 2018 leaving a group surplus for the year of £179,141 (2018: £69,051). Given the turbulent financial nature of the world at large and the impact of the prior year adjustments, these figures are impressive.

For the charity alone, income including Middlemarch's Gift Aid donation, increased up to £3.539M (2018: £2.259M) with costs increasing to £2.790M (2018: £2.730M). Net profit increased to £748,665 compared to a deficit of £470,932 in 2018, although changes in the way gift aid is now accounted for resulted in more income being recognised in 2019 (and correspondingly less in a restated 2018) as a result of one of the prior year adjustments. Gift Aid of £556,000 originally accounted for in 2018 has now been recognised on receipt in 2019 in addition to the Gift Aid accrued for the year ended 2019 from Middlemarch of £95k.

Overall the Trust's income from charitable activities increased by £319k, with grants, projects and other income increasing from £1,278k in 2018 up to £1,597k this year, with income from generated funds also increasing from £980k in 2018 to £1,291k this year. Subscriptions increased to £588k (2018: £568k), with corporate subscriptions remaining fairly stable at £12k in 2019 versus £5k in 2018. Legacies and donations increased significantly during the year from £142k in 2018 to £459k, however these will vary from year to year. Investment income increased slightly from £9k up to £15k. Visitor Centres income also increased during the year from £247k in 2018 to £267k this year.

The Contingency Fund remained the same at £730,000, in order to provide sufficient cover for operating costs and an additional Covid-19 Recovery Fund was set up for £315,000.

Middlemarch Environmental Ltd, our subsidiary ecological consultancy company, produced good results against an increasingly competitive consultancy market with turnover increasing to £4.948M (2018: 4.611M). However, for various reasons costs increased significantly by £794k, which has had an impact on the comparable level of gift aid accrued to the Trust at the year end which was £95k (compared to that originally accrued in 2018 of £556k).

The group's cash increased in the year by £394k (2018: increase £447k), thus the group's cash position remains healthy. Whilst most of this cash is earmarked for future projects, it nevertheless reflects a reasonably strong position for both the Trust and Middlemarch given the continuing overall position of the economy in 2019 and the impact of events since then.

Covid-19 Statement

Though these accounts cover the financial year January to December 2019 they were completed in August 2020, five months after the start of the national lockdown brought in as a response to the global Covid-19 pandemic declared by the World Health Organisation on 11th March 2020.

Like almost every other organisation in the UK the lockdown, the restrictions and regulations associated with social distancing and the need to ensure that we provide a Covid-19 secure environment for all employees, volunteers and staff have all significantly affected the finances of the Trust in 2020. Government support such as the Coronavirus Job Retention Scheme and grants to businesses have helped and between March and July the Trust placed the majority of its employees on furlough while retaining a small skeleton staff to maintain crucial operations. The visitor centres and cafés at Brandon Marsh and Parkridge were closed, though all other nature reserves remained open and received much higher numbers of visitors than usual, with some unfortunate anti-social behaviour. Middlemarch reduced staff hours but retained most employees at work with only a few positions being furloughed.

Covid-19 Statement (continued)

Throughout 2020 the finances have been reforecast on a weekly basis, both in terms of profit and loss and cashflow. Both within the charity and subsidiary greater scrutiny has been applied towards managing invoicing, debt and cashflow.

Looking ahead there is no doubt in the opinion of the trustees that the Trust is a going concern, and this applies to both the charity and subsidiary. Whilst it is true that income streams from retail and catering will decline greatly with the closure of the visitor centres, it should be noted that these are not major sources of income generation for the charity.

More significantly it is likely that Middelmarsh, at best, will only make a small profit in 2020, and will therefore be unable to transfer gift aid to the charity in 2021. This will have a large negative affect on the charity's finances but sufficient reserves are held to cover the shortfall – this is the main reason why trustees have designated a significant amount of funds generated in 2019 towards the creation of a new fund: the Covid-19 Recovery Fund (see note 21).

It is concerning that many funders are restructuring their grants towards addressing issues directly and solely related to the pandemic as this may reduce opportunities for the Trust in the future. On the other hand the last six months have seen people appreciate the benefits of nature and wildlife on their doorstep much more intimately then previously, and the linked climate and ecological crises are more prominent in the public consciousness than before. Not for a long time has there been such an understanding of the connection between human health and the health of the natural world. There is therefore a great deal of uncertainty about society's future priorities and how individuals, businesses and government will respond.

What remains certain is that nature needs to recover and local charities such as the Trust have a key role in ensuring this happens.

Investment Policy

The Charity's Investment objective is to optimise its return from its investments consistent with a moderate level of risk and does not knowingly invest in institutions with objectives contrary to its environmental policies.

The Charity's policy is to identify cash funds surplus to immediate needs and invest the surplus in short-term investments, near cash funds and immediate cash funds.

Short-term investments represent money identified as not needed within the foreseeable future and should be invested only in UK bonds with high credit rating and for a period not exceeding 12 months. The amounts involved are restricted to £100,000 per institution and to be spread throughout the year to avoid concentration of renewal activity.

Near cash funds represents money not required in the immediate future but may be required in the foreseeable future and should be invested in institutions with minimal risk to capital and the availability of instant withdrawal.

At present the Charity invests the majority of its surplus funds in a COIF account to maximise interest returns whilst providing a high level of security. The COIF Charity Funds (Registered Charities No's 218873/803610/1046249/1093084) are common investment and deposit funds and managed by CCLA. Other high profile institutions are now being used to invest near future cash funds.

Immediate cash funds are held within the Charity's bank account and represents money that is required for its day to day activities.

Fundraising

Whilst the Charity does incur some expenditure in respect of fundraising activities, these are considered to be on a small scale and so do not form part of the Charity's principal activities. The Charity neither participates in publicly marketed fundraising events nor in the active soliciting of donations from members of the general public. Accordingly, the Charity is not registered with the Fundraising regulator, although the situation will be kept under review.

Warwickshire Wildlife Trust Ltd
Trustees' Report - continued
For the year ended 31 December 2019

Reserves Policy

The Trustees believe that the Charity should hold financial reserves because:

- 1) It has no income from endowment funding and is entirely dependent for income on membership, donations, grants and legacies which can vary from year to year;
- 2) It requires protection against unforeseen setbacks and the ability to continue operation despite these circumstances; and
- 3) It requires the ability to be able to take advantage of change and opportunities to further its objectives.

The Trustees believe that the minimum level of unrestricted reserves should be the equivalent of 2 months' operating costs calculated and reviewed annually, and believe that the reserves should be built up to the desired level in stages consistent with the Charity's overall financial position and its needs to maintain and develop its charitable activities. At the end of 2019, the Contingency Fund was maintained and a Covid-19 Recovery Fund set up to further strengthen the position of the Charity.

At the year end the Charity had Endowment funds of £1,704k (2018: £1,722k); Restricted funds of £47k (2018: £92k); Unrestricted designated funds of £3,016k (2018: £2,781k) and Unrestricted funds of £422k (2018: deficit £136k). The charity also has control over a non-charitable fund of £1,369k (2018: £1,920k).

Employees

The Charity supports equal opportunities. The Trust's staff operates primarily from its headquarters office at Brandon Marsh Nature Centre with some out-posted staff in the Parkridge Centre Solihull as well as rented offices in Coventry and Warwick. Staff of Middlemarch Environmental Ltd operates from rented offices near Millisons Wood on the outskirts of Coventry. During 2019 there was a total of 151 staff, including 73 at the Trust and 78 at Middlemarch Environmental Ltd (2018: 149, split 75:74).

Pay policy for senior staff

The pay of the senior staff is reviewed by the board (at least annually) and normally increased in line with average earnings or review against performance objectives. In view of the nature of the charity, the trustees benchmark against pay levels in other regional charities of a similar size.

Pensions

The Charity operates a Group Personal Pension scheme, where minimum contributions of 4.5% from employees are matched by contributions of between 4.5% and 6% from the Charity or its trading company. The scheme is optional to all staff once they have completed a probationary period, and transportable should they leave.

Many Thanks

Warwickshire Wildlife Trust is your organisation and as such is the natural home for all those who care about local wildlife, wild places, geology and the natural environment. Our work is vital – it's important for the integrity of the natural world on our doorstep. The quality and health of our natural environment is also important for our own health and well-being – and for the future of society, the economy, jobs and growth.

The Trust works hard on everyone's behalf for local wildlife and local people and we can achieve nothing without the support of members – and the hard work and dedication of all of our volunteers and staff.

We would like to offer our warm thanks and sincere gratitude to everyone who has contributed to our activities and success in 2019 and, most of all, for helping make Warwickshire a better place to live and work.

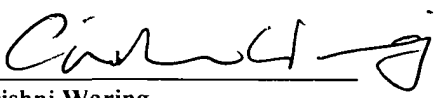
We can be justifiably proud of what we are achieving. Keep up the superb work in 2020 and thank you for being a part of it!

Crishni Waring
Chair

Dr Ed Green
Chief Executive

Tom Docker
Managing Director, Middlemarch

Signed on behalf of the Trustees:


Crishni Waring
Chair

Date: 14 September 2020

Warwickshire Wildlife Trust Ltd
Trustees' Report - continued
For the year ended 31 December 2019

Management of the Trust 2019

COUNCIL OF TRUSTEES

Crishni Waring	(Chair)
Dr Martin Randall	(Vice Chair)
Michael Bunney	
John McKenzie	(Hon Treasurer)
Kay Reeve	(Hon Secretary)
Duncan McArdle	
Ron Hill	(Resigned 4 December 2019)
Dr Helen Brittain	
Andrew Gabbitas	
Luke Hamer	(Resigned 25 July 2019)
Dr Susan Juned	
Laurence Wilbraham	
Geoff Litterick	
Francis Almond	(Deceased 25 December 2019)

Chief Executive

Dr Ed Green

MIDLEMARCH ENVIRONMENTAL LTD - BOARD

Jonathan Bird	(Company Secretary)
Dr Phil Fermor	(Resigned 31 December 2019)
David Smith	(Resigned 3 December 2019)
Tom Docker	(Appointed 13 January 2020)
Eamon Collins	
Rodney Aspinwall	
Dr Katy Read	(Resigned 31 December 2019)
Dr Ed Green	
John McKenzie	
Anne Doswell	
Duncan McArdle	
Fiona White	

TRUST SOLICITORS

Wright Hassall LLP, Leamington Spa

TRUST AUDITORS

Harrison Beale & Owen Ltd,
Leamington Spa

Warwickshire Wildlife Trust Ltd
Independent Auditors Report to the Members of Warwickshire Wildlife Trust Ltd
For the year ended 31 December 2019

Opinion

We have audited the financial statements of Warwickshire Wildlife Trust Ltd (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charity Income and Expenditure Accounts, the Group and the Parent Charity Balance Sheet, the Statement of Cash Flows and Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2019, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Warwickshire Wildlife Trust Ltd
Independent Auditors Report to the Members of Warwickshire Wildlife Trust Ltd
For the year ended 31 December 2019

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 5 to 6, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Warwickshire Wildlife Trust Ltd
Independent Auditors Report to the Members of Warwickshire Wildlife Trust Ltd
For the year ended 31 December 2019

Auditor's responsibilities for the audit of the financial statements

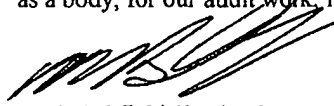
We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Ashfield (Senior Statutory Auditor)

Date: 14 September 2020

For and on behalf of Harrison, Beale & Owen Limited
Chartered Accountants, Statutory Auditor

Highdown House
11 Highdown Road
Leamington Spa
Warwickshire
CV31 1XT

Harrison, Beale & Owen Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Warwickshire Wildlife Trust Ltd
Consolidated Statement of Financial Activities
For the year ended 31 December 2019

		Unrestricted funds		Restricted funds	Endowment funds	Total funds 2019	Total funds 2018 (as restated)
	Note	Undesignated funds	Designated funds				
		£	£	£	£	£	£
Income and endowments from:							
Donations and legacies	3	1,227,445	-	-	-	1,227,445	866,982
Charitable activities	4	296,553	-	1,300,845	-	1,597,398	1,278,328
Other trading activities	5	4,995,698	-	-	-	4,995,698	4,715,299
Investment income		16,009	-	-	-	16,009	15,074
Total income		6,535,705	-	1,300,845	-	7,836,550	6,875,683
Expenditure on:							
Raising funds	6	5,328,062	88,092	-	-	5,416,154	4,527,889
Charitable activities	7	361,731	337,690	1,523,654	18,180	2,241,255	2,278,743
Total expenditure		5,689,793	425,782	1,523,654	18,180	7,657,409	6,806,632
Net income/(expenditure)		845,912	(425,782)	(222,809)	(18,180)	179,141	69,051
Transfers between funds	25	(839,595)	661,363	178,232	-	-	-
Net movement in funds		6,317	235,581	(44,577)	(18,180)	179,141	69,051
Total funds brought forward at 1 January 2019 (restated)		1,783,906	2,780,649	91,779	1,722,268	6,378,602	6,309,551
Total funds carried forward at 31 December 2019		1,790,223	3,016,230	47,202	1,704,088	6,557,743	6,378,602

The statement of financial activities contains all gains and losses for the year and all activities relate to continuing operations. The profit for the purposes of the Companies Act 2006 is the net incoming resources before unrealised losses/gains.

Warwickshire Wildlife Trust Ltd
Consolidated and Parent Charity Income and Expenditure Accounts
For the year ended 31 December 2019

	Group		Charity	
	2019	As restated	2019	As restated
	£	£	£	£
Income from:				
Donations, legacies and other trading activities	6,239,152	5,597,355	1,290,570	980,407
Charitable activities	<u>1,597,398</u>	<u>1,278,328</u>	<u>1,597,398</u>	<u>1,278,328</u>
Total income	<u>7,836,550</u>	<u>6,875,683</u>	<u>2,887,968</u>	<u>2,258,735</u>
Expenditure on:				
Raising funds	5,416,154	4,527,889	567,228	472,734
Charitable activities	<u>2,223,075</u>	<u>2,256,933</u>	<u>2,223,075</u>	<u>2,256,933</u>
Total expenditure on continuing operations	<u>7,639,229</u>	<u>6,784,822</u>	<u>2,790,303</u>	<u>2,729,667</u>
Net income/ (expenditure) for the year	<u>197,321</u>	<u>90,861</u>	97,665	(470,932)
Donations under gift aid from subsidiary			<u>651,000</u>	<u>-</u>
Net income for the year - parent charity			<u>748,665</u>	<u>(470,932)</u>

Endowment fund income and expenditure has been excluded from the above figures.

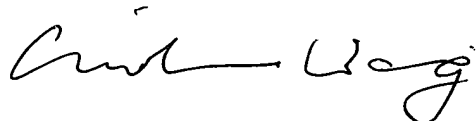
A detailed analysis of the subsidiary trading results is shown in note 2.

The income and expenditure accounts is provided for Company Act purposes.

Warwickshire Wildlife Trust Ltd
Balance Sheet
As at 31 December 2019

		Group		Charity	
		As restated		As restated	
		2019	2018	2019	2018
		£	£	£	£
	Note				
Fixed assets					
Tangible assets	12	2,197,829	2,141,948	2,126,359	2,096,549
Investments	13	-	-	100	100
Total fixed assets		<u>2,197,829</u>	<u>2,141,948</u>	<u>2,126,459</u>	<u>2,096,649</u>
Current assets					
Stocks	14	22,828	15,045	22,828	15,045
Debtors	15	1,918,464	2,107,973	728,813	434,655
Cash at bank and in hand	16	4,098,198	3,703,729	3,319,752	3,163,232
		<u>6,039,490</u>	<u>5,826,747</u>	<u>4,071,393</u>	<u>3,612,932</u>
Creditors: amount falling due within one year	17	<u>(1,668,546)</u>	<u>(1,586,239)</u>	<u>(1,008,651)</u>	<u>(1,250,865)</u>
Net current assets		<u>4,370,944</u>	<u>4,240,508</u>	<u>3,062,742</u>	<u>2,362,067</u>
Total assets less current liabilities		<u>6,568,773</u>	<u>6,382,456</u>	<u>5,189,201</u>	<u>4,458,716</u>
Provision for liabilities	18	<u>(11,030)</u>	<u>(3,854)</u>	<u>-</u>	<u>-</u>
Total net assets	23	<u>6,557,743</u>	<u>6,378,602</u>	<u>5,189,201</u>	<u>4,458,716</u>
Funds					
Endowments	19	1,704,088	1,722,268	1,704,088	1,722,268
Restricted funds	20	47,202	91,779	47,202	91,779
Unrestricted designated funds	21	3,016,230	2,780,649	3,016,230	2,780,649
Unrestricted funds	22	421,681	(135,980)	421,681	(135,980)
Non-charitable funds	22	1,368,542	1,919,886	-	-
Total funds		<u>6,557,743</u>	<u>6,378,602</u>	<u>5,189,201</u>	<u>4,458,716</u>

Approved and authorised by the Council on 14 September 2020 and signed on its behalf by:



C WARING
Chair of Trustees

Warwickshire Wildlife Trust Ltd

Statement of Cash Flows and Consolidated Statement of Cash Flows

For the year ended 31 December 2019

	Note	Group		Charity	
		2019 £	2018 £	2019 £	2018 £
Cash provided by/ (used in) operating activities	30	536,196	487,281	226,203	488,313
Tax paid		(2,784)	(12,858)	-	-
Net cash provided by/ (used in) operating activities		533,412	474,423	226,203	488,313
Cash flows from investing activities					
Interest from investments		16,009	15,074	15,288	9,372
Purchase of tangible fixed assets		(163,702)	(42,619)	(84,971)	-
Proceeds from sale of fixed assets		8,750	250	-	-
Cash (used in)/ provided by investing activities		(138,943)	(27,295)	(69,683)	9,372
Increase/ (decrease) in cash and cash equivalents in the year		394,469	447,128	156,520	497,685
Total cash and cash equivalents at the beginning of the year		3,703,729	3,256,601	3,163,232	2,665,547
Total cash and cash equivalents at the end of the year		<u>4,098,198</u>	<u>3,703,729</u>	<u>3,319,752</u>	<u>3,163,232</u>

Warwickshire Wildlife Trust Ltd
Accounting Policies
For the year ended 31 December 2019

General information and basis of preparation

Warwickshire Wildlife Trust is a private company limited by guarantee, incorporated in England and Wales. The address of the registered office is given in the legal and administrative information on page 2 of these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The charity constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

The trustees are of the opinion that there are no going concern issues to be reported and as such the accounts are prepared on a going concern basis.

Consolidation

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Charity and its subsidiary, Middlemarch Environmental Ltd. Intra-group transactions are eliminated on consolidation. The results of the subsidiary are consolidated on a line by line basis. A separate SOFA for the charity has not been presented because the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Fund Accounting

Unrestricted Funds:

These funds can be used for any of the charity's purposes.

Restricted and Endowment Funds:

These funds have been given to the Trust for a particular purpose to be used in accordance with the wishes of the donor. The capital can generally not be realised.

Designated Funds:

These funds are unrestricted funds set aside by the trustees and earmarked to meet future costs. These include a designated contingency fund, which represents an amount set aside to meet unforeseen costs.

Incoming resources

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

Voluntary income

Voluntary income is received by way of donations, gifts, subscriptions, covenants and fund raising activities. This income is credited to the income and expenditure account on a receipts basis.

Legacies

Legacies are taken into account on the earlier of the when the charity is notified or when a distribution is received. Receipt is only considered probable when the amount can be measured reliably. Where legacies have been notified to the charity but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Capital grants

Capital grants, including Government Grants, received for the purchase of Freehold and Leasehold Land are credited to the Trust's restricted funds in the year of receipt. Leasehold land and property is written off over the expected useful life of the relevant asset in equal annual instalments.

Warwickshire Wildlife Trust Ltd
Accounting Policies - continued
For the year ended 31 December 2019

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on raising funds includes those costs incurred by the charity in its trading activities, fundraising and member services. It includes both costs that relate directly to an activity and those of an indirect nature necessary to support them.
- Expenditure on charitable activities includes those costs incurred by the charity in the delivery of its activities and services for its beneficiaries, including those relating to specific projects. It includes both costs that relate directly to an activity and those of an indirect nature necessary to support them.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Pension costs

The Trust company operates a defined contribution scheme for the benefit of its employees. The costs of the contributions are written off against incoming resources in the year they are payable. The assets of the scheme are held separately from the Trust in independently administered funds. Expenditure is allocated to activities and funds dependent upon the staff members' time spent.

Volunteer help

The Trust receives support from a wide variety of volunteers. It is not practical to place a value on the time volunteered by all these persons due to the variety of duties performed, the differences in time spent, and the sheer number of volunteers who gave their time.

Fixed assets

Depreciation is not provided on freehold land which is considered to have a useful life of more than fifty years. Depreciation has been provided on buildings which comprise construction of the Trust's headquarters and the Visitors' Centres at Brandon and Brueton Park at a rate to write off the assets over the term of the lease.

Equipment costing less than £1,000 per individual item is written off in the period of acquisition. All other equipment is capitalised at cost. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Motor vehicles	33% per annum
Tractors	15% per annum
Equipment	10% to 25% per annum
Computer equipment	50% per annum

Investments

Fixed and current asset investments are stated at historic cost, net of any impairment losses.

Operating leases

Rentals payable under operating leases are charged to the SOFA over the period in which the cost is incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Research and development

Expenditure on research and development incurred in the year is charged to the SOFA.

Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Financial instruments

The trust only has financial assets and liabilities of a kind that qualify as basic financial instruments, which are initially recognised at transaction value and subsequently measured at their settlement value.

1. Prior year adjustments

The charity has made 2 prior year adjustments in 2019: the first concerns the change to the SORP with respect to the accounting treatment of liabilities and payments made by trading subsidiaries under gift aid; the second is a correction of a prior year error in respect of deferred income.

Adjustment re: changes in accounting treatment of gift aid

Following the clarifying amendments to the Charities SORP Update Bulletin 2, payments under gift aid by trading subsidiaries to charitable parent entities can only be recognised in the financial statements when a legal obligation exists at the reporting date and should be treated as distributions of profits rather than items of expenditure.

No such legal obligation was in place as at the year ended 31 December 2018 but appropriate arrangements have been put in place for the year ended 31 December 2019 to enable the liability to be recognised at the reporting date.

Accordingly, the distribution under gift aid for the year ended 31 December 2018 of £556,000 which was previously accrued at that date and shown within the income of the charity has now been recognised in the year of payment. A prior year adjustment has been made to restate the relevant funds by this amount, with analysis shown below.

Adjustment re: corrections for prior year errors in respect of deferred income

On review of deferred income adjustments made by management annually, it became evident that deferred income had been understated for a number of years in respect of charitable income to which, it was further established, the charity was not in fact entitled at the balance sheet date. Accordingly, an adjustment was made to correct the deferred income in both the current and previous financial years with comparative restricted funds restated by £546,067 and unrestricted funds by £1,265. The impact of the prior year adjustment is also shown below.

	Original balance 31 Dec 2018 £	Prior year adjustment re gift aid treatment £	Prior year adjustment re deferred income £	Restated balance 31 Dec 2018 £
Restricted fund	637,846	-	(546,067)	91,779
Unrestricted fund	421,285	(556,000)	(1,265)	(135,980)
Non charitable fund	1,363,886	556,000	-	1,919,886
	<u>2,423,017</u>	<u>-</u>	<u>(547,332)</u>	<u>1,875,685</u>

Warwickshire Wildlife Trust Ltd
Notes to the Financial Statements
For the year ended 31 December 2019

2. Net Income from Trading Activities of Subsidiary

The charity has a wholly owned trading subsidiary, Middlemarch Environmental Limited (company number 02593908), which is incorporated in the UK. The principal activity of Middlemarch Environmental Ltd is to provide ecological consultancy services. The company pays a proportion of its taxable profits to the Trust by way of gift aid. A summary of their trading results is shown below. Audited financial statements are filed with the Registrar of Companies.

	2019 £	As restated 2018 £
Turnover including £nil intercompany (2018: £nil)	4,947,861	4,611,247
Cost of sales	<u>(1,122,998)</u>	<u>(715,822)</u>
Gross profit	3,824,863	3,895,425
Other operating expenses	(3,718,752)	(3,337,976)
Investment income	<u>721</u>	<u>5,702</u>
Net profit	106,832	563,151
Taxation	<u>(7,176)</u>	<u>(1,358)</u>
	99,656	561,793
Gift Aid donation to Warwickshire Wildlife Trust	<u>(651,000)</u>	<u>-</u>
Retained in Subsidiary	<u>(551,344)</u>	<u>561,793</u>
Aggregate assets, liabilities and funds	<u><u>1,368,642</u></u>	<u><u>1,919,986</u></u>

3. Donations and legacies income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 (as restated) £
Subscriptions	587,655	-	587,655	568,357
Corporate subscriptions	12,486	-	12,486	4,655
Donations and gifts	34,778	-	34,778	19,964
Income tax recovered under gift aid	133,673	-	133,673	132,366
Legacies	<u>458,853</u>	<u>-</u>	<u>458,853</u>	<u>141,640</u>
	<u><u>1,227,445</u></u>	<u><u>-</u></u>	<u><u>1,227,445</u></u>	<u><u>866,982</u></u>

2018 comparatives include donations and gifts of £847 in restricted funds. Other income is unrestricted.

Warwickshire Wildlife Trust Ltd
Notes to the Financial Statements - continued
For the year ended 31 December 2019

4. Charitable activities income

	Unrestricted funds		Restricted funds	Endowment funds	Total 2019	Total 2018 (as restated)
	Designated funds	Undesignated funds				
	£	£	£	£	£	£
Visitor centres	-	267,165	-	-	267,165	246,582
Reserves and community engagement	-	-	339,892	-	339,892	243,449
Living landscapes	-	24,516	648,935	-	673,451	550,810
Habitat biodiversity audit	-	-	111,477	-	111,477	106,482
Health and wellbeing	-	4,872	200,541	-	205,413	131,005
	-	296,553	1,300,845	-	1,597,398	1,278,328

2018 comparatives include visitor centres income of £238,215 and Health and wellbeing income of £6,164 in unrestricted funds. Other income is included in restricted funds.

5. Other trading activities income

	Unrestricted funds		Restricted funds	Endowment funds	Total 2019	Total 2018 (as restated)
	Designated funds	Undesignated funds				
	£	£	£	£	£	£
Subsidiary trading company	-	4,947,861	-	-	4,947,861	4,611,247
Fundraising	-	47,837	-	-	47,837	104,052
	-	4,995,698	-	-	4,995,698	4,715,299

6. Raising funds expenditure

	Unrestricted funds		Restricted funds	Endowment funds	Total 2019	Total 2018 (as restated)
	Designated funds	Undesignated funds				
	£	£	£	£	£	£
Marketing	51,001	175,674	-	-	226,675	163,155
Membership servicing	37,091	303,462	-	-	340,553	309,579
Subsidiary trading company	-	4,848,926	-	-	4,848,926	4,055,155
	88,092	5,328,062	-	-	5,416,154	4,527,889

2018 comparatives include marketing costs of £24,708 and membership servicing costs of £4,100 in unrestricted designated funds and marketing costs of £369 in restricted funds. Other costs are included in unrestricted undesignated funds.

Warwickshire Wildlife Trust Ltd
Notes to the Financial Statements - continued
For the year ended 31 December 2019

7. Charitable activities expenditure

	Unrestricted funds				Total	Total
	Designated funds	Undesignated funds	Restricted funds	Endowment funds	2019	2018
	£	£	£	£	£	£
Visitor centres	44,805	349,762	-	18,180	412,747	370,887
Reserves and community engagement	139,101	-	416,433	-	555,534	506,950
Living landscapes	86,505	-	771,906	-	858,411	981,889
Habitat biodiversity audit	-	-	111,450	-	111,450	106,482
Health and wellbeing	51,810	-	223,865	-	275,675	277,089
Governance costs	15,469	-	-	-	15,469	15,247
Volunteer costs	-	11,969	-	-	11,969	20,199
	<u>337,690</u>	<u>361,731</u>	<u>1,523,654</u>	<u>18,180</u>	<u>2,241,255</u>	<u>2,278,743</u>

2018 comparatives include visitor centres costs of £16,734 in restricted funds and £21,810 in endowment funds; Reserves and community engagement costs of £307,109 in restricted funds and £199,841 in unrestricted designated funds; Living landscapes costs of £838,924 in restricted funds and £142,965 in unrestricted designated funds; Habitat biodiversity costs of £106,482 in restricted funds; Health and wellbeing costs of £234,365 in restricted funds and £42,724 in unrestricted designated funds; and Governance costs of £15,247 in unrestricted designated funds. Other costs are in unrestricted undesignated funds.

8. Total resources expended

	Staff costs	Depreciation	Other costs	Total	Total
	£	£	£	2019	2018
				£	£
Direct charitable expenditure	1,117,221	24,750	674,568	1,816,539	1,887,657
Visitors centre	201,386	28,770	182,591	412,747	370,887
Expenditure on raising funds	269,890	1,641	295,697	567,228	472,734
Volunteer costs	-	-	11,969	11,969	20,199
	<u>1,588,497</u>	<u>55,161</u>	<u>1,164,825</u>	<u>2,808,483</u>	<u>2,751,477</u>
Middlemarch Environmental Limited	<u>3,022,016</u>	<u>52,660</u>	<u>1,774,250</u>	<u>4,848,926</u>	<u>4,055,155</u>
	<u>4,610,513</u>	<u>107,821</u>	<u>2,939,075</u>	<u>7,657,409</u>	<u>6,806,632</u>
				2019	2018
				£	£

Total resources expended are stated after charging/ (crediting):

Directors' remuneration	317,271	440,640
Settlements paid to former directors	165,882	-
Auditors' remuneration	11,250	11,250
Depreciation	107,821	91,060
(Profit)/ loss on sale of fixed assets	(8,750)	(250)
Amounts payable under operating leases	<u>49,279</u>	<u>45,417</u>

Warwickshire Wildlife Trust Ltd
Notes to the Financial Statements - continued
For the year ended 31 December 2019

9. Staff Costs

	2019 £	2018 £
Wages and salaries	3,860,055	3,467,037
Social security costs	299,799	303,078
Pension costs	450,659	353,643
	<u>4,610,513</u>	<u>4,123,758</u>

The average number of employees, analysed by function was:

	2019 No	2018 No
Trust activities	60	62
Fundraising and publicity	6	6
Management and administration	7	7
Subsidiary trading company	78	74
	<u>151</u>	<u>149</u>

The above average number of employees comprise

Warwickshire Wildlife Trust	73	75
Middlemarch Environmental Limited	78	74
	<u>151</u>	<u>149</u>

The following members of the Council of Trustees received remuneration during the year for duties as non-executive directors of the trading company:

J McKenzie	£8,833	(2018: £8,531)
D McArdle	£6,973	(2018: £6,761)

All other members of the Council of Trustees act in an unpaid capacity.

Three trustees (2018: Two) received expenses of £358 (2018: £397) relating to travel and subsistence.

Key management are considered to be the Chief Executive officer, the Financial Controller of the Charity and the Executive Directors of the trading subsidiary. The total employment benefits including pension contributions of key management personnel was £545,531 (2018: £485,951).

Warwickshire Wildlife Trust Ltd
Notes to the Financial Statements - continued
For the year ended 31 December 2019

9. Staff Costs (continued)

Higher paid staff

Employees' remuneration (excluding pension contributions) in excess of £60,000 for the year fell within the following bands:

	Charity		Trading Company	
	2019	2018	2019	2018
	No.	No.	No.	No.
£60,001 - £70,000	-	-	-	4
£70,001 - £80,000	1	1	-	-
£90,001 - £100,000	-	-	1	1
£120,001 - £130,000	-	-	1	2
£190,001 - £200,000	-	-	1	-

All of the higher paid staff except one, are employed by Middlemarch Environmental Ltd, the subsidiary undertaking. One (2018: One) charity employee received remuneration in excess of £60,000

Highest paid director (subsidiary undertaking)

The highest paid director received £192,301 (2018: £128,806), including a settlement of £99,497 (2018: £nil) and had £8,493 (2018: £9,061) added to their pension.

	£	£
Pension contributions in respect of the above employees are	22,889	35,321
The number of employees accruing retirement benefits included above is	4	8

The number of directors to whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2018: 3).

10. Pension arrangements

The Trust operates a defined contribution Group Personal Pension Scheme open to all employees. Contributions to the scheme are charged to the accounts as they fall due. Total amounts paid in the year were £450,659 (2018: £353,643).

11. Taxation

The tax charge on the profit for the year was as follows:

	2019	2018
	£	£
Current tax (charged at 19%):		
UK Corporation tax	-	2,784
Deferred tax	7,176	(1,426)
	7,176	1,358

The above charge related to the subsidiary undertaking, as shown in note 2.

Warwickshire Wildlife Trust Ltd
Notes to the Financial Statements - continued
For the year ended 31 December 2019

12. Tangible fixed assets

Group	Freehold Property £	Leasehold Property £	Plant and Equipment £	Motor Vehicles £	Total £
Costs					
1 January 2019	1,328,316	923,252	371,044	339,110	2,961,722
Additions	-	-	158,801	4,901	163,702
Disposals	-	-	-	(13,800)	(13,800)
31 December 2019	<u>1,328,316</u>	<u>923,252</u>	<u>529,845</u>	<u>330,211</u>	<u>3,111,624</u>
Depreciation					
1 January 2019	-	211,273	301,424	307,077	819,774
Charge for the year	-	12,268	74,056	21,497	107,821
Disposals	-	-	-	(13,800)	(13,800)
31 December 2019	<u>-</u>	<u>223,541</u>	<u>375,480</u>	<u>314,774</u>	<u>913,795</u>
Net book value					
31 December 2019	<u>1,328,316</u>	<u>699,711</u>	<u>154,365</u>	<u>15,437</u>	<u>2,197,829</u>
31 December 2018	<u>1,328,316</u>	<u>711,979</u>	<u>69,620</u>	<u>32,033</u>	<u>2,141,948</u>
Charity					
Costs					
1 January 2019	1,328,316	923,252	256,538	63,148	2,571,254
Additions	-	-	84,971	-	84,971
Disposals	-	-	-	-	-
31 December 2019	<u>1,328,316</u>	<u>923,252</u>	<u>341,509</u>	<u>63,148</u>	<u>2,656,225</u>
Depreciation					
1 January 2019	-	211,273	203,879	59,553	474,705
Charge for the year	-	12,268	39,298	3,595	55,161
Disposals	-	-	-	-	-
31 December 2019	<u>-</u>	<u>223,541</u>	<u>243,177</u>	<u>63,148</u>	<u>529,866</u>
Net book value					
31 December 2019	<u>1,328,316</u>	<u>699,711</u>	<u>98,332</u>	<u>-</u>	<u>2,126,359</u>
31 December 2018	<u>1,328,316</u>	<u>711,979</u>	<u>52,659</u>	<u>3,595</u>	<u>2,096,549</u>

Freehold property shown above is in respect of the Trust's Nature Reserves, which are essentially held for the charitable objects of the Trust. These assets cannot therefore be readily sold and it is therefore not considered appropriate to show them at market value.

There is a legal charge over the freehold property at Bubbenhall Wood.

Warwickshire Wildlife Trust Ltd
Notes to the Financial Statements - continued
For the year ended 31 December 2019

13. Investments

The Trust owns 100% of the equity of the following company:

	2019	2018 (as restated)
	£	£
Middlemarch Environmental Limited, incorporated in England		
100 ordinary shares of £1 each	100	100

14. Stocks

	Group		Charity	
	2019	2018 (as restated)	2019	2018 (as restated)
	£	£	£	£
Goods for resale	22,828	15,045	22,828	15,045

15. Debtors

Trade debtors	1,488,703	1,660,089	55,081	40,508
Amounts due from subsidiary undertaking	-	-	273,253	-
Other debtors	391,833	417,486	362,551	363,749
Prepayments	22,928	15,398	22,928	15,398
Investment - Wildlife Fundraising (Central) Ltd	15,000	15,000	15,000	15,000
	1,918,464	2,107,973	728,813	434,655

16. Cash at bank and in hand

COIF Charities Deposit Fund	2,414,006	2,599,868	2,414,006	2,599,868
Other bank deposits	-	37,381	-	2,992
Other bank accounts and cash	1,684,192	1,066,480	905,746	560,372
	4,098,198	3,703,729	3,319,752	3,163,232

17. Creditors due within one year

Trade creditors	350,346	238,392	180,242	188,877
Amounts due to subsidiary undertaking	-	-	-	320,715
Corporation tax	-	2,784	-	-
Other taxation and social security	346,642	361,734	87,671	81,380
Pension contributions	70,373	82,582	70,373	82,582
Other creditors and accruals	247,824	335,107	17,004	11,671
Deferred income	653,361	565,640	653,361	565,640
	1,668,546	1,586,239	1,008,651	1,250,865

Deferred income represents grants in advance on 2019 projects:

	2019 £
Balance at 1 January (as restated)	565,640
Amounts released to incoming resources	(565,640)
Amounts deferred in year	653,361
Balance at 31 December	653,361

Warwickshire Wildlife Trust Ltd
Notes to the Financial Statements - continued
For the year ended 31 December 2019

18. Provision for liabilities

Deferred taxation	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Balance at 1 January	3,854	5,280	-	-
Profit & loss account	7,176	(1,426)	-	-
Balance at 31 December	11,030	3,854	-	-
The deferred tax liability is made up as follows:				
	2019 £	2018 £	2019 £	2018 £
Accelerated capital allowances	11,030	3,854	-	-

19. Endowments

	Movement in Resources			
	Balance 31 Dec 2018 £	Incoming £	Outgoing £	Transfer £
Wappenbury Woods	135,033	-	-	-
Brandon Marsh Headquarters	25,455	-	(1,663)	-
Whitacre Heath	29,707	-	-	-
Meadows Appeal	30,868	-	-	-
Rough Hill Wood	54,339	-	-	-
Cock Robin Wood	11,320	-	(46)	-
Wire Hill	1,760	-	-	-
Alvecote Pools	49,623	-	-	-
Brandon Marsh Visitor and Education Centre	360,170	-	(5,147)	-
Parkridge Centre	221,317	-	(3,291)	-
Radway Meadow	70,881	-	-	-
Tasker Meadow	77,379	-	-	-
Woodchip Boiler	2,295	-	(2,295)	-
Reserves Tractor	24,303	-	(5,738)	-
Reedbed Bird Hides	5,100	-	-	-
Bubbenhall Wood Fund	622,718	-	-	-
	1,722,268	-	(18,180)	-

Endowment funds represent gifts and donations of, or to acquire, capital assets.

Warwickshire Wildlife Trust Ltd
Notes to the Financial Statements - continued
For the year ended 31 December 2019

20. Restricted income funds

	As restated Balance 31 Dec 2018 £	Movement in Resources			Balance 31 Dec 2019 £
		Incoming £	Outgoing £	Transfer £	
Reserves and Community Engagement	68,786	339,892	(416,433)	7,755	-
Habitat Biodiversity Audit	-	111,477	(111,450)	-	27
Living Landscapes	15,125	648,935	(771,906)	107,846	-
Health and Wellbeing	(39,307)	200,541	(223,865)	62,631	-
Sensory Garden	4,583	-	-	-	4,583
Peregrine Appeal	4,345	-	-	-	4,345
Badger Vaccination Appeal	4,407	-	-	-	4,407
Hedgehog Campaign Appeal	23,710	-	-	-	23,710
Landfill Appeal	3,677	-	-	-	3,677
Reserves Appeal	6,453	-	-	-	6,453
	<u>91,779</u>	<u>1,300,845</u>	<u>(1,523,654)</u>	<u>178,232</u>	<u>47,202</u>

Restricted revenue funds represent unspent income received for revenue purposes where the funder or donor has imposed restrictions. The transfers to designated funds originate from charity surpluses.

21. Designated funds

	Balance 31 Dec 2018 £	Movement in Resources			Balance 31 Dec 2019 £
		Incoming £	Outgoing £	Transfer £	
Charity Projects Fund	945,649	-	(425,782)	425,782	945,649
Nature Recovery Fund	1,000,000	-	-	-	1,000,000
Infrastructure Investment Fund	105,000	-	-	(79,419)	25,581
Covid-19 Recovery Fund	-	-	-	315,000	315,000
Contingency Fund	730,000	-	-	-	730,000
	<u>2,780,649</u>	<u>-</u>	<u>(425,782)</u>	<u>661,363</u>	<u>3,016,230</u>

The transfers to designated funds originate from donations under gift aid from the charity's subsidiary company, Middlemarch Environmental Limited, and charity surpluses.

£Nil has been added to the Contingency Fund during the year (2018: £230,000).

22. Undesignated funds

	As restated Balance 31 Dec 2018 £	Movement in Resources			Balance 31 Dec 2019 £
		Incoming £	Outgoing £	Transfer £	
Unrestricted fund	(135,980)	1,587,123	(840,867)	(188,595)	421,681
Non charitable fund	1,919,886	4,948,582	(4,848,926)	(651,000)	1,368,542
	<u>1,783,906</u>	<u>6,535,705</u>	<u>(5,689,793)</u>	<u>(839,595)</u>	<u>1,790,223</u>

Warwickshire Wildlife Trust Ltd
Notes to the Financial Statements - continued
For the year ended 31 December 2019

23. Analysis of group net assets between funds

	Tangible Fixed Assets £	Net Current Assets £	Total £
Endowments	1,704,088	-	1,704,088
Restricted funds	-	47,202	47,202
Designated funds	-	3,016,230	3,016,230
Unrestricted funds:			
Charitable	422,272	(591)	421,681
Non-charitable trading	71,469	1,297,073	1,368,542
	<u>493,741</u>	<u>1,296,482</u>	<u>1,790,223</u>
Total	<u>2,197,829</u>	<u>4,359,914</u>	<u>6,557,743</u>

24. Guarantees and other financial commitments

At 31 December 2019 the future minimum lease payments under non-cancellable operating leases were as follows:

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Land and buildings:				
Expiring within one year	45,500	45,500	-	-
Expiring between two and five years	119,667	165,167	-	-
	<u>165,167</u>	<u>210,667</u>	<u>-</u>	<u>-</u>
Other equipment:				
Expiring within one year	3,562	4,011	3,562	4,011
Expiring between two and five years	-	2,578	-	2,578
	<u>3,562</u>	<u>6,589</u>	<u>3,562</u>	<u>6,589</u>

25. Transfer between funds

The Trustees have this year designated by way of a transfer from unrestricted undesignated funds £839,595 (2018: £1,180,426) and expended £425,782 (2018: £429,585), giving a net increase of £235,581 (2018: £751,001) to the designated funds and £178,232 to the restricted funds (2018: £Nil).

26. Members guarantee

The company is limited by guarantee and does not have any share capital. The liability of each member is limited to £1.

Warwickshire Wildlife Trust Ltd
Notes to the Financial Statements - continued
For the year ended 31 December 2019

27. Capital commitments

As at 31 December 2019, the Trust had no capital commitments (2018: £nil).

28. Contingent liabilities

The Trust Council was not aware of any contingent liabilities at the balance sheet date (2018: £nil).

29. Related party transactions

There were no related party transactions during the period. Key management remuneration is shown in the preceding notes to these financial statements.

30. Reconciliation of net movement in funds to net cash flow from operating activities

	Group		Charity	
	2019	As restated 2018	2019	As restated 2018
	£	£	£	£
Net movement in funds	179,141	69,051	748,665	(470,932)
Add back tax charged	7,176	1,358	-	-
Deduct amortisation of endowments	-	-	(18,180)	(21,810)
Add back depreciation charge	107,821	91,060	55,161	35,175
Deduct interest income shown in investing activities	(16,009)	(15,074)	(15,288)	(9,372)
Profit on sale of fixed assets	(8,750)	(250)	-	-
Increase in stock	(7,783)	-	(7,783)	-
Increase/ (decrease) in debtors	189,509	233,932	(294,158)	13,278
Increase/ (decrease) in creditors	85,091	107,204	(242,214)	941,974
Net cash provided by operating activities	536,196	487,281	226,203	488,313