

**THE DORSET TRUST FOR NATURE CONSERVATION LIMITED**  
(A Company Limited by Guarantee and not having any share capital.  
Commonly known as DORSET WILDLIFE TRUST)

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2017**

**Company Number: 688439**  
**Charity Number: 200222**

**THE DORSET TRUST FOR NATURE CONSERVATION LIMITED**  
**Financial Statements for the year ended 31 March 2017**

**CONTENTS**

	<b>Page</b>
General Information	1 - 2
Chairman's Report	3
Report of the Directors (including The Strategic Report)	4 - 28
Report of the Auditors	29 - 30
Consolidated Statement of Financial Activities	31
Consolidated Summary Income and Expenditure Account	32
Consolidated and Charity Balance Sheets	33
Consolidated and Charity Cash Flow Statements	34
Notes to the Financial Statements	35 - 57

**THE DORSET TRUST FOR NATURE CONSERVATION LIMITED**  
**Financial statements for the year ended 31 March 2017**

## Reference and administrative details

The registered name of the Charity is The Dorset Trust for Nature Conservation Limited. It is registered with the Charity Commission in England and Wales with the number 200222.

The Dorset Trust for Nature Conservation Ltd is registered at Companies House with the number 688439.

### Registered office

Brooklands Farm, Forston, Dorchester, Dorset, DT2 7AA.

### Members of the Board

The Council (governing body) is made up of the Directors. Directors of the Company are also Trustees of the Charitable Trust. The Trustees of the charity, who are also Members of the Board, who have held office in the year ended 31 March 2017 and to date:

N R Webb BSc, PhD, DSc, C Biol FRSB	(Chairman of Council)
J Davies MBE	(Vice Chair of Council)
H G A Bates MBE, BSc, CEng, MIMM	(Hon Secretary)
P J Gunner FCA	(Hon Treasurer)
K Derrick OBE, BSc, MSc(Econ)	
J D Gaye	
M G Kibblewhite PhD, MBA, FRSC, FIAGrE, (appointed 24 June 2016)	
T J Palmer BA, DIC, FRES, DL (resigned 13 January 2017)	
J R Raymond DL	
G Pugh BSc (Econ), FCA (appointed 3 August 2017)	
A Simmons BVMS, MSc, MRCVS (appointed 8 December 2016)	
J A Thomas OBE, MA, PhD, FRES (appointed 24 June 2016)	
B N Welch MA, Chartered FCIPD, FRSA	
S A H Welton BSc (resigned 8 December 2016)	
A V Wheatcroft BA, MSc	
J White MBE, BSc	

Company Directors of DTNC (Sales) Limited who have held office in the year ended 31 March 2017:

B Bleese BSc, FRGS  
S J Cripps BSc, MSc, PhD, Doc  
T Dampney MBA  
J Davies MBE  
K Derrick OBE, BSc, MSc(Econ)  
J D Gaye  
S E Patterson ACA  
J R Raymond DL

Company Directors of Dorset Ecology Limited who have held office in the year ended 31 March 2017:

S J Cripps BSc, MSc, PhD, Doc  
J Davies MBE  
J D Gaye  
S E Patterson ACA  
N R Webb BSc, PhD, DSc, C Biol FSB

**THE DORSET TRUST FOR NATURE CONSERVATION LIMITED**  
**Financial statements for the year ended 31 March 2017**

**Reference and administrative details continued**

**President, Vice Presidents and Patrons**

H G A Bates	(President)
L Bunce	(Vice President)
M Chandler	(Vice President)
K Cook	(Vice President)
L Haskins	(Vice President)
D Pearman	(Vice President)
J Powne	(Vice President)
M Keats	(Vice President)
J McDavid	(Vice President)
R Peers	(Vice President)
J Hawthorne	(Vice President)
P Westgate	(Vice President)
J Westgate	(Vice President)
Sir J Eliot Gardiner	(Patron)
S Fine King	(Patron)
F Fairburn	(Patron)
Prof J Lovelock	(Patron)

**Chief Executive and senior management team**

S J Cripps BSc, MSc, PhD, Doc	(Chief Executive)
I Davenport BSc	(Director of Conservation and Deputy Chief Executive)
B Bleese BSc, FRGS	(Director of Operations and Development)
R P M Brunt BSc	(Head of Land Management)
A D L Cook	(Director of Marketing and Fundraising)
S P Davis MInstLM AssocCIPD	(Head of HR and Volunteering)
S E Patterson ACA	(Director of Finance)
A Pollard BSc, MSc	(Head of Living Landscapes & Living Seas)

**Company Secretary**

S E Patterson ACA

**Bankers**

National Westminster Bank plc, 7 West Borough, Wimborne, Dorset, BH21 1PE.

**Solicitors**

Battens, Mansion House, Princes Street, Yeovil, Somerset, BA20 1EP.

Stone King LLP, 13 Queen Square, Bath BA1 2HJ

**Investment Advisors**

Close Brothers Asset Management, 10 Exchange Square, Primrose Street, London, EC2A 2BY.  
Ruffer LL,P 80 Victoria Street, London SW1E 5JL

**Auditors**

Nexia Smith & Williamson, Cumberland House, 15-17 Cumberland Place, Southampton, SO15 2BG.

**VAT advisor**

Saffery Champness, 71 Queen Victoria Street, London EC4V 4BE.

**Health & Safety advisor**

Safety and Health First, safetyandhealth1st@gmail.com.

# THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

## Chairman's Report

For the year ended 31 March 2017

You will have no doubt have seen that the environment in which charities have to work has been under much scrutiny in recent times because of the short-comings in some high-profile charities. These problems relate to fundraising and data protection and in matters of governance. Your Council has taken steps to ensure that the DWT is compliant in both these areas. Our Fundraising and Marketing team have reviewed our procedures and set-out clear guidelines for the way in which we should operate when fundraising, and in the management of personal data. Similarly, a sub-group of the Trustees has been reviewing our governance. In particular, we have initiated a revision of the Memorandum and Articles of Association of the DWT. This is the governing document setting out how the DWT should operate. Much of it originates from the founding of the Trust over fifty years ago. It is to be hoped that within a year these new guidelines will be in place. Both of these actions will ensure that we have a well organised and well-run charity which meets the requirements of the Charity Commission. DWT is among the top five of the leading county wildlife trusts in the country on most measures. Tedious as this may seem, these administrative matters require our close attention to ensure that we can continue to deliver effective conservation for the wildlife of Dorset.

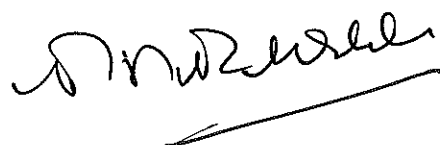
Of course, protecting the habitats and species of Dorset continues to be our aim and on which almost all the resources we raise are spent. The year has been another good one although there were many challenges. There have been notable successes on our reserves. Butterflies have increased in good numbers on Portland since the invasive scrub has been removed. At Kingcombe the wildflowers, especially orchids have continued to increase. Key to the management of many reserves is grazing, which ensures that the sward is in the best condition for the plants and animals. So too is the removal of invasive scrub on our grassland reserves which is essential if the species for which the reserve was established continue to thrive.

Besides work on our own reserves we engage with many landowners throughout the County to support them in protecting wildlife on their own land. We have also worked on a number of fronts to promote support for wildlife especially through the media. However, there is a wide range of other activities and events which provide outreach. These include the Wildlife Gardening programme, the Living Churchyards programme, courses and events at our seven Wildlife Centres, especially at Kingcombe, Kimmeridge, Lorton and Brownsea. The DWT continues to be influential among the decision-making bodies in the County. We are a lead organisation in the Local Nature Partnership set-up by the Government which links into the local Enterprise Partnership. The LNP held a stimulating forum on *Planning for Healthy Dorset: healthy environment, healthy people, healthy economy* during the year. This stressed that the high-quality environment of Dorset is one of the principal economic drivers and that a high-quality environment is good for peoples' health. DWT continues to play a full part in a number of collaborations among the eight wildlife trusts in the south west of England.

Our membership continues to grow and we have one of the best retention rates in the whole of the country. A strong and active membership is essential to support our core activities. The acquisition of resources to maintain our work is likely to become more difficult in the coming years. In addition, we are faced with uncertainty in the way in which environmental protection, the countryside, farming, and wildlife will be affected as we leave the European Union. These will be enormous challenges however, the DWT is, as a result of what we have achieved in the past year, well-placed to meet them.

I am grateful to our partners, supporters and benefactors, sponsors and grant-giving bodies which have continued to support our work during the year. We have a staff which performs magnificently under the leadership of our Chief Executive, and I and my fellow Trustees thank them for all they have achieved. However, the DWT's greatest asset is its members, particularly those who volunteer. Without this support, we could not have achieved all that we have during the year. Finally, with my fellow Trustees, I feel confident that we are well-placed to face the challenges that the coming years promise.

Prof. Nigel Webb  
Chairman – Dorset Wildlife Trust



# THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

## Report of the directors (including the Strategic Report)

The Board have pleasure in presenting their report together with the audited accounts for the year ended 31st March 2017. The Board have adopted the provisions of the Charities SORP (FRS 102) – Accounting and Reporting by Charities: Statement of Recommended practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (effective 1 January 2015) in preparing the annual report and financial statements of the charity. The accounts have been prepared in accordance with the Companies Act 2006.

## Objectives and activities

The Dorset Trust for Nature Conservation Limited is required by charity and company law to act within the objects of its Memorandum of Association, amended by special resolution 9 September 2011, which are as follows:

For the public benefit:

- (I) To record and study places and objects of botanical, zoological, ecological, geological, archaeological or other scientific interest, or of natural beauty, and to protect these from injury, ill treatment or destruction.
- (II) To establish, form, own, maintain and manage bird sanctuaries or nature reserves for the conservation and control of wild plants and other vegetation and of the wild creatures of any description living naturally therein.
- (III) To encourage the breeding of any species of the wild flora or fauna which are scientifically interesting, beautiful or rare.
- (IV) To promote, organise, carry on and encourage study and research for the advancement of knowledge in the natural sciences, and to make grants or donations for such purposes.

DWT aims to safeguard Dorset's wildlife areas for the future, and actively encourages sympathetic management of the countryside and coast as a whole. Over 3,000 acres of land are owned or leased by DWT as nature reserves. Support comes from the DWT's membership, at 31 March 2017 27,044 individuals or 13,589 households (2016: 25,874 / 13,099) and a network of about 1,200 active volunteers, as well as 42 supportive corporate members and numerous sponsors.

We play a leading role, in partnership with other organisations, to conserve and enhance Dorset's wildlife and wild places, focussing on:

- a. Delivering conservation gains through our network of nature reserves and wildlife sites, to help protect threatened wildlife habitats and species; and
- b. Engaging people and communities by working with landowners, farmers, local authorities, business and young people, and influencing the behaviour of all sectors of society.

## Strategic Plan 2014-2017

The charity has five long-term, 25 year strategic aims, namely:

1. **Living Landscapes and Living Seas:** to restore, reconnect and recreate wildlife habitats within large-scale areas for both wildlife and people.
2. **Wildlife Champions:** to influence policies, decisions and plans to safeguard and enhance wildlife.
3. **Inspiring and Involving:** to increase empathy for, knowledge of and involvement with wildlife.
4. **Promote Sustainable Living:** to make the connections between wildlife and the way we live to avoid compromising the environment for future generations.
5. **Efficient and Effective Organisation:** to adopt practices which enable DWT to function smoothly and adapt to changing circumstances.

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Report of the directors (including the Strategic Report) (continued)

In order to ensure that these long-term strategic aims are achieved, mid-term targets covering three to ten years have been established. Within these targets, specific three- year objectives have been set for the period 2014 to 2017 which direct our day-to-day practical work. Our staff reporting system has been designed to ensure that all the Objectives are accountable to a named individual or a defined team reported on quarterly to Council and linked to the Strategic Plan.

A new Strategic Plan 2017-2020 has been prepared that follows on from the previous Plan but has been tailored to position DWT for changes in the external political, financial and natural environment.

#### Public benefit statement

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'. The Trust's public benefit is enshrined in its charitable objects as outlined above.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

The advancement of environmental protection and improvement is recognised as a charitable purpose and is regarded universally as producing a public good. The Dorset 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 the Dorset Wildlife Trust go much further.

Firstly, our nature reserves are used by the public, and many have access on way-marked routes. At many 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 many people and contributes towards wellbeing and health. Our nature reserves and activities are available to all and we try to make special provision for the disabled and disadvantaged wherever possible.

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Report of the directors (including the Strategic Report) (continued)

#### Strategic report

The information below including the Review of activities, Financial review, Risk management statement and summary of future plans forms the Strategic report for the purpose of the Companies Act 2006.

#### **Achievements and performance**

**Priority 1. Habitats. Maintain, enhance, restore and reconnect habitats to meet biodiversity targets and increase resilience to climate change, using our nature reserves and working with others.**

Corfe Barrows Nature Park (including DWT's Happy Bottom and Ashington Meadow) was officially opened by MP Michael Tomlinson in June 2016, with the Mayor of Poole in attendance. The establishment of Corfe Barrows Nature Park was funded by contributions from Heritage Lottery Fund, SITA Trust, Fine Foundation, DWT members, the local community, and a major donation in memory of Nimita Kakad. Partners for the initiative include Dorset Wildlife Trust, Christchurch and East Dorset Councils, Borough of Poole, The Erica Trust, Amphibian and Reptile Conservation Trust (ARC) and Dorset County Council. Feedback from the local community since the opening has been very positive.

In December, 20 members of staff from Trethowans came out to plant trees at Happy Bottom. In total 250 trees were planted with tree guards, to allow them to get established. All the trees were native species, with a mixture of oak, rowan, hazel and birch.

As part of The Great Heath (TGH), Lower Common has received some much-needed attention, with contractors employed to clear about 6 acres of very dense gorse and birch scrub. This area was heathland only 20 years ago, according to local residents, so should come back as heathland quickly. A group from Siemens also helped by spending a day cutting and burning gorse. To take the pressure off Upton Heath, a section of Lesley's Heath, part of the Upton Heath reserve, has had an old hedge revitalised with the help of a team from Barclays and a grant from the Woodland Trust. About 250m has been planted with a good mixture of native hedge plants.

Amber Rosenthal and Rob Brunt have worked up Countryside Stewardship applications for Bracketts Coppice and the Urban Heaths (Upton Heath, Sopley Common, Troublefield, Sutton Holms and Corfe Mullen Meadows).

Our organic status at Kingcombe and a few other reserves has been renewed after an annual inspection. Adjustments were made to hay cutting and grazing at Kingcombe in order to address concerns about sward condition brought up through monitoring reports. 4ha of bracken bruising have taken place across Kingcombe Meadows and Powerstock Common. Bracken bruising/ cutting has been carried out on 4 reserves, amounting to about 5ha of work.

We are working with Dorset County Council Rights of Way to improve access at Powerstock Common which includes the long-proposed cycleway along the former railway.

DWT staff have been supporting researchers from Edinburgh University in studying leprosy in the red squirrel population on Brownsea Island.

The two-year Portland Living Landscape project supported by Viridor Credits, Natural England and others has been successfully completed. Over 70ha of limestone grassland has been brought into favourable management; over 1,000m of fencing and grazing infrastructure installed and grazing animals introduced at Withies Croft Quarry; 45 bare-ground scrapes have been installed, which are now showing signs of the silver-studded blue butterfly's larval food plant bird's-foot trefoil. Monitoring results have indicated that Lulworth skipper, dingy skipper and Adonis blue have increased year on year from 2012-2016 at restoration sites. As part of the Viridor-funded project and the Portland Quarries Nature Park, agreement to start work on a 10-year HLS agreement on Verne Nature Reserve (owned by Weymouth & Portland Borough Council), has now been granted. Work to clear fence lines through the deep scrub at this site has commenced. The aim is to get grazing animals back on the Verne for the first time in 40+ years to restore and manage the site's limestone grassland.



## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Report of the directors (including the Strategic Report) (continued)

Several river restoration and enhancement projects were completed, on the Rivers Frome, Piddle and Avon, including eel passes on 4 weirs that are deemed unpassable on the River Frome.

We worked with several landowners and local scouts on grassland restoration works in West Dorset, including at Hogchester Farm where there is a restoration project on SNCI land.

**Priority 2. Influencing Land and Sea Management. Influence land and sea management programmes, policies and practices of organisations to the benefit of wildlife in Dorset and galvanise public support for wildlife.**

In December, a planning application for an alternative site for solar panels across the road from Rampisham Down SSSI was approved. This was a fantastic result for DWT, Natural England and our partners after several years of work both behind the scenes and in the media, and a change of heart by the applicants British Solar Renewables. The alternative site is not of high ecological value, the landscape and heritage issues have been resolved and as part of the approval of the alternative site the original application on the SSSI has now been withdrawn and the planning inquiry therefore cancelled. The old masts will mostly be removed (other than those leased for phone and TV signals) and a management plan for the SSSI is being agreed by BSR with NE.

We have been working on several sites where DWT is hoping to take on management with funding (subject to legal agreement). Two are in the Crossways area, fitting-in with our Living Landscapes aspirations there. The third is at St Leonards where work by the developer has started with the first phase of habitat restoration. This has involved tree clearance and grassland translocation. DWT continues involvement through regular site meetings. Areas of good habitat have been skilfully relocated by Alaska Environmental and other areas cleared of pine plantation, to restore the heathland. This is a good example of where real conservation gains can be made by working with developers and ecological consultants from an early stage.

A partnership has been set up with North Dorset District Council Planning Department, Natural England and the Stour Catchment Initiative (Wessex Water) to produce a project proposal for large-scale habitat restoration in Gillingham Royal Forest. The project proposal written by DWT (Emma Tomlin) is going to be included in the next adopted North Dorset Local Plan. Among other things this will pave the way for funding the major restoration programme through planning gain.

181 landowners/managers, covering over 1,000 ha have been advised on conservation management this year. About half this area is within SNCIs, but we also advise many owners of land which is not SNCI on wildlife-friendly measures.

A special project to look at SNCIs in and around Yetminster and Ryme Intrinsic was carried out this year, funded from developer contributions. The loss of species-rich grassland of all types over the second half of the 20th century has been well documented, and data from this small study of two parishes in West Dorset shows the same trend. In fact, percentage-wise the losses here appear to have been greater than in the county as a whole, although one new grassland SNCI was found as a result of the project. This illustrates what is likely to be happening in other parishes where there are no special reserves or projects and wildflower-rich areas become so small and so isolated that no-one notices that they are almost all gone.

We are working with farmers and landowners in the Blackmore Vale to encourage collaborative working. Several meetings have been held and over 30 farmers and landowners engaged. Further work is ongoing with the Environment Agency in West Dorset on a Natural Flood Management bid for the 'Brit cluster' of farms.

A funding bid has been submitted to the National Grid by the Dorset AONB office for a project in the Marshwood Vale which will result in much work on grassland SNCIs as well as hedgerows, road verges and tree planting if successful. The preparatory work for this bid has already resulted in a great deal of fruitful liaison and advisory work with SNCI owners this year.

Nick Gray helped to negotiate an HLS agreement between the owner and Natural England on Coombe Hill SNCI on the South Dorset Ridgeway, resulting in a spectacular show of chalk downland flowers on the site last summer.

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Report of the directors (including the Strategic Report) (continued)

DWT continued to work with Natural England as they developed their advice package for the third and final tranche of Marine Conservation Zone (MCZ) designation. We provided ecological data in support of extending the Poole Rocks and Broad Bench to Kimmeridge sites and submitted a proposal for the addition of sites/features to protect nesting black bream. We were also able to provide five years' worth of our marine activities (i.e. visitor use) data for Kimmeridge Bay and supplied this to NE to help with impact assessments for the proposed MCZ.

We contributed evidence to TWT for a joint response to the proposals for Tranche 3 of MCZ designation and contributed to the TWT report "The case for more Marine Conservation Zones".

We met with Royal Yachting Association to discuss anchoring/mooring issues in the recommended MCZ in Studland Bay.

DWT produced a detailed ecological character report on Holes Bay, co-ordinated by Emma Rance, drawing together information and data from a wide range of sources to help inform future management of the Nature Park.

Peter Tinsley produced an ecological report on Swanage Bay for the Swanage Pier regeneration project.

Simon Cripps is now a Member of the Southern Inshore Fisheries and Conservation Authority (IFCA) 'board' Bylaws Working Group and Technical Advisory Committee.

Brian Bleese is a member of the Dorset AONB Board and the Dorset Food & Drink Steering Group.

Brian Bleese is the chairman of the Purbeck Heritage Network and led the development of the new Purbeck Heritage Priorities document which has been approved and adopted by the Purbeck Heritage Partnership and Purbeck District Council.

Brian Bleese has been invited to sit on the Southern IFCA Angling Liaison Group. This complements his role as a member of the Angling Trust Wessex committee and will be useful in taking forward ideas for working with the angling community. Brian has also been invited to join the national Angling Trust Marine Group. Peter Tinsley is a board member of the Dorset and East Devon FLAG (Fisheries Local Action Group), with Simon Cripps as his deputy, tasked with distributing European Maritime Fisheries Fund money. We met with CEFAS (Centre for Environment, Fisheries and Aquaculture Science) to discuss possibilities for partnership working, including fisheries science, volunteering, citizen science (particularly anglers). An initial meeting between Dorset, Devon and Cornwall WTs and Southern, Devon & Severn and Cornwall IFCAs explored possibilities for joint working to build support for MPAs. A proposal has been prepared by Rob Clark and Simon Cripps. DWT was invited (for the first time) to the Lyme Bay Fisheries and Conservation Reserve meeting, run by Blue Marine Foundation. DWT sponsored the EU Maritime Festival MPA conference at Poole and was part of the organising committee for this May 2017 event at which Emma Rance, Simon and Peter will be making presentations.

We responded to the consultation on revising Poole Harbour Special Protection Area which will now include areas below mean low water, more species, and expanded boundaries on the terrestrial side, including a small area of saltmarsh SSSI which should have been in the original site.

The Local Nature Partnership, hosted by DWT and co-ordinated by Maria Clarke, has worked to influence policies and strategies at both at the local and national level responding to a range of consultations and inquiries, including local plans, the Dorset Health and Wellbeing Strategy, Dorset Unitary Authority Consultation (Oct 2016) and submissions to Government Inquiries on the Natural Environment after the EU referendum and future of local parks. All of these were consistent with DWT policies and aims.

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Report of the directors (including the Strategic Report) (continued)

**Priority 3. Recording and monitoring wildlife. A Dorset-wide biodiversity recording and monitoring system, based on up-to-date data, in place and used by a wide partnership and volunteer recorders.**

Over 10,000 records for DWT reserves were submitted to Dorset Environmental Records Centre. Staff, volunteers and external organisations were involved in surveys across a wide range of taxonomic groups covering amongst others; dormice, newts, bats, butterflies, vascular plants, reptiles, heath tiger beetle, birds, early gentians, early spider-orchids, mosquitos, water vole, moths, liverworts, mosses, lichens and fungi.

DWT continued to work on the ladybird spider reintroduction project, with 41 webs counted on Tadnoll in the autumn. 6 spiders were over-wintered on James Hitchen's windowsill for release at Higher Hyde Heath.

New bat species records have been obtained on a number of sites. Harp trapping surveys found 4 new species for Holway Woods (Natterers, Bechstein, Common Pip, Soprano Pip), and one at Fontmell Down (Natterers).

Detailed monitoring reports have been produced for silver-spotted skipper and early gentian, both at Fontmell Down, both of which give cause for concern. We have experienced a dramatic decline in the number of silver-spotted skippers at Fontmell Down over the last ten to twenty years. This is being followed up and grazing security – that is securing the grazing we want, when we want it - seems to be a main issue. We are working on how this can be resolved.

On a more positive note, other species responded well to ongoing or specific management work. We had a good recovery in our population of pale dog violet (a nationally scarce species) at Higher Hyde Heath after experimental management over the winter, with numbers returning to the 100s after several years with only a handful being seen. At the same site we had fantastic counts of silver-studded blue from the recently reinstated butterfly transect. We confirmed that Green Hairstreak still occur at Loscombe after our last previous record from 1989 and also had the first evidence of dormice actually breeding at Sutton Holms – both thanks to the efforts of volunteer recorders. There were displays of hundreds of orchids on Fontmell Down, Corfe Mullen Meadows, Brooklands Farm, Bracketts Coppice and Powerstock to name a few.

Dorset Flora Group days were held at Hendover Coppice, Kilwood, Lorton, Stonehill Down & Townsend.

54 volunteer divers were involved in Seasearch this year, contributing over 6,000 records. Dives were undertaken from Christchurch Ledge in the far east to Lyme Regis in the far west of the county. The dives not only increased our knowledge of marine wildlife and habitats in Dorset, but contributed vital evidence to support site protection and designation.

In Poole Harbour evidence was gathered and submitted to Natural England to support the argument for extending the SSSI designation to subtidal features.

At the Chesil Beach and Stennis Ledges Marine Conservation Zone (MCZ), ground-truthing was carried out to support the designation, and data submitted to argue for its extension by 300m to include a clay outcrop and reef with the protected pink seafan.

At Lyme Regis, the area covered by a statutory restriction on mobile fishing gear was monitored, and again pink seafans recorded, along with sea squirts, sponges, hydroids and the appropriately-named 'potato crisp bryozoan'.

We have obtained high resolution bathymetry data from the UK Hydrographic Office for Lyme Bay (outside of current Marine Protected Areas). This reveals extensive scarring on the seabed from mobile fishing gear and, in a lesser area, large vessel anchors.

DWT staff took part in a boat-based survey with MarineLife for white-beaked dolphins in Lyme Bay, in support of proposal for the Lyme Bay Deeps MCZ. None were seen, but we encountered common dolphins and harbour porpoise, plus great skuas, storm petrels and Balearic shearwaters.

We successfully trialled drifting a baited remote underwater camera (BRUV) to study sharks, in partnership with a new shark charity and a local charter skipper.

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Report of the directors (including the Strategic Report) (continued)

Public engagement through the Dorset Seal Project was developed further and it received over 150 sightings of seals reported in 2016, an increase of 82% on the previous year. This means more people knew about the project rather than there being more seals. In November, we raised the profile of the project with a common seal release with the RSPCA in Poole Harbour which attracted good local publicity. Partnering with organisations there to publicise the project, we also used other findings to raise the profile on social media, including the identification of individual seals from France, Cornwall and Hampshire.

The 2016 SNCI survey results show that as planned we are moving towards having a greater proportion of 'Tier 1&2 sites' monitored within 6 years (49% of 400 sites compared with 37% baseline 2 years ago). These are the sites which we want to monitor most closely. Conversely a slightly lower proportion of 'Tier 3' sites have been monitored within the 12-year target (69% of over 800 sites compared with 72% baseline).

Eleven new SNCIs have been surveyed and selected this year, including one at South Heath, Binnegar, along the Puddletown Road. This site has been restored by Raymond Brown following minerals extraction, close to their current Binnegar Quarry. It is a mixture of heathland, acid grassland and associated open habitats including some temporary pools, which support a number of scarce plants. They were delighted that it has been recognised as an SNCI and were keen to publicise this. Another new site is 'Lesley's heath' which forms an extension to our Upton Nature Reserve and named in honour of our DWT Vice President Lesley Haskins.

All the existing sites on Portland have been re-surveyed, funded by developer contributions. Management Statements have been supplied to all SNCI owners, and linked to the ongoing DWT Portland Project. Three new SNCIs also have been selected as a result of this work.

The Great Heath fortnightly survey group met throughout the summer. Local people had the opportunity to learn about dragonflies, butterflies, salt marsh plants, bats, small mammals and bryophytes. The small mammal trapping session discovered a harvest mouse at Happy Bottom - a first record for the site.

The Great Heath survey volunteers continued to be active, confirming the presence of water vole at Lytchett Bay and firecrests and ringlet butterflies at Happy Bottom. Well over 20,000 records for 2,233 species within The Great Heath Living Landscape have now been entered on 'Living Record' (an online recording system), the use of which has been enhanced through the project with the addition of new digitised site boundaries and compartments.

'Species of the Month' has continued to attract records. Stag beetles proved popular in June. The Great Heath led on small mammal and garden recording at Bournemouth Borough Council's Hengistbury Head bioblitz.

On Brownsea, Doug Taylor (DWT volunteer) and Anita Diaz (with Bournemouth University) have been carrying out monitoring of the impact of deer grazing on the Brownsea reedbed to determine if fencing is needed. An exclusion area has been set up with cameras to monitor deer movement and changes in vegetation have been noted already. Dr Anna Meredith & Peter Lutz (Edinburgh University) have been involved in setting up a PhD project to study leprosy in red squirrels. Brownsea is proving an ideal study area with easily accessible squirrels to observe and trap. Amongst other studies, WeBs counts, water sampling, mud sampling, moth recording and work to monitor tern provisioning rates have also been conducted.

Three River-fly events were held at Brooklands to engage and enthuse volunteers to monitor and report on the state of river flies across Dorset to help the River-fly partnership. 13 volunteers have signed up to monitor as part of the River-fly partnership in Dorset to add to the existing 21 monitors.

We lead with the River-fly partnership on white-clawed crayfish monitoring on the river Allen to monitor the presence / absence of the species following the crayfish plague outbreak in 2014. 11 sites are being surveyed from Wimborne Minster to Wimborne St Giles, with volunteering help from National Trust, DWT, Dorset County Council, Wessex Water, Environment Agency, Gaunts House and private individuals.

We are leading on a project monitoring the River Win habitat, species and water quality. Changing land use in the catchment makes it an ideal demonstration area to monitor and show the changes that occur following land intervention measures. DWT is working on monitoring with Queen Mary University London, Freshwater

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Report of the directors (including the Strategic Report) (continued)

Biological Association, Wessex Water, Riverfly Partnership, Game and Wildlife Conservation Trust and the Poole Harbour Catchment Partnership.

#### **Priority 4. *Engaging local communities. Enable people in Dorset to support DWT and contribute to Living Landscapes and Living Seas through local initiatives and action.***

Our work on promoting wildlife gardening has continued with a successful wildlife gardening competition, production of 2 new community wildlife gardening leaflets, continued promotion of the wildlife gardening plaque scheme, participation in the RHS/TWT 'Wild About Gardens' week in October and regular talks, many given by volunteers. The Great Heath's luxury bee hotel installed at Knoll Gardens (Hampreston), designed by staff and constructed by volunteer Andy Fear, made a big media impact, appearing in both Dorset and Dorset Life Magazines and the front page of the Wimborne Advertiser. The second wildlife gardening workshop day in partnership with Bournemouth Natural Science Society took place on 16th April with a fantastic turn-out of over 700 people. Wildlife gardener and author Kate Bradbury attended and gave a talk.

The Great Heath (TGH) Team led or supported an incredible number of engagement events including guided walks, bird watching, talks, art and wildlife workshops, scouting activities, Forest School and family activities. Over 1000 visitors of all ages went Wild about Poole with us and partners at Baiter Park in July. The event saw the launch of the Poole Members' Group's Birds of Holes Bay colouring book, which they designed, produced and then sold at events throughout the summer. This brought the total number of events for the 3-year project to 296, with 16,814 people engaged.

A key success for The Great Heath initiative has been the establishment of Nature Parks. Holes Bay Nature Park has attracted a broad stakeholder partnership and the completion of the Holes Bay Nature Park Ecological Assessment will provide the basis for the development of a management plan. Nature Parks provide an excellent vehicle for engaging local stakeholders and communities to work together to ensure that they are valued and nurtured.

Local children from Year 3 at Broadstone First School produced an excellent booklet about heaths, illustrated by their own charming drawings, some of which have been used on the new Upton Heath interpretation boards. DWT are now a supporter of the Borough of Poole 'School Environment Awards' which encourages pupils to take part in various environmental activities and developed our Forest Schools work with 2 schools undertaking 6 weeks of weekly sessions, receiving good feedback.

We have produced our first guide to a Great Heath Nature Park, with a range of suggested circular routes with accessibility gradings for walking or cycling, information for dog owners and a clear map.

Through The Great Heath project, significant improvements have been made to the waymarking, signposting and accessibility of the Castleman Trailway and Stour Valley Way. Improvements to these trails outside of the project area were made possible through agreements with the National Trust Kingston Lacy and Stourhead Estates, Dorset County Council's North Dorset Rangers, the Rights of Way team in Wiltshire and Hampshire County Council, giving consistent style throughout. The Great Heath project has also seen the installation of interpretation boards and waymarking of the public and permissive bridleway routes at Ferndown Common. New interpretation has been put in at Arrowsmith Copse, Delph Woods, Dunyeats Hill, Upton Heath, Avon Heath Country Park and The Kingfisher Barn (Bournemouth).

The new Wildlife Champions scheme was launched on 1st June, with the new format running on one academic year and offering different options for the type of champion they can become. The programme was extended to include marine conservation. 53 wildlife champions registered to take part.

Nearly 500 residents of Shaftesbury turned out for our Bee & Butterfly Bonanza to celebrate that their town is 'Pollinator Friendly'. They learned about bees, butterflies and other pollinators, planted wildflower seeds, made bug hotels and enjoyed all the homemade goods on offer. 2nd Gillingham Brownies won the prize for the best pollinator outfits in the 'Pollinator Parade'.

DWT helped set up a volunteer led initiative to remove Himalayan balsam from the River Stour. Clearance from Stourhead down to Gillingham was successfully completed in June with all visible balsam removed by volunteers from local parishes and with the help of the North Dorset Volunteering Group.

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Report of the directors (including the Strategic Report) (continued)

A bat walk for Gillingham Walking Festival proved so popular that it was oversubscribed. Those participating were thrilled to be able to distinguish 4 different types of bats in their town.

The Greengage Therapeutic Horticulture Project is now up and running with a strong cohort of DWT volunteers and a growing band of volunteers who have been referred to the project by healthcare professionals. We have been busy tidying the site, creating raised beds and growing plants.

Interest in the Bere Regis 'Hedgehog Friendly Village' initiative continues to grow with group meetings well attended in this quarter.

Health Walks and Mindfulness Naturally at a number of locations in Purbeck have been growing in popularity over the summer and autumn as people get used to what the events entail.

A record 37 churches took part in the Living Churchyards Awards Scheme this year, and representatives of many of them attended the lively prize-giving in September. Due to the generosity of the Bishop of Salisbury we were able to award three levels of the 'Bishop's Prize' this year, with Chideock winning £100, Alderholt £50 and Wyke Regis £25.

DWT is partnering with the new Etches Collection fossil museum in Kimmeridge to create a combined session to offer to visiting schools, demonstrating the marine life found here in Jurassic times and linking it with what we have today. Local primary schools will be targeted this year to see how popular it is. We aim to increase the number of visiting schools to Kimmeridge overall.

We are partners in an awareness programme for Poole Rocks MCZ along with SIFCA, New Economics Foundation and Seasearch.

#### ***Priority 5. Volunteering & participation. Maintain and extend the range of volunteering opportunities for people of all backgrounds and abilities to play an active role in supporting DWT and conserving the wider environment***

Volunteers across The Great Heath have contributed a huge amount to the conservation and enhancement of the area – from helping with access projects and surveys to contributing 16,389 hours of conservation management over the 3-year project. Unfortunately, we had to say goodbye to our long-standing Richmond Fellowship volunteers in September, due to funding cuts to their branch. They have been a fantastic group and helped us with so many vital tasks. The Thursday work party has proved to be a dedicated and tremendously effective group, with at least 25 volunteers turning up every Thursday in the winter. This group alone has contributed about 300 volunteer days between January and March. We have also been very appreciative of all the tremendous work carried out by the Wednesday work party, Urban Weekenders, Sovell, Sopley and Brownsea groups, Green Team, work experience placements, students, corporates and others.

Establishing volunteer front of house roles has been successful. These roles are supervised by Lynn Toman and have freed up admin. staff to increase the level of support that they provide to other teams.

With the change in staff on Brownsea Island it was expected that the management of volunteers would present some challenges. A transition plan was put in place to ensure regular liaison with volunteers and to provide effective support.

The Wildlife Champion Assessment and Qualifications Alliance (AQA) programme is administered by Katie Wilkinson. 52 people registered for the new programme that commenced in September 2016. We now have 25 AQA modules available to volunteers.

DWT now has 3,659 volunteers registered. Not all of these are regularly active but a total of 2,748 volunteer days have been contributed to the practical work of DWT. This is equivalent to 12 full time members of staff and has a nominal value of £250,000.

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Report of the directors (including the Strategic Report) (continued)

#### ***Priority 6. Awareness Raising. Increase awareness of DWT and wildlife conservation and enable more people to learn about and enjoy nature in Dorset.***

Two key communication projects during the year were the hedgerow appeal, the release of the State of Nature Report, the seahorse adoption scheme, 30 Days Wild, Brexit, Rampisham Down, launch of the Corfe Barrows Nature park, The Great Heath and the Say Yes Campaign.

Our press focus has been writing about events at key times of the year, so the quality of our stories is higher and more news worthy, focussed entirely on Dorset's wildlife. We improved the content of the Dorset Wildlife magazine by including more in-depth articles with higher word counts and received positive feedback from members. We are now writing for 25 local publications every month, with Dorset Life being the latest to add to our list.

We recruited a new volunteer, Marcia Moody who is a professional writer and has kindly written some articles for us. We are taking better advantage of the RSWT opportunities to get into national press, which has resulted in a mention of Kingcombe Meadows in the Guardian and the Waitrose Weekly Magazine.

Engagement through social media increased and for the first time during the last 12 months we tested digital media advertising. We spent just over £1,000 on advertising through Facebook and Google, which enabled us to reach an audience of 377,000 people with various marketing messages and drove a higher volume of visitors to income generating pages on the DWT website. Where it has been possible to track conversions to membership subscriptions, retail purchases, animal adoptions or donations, it is clear that social media advertising has a high return on investment and we will plan to increase investment in this method of promotion in future.

We continue to use Twitter to generate stories, and to engage journalists; a lot of our media enquiries come from something that has been tweeted. Marine stories continue to be of real interest.

The number of people receiving our monthly Wildlife Matters e-news bulletin grew to 10,651 by the end of Q4. 40% are non-members, so this an excellent way to engage with prospective new supporters and to raise additional income.

Our My Wildlife press advertising campaign continued for a second year with three adverts appearing in the Dorset Magazine and three in the Dorset For You magazine, which is circulated to every household in the county.

We have had some good television coverage, and increased the number of factual documentaries we are contributing to, such as BBC Inside Out with the red squirrel story, and also included some light entertainment shows, with the Chesil Centre featuring in Escape to the Country. News items continue as usual, and some of our stories have been mentioned as 'news in briefs' – on BBC national news for example, when a sun fish was washed up. We continue to have a good relationship with BBC Dorset and BBC Solent who contact the us about stories in the east particularly.

The Great Heath project generated the production of a considerable amount of outdoor interpretation that includes entrance signage and on-site interpretation material with a final push to complete outstanding sites. We also provided interpretation panels and road signage on 5 other DWT nature reserves. Corfe Barrows Nature Park at Corfe Mullen is attracting many new visitors from the local community and there are 17 access and interpretation points located close to residential areas.

There have been interesting design opportunities to produce unique DWT branded retail items e.g. water bottles and shopping bags, together with product packaging wrap designs.

Other design and print included the production of printed items for our appeals, the Walks with Nature programme and new members walks. The Wildlife Centres have been well supported with a range of designs for banners, events programmes and interpretation material produced. Corfe Barrows Nature Park now has a detailed printed guide. Progress has been made producing a further 9 up-to-date DWT reserve layered maps for use on interpretation/publicity material/website.

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Report of the directors (including the Strategic Report) (continued)

The continuing increase in partnership work and the development of the type of materials DWT produce has highlighted the need to refresh the present Corporate Guidelines document. There is a need to increase the on-site interpretation and entrance signage for another series of DWT nature reserves, all of which will need potential sponsorship to cover costs.

We continued to develop our engagement work on Brownsea over the summer months. With the support of volunteers, activities and quizzes, Super Squirrel trails, the videoscope in the Low Hide and numerous events were run. One particularly successful aspect was to increase the use of social media, with 250 new followers on twitter and up to 19,000 'impressions'/month. A post on Facebook featuring a red squirrel carrying her baby had 70,000 hits.

Through The Great Heath project, significant improvements have been made to the waymarking, signposting and accessibility of the Castleman Trailway and Stour Valley Way. Improvements to these trails outside of the project area were made possible through agreements with the National Trust Kingston Lacy and Stourhead Estates, Dorset County Council's North Dorset Rangers, the Rights of Way team in Wiltshire and Hampshire County Council, giving consistent style throughout.

The Great Heath project has also seen installation of interpretation boards and waymarking of the public and permissive bridleway routes at Ferndown Common. New interpretation has been put in at Arrowsmith Copse, Delph Woods, Dunyeats Hill, Upton Heath, Avon Heath Country Park and The Kingfisher Barn (Bournemouth).

3 (out of 4 planned) Ocean Cruises were held out of Poole. All made it round to Dancing Ledge and encountered puffins, guillemots, razorbills, peregrines and gannets and terns.

New interpretation at the Fine Foundation Marine Centre, Kimmeridge includes new aquarium display panels and a floor-to-ceiling, wall-to-wall seabed map, created from DORIS data. This is printed on a magnetic backing, allowing placement of additional markers showing wrecks, features, sightings etc.

We attended the Dorset County show, with a tent half and half marine / terrestrial themed. We also launched a Seahorse Adoption scheme at the show to help fund our marine conservation work with associated articles and media work. More than 50 adoptions were sold in the first month.

Dorset Arts Weeks was hosted at both Chesil Beach and Kingcombe Centres. At Kingcombe there were about 3,000 visitors and we sold in excess of £19,000 of artworks, approximately double what we sold two years ago. With a 25% commission to DWT, this represented approximately £4,800 of income.

2016 was a record year for the Chesil Centre in terms of numbers of visitors both visiting the Centre and attending events. 75,000 people visited the Centre, and over 1,000 people attending our Big Wild Chesil event. The Centre also has 4.5 stars on trip advisor, and a certificate of excellence.

We have continued our winning streak at Weymouth Carnival with another award, a great way to raise our profile in the Weymouth and Portland area. The Fleet Explorer has had a successful first season under DWT, recording the highest ticket sales in over 6 years.

The Kingcombe Centre hosted the field days exhibition in partnership with Artsreach and the South Dorset Ridgway project. This proved very successful with over 200 people visiting the exhibition. Along with this, the Kingcombes Travelling Show gave 3 special performances to over 100 people. Summer Holiday Activities at the Kingcombe Centre teamed up with Artsreach to offer 4 craft workshops which were attended by over 50 children.

The Kingcombe Tearooms and our partners Gordon and Kate are working hard to build on Kingcombe's reputation as a food destination within West Dorset. Their new Chef Jerry will start at the Centre from the 31st of May. We are working to make sure our produce is a regular part of their menu into the future.



## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Report of the directors (including the Strategic Report) (continued)

#### ***Priority 7. Sustainable Living. Promote the benefits of integrating nature conservation into Dorset's economic and social activities.***

Dorset Local Nature Partnership (LNP) has been leading on links with the health sector this year, highlighting evidence which demonstrates the value of the natural environment for people's health and wellbeing and making sure links with natural environment are included within health services.

The LNP co-ordinates the Natural Choices programme. There are now nine providers offering seventeen activities including, mindfulness, gardening, conservation volunteering, health walks and park yoga. The programme continues to work with LiveWell Dorset and is now working with carers support teams to offer activities to carers to offer respite activities to support their own wellbeing.

A joint conference was held with the South Region Sustainability and Health Network (run by Public Health England and NHS England) in November, in Bristol, aimed at health professionals – over 120 attended the conference. Two projects from Dorset were highlighted as part of the ten workshop sessions, raising the profile of local action. The SW LNPs are continuing to work together for phase two of the project during 2017-18.

The Dorset and East Devon Fisheries Local Action Group (FLAG) bid was successful - DWT is represented on the board. The FLAG will be giving EU grant aid in support of the fishing industry so it is important that environmental and conservation interests expressed by DWT are considered so that aid does not cause further damage to wildlife and the environment, as has happened so many times in the past.

DWT was invited (for the first time) to the Lyme Bay Fisheries and Conservation Reserve meeting, run by Blue Marine Foundation.

A recreational sea angling partnership proposal is being developed with DWT, Southern IFCA & the Wessex Angling Trust– to raise public awareness and encourage responsible angling in Dorset.

We have also worked with Southern IFCA to gather information on illegal, unreported and unregulated (IUU) management, fishing activity & pressure for a forthcoming Lytchett Bay Nature Park report.

We are working to better understand the sourcing of local marine life for various activities, particularly the new fishery to supply wrasse to Scottish salmon farms as a biological lice treatment.

#### ***Priority 8. Partnerships. Work in partnership with other organisations within and outside the conservation sector to meet our aims.***

DWT continues to host the Dorset Local Nature Partnership. The LNP Annual Forum was held in March on the theme of Planning for a Healthy Dorset: healthy environment, healthy people, healthy economy. The forum was attended by over 70 and attracted people and organisations who had not previously attended LNP events. The forum highlighted the importance of how a healthy environment supports both people's health and wellbeing and a strong economy.

The partnership between South West Wildlife Trusts to deliver conservation traineeships goes from strength to strength. The Wildlife Skills project is a partnership involving Devon, Dorset, Somerset and Wiltshire WTs and has delivered some 51 traineeships over the course of the project. Trainees have a 95% success rate in finding natural heritage sector employment within six months. DWT successfully led the development of a bid to the HLF Skills for the Future programme for another tranche of funding for Wild Paths. The award of £500k will enable the delivery of a further 30 traineeships over the next three years and has enabled the expansion of the programme to include Avon WT.

#### ***Priority 9. Members & Supporters. Build and sustain our membership and supporter base and extend opportunities to play an active role in the work of DWT.***

At the end of March 2017, we had 13,589 household memberships, equivalent to 27,044 individual members. This is the highest ever recorded for DWT.

Over the last year, the number of household memberships grew by 3.7% whilst the number of individual members grew by 4.5%. This performance was in the main driven by improved retention of members due

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Report of the directors (including the Strategic Report) (continued)

to better engagement and communication. New members continue to receive a telephone 'welcome call' and for the first time were invited to attend free engagement walks at DWT sites.

Attrition has reduced from 10.46% to 9.33% over the last year, with just 1,268 households lapsing during that period. This is the lowest level we have on record.

Membership recruitment levels have remained flat during the last year, but SWWFL has improved its face-to-face recruitment performance, securing 828 memberships during the year up 5% on the previous year. However, as yet SWWFL has not hit DWT's annual recruitment target.

SWWFL ended the year in a much more financially stable position than at the end of 2015/16. Overall recruitment volumes were more than 30% up and budget performance targets were achieved. The company will be in cumulative net profit during 2017/18 and will repay the next tranche of loans to client Trusts in June 2017. SWWFL is expanding its operations geographically in Q1 of 2017/18 to include Hampshire & Isle of Wight Wildlife Trust.

The South West Wildlife Trusts' first regional marketing campaign 'Say YES to Wildlife' which ran in March unfortunately significantly underperformed against expectations, securing only about 1/3 of the target volume of new members for Trusts. An in-depth analysis is underway to ensure we learn from the experience and improve performance in future campaigns. DWT gained 112 new memberships from the campaign, which is well below the number used in the modelling for the 2017/18 budget. This means we are already under pressure to achieve 2017/18 targets as we enter Q1. The Fundraising & Marketing Team are planning some additional membership recruitment promotions to plug the gap.

***Priority 10. People. DWT provides a safe, happy and interesting working environment in which staff, trustees and volunteers can develop.***

DWT has established a Safeguarding policy, with Steve Davis taking the role of designated Safeguarding officer, assisted by Katie Wilkinson and Sam Dallimore as the safeguarding team. All three have attended relevant Multi Agency training courses to assist them in the role.

A total of 46 accident and near-miss reports were received between April 16 and March 17. All were minor incidents and this demonstrates that staff are diligent in their reporting and we continue to encourage reporting of all incidents.

No RIDDOR reportable accidents occurred throughout the whole of 2016/17.

A software package (BreatheHR) to assist in HR management has been established and brought into use for all staff, with Head of HR being the system manager. It has greatly improved the management of leave, sickness and TOIL and is useful for staff contact details and access to employment documentation.

Development of the Health and Safety culture within DWT has made significant advances and remains a high priority. New H&S Guidance Notes have been developed and others updated throughout the year. The suite of Risk Assessments is regularly reviewed and expanded and is now on-line for all staff.

***Priority 11. Funding. Diversify and strengthen funding sources, prioritising unrestricted income sources.***

Membership income for the full year was on budget at £933,533 including Gift Aid and corporate members. This represents growth of 2% year-on-year.

During the year we received £675,000 of legacy income from 17 different legacies. £592,000 of which were unrestricted legacies. Half the legacies were pecuniary where DWT received a fixed amount, and half were where DWT received a proportion of the residue estate. Three quarters of the legacies came from people who had been DWT members.

We were also notified of 93 new legacy pledges during the year, primarily from responses to the Members Survey. Our 'Walk with Nature' engagement walks were attended by 140 of our most long-standing members and followed-up with a free-will promotion involving several local solicitor firms.

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Report of the directors (including the Strategic Report) (continued)

During 2016/17 we received 8 major donations, which in total were worth £20,789. Three of these were unrestricted and 5 were restricted. Our 'potential major donors' are invited to attend the Walks with Nature.

Income from corporate sources came to £40,000 during the last 12 months, £25,000 short of our budget target. The new Corporate Development Officer post had an impact on turning around corporate income trends with Corporate Membership growing during 2016/17 following 2 years of decline.

Income from appeals, donations and other fundraising activities came to £151,315 against a budget target of £159,625.

£196,000 has been secured after the year end from the Coastal Communities Fund for the Portland Quarries Nature Park and the refurbishment of the Kimmeridge Marine Centre.

Social media advertising, particularly with Facebook and Google, enabled us to grow online income, mainly from membership subscriptions, animal adoptions and retail sales.

As would probably be expected, with regards to email marketing, members are more engaged than non-members, but email is still proving to be an important source of income generation.

#### ***Priority 12. Financial. Ensure that the benefits from funds are maximised and used in a transparent, efficient and ethical way.***

During the year, the Finance and Property Panel (FPP) initiated a tender process for DWT's investment services. Ten firms were invited to tender and a shortlist of three firms made presentations to the FPP. The outcomes were that Close Asset Management should be retained to continue to manage their existing portfolio, but Ruffer LLP should be appointed to manage an investment portfolio equal in size. They were subsequently appointed at the November Council meeting. Funds of £1,081,500 were transferred to Ruffer LLP in early December following completion of new client set-up procedures. The funds transferred to Ruffer LLP included proceeds from the sale of M&G Charifund units and restricted cash.

As part of the investment review, a further £300,000 was transferred in October to Close Treasury with a further £200,000 in February bring the total held with them to £600,000.

Jonathan Havard of The Minster Partnership met with the PRP in April and he was confirmed as the charity's new pensions advisor.

Early in the year a decision was taken to replace the tractor at Kingcombe Farm following mechanical issues and the drop in second-hand value of the model being larger than expected/budgeted. The replacement Fendt tractor was acquired for £67,000 with a trade-in of £32,000 leaving a balance of £35,000 to pay on a 0% 3-a year finance agreement. There is also a guaranteed buy-back after five years of £25,000 against a new Fendt. The first year's payment of £11,000 is funded from a legacy of £20,000 towards the cost of the tractor with the final year 3 payment funded from the capital budget.

Charity specialist solicitor Stone King LLP were appointed during the year to advise on the revision of the charity's Articles of Associations. Work has been ongoing on the updating of the Articles and it is planned that the revisions be approved by the Charity Commission over the summer with approval sought from members at the AGM in December 2017.

#### **Priority 13. Processes and structures**

Work to improve the working environment at the Brownsea Villa has started. The office at the Villa has been refurbished for the first time in at least 18 years. Furniture has been updated, replacing the random collection of hand-me-downs and donations and it has been decorated and carpeted. A new IT network has also been installed shortly. The meeting room has also been refurbished.

A new fire alarm system has been installed at the Villa, Brownsea Island. This is a modern system that brings us up to recommended standards for our future use of the Villa.

The DWT H&S Policy and Terms of Reference have been revised and updated.

The DWT Corporate Risk Register has been reviewed and updated for 2017-18.

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Report of the directors (including the Strategic Report) (continued)

Significant progress has been made in improving the quality of ICT connectivity at the Marine Centre, Kimmeridge. DWT has joined a local scheme that provides wireless connections to remote locations. New hardware has been installed that has made a huge improvement to the previous satellite service.

Following the fire to the manure barn at Kingcombe Meadows the damage has been repaired and a new stock barn has been built that will enable improved overwintering and stock finishing capacity. This will add considerable value to stock sales.

DWT has now completed most of the H&S Development Plan that was initiated at the start of 2015 and we are now investigating an external audit to test our H&S systems.

## Financial review

### Investment powers and policy

#### General Background and Financial Objective

The charity is funded through membership subscriptions, donations and legacies, and grant income. The charity's reserve policy is to hold six to nine months of planned unrestricted expenditure as free reserves for the following purposes:

- To provide adequate short –term liquidity and cover temporary timing differences on grant claims;
- To provide reliable funding over the longer term;
- To enable the Trust to respond quickly to unexpected opportunities;
- To absorb setbacks and manage change should a major income stream fail.

#### Investment Powers

Under the charity's governing document trustees are able to invest all monies not immediately required for the furthering of the objects of the Trust in such manner, and upon such securities as may be deemed expedient, provided that monies subject or representing property subject to the jurisdiction of the Charity Commission shall only be invested in such securities and with such sanction as may for the time be prescribed by law.

#### Governance

The Finance & Property Panel has delegated responsibility from the Council for agreeing strategy and monitoring the investment assets. The implementation of the strategy is delegated to fund managers and the charity has nominated a list of authorized signatories, two of which are required to sign instructions to investment managers.

#### Investment Objectives

The charity seeks to produce the best financial return within an acceptable level of risk.

The investment objective for the unrestricted long-term reserves and the endowment funds is to generate a return in excess of inflation over the long term to maintain capital whilst generating an income to support the on-going activities of the charity.

The investment objective for the unrestricted short- term reserves and restricted reserves is to preserve the capital value with a minimum level of risk. Unrestricted assets should be readily available to meet unanticipated cash flow requirements.

#### Risk

The key risk to the long- term reserves is future inflation and the assets should be invested to mitigate this risk over the long term. The trustees understand that this is likely to mean that investment will be concentrated in real assets and that the capital value will fluctuate.

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Report of the directors (including the Strategic Report) (continued)

The short- term reserves are held to provide financial security and may be required at short notice. As such capital volatility is undesirable and investment of these assets should be focused on minimizing this.

Restricted and unrestricted reserves should be invested in a medium risk, high liquidity portfolio which would include investments such as gilts and high quality corporate bonds.

The base currency of the investment portfolios is Sterling.

#### Cash

The Charity's cash balances should be deposited with institutions with a minimum rating of A- or invested in a diversified money market fund including Common Deposit Funds.

The Charity will draw down the cash in line with the budgeted expenditure and maturities of cash deposits should match the budget schedule.

#### Time Horizon

The charity has divided its reserves into those expected to be held for a long- term time horizon and those that may be needed in the short term.

#### Ethical Investment Policy

The Trustees have established an ethical investment policy which excludes companies based on the level of environmental impact from the activities of those companies and the actions taken by those companies to mitigate negative impacts.

#### Investment Strategy

The charity has divided the funds available for investment between two independent professional investment managers. The two managers have differing approaches to investment which counteract one another and therefore reduce the overall risk. Approximately £1million is managed by Close Asset Management who take a conventional approach in that they seek to outperform the markets through timely asset allocation and security selection. This approach is subject to greater short-term volatility but the funds are invested for the long term and are therefore able to weather such volatility.

A further £1million is managed by Ruffer LLP; their approach is an absolute return with no benchmarking seeking to manage the risk of losing money. Their investment aims are not to lose money on a 12-month rolling basis and to grow funds at a higher rate than would be achieved by depositing them in cash. The strategy for achieving this is to guard against future risks whilst capturing available opportunities, in effect attempting to remove market timing by offsetting investments such as inflationary bonds versus equities.

#### Management, Reporting and Monitoring

The charity has appointed two professional investment managers to manage the funds available for investments both on a discretionary basis in line with letters of instruction issued in line with this policy. The managers are required to produce a valuation and performance reports quarterly and required to present to the Finance & Property Panel on at least an annual basis. The charity has nominated a list of authorized signatories, two of which are required to sign instructions to the investment managers.

The Finance & Property Panel has delegated responsibility from Council for agreeing strategy and monitoring the investment assets. The Panel reviews the information provided by the investment managers at each quarterly meeting. The Council has also delegated authority to the Finance & Property Panel to make investment decisions based on independent advice from the investment managers in circumstances requiring urgent action to mitigate risk of substantial losses to the charity. Such a decision requires a quorum of four trustees.

The Panel reports formally to Council on a quarterly basis.

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Report of the directors (including the Strategic Report) (continued)

The charity manages its own cash deposits and has nominated a list of authorized signatories, two of which are required to sign instructions to the deposit taking institution. The Finance Director monitors the cash position and prospective cash flow schedule and reports this to the Finance & Property Panel at each quarterly meeting.

#### A review of the financial position at the end of the reporting period

##### *Balance Sheet*

DWT's financial position has remained broadly stable during the year with a small decrease in unrestricted funds of £10,000 leaving unrestricted funds at £4.3 million (2016: £4.3 million). The Endowment funds have increased to £1.16 million (2016: £1.04 million) with the benefit of investment gains during the year. Restricted funds have decreased by £188,000 to £5.69 million (2016: £5.88 million) as funds received in prior years for specific work have been spent down in accordance with the restrictions. Thus net overall funds have decreased by £77,000 during the year to £11.17 million (2016: £11.25 million).

Heritage assets of £4.65 million (2016: £4.67 million) represent the nature reserves held by the trust. Fixed asset of £2.28 million (2016: £2.28 million) represent the assets utilised in the activities of the charity.

Investments as at 31 March 2017 are £1.99 million (2016: £1.99 million). During the year the investments in M&G Charifund were disposed of as they did not meet DWT's ethical investment policy. The realised gain from the disposal was £88,965 of which £80,237 is unrestricted. The proceeds of £981,450 from the disposal were reinvested with Ruffer LLP together with £100,000 restricted cash making a total of £1,081,500

Debtors as at 31 March 2017 were £914,000 (2016: £1.04 million). The decrease of £125,000 reflects the reduction in accrued grant income at the year end.

Cash at bank at 31 March 2017 is £1.68 million (2016: £1.55 million) with the increase of £129,000 reflecting both the increase in cash held by investment managers of £303,000 following the disposal of the M&G Charifund investments but also the utilisation of restricted funds brought forward as shown in the net decrease in restricted funds of £188,000 for the year.

##### *Income*

Overall income for the year is £3,301,000 (2016: £3,704,000). The reduction in income of £403,000 is predominantly within unrestricted income. Unrestricted legacy income is down by £475,000 this year. In the prior year legacy notifications of £460,000 were accrued at the balance sheet date which boosted the income in that year. In the year under review overall levels of legacy income are slightly above the 2015 legacy income. Legacy income is an important element of our unrestricted income and helps fund all aspects of our activities. Membership income and related Gift Aid are also key elements of unrestricted funding; there is a slight increase of £30,000 in this income stream this year.

Restricted grants and donations for the year are £168,000 (2016: £291,000). The reduction in income of £123,000 is mainly due to a reduction of £25,000 for the Local Nature Partnership, £46,000 for The Great Heath Project which is in its final year and a reduction of £30,000 in Rivers and Wetlands income.

Restricted grants and contract for the year are £892,000 (2016: £807,000). The increase of £85,000 masks a fall in grant income from HLF and the Landfill Communities Tax as projects near their end life. However new income has offset some of this in particular a large rivers rehabilitation project funded by the Environment Agency.

##### *Expenditure*

Total expenditure during the year amounted to £3,593,000 (2016: £3,418,000) of which expenditure on charitable activities totalled £2,841,000 (2016: £2,652,000).

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Report of the directors (including the Strategic Report) (continued)

Expenditure on raising funds of £750,000 (2016: £766,000) includes membership servicing and recruitment costs of £391,000 (2016: £399,000), fundraising & marketing costs of £239,000 (2016: £237,000) and trading company costs of £84,000 (2016: £91,000).

Support costs, including depreciation and governance, totalled £751,000 (2016: £834,000) and are detailed in note 10 for the financial statements.

#### Financial reserves

##### *Free Reserves*

The Trustees believe that, because of the uncertain nature of much of its income, it would be prudent for the charity to hold a level of free financial reserves (general unrestricted funds less those held as fixed assets) for the following purposes:

- To provide adequate short-term liquidity, and cover temporary timing differences in grant claims;
- To provide reliable funding over the longer term;
- To enable the Trust to respond quickly to unexpected opportunities, such as the purchase of land for nature reserves (the first of its charitable objects);
- To absorb setbacks and manage change should a major income stream fail.

Trustees have determined that the level of free reserves held by the charity should not normally fall below six months total unrestricted costs.

The Finance & Property Panel monitor the level of reserves and report regularly to the Trustees. Trustees, advised by the Finance & Property Panel, review the Policy annually.

<i>Free Reserves Calculation</i>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
General unrestricted funds	3,735	4,044
Less Intangible and tangible fixed assets	(1,313)	(1,123)
Less Heritage assets	(817)	(817)
Less investment property	<u>(250)</u>	<u>(250)</u>
Free reserves	<u>1,355</u>	<u>1,854</u>

Free financial reserves represented approximately 7 months of our budgeted unrestricted costs for 2017/18 (2016: 9.57 months).

##### *Designated reserves*

Designated funds are those unrestricted reserves that the Trustees have designated for particular purposes.

The total value of funds designated for specific projects as at 31 March 2017 totals £581,000 (2016: £278,000). The projects are detailed in note 23 of the financial statements.

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Report of the directors (including the Strategic Report) (continued)

## Fundraising Activities

### Our fundraising standards

#### 1. Data protection

DWT is registered as a data controller under the 1998 Data Protection Act.

DWT has a Data Protection Policy that has been approved by Council and all staff have received a copy of this and training at a Staff Forum. New members of staff receive a copy of our Data Protection Policy as part of their induction training.

All DWT's fundraising activities and procedures comply with data protection legislation and all staff and volunteers involved in fundraising activities receive additional training on data collection, handling and protection.

#### 2. Institute of Fundraising

DWT is a corporate member of the Institute of Fundraising and has signed-up to adhere to its rules and guidelines on fundraising best practices.

#### 3. Fundraising Standards Board (FRSB)

DWT is also a member of the FRSB, a self-regulatory body for UK fundraising organisations, members of which agree to adhere to the highest standards of good practice in their fundraising activities.

Our fundraising standards are published on the DWT website along with our fundraising complaints procedure. Complainants who are unsatisfied with how DWT responds are referred to the FRSB for further investigation.

A new Fundraising Regulator is being established, to replace the FRSB. DWT will comply any new regulations stipulated by the new regulator once it is launched. DWT's Fundraising & Marketing Team is monitoring for announcements of any changes to fundraising regulations.

#### 4. Public Fundraising Association (PFRA)

For all of our face-to-face fundraising activities DWT adheres to the PFRA's street fundraising rule book. DWT will follow any future changes in fundraising regulations as stipulated by the new Fundraising Regulator.

### Our fundraising methods, including fundraising agencies

#### 1. Face-to-face fundraising

DWT engages with the public face-to-face in a number of ways in order to secure prospective and new supporters. The vast majority of DWT's supporters are members, each paying a subscription donation.

- South West Wildlife Fundraising Limited (SWWFL)

SWWFL is a company limited by guarantee, established by seven Wildlife Trusts, to engage in mutual trading and provide the Member Trusts with new members. SWWFL fundraisers attend booked venues or events, where they engage with the public.

DWT has an agreement in place with SWWFL which stipulates that SWWFL fundraisers must adhere to the PFRA street fundraising rule book and data protection laws. It also states that SWWFL fundraisers must protect vulnerable people and members of the public from behaviour which is an unreasonable intrusion on a person's privacy, is unreasonably persistent and which places undue pressure on a person to give money. The Agreement also requires SWWFL to report any complaints to DWT promptly.

SWWFL is a member of the PFRA and all their fundraisers are trained on data protection laws and best fundraising practices using the PFRA rule book.



## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Report of the directors (including the Strategic Report) (continued)

SWWFL fundraisers use a solicitation statement to explain to the public how they are paid and how much of any donation will benefit DWT.

- Door-to-door fundraising

DWT employs a small team of membership recruiters on a seasonal basis to call on targeted households in Dorset. DWT obtains the necessary licences from the relevant Local Authorities to permit door-to-door fundraising. The fundraisers use a two-stage approach to securing new members for DWT which minimises pressure on a person to make a gift and generates members who are less likely to lapse their support.

The door-to-door team are trained to follow the PFRA rule book for face-to-face fundraising and to follow data protection laws.

Our door-to-door fundraisers use a solicitation statement to explain to the public how they are paid and how much of any donation will benefit DWT.

- Wildlife Supporter Officer

This role is employed by DWT on a seasonal basis to provide public engagement activities at events and venues. It supports the DWT Community Conservation Officers and SWWFL fundraisers in providing activities to encourage public engagement, but it also has responsibility for securing new members.

The Wildlife Supporter Officer (WSO) is trained to follow the PFRA rule book for face-to-face fundraising and to follow data protection laws.

The WSO uses a solicitation statement to explain to the public how they are paid and how much of any donation will benefit DWT.

## 2. Telephone fundraising

- Quality Telephone Services Ltd. (QTS)

QTS is a south west based professional telephone fundraising agency that is used by many Wildlife Trusts to help with supporter retention and development. DWT contracts with QTS to undertake administrative 'welcome calls' for new members and to undertake fundraising campaigns such as upgrading membership subscriptions and re-recruiting lapsed members.

DWT has an agreement in place with QTS which stipulates that their fundraisers must adhere to the Institute of Fundraising guidelines for best fundraising practice and with data protection laws. It also states that telephone fundraisers must protect vulnerable people and members of the public from behaviour which is an unreasonable intrusion on a person's privacy, is unreasonably persistent and which places undue pressure on a person to give money. The Agreement also requires QTS to report any complaints to DWT.

QTS adheres to the Institute of Fundraising rules and the stipulations regarding the Telephone Preference Service.

## 3. Individual giving fundraising

DWT undertakes a range of fundraising activities to generate additional income and these are primarily focussed at members. These activities include raffles and appeals, which involve mailing, email, website and social media promotion. We also promote a red squirrel adoption scheme to support our conservation work on Brownsea Island and run fundraising events like our 'Oceans Cruises' programme. These fundraising activities may also be promoted to the wider public through social media and website communication and press releases.

Our legacy fundraising is focussed around inviting longstanding members to attend a series of guided walks around our nature reserves during the summer months, where they can hear how legacies have benefitted our work and learn about the management of these sites. Once the programme of walks has

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Report of the directors (including the Strategic Report) (continued)

been completed the attendees are sent a thank you which includes a 'Free Will Service' offer through local solicitors.

DWT holds a local lottery licence and runs a small lottery scheme called 'The Orchid Club'. Club members make regular payments to the lottery prize pot. Draws are made three times a year and cash prizes made to the winners. The profits from this lottery scheme are donated back to DWT.

#### 4. Retail sales through DTNC Sales Ltd.

DWT sells a range of retail goods to the public through a number of visitor centres, a website shop and a retail catalogue which is mailed to all members before Christmas. Some retail goods, such as the DWT Christmas calendar, are also sold to other retail outlets across Dorset.

#### 5. Corporate fundraising

DWT runs a corporate membership scheme, whereby businesses pay an annual membership subscription in return for benefits. In addition we encourage our corporate partners to support our work through further donations, sponsorship or voluntary work.

#### 6. Grants & Trusts

Securing funding from grants and trusts is a major part of DWT's fundraising work and involves significant resource from the Fundraising & Marketing, Operations & Development and Conservation teams collaborating in constructing funding bids.

### Monitoring fundraising activities

Agreements are in place with the agencies (SWWFL and QTS) that carry out fundraising services on behalf of DWT. These agreements stipulate the required standards of fundraising that must be adhered to and how any issues with regards to fundraising practices must be reported back to DWT.

DWT holds regular meetings with SWWFL where any issues with fundraising activities are discussed and resolved.

The Director of Fundraising & Marketing signs off on all fundraising activities. The approach used for each fundraising campaign is discussed in Fundraising & Marketing team meetings. Some of these activities are also discussed at quarterly Marketing Panel meetings, which involve Trustees.

Each quarter the Marketing Panel receives a report on any complaints DWT has received during that period.

### Complaints about fundraising

During 2016/17 DWT received a total of 27 complaints from the public (2015/16: 33), of which just 5 related to fundraising. Three members complained about incorrect information provided about minimum subscription levels on recruitment. All three members subsequently agreed to remain members on the minimum subscription level and the training issue for recruiters was addressed. One person who was recruited by our door to door recruiter was a vulnerable person and the family asked for them to be removed from the membership. This was done and it was confirmed that no money had been collected from the individual concerned. The fifth complaint was as a result of an administration error which was satisfactorily resolved after contacting the person concerned.

### Protecting vulnerable people

Fundraising should be a positive experience for our supporters. It is inevitable though that through our fundraising activities we will come into contact with people who are vulnerable and not able to make informed decisions about their giving. This can happen either through our own communications or through the agencies who work on our behalf.

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Report of the directors (including the Strategic Report) (continued)

#### 1. Our guiding principles

We are members of the Fundraising Standards Board and this is what we promise our supporters:

- We will always respect people's privacy and encourage supporter to let us know how they want to be contacted.
- We also ensure it is easy for supporters to opt-out of receiving future communications if they wish.
- We comply with data protection law. We will always protect personal data; we will not sell personal details to any other organisation.
- We will ensure that fundraisers, volunteers and fundraising contractors working with us to raise funds, comply with fundraising best practice and with this Promise.
- We will not put undue pressure on individuals to make a gift.
- We are clear in our communications about who we are, what we do and how donations will be used.
- We have a supporter care team who are dedicated to looking after our supporters.
- We will be open and honest. We tell the truth, do not exaggerate and we answer all reasonable questions about our fundraising activities and costs.
- We are accountable for our fundraising activities. We have a complaints procedure, a copy of which is available on the website or available on request. If we cannot resolve a complaint, we accept the authority of the Fundraising Standards Board to make a final adjudication.

#### 2. The Institute of Fundraising (IoF) code of practice

We always abide by the IoF fundraising code of practice. These state:

- Fundraisers ought to take reasonable steps to treat a donor fairly, enabling them to make an informed decision about any donation. This ought to include taking into account the needs of any potential donor who may be in a vulnerable circumstance or require additional care and support to make an informed decision.
- Fundraisers ought not to exploit the credulity, lack of knowledge, apparent need for care and support or vulnerable circumstance of any donor at any point in time.

#### 3. Vulnerable contacts

If one of our fundraisers reasonable believes that a supporter is unable to make a decision or is in a position which does not allow them to make a donation, then a donation is not to be taken or accepted.

Our face-to-face fundraising activities follow the FRSB standards and PFRA street fundraising rule book which contains recommendations on how fundraisers must protect vulnerable people and members of the public from behaviour which is an unreasonable intrusion on a person's privacy, is unreasonably persistent and which places undue pressure on a person to give money.

The agreements we have with fundraising agencies include similar requirements to protect vulnerable people.

## Structure, governance and management

The Dorset Trust for Nature Conservation is governed by a memorandum and articles of association and is a company limited by guarantee with the number 688439 and charity number 200222.

The charity's governing body is the Council to which Trustees are elected by members at the Annual General Meeting (normally around November each year). Council may co-opt additional Trustees to fill vacancies between AGMs, but such persons must face election by members at the next AGM. Trustees endeavour to maintain a balance of skills and expertise when seeking new or replacement trustees and to that end a skills audit has been conducted. Officers of the Trust (Chairman, Honorary Treasurer, and Honorary Secretary) are appointed by Council from those elected by members.

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Report of the directors (including the Strategic Report) (continued)

DTNC (Sales) Limited, the trading company for the group, was primarily involved in the sale of goods, delivering educational courses and other services. Profits earned by the trading company are passed to its parent company, DWT as a gift aided charitable donation on an annual basis. The subsidiary of DTNC Ltd Dorset Ecology used to be a consultancy company but is now held dormant. The directors of DTNC (Sales) Limited and Dorset Ecology are appointed by the Council of DWT and confirmed annually.

DWT's organisation can be summarised as follows:

- The Council of Trustees, which meets every quarter to review performance and set DWT policy and strategy.
- Council is supported and advised by eight groups:
  - Conservation Panel
  - Finance and Property Panel
  - Governance Panel
  - Health and Safety Committee
  - Fundraising & Marketing Panel
  - Members Panel
  - Personnel and Remuneration Panel
  - Commercial Board of DTNC (Sales) Ltd

All these groups are advisory with the exception of the Commercial Board which has decision-making powers delegated and reviewed by Council annually.

- In addition DWT has a number of joint volunteer/staff groups that deal with reserves, special events, and projects such as Living Churchyards, Sites of Nature Conservation Interest (SNCI) Forum, Agriculture Forum and Environmental Performance Group.
- The Chief Executive, who is delegated responsibility for financial and operating performance, and staff teams for: conservation; fundraising and marketing; finance and administration; operations and development.
- 8 Local Groups of members who organise events for members in their area.
- Volunteers who help in a wide variety of ways, practically and with administrative tasks.

#### How does the charity make decisions?

DWT Council makes decisions on policy advised by relevant Panels and DWT management. Implementation of those policies and operating decisions are delegated to the Chief Executive who may delegate authority through the management structure. Council can over-ride any operating decision that it feels is not consistent with the Strategic Plan, DWT policies or legal requirements. Panels are advisory but can recommend decisions to Council or management.

#### Induction and training of Board members

Trustees' skills are reviewed regularly to ensure that the balance is suitable. New trustees undergo an induction process which involves meeting with officers and senior DWT staff and are provided with an information pack detailing their responsibilities, governance, financial and other information relating to the structure and operation of the Trust. All Trustees are invited to attend a range of training events relating both to governance issues and specific areas of the charity's work.

#### Arrangements for setting the pay and remuneration for the key management personnel.

On at least a 3-year basis, pay and remuneration are benchmarked by Personnel and Remuneration Panel (PRP) against other Wildlife Trusts and the wider sector. PRP then makes recommendations to Council. Annually PRP may recommend a cost of living rise to salaries if DWT can afford it. The rise is commonly determined by market rate comparisons combined with affordability.

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Report of the directors (including the Strategic Report) (continued)

#### The wider The Wildlife Trust (TWT) network

DWT is one of 47 Wildlife Trusts in the UK that together make up the Wildlife Trusts Partnership. Together, the Wildlife Trusts have over 800,000 members, a turnover of approximately £120 million, and more than 2,300 nature reserves covering 95,000 hectares in their care. DWT feeds into and may choose to adopt policies developed by, and participate in activities run by, The Wildlife Trusts network.

On a regional basis DWT works closely with other Wildlife Trusts in the South-West including on joint projects and initiatives. This year six of the seven SW Wildlife Trusts are collaborating on a joint Supporter Development programme.

#### Relationship with the charity and related parties including its subsidiaries

The charity group consists of The Dorset Trust for Nature Conservation Limited (a charitable company limited by guarantee and having no share capital) and two wholly owned subsidiaries; a trading subsidiary company, DTNC (Sales) Limited (a company limited by shares) and a dormant subsidiary company, Dorset Ecology Limited (a company limited by shares). A separate Memorandum and Articles of Association govern each company. The charity operates under the working name of Dorset Wildlife Trust ("DWT").

#### Risk management

During the year the trustees have reviewed the risks to which the charity might be exposed and categorised and prioritised perceived risks by potential impact and likelihood of occurrence and set out appropriate risk management strategies. They have established a risk management policy and implemented systems and procedures to mitigate risks identified. All perceived risks are re-assessed on an annual basis and priorities are reviewed in light of prevailing circumstances at that time.

A number of risks to DWT's operations have been identified as a result of the decision for the UK to leave the European Union:

- Stewardship grants for reserves management are worth over £300,000 per annum to DWT and there is no guarantee these will be replaced with a national system. Such grants may also be diverted away from environmental benefits towards general farming.
- Grant income may become more competitive as academic institutions and others search for replacement funds to EU grants.
- Development and research funding such as from Interreg and Life programmes have been important to DWT and our partnerships. There is no clarity yet as to whether the UK will continue to participate in such programmes.
- Many protected area designations at sea and on land come from European legislation and may be repealed.
- Many environmental laws such as protection from water and air borne pollutants come from European legislation and may be repealed or the standards eroded.

Conversely Brexit may offer opportunities to influence policy to greater support wildlife and the environment.

Health and safety risk assessment guidelines for a range of DWT activities have been amplified and issued to all appropriate staff and volunteers. IT systems and security practices have been updated and amended and additional staff training has been undertaken.

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Report of the directors (including the Strategic Report) (continued)

#### Statement of the Board's responsibilities

The trustees (who are also directors of The Dorset Trust for Nature Conservation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

Trustees are responsible for keeping 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Statement as to disclosure of information to auditors

The members of Board who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the members of Board have confirmed that they have taken all steps that they ought to have taken as members of Board in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Report of the Members of Board, which includes the Strategic Report were approved by the Board on 4 September 2017 and signed on their behalf:

**H G A Bates**

Trustee & Hon Secretary



## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Independent auditor's report to the members and trustees of the Dorset Trust for Nature Conservation Limited

We have audited the financial statements of the Dorset Trust for Nature Conservation Limited for the year ended 31 March 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated Summary Income and Expenditure Account, the Consolidated and Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 33. 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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, and the charitable company's trustees, as a body, in accordance with Section 151 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 28, 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.

We have been appointed as auditor under the Companies Act 2006 and Section 151 of the Charities Act 2011 and report to you in accordance with those Acts. 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### Opinion on financial statements

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 March 2017 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

#### Opinion on other matter 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 Directors' Report (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Directors' Report (incorporating the Strategic Report) have been prepared in accordance with applicable legal requirements.

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED


### Independent auditor's report to the members and trustees of the Dorset Trust for Nature Conservation Limited (continued)

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report (incorporating the Strategic Report).

#### 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 and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, 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.



Julie Mutton  
Senior Statutory Auditor, for and on behalf of  
Nexia Smith & Williamson  
Statutory Auditor  
Chartered Accountants

Date: 6/9/17

Cumberland House  
15-17 Cumberland Place  
Southampton  
SO15 2BG

Nexia Smith & Williamson is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



# THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

## Consolidated Statement of Financial Activities For the year ended 31 March 2017

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Year ended 31 March 2017	Year ended 31 March 2016
		£'000	£'000	£'000	£'000	£'000
<b>INCOME &amp; ENDOWMENTS FROM:</b>						
Donations & legacies	2	1,602	251	-	1,853	2,345
Charitable activities	3	203	892	-	1,095	985
Other trading activities	4	241	-	-	241	264
Investments	5	40	1	21	62	94
Other	6	50	-	-	50	16
<b>TOTAL INCOME</b>		<u>2,136</u>	<u>1,144</u>	<u>21</u>	<u>3,301</u>	<u>3,704</u>
<b>EXPENDITURE ON:</b>						
Raising funds	7	731	11	8	750	766
Charitable activities	8	1,520	1,321	-	2,841	2,652
Other		2	-	-	2	-
<b>TOTAL EXPENDITURE</b>		<u>2,253</u>	<u>1,332</u>	<u>8</u>	<u>3,593</u>	<u>3,418</u>
<b>NET INCOME/EXPENDITURE FOR THE YEAR BEFORE GAINS/(LOSSES) ON INVESTMENTS</b>						
		(117)	(188)	13	(292)	286
Net (losses)/gains on investments		94	-	121	215	(44)
<b>NET INCOME/(EXPENDITURE)</b>		(23)	(188)	134	(77)	242
Transfers between funds		17	-	(17)	-	-
<b>NET MOVEMENT IN FUNDS</b>		(6)	(188)	117	(77)	242
<b>TOTAL FUNDS B/FWD</b>	22-24	<u>4,322</u>	<u>5,878</u>	<u>1,047</u>	<u>11,247</u>	<u>11,005</u>
<b>TOTAL FUNDS C/FWD</b>	22-24	<u>4,316</u>	<u>5,690</u>	<u>1,164</u>	<u>11,170</u>	<u>11,247</u>

The group has no recognised gains or losses other than those included above. The Consolidated Statement of Financial Activities has been prepared on the basis that all operations are continuing operations. The notes on pages 35 to 57 form part of these financial statements.

THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

Consolidated Summary Income and Expenditure Account  
For the year ended 31 March 2017

	Notes	2017 £'000	2016 £'000
Income		3,239	3,610
Losses/(gains) on investments		215	(44)
Interest and investment income		<u>62</u>	<u>94</u>
<b>Gross income in the financial year</b>		<b><u>3,516</u></b>	<b><u>3,660</u></b>
Expenditure		3,443	3,252
Interest payable		1	2
Depreciation & charges for impairment of fixed assets		<u>147</u>	<u>164</u>
<b>Total expenditure in the financial year</b>		<b><u>3,591</u></b>	<b><u>3,418</u></b>
Net (expenditure)/income before tax for the financial year		(75)	242
Tax on (loss)/surplus on ordinary activities	<b>14</b>	<u>(2)</u>	<u>-</u>
<b>Net (expenditure)/income for the year</b>		<b><u>(77)</u></b>	<b><u>242</u></b>

The group's income and expenses all relate to continuing operations.

The notes on pages 35 to 57 form part of the financial statements.

THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

Consolidated and Charity Balance Sheets Company Number 688439  
For the year ended 31 March 2017

	Notes	Group		Company	
		31 March 2017	31 March 2016	31 March 2017	31 March 2016
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	15	2,280	2,280	2,276	2,278
Heritage assets	16	4,651	4,667	4,651	4,667
Investments	17	1,994	1,994	1,994	1,994
		<u>8,925</u>	<u>8,941</u>	<u>8,921</u>	<u>8,939</u>
<b>CURRENT ASSETS</b>					
Stock	18	140	148	100	108
Debtors	19	914	1,039	926	1,107
Cash at bank and in hand		1,680	1,551	1,647	1,419
		<u>2,734</u>	<u>2,738</u>	<u>2,673</u>	<u>2,634</u>
<b>CREDITORS: Amounts falling due within one year</b>	20	<u>(467)</u>	<u>(416)</u>	<u>(432)</u>	<u>(361)</u>
<b>NET CURRENT ASSETS</b>		<u>2,267</u>	<u>2,322</u>	<u>2,241</u>	<u>2,273</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	21	<u>(22)</u>	<u>(16)</u>	<u>(22)</u>	<u>(16)</u>
<b>TOTAL NET ASSETS</b>		<u>11,170</u>	<u>11,247</u>	<u>11,140</u>	<u>11,196</u>
<b>RESERVES AND FUNDS</b>					
<b>CAPITAL FUNDS</b>					
Endowment funds	22	<u>1,164</u>	<u>1,047</u>	<u>1,164</u>	<u>1,047</u>
<b>INCOME FUNDS</b>					
General funds	23 (a)	3,735	4,044	3,705	3,993
Designated funds	23 (b)	<u>581</u>	<u>278</u>	<u>581</u>	<u>278</u>
Unrestricted funds		4,316	4,322	4,286	4,271
Restricted funds	24	5,690	5,878	5,690	5,878
		<u>11,170</u>	<u>11,247</u>	<u>11,140</u>	<u>11,196</u>
<b>TOTAL FUNDS</b>	25	<u>11,170</u>	<u>11,247</u>	<u>11,140</u>	<u>11,196</u>

The notes on pages 35 to 57 form part of these financial statements.

Approved by the Directors on 4 September 2017 and signed on their behalf by:

N R Webb.....  
Chair of Trustees

H G A Bates.....  
Trustee

THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

Consolidated and Charity Statements of Cash flows  
For the year ended 31 March 2017

	Notes	Group		Company	
		31 March	31 March	31 March	31 March
		2017	2016	2017	2016
		£'000	£'000	£'000	£'000
<b>Cash flows from operating activities:</b>					
<i>Net cash used/by provided by operating activities</i>	31	(22)	(110)	73	(155)
<b>Cash flows from investing activities</b>					
Dividends, interest & rents from investments		62	95	62	95
Investment management costs		(11)	(10)	(11)	(10)
Proceeds from sale of fixed assets		34	4	34	4
Purchase of fixed assets		(126)	(121)	(122)	(121)
Proceeds from sale of investments		1,042	376	1,042	376
Purchase of investments		(825)	(516)	(825)	(516)
<i>Net cash used in investment activities</i>		<u>176</u>	<u>(171)</u>	<u>180</u>	<u>(171)</u>
<b>Cash flows from financing activities</b>					
Repayment of borrowing		(25)	(5)	(25)	(5)
<i>Net cash used in financing activities</i>		<u>(25)</u>	<u>(5)</u>	<u>(25)</u>	<u>(5)</u>
<b>Change in cash and cash equivalents in the financial year</b>		129	(286)	228	(331)
<b>Cash and cash equivalents at the beginning of the year</b>		<u>1,551</u>	<u>1,837</u>	<u>1,419</u>	<u>1,750</u>
<b>Cash and cash equivalents at the end of the year</b>	32	<u>1,680</u>	<u>1,551</u>	<u>1,647</u>	<u>1,419</u>

The notes on pages 35 to 57 form part of these financial statements.

# THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

## Notes to the financial statements For the year ended 31 March 2017

### 1. ACCOUNTING POLICIES

#### 1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments, which are shown at market value, and freehold land and buildings, which have been revalued. The financial statements have been prepared in accordance with the Charity Commission Statement of Recommended Practice (SORP) on Accounting and Reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Trustees confirm that the charity is a public benefit entity, as defined in FRS 102.

The accounts are prepared on a going concern basis; there are no material uncertainties about the charity's ability to continue as a going concern.

#### 1.2 Group financial statements

The Statement of Financial Activities (SOFA), Consolidated Summary Income and Expenditure Account and Balance Sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

No separate SOFA has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006.

#### 1.3 Fund Accounting

##### 1.3.1 Unrestricted Funds

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

##### 1.3.2 Restricted Funds

These funds have been given to the charity for a particular purpose to be used in accordance with the wishes of the donor.

##### 1.3.3 Endowment Funds

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

##### 1.3.4 Designated Funds

These funds which have been set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

# THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

## Notes to the financial statements

### For the year ended 31 March 2017 (continued)

#### 1. ACCOUNTING POLICIES (continued)

##### 1.4 Income

All income is included in the SOFA when the charity is legally entitled to the income, the monetary value can be measured reliably and it is more likely than not that the economic benefits associated with the gift or transaction will flow to the charity.

Membership subscription income is accounted for as received.

Legacy income is accounted for when the amount due can be quantified with reasonable probability and the timing of the receipt is known.

Grants receivable are accounted for when there is sufficient information to enable the claim to be made or the claim has been made and there is clear indication to suggest that the claim will be met.

Performance related grants are accounted for when the conditions of the grant have been met.

Income from investments and Gift Aid is accounted for when it is receivable or the charity's right to it becomes legally enforceable.

##### 1.5 Volunteer help and Gifts in kind

The charity 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 difference in time spent and the sheer number of volunteers who give of their time.

Gifts in kind are valued on the following basis:

- Land values are as stated in transfer documentation; where no value is quoted a best estimate of value by the trustees is used.
- Shares are valued at market value at the time of receipt.

##### 1.6 Expenditure

All expenditure is accounted for on an accruals basis inclusive of any VAT which cannot be fully recovered and has been classified under headings that aggregate all costs related to that category.

Costs of Raising Funds consist of expenditure relating to appeals, communications requesting funds, servicing of membership, grant applications and other general publicity as part of fundraising together with associated support activities and cost of sales.

Support costs are indirect costs incurred in providing support for activities related directly to the objects of the charity. The method of allocation of support costs to the different activities is dependent on the type of costs and details are given in note 10 to the financial statements.

# THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

## Notes to the financial statements For the year ended 31 March 2017 (continued)

### ACCOUNTING POLICIES (continued)

#### 1.7 Tangible fixed assets

Fixed assets are stated at original cost, less depreciation, with the exception of revalued freehold land and buildings. Assets donated subsequent to 1 February 1996 are included at their value on the date of receipt, except where the Directors' believe that the cost of valuation would be excessive. Assets below a value of £500 are not capitalised.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life. Depreciation is calculated on a straight line basis using rates that range from 2% to 50% per annum.

All assets are carried at historical cost, except for the freehold land and buildings which had been revalued prior to the implementation of Financial Reporting Standard 102. As permitted by the standard, assets which had been previously revalued are included in the balance sheet on that basis which is now regarded as deemed cost.

Acquisitions of fixed assets are accounted for when the purchase contract becomes unconditional.

#### 1.8 Heritage Assets

Heritage assets are assets of historical, artistic or scientific importance that are held to advance preservation, conservation and educational objectives of charities at a national or local level. Such assets are central to the achievement of the purposes of such charities and include land, buildings and structures that are conserved and are central to the educational objectives of such charities. They include land relating to the habitat needs of species, or the environment generally.

The Trust's policy for the acquisition of heritage assets is set down in its Land Acquisition Guidelines. These Guidelines have been established to ensure that where opportunities arise for land acquisition, the benefits of potential ownership are measured against the criteria of the long term strategic objectives of the Trust.

All purchased heritage assets are carried at historical cost, except for the freehold land and buildings which had been revalued prior to the implementation of Financial Reporting Standard 102. As permitted by the standard, assets which had been previously revalued are included in the balance sheet on that basis which is now regarded as deemed cost.

Heritage assets gifted to the Trust are carried at the valuation at the date of receipt of the gift in kind. The valuation of these heritage assets is reviewed annually to ensure that there has been no indicator of impairment affecting the valuation.

Depreciation is provided on heritage assets on the following annual rates:

Freehold buildings – 2%

Leasehold land & buildings – over the life of the lease

# THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

## Notes to the financial statements

For the year ended 31 March 2017 (continued)

### ACCOUNTING POLICIES (continued)

#### 1.9 Investments

Investments are included at their market value at the period end date.

#### 1.10 Stock and biological assets

Stock of goods for resale is stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Due to the nature of livestock, this aspect of stock is restated annually to the fair market value prevailing at 31 March each year.

#### 1.11 Pension contributions

The Trust contributes to a defined contribution pension scheme (Group Personal Pension Plan), which is open to all staff after a three month service period. The assets of the scheme are held separately from those of the charity.

The contributions to the defined contribution scheme are charged to the statement of financial activities in the period they become payable.

#### 1.12 Leasing

Rentals payable under operating leases are charged on a straight line basis over the term of the lease.

Assets held under finance leases are included in fixed assets and the capital element of the related lease commitment is shown as obligations under finance leases within creditors. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against the statement of financial activities over the period of the lease.

#### 1.13 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of finance leases which are measured at their capital commitment.

#### 1.14 Judgements in applying accounting policies and key sources of estimation

Estimates and judgments are evaluated at each reporting date and are based on historical experience as adjusted for current market conditions and other factors. Management makes estimates and assumptions concerning the future in preparing the financial statements and the actual results will not always reflect the account estimates made. The estimates and assumptions that potentially have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the Group are outlined below:



## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Notes to the financial statements

#### For the year ended 31 March 2017 (continued)

**Fixed Assets:** As described above, the Trust reviews the residual values, estimated useful lives and depreciation rates of its tangible fixed assets at each reporting date to identify where any evidence of significant change exists since the last reporting date. For the year ending 31 March 2017 the Trust has provided to depreciate assets by £147,000.

**Bad Debt Provision:** At each reporting date and throughout the year, the Trust's debtor balance is reviewed to identify any impairment required, and specific provisions are made against this balance. The value of these provisions at 31 March 2017 are £11,000.

**Recognition of legacy income:** Where notifications of legacies are received prior to the balance sheet date but the income has not been received, an accrual for legacy income will be made if probate has been granted and a copy of the estates' accounts are available to determine the probable amount due and that there are sufficient assets in the estate to pay all liabilities and beneficiaries.

THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

Notes to the financial statements  
For the year ended 31 March 2017 (continued)

**2. DONATIONS AND LEGACIES**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2017 £'000	Total 2016 £'000
Membership income	934	-	-	934	904
Grants and donations	76	168	-	244	369
Legacies	<u>592</u>	<u>83</u>	<u>-</u>	<u>675</u>	<u>1,072</u>
	<u>1,602</u>	<u>251</u>	<u>-</u>	<u>1,853</u>	<u>2,345</u>

**3. CHARITABLE ACTIVITIES**

Grants and contracts	1	892	-	893	809
Primary purpose trading	<u>202</u>	<u>-</u>	<u>-</u>	<u>202</u>	<u>176</u>
	<u>203</u>	<u>892</u>	<u>-</u>	<u>1,095</u>	<u>985</u>

**4. OTHER TRADING ACTIVITIES**

Retail	96	-	-	96	96
Facilities/resource hire	110	-	-	110	131
Rental income	33	-	-	33	30
Raffle	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>7</u>
	<u>241</u>	<u>-</u>	<u>-</u>	<u>241</u>	<u>264</u>

**5. INVESTMENT INCOME**

Interest	3	-	-	3	4
Dividend	30	1	21	52	83
Rental income	<u>7</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</u>
	<u>40</u>	<u>1</u>	<u>21</u>	<u>62</u>	<u>94</u>

**6. OTHER INCOME**

Insurance claims	24	-	-	24	-
Wayleaves	1	-	-	1	1
Sundry income	25	-	-	25	11
Profit on sale of fixed assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>
	<u>50</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>16</u>

THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

Notes to the financial statements

For the year ended 31 March 2017 (continued)

7. EXPENDITURE ON RAISING FUNDS	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2017	Total 2016
	£'000	£'000	£'000	£'000	£'000
Raising donations and legacies	228	11	-	239	237
Membership servicing & recruitment	391	-	-	391	398
Event costs	24	-	-	24	30
Trading company costs	85	-	-	85	91
Investment management	<u>3</u>	<u>-</u>	<u>8</u>	<u>11</u>	<u>10</u>
	<u>731</u>	<u>11</u>	<u>8</u>	<u>750</u>	<u>766</u>

8. CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2017	Total 2016
	£'000	£'000	£'000	£'000	£'000
Nature Reserve management	420	432	-	852	742
Wider Countryside Conservation	419	710	-	1,129	1,059
Education & awareness	<u>681</u>	<u>179</u>	<u>-</u>	<u>860</u>	<u>851</u>
	<u>1,520</u>	<u>1,321</u>	<u>-</u>	<u>2,841</u>	<u>2,652</u>

9. TOTAL EXPENDITURE

	Staff Costs	Other Direct Costs	Support Costs	Total 2017	Total 2016
	£'000	£'000	£'000	£'000	£'000
Raising funds	237	298	204	739	756
Investment management	-	11	-	11	10
Nature reserve management	431	213	208	852	742
Wider countryside conservation	547	411	171	1,129	1,059
Education & awareness	<u>358</u>	<u>334</u>	<u>168</u>	<u>860</u>	<u>851</u>
	<u>1,573</u>	<u>1,267</u>	<u>751</u>	<u>3,591</u>	<u>3,418</u>

# THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

## Notes to the financial statements

For the year ended 31 March 2017 (continued)

### 9. TOTAL EXPENDITURE (continued)

Total expenditure is stated after charging:

	<b>Group 2017 £'000</b>	<b>Group 2016 £'000</b>
Auditors' remuneration		
Audit (Company £11,665; 2016 £12,547)	14	14
Non-audit (Company £Nil; 2016 £Nil)	1	2
Depreciation on owned assets	139	163
Depreciation on financed assets	8	1
Amounts payable under operating leases	10	10
(Loss)/profit on sale of fixed assets	<u>(3)</u>	<u>4</u>

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Notes to the financial statements For the year ended 31 March 2017

#### 10. SUPPORT COSTS

	Raising Funds	Nature Reserve Management	Wider Countryside Conservation	Education & Awareness	Total 2017	Total 2016
	£'000	£'000	£'000	£'000	£'000	£'000
Management costs	31	19	20	27	97	76
Administration	23	17	18	17	75	83
Finance	41	18	16	17	92	98
Governance	18	16	16	16	66	63
Health & Safety	1	2	2	2	7	25
Human Resources	8	9	9	9	35	74
ICT	25	19	23	19	86	90
National & Regional costs	16	22	21	26	85	92
Premises & equipment	29	31	32	24	116	127
Professional fees	6	3	-	1	10	25
Bad debt provision	(11)	-	-	-	(11)	(11)
Depreciation	<u>17</u>	<u>52</u>	<u>14</u>	<u>10</u>	<u>93</u>	<u>92</u>
	<u>204</u>	<u>208</u>	<u>171</u>	<u>168</u>	<u>751</u>	<u>834</u>

The reversal of the Bad Debt provision relates to a provision made against a loan made to South West Wildlife Fundraising Limited set up to provide membership recruitment services to several wildlife trusts. The company experienced difficulties in establishing itself and underperformed in the first year. A recovery programme was put in place and the company repaid the first instalment of the loan in June 2016 and is due to pay the second instalment in June 2017.

Support costs are allocated to different activities on the following basis:-

Cost Type	Basis of allocation
Management costs	Time allocation
Administration	Time allocation for staff costs and Head count for other costs
Finance	Time allocation for staff costs and Head count for other costs
Governance	Directly where appropriate and time allocation for staff costs
Health & Safety	Head count

**THE DORSET TRUST FOR NATURE CONSERVATION LIMITED**

**Notes to the financial statements  
For the year ended 31 March 2017 (continued)**

Human Resources	Time allocation for staff costs and Head count for other costs
ICT	Time allocation for staff costs and Head count for other costs
National & Regional costs	Head count
Premises & equipment	Time allocation for staff costs and Head count for other costs
Professional fees	Directly where appropriate and then split equally
Depreciation	Usage of assets

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Notes to the financial statements For the year ended 31 March 2017

#### 11. TRADING INCOME

The Company has a wholly owned trading subsidiary, DTNC (Sales) Limited (Company Number 2293763), which is incorporated in England and Wales. A summary of the trading results of the subsidiary to 31 March 2017 is shown below. Audited accounts are filed with the Registrar of Companies.

	2017 £'000	2016 £'000
Turnover	201	190
Cost of sales	(75)	(75)
Gross profit	<u>124</u>	<u>115</u>
Other operating charges	(142)	(139)
<b>(Loss) for the year before tax</b>	<u><b>(18)</b></u>	<u><b>(24)</b></u>

The trading subsidiary paid a donation under Gift Aid of £27,000 during the year to the charity out distributable profits brought forward. A further donation of £29,000 has been accrued for the current year. Capital and reserves of the subsidiary at 31 March 2017 were £22,401 (2016: £42,291).

#### 12. STAFF COSTS

	2017 £'000	2016 £'000
Wages and salaries	1,660	1,585
Social security costs	136	135
Other pension costs	78	76
Redundancy costs	30	17
Staff costs for the Group and Company	<u><b>1,904</b></u>	<u><b>1,813</b></u>

At the balance sheet date the redundancy payments accrued amounted to £30,021 (2016: £10,330).

Pension costs are allocated across activities in line with the allocation of wages and salaries.

The total amount of employee emoluments for the five key management personnel during the year was £231,519 (2016: £229,018). Employers national insurance contributions totalling £24,136 (2016: £23,863) were made and pension contributions of £11,576 (2016: £11,451) were made to a defined contribution scheme for the year for those personnel. The highest paid employee is the Chief Executive who received emoluments of £66,726 (2016: £66,000) and pension contributions of £3,336 (2016: £3,300).

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Notes to the financial statements

For the year ended 31 March 2017 (continued)

#### 12. STAFF COSTS (continued)

The average weekly number of persons (including part time staff) employed during the year analysed by function was:

	Group		Company	
	2017	2016	2017	2016
Management and administration	9	11	9	11
Raising funds	11	10	11	10
Nature reserve management	14	14	14	14
Wider countryside conservation	17	17	17	17
Education and awareness	<u>22</u>	<u>20</u>	<u>22</u>	<u>20</u>
	<u>73</u>	<u>72</u>	<u>73</u>	<u>72</u>
Equivalent full-time staff	<u>59</u>	<u>63</u>	<u>59</u>	<u>63</u>

None of the Trustees received remuneration during the year (2016: £ nil). No expenses were reimbursed to trustees during the year. In 2016 expenses totalling £557 were reimbursed to 1 trustees for marketing expenses. Expenses totalling £664 (2016: £784) were paid direct to third parties in respect of 1 trustee attending RSWT AGM and conferences.

The charity has Trustee Liability insurance in place and the cost for the year was £1,060 (2016: £1,060).

#### 13. PENSIONS COSTS

The charity operates a defined contribution group personal pension scheme. The assets of the schemes are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable by the charity to the funds and amounted to £78,279 (2016: £75,916). As at the balance sheet date pension contributions outstanding totalled £12,580 (2016: £10,811).

#### 14. TAXATION

No corporation tax is charged in the accounts due to the charitable status of the company. The trading subsidiary is liable to corporation tax on taxable profits.



**THE DORSET TRUST FOR NATURE CONSERVATION LIMITED**

**Notes to the financial statements**

**For the year ended 31 March 2017 (continued)**

**15. TANGIBLE FIXED ASSETS**

<b>GROUP</b>	<b>Freehold Property and Improvements £'000</b>	<b>Leasehold Property and Improvements £'000</b>	<b>Farm Buildings, Hides and Fencing £'000</b>	<b>Tools and Equipment £'000</b>	<b>Total £'000</b>
<b>COST</b>					
As at 1 April 2016	1,732	135	454	1,406	<b>3,727</b>
Additions	-	-	78	90	<b>168</b>
Disposals	-	-	-	(57)	<b>(57)</b>
As at 31 March 2017	<u>1,732</u>	<u>135</u>	<u>532</u>	<u>1,439</u>	<b><u>3,838</u></b>
<b>DEPRECIATION &amp; IMPAIRMENT</b>					
As at 1 April 2016	114	66	321	946	<b>1,447</b>
Charge for the year	10	8	21	92	<b>131</b>
Disposals	-	-	-	(20)	<b>(20)</b>
As at 31 March 2017	<u>124</u>	<u>74</u>	<u>342</u>	<u>1,018</u>	<b><u>1,558</u></b>
<b>NET BOOK VALUE</b>					
As at 31 March 2017	<u>1,608</u>	<u>61</u>	<u>190</u>	<u>421</u>	<b><u>2,280</u></b>
As at 31 March 2016	<u>1,618</u>	<u>69</u>	<u>133</u>	<u>460</u>	<b><u>2,280</u></b>

The net book value of assets held under finance leases is £87,604 (2016: £28,233).

THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

Notes to the financial statements  
For the year ended 31 March 2017 (continued)

15. TANGIBLE FIXED ASSETS (continued)

COMPANY	Freehold Property and Improvements £'000	Leasehold Property and Improvements £'000	Farm Buildings, Hides and Fencing £'000	Tools and Equipment £'000	Total £'000
<b>COST</b>					
As at 1 April 2016	1,732	135	454	1,361	<b>3,682</b>
Additions	-	-	78	86	<b>164</b>
Disposals	-	-	-	(57)	<b>(57)</b>
As at 31 March 2017	<u>1,732</u>	<u>135</u>	<u>532</u>	<u>1,390</u>	<b><u>3,789</u></b>
<b>DEPRECIATION &amp; IMPAIRMENT</b>					
As at 1 April 2016	114	66	321	903	<b>1,404</b>
Charge for the year	10	8	21	90	<b>129</b>
Disposals	-	-	-	(20)	<b>(20)</b>
As at 31 March 2017	<u>124</u>	<u>74</u>	<u>342</u>	<u>973</u>	<b><u>1,513</u></b>
<b>NET BOOK VALUE</b>					
As at 31 March 2017	<u>1,608</u>	<u>61</u>	<u>190</u>	<u>417</u>	<b><u>2,276</u></b>
As at 31 March 2016	<u>1,618</u>	<u>69</u>	<u>133</u>	<u>458</u>	<b><u>2,278</u></b>

The property known as Brooklands Farm was revalued in March 2000 by Hull, Gregson & Hull, Chartered Surveyors. This valuation is considered not to have changed significantly since that date. As stated in the accounting policy, the Trust carries the freehold land and buildings at a valuation of £460,000. The assets were revalued in 2000 and have not been updated since. The historical cost of these assets is £585,858.

The net book value of assets held under finance leases is £87,604 (2016: £28,233).

The comparable amounts of land and buildings included at valuation, determined according to the historical cost accounting rules, are as follows:

	£'000
<b>Cost</b>	
As at 1 April 2016 and 31 March 2017	<u>586</u>
<b>Depreciation</b>	
At 1 April 2016	188
Charge for the year	<u>12</u>
As at 31 March 2017	<u>200</u>
<b>Net book value as at 31 March 2017</b>	<u>386</u>
<b>Net book value as at 31 March 2016</b>	<u>398</u>

THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

Notes to the financial statements  
For the year ended 31 March 2017 (continued)

16. HERITAGE ASSETS

GROUP AND COMPANY	Freehold Property and Improvements £'000	Leasehold Property and Improvements £'000	Total £'000
<b>COST OR VALUATION</b>			
As at 1 April 2016	4,532	356	4,888
Additions	-	-	-
As at 31 March 2017	<u>4,532</u>	<u>356</u>	<u>4,888</u>
<b>DEPRECIATION</b>			
As at 1 April 2016	13	208	221
Charge for the year	1	15	16
As at 31 March 2017	<u>14</u>	<u>223</u>	<u>237</u>
<b>NET BOOK VALUE</b>			
As at 31 March 2017	<u>4,518</u>	<u>133</u>	<u>4,651</u>
As at 31 March 2016	<u>4,519</u>	<u>148</u>	<u>4,667</u>

Heritage assets include land relating to the habitat needs of species, or the environment generally.

The five year financial summary of heritage asset transactions is as follows:

	2017 £'000	2016 £'000	2015 £'000	2014 £'000	2013 £'000
<b>Acquisitions</b>					
Littlemoor land at Lorton Meadows	-	-	-	-	2
Land at Butts Lane, Lower Kingcombe	-	-	-	-	204
Land at Lower Common, Verwood	-	34	1	5	6
Lease of Tout Quarry	-	-	-	-	5
South Poorton	-	-	-	2	-
Land at Lytchett Bay	-	-	-	125	-
Land at Upton Heath & Beacon Hill	-	-	45	600	-
Land at Cottage Farm (Happy Bottom)	-	-	-	800	-
Land at West Milton	-	-	270	-	-
<b>Total acquisitions</b>	<u>-</u>	<u>34</u>	<u>316</u>	<u>1,532</u>	<u>217</u>

# THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

## Notes to the financial statements For the year ended 31 March 2017 (continued)

### 17. INVESTMENTS – GROUP AND COMPANY

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Carrying value as at 1 April 2016	1994	1,897
Additions to investments at cost	825	516
Disposals at carrying value	(951)	(366)
Net (loss)/gain on revaluation	126	(53)
	<u>1,994</u>	<u>1,994</u>
<b>Carrying value as at 31 March 2017</b>	<b><u>1,994</u></b>	<b><u>1,994</u></b>
<b>Analysis of investments:</b>	<b>£'000</b>	<b>£'000</b>
Quoted investments	1,744	1,744
Investment property	250	250
Cash held for re-investment	-	-
	<u>1,994</u>	<u>1,994</u>
<b>Quoted investments</b>	<b>Market</b>	<b>Market</b>
	<b>Value</b>	<b>Value</b>
	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
M&G Equities Investment Fund for Charities (Charifund)	-	893
Fixed Interest Securities	602	252
UK Equities	434	287
Overseas Equities	458	179
Property	9	9
Alternatives	171	97
Commodities	70	27
Hedge Funds	-	-
	<u>1,744</u>	<u>1,744</u>
<b>Investment property</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Value as at 1 April 2016 and 31 March 2017	<u>250</u>	<u>250</u>

The investment property is a freehold property at Elmview Terrace, Gillingham. In the opinion of the directors, the market value of the property at the balance sheet date remains unchanged at £250,000.

The company also holds investments of £6 (2016: £6). These include £4 being the nominal value of the shares held in its wholly owned subsidiary DTNC (Sales) Limited and £2 being the nominal value of the shares held in the wholly owned subsidiary Dorset Ecology Limited

The trading results of DTNC (Sales) Limited are given in note 11. Dorset Ecology Limited is a dormant company.

**THE DORSET TRUST FOR NATURE CONSERVATION LIMITED**

**Notes to the financial statements**

**For the year ended 31 March 2017 (continued)**

**18. STOCK**

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Goods For Resale	40	40	-	-
Farm Livestock and Deadstock	100	108	100	108
	<u>140</u>	<u>148</u>	<u>100</u>	<u>108</u>

**19. DEBTORS: FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Trade debtors	97	67	96	64
Amounts due from subsidiary undertaking	-	-	10	82
Other debtors	42	35	47	25
Prepayments and accrued income	775	937	773	936
	<u>914</u>	<u>1,039</u>	<u>926</u>	<u>1,107</u>

**20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Trade creditors	165	173	162	151
Other taxes and social security costs	36	40	36	40
Other creditors	56	47	56	47
Obligations under hire purchase and finance agreements within one year	18	6	18	6
Accruals and deferred income	192	150	160	117
	<u>467</u>	<u>416</u>	<u>432</u>	<u>361</u>

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Notes to the financial statements

For the year ended 31 March 2017 (continued)

#### 21. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Obligations under hire purchase and finance agreements				
- Between two and five years	16	10	16	10
Other creditors	6	6	6	6
	<u>22</u>	<u>16</u>	<u>22</u>	<u>16</u>

Net obligations held under hire purchase and finance agreements are secured on assets to which they relate. Other creditors represent an interest free loan from The Leggett Charitable Trust which was novated to the charity from The Kingcombe Trust as part of the merger.

#### 22. ENDOWMENT FUNDS

Group and Company	1 April	Income £'000	Expenditure £'000	Realised	Transfers £'000	31 March
	2016 £'000			gains/ Revaluations £'000		2017 £'000
Brownsea Island Endowment	101	2	-	9	(2)	110
Helen Brotherton Endowment Fund	946	19	(8)	112	(15)	1,054
	<u>1,047</u>	<u>21</u>	<u>(8)</u>	<u>121</u>	<u>(17)</u>	<u>1,164</u>

The Brownsea Island Endowment Fund was set up to fund the upkeep of the reserves on Brownsea Island. The Fund is held within an investment portfolio managed by Ruffer LLP. Income earned during the year is transferred to the general unrestricted fund to set off against the costs incurred during the year.

The Helen Brotherton Endowment Fund was set up under the terms of a bequest from Miss Brotherton. Income from the fund may be used for the acquisition of new reserves, the management of existing reserves, the promotion of recording and monitoring of wildlife and to promote education and enjoyment of the charity's nature reserves with an emphasis on local people and youth.

Income earned during the year is transferred to the general unrestricted reserve to set off against reserve maintenance costs for the year.

**THE DORSET TRUST FOR NATURE CONSERVATION LIMITED**

**Notes to the financial statements  
For the year ended 31 March 2017 (continued)**

**23(a) UNRESTRICTED FUNDS - GROUP**

	General Fund £'000	Designated Fund £'000	Total £'000
Balance as at 1 April 2016	4,044	278	4,322
Movement in funds for the year	(326)	303	(23)
Transfer between funds	17	-	17
Balance as at 31 March 2017	<u>3,735</u>	<u>581</u>	<u>4,316</u>

**UNRESTRICTED FUNDS - COMPANY**

	General Fund £'000	Designated Fund £'000	Total £'000
Balance as at 1 April 2016	3,993	278	4,271
Movement in funds for the year	(339)	303	(36)
Transfer between funds	17	-	17
Balance as at 31 March 2017	<u>3,671</u>	<u>581</u>	<u>4,252</u>

**23 (b) DESIGNATED FUNDS - GROUP AND COMPANY**

	1 April 2016 £'000	Net Movement £'000	31 March 2017 £'000
Purbeck Fund	99	-	99
Brownsea building improvements	48	(7)	41
Multiplier Appeal (Third Party Funding)	31	-	31
SWWT Supporter Development fund	45	(30)	15
SWWT CRM Database fund	40	-	40
National MyWildlife Campaign	15	(10)	5
Strategic Refocussing fund	-	50	50
Nature Reserve Fencing Programme	-	80	80
Water infrastructure fund	-	50	50
Brownsea development fund	-	50	50
Brexit fund	-	120	120
	<u>278</u>	<u>303</u>	<u>581</u>

The Purbeck Fund relates to an unrestricted legacy which has been designated for use in the Purbeck area following the wishes of the donor's family. The Brownsea building improvements fund relates to expenditure on improvements to the Brownsea villa which have been capitalised. The Multiplier Appeal fund is held for match funding grant applications.

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Notes to the financial statements

For the year ended 31 March 2017 (continued)

#### 23 (b) DESIGNATED FUNDS GROUP AND COMPANY (continued)

The South West Wildlife Trusts (SWWT) Supporter Development project is a collaborative project to pool knowledge and expertise. It is looking at how to identify, reach and engage with new supporters and the balance remaining will be expended in the coming year.

The SWWT CRM Database project is looking at replacing the existing membership database which is no longer being fully supported. Again this is a collaborative initiative and it is anticipated that the designated funds will be expended in the coming year during the installation of the new database.

The charity also previously designated £30,000 towards the National MyWildlife Campaign promoted by The Royal Society of Wildlife Trusts (RSWT), of which the majority has been utilised and balances will be expended in the coming year.

During the year the charity made further designations for areas of development identified. The charity has undergone a strategic review during the year and a re-organisation was implemented from 1 April 2017 focussing on the next three to five years. Budgets had already been agreed for the coming year and therefore the full implementation of the strategic review could not be fully funded within the budgetary constraints. A designated fund of £50,000 has therefore been set up to assist with the refocussing at the discretion of the Chief Executive.

An ongoing review of infrastructure needs has identified a five-year plan to replace fencing on many of our nature reserves and £80,000 has been designated to meet this need over five years. Similarly work on water pipes to nature reserves for livestock has been identified as likely to require substantial outlay in the short to medium term following a number of water leaks. A designation of £50,000 has been made to facilitate this work.

As part of the long-term plans for our nature reserve and facilities on Brownsea Island a designated fund of £50,000 has been set up to assist in matched funding needs for partnership work and a large grant application.

Finally as part of the strategic refocussing and the identification of key risks to the charity in terms of loss of European Union (EU) funding and the need to find other sources of income, the charity has designated £120,000 towards the management of our nature reserves over the next few years. This should assist in the transition period following Britain's exit from the EU when our agri-environmental income is potentially at risk.



## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Notes to the financial statements For the year ended 31 March 2017 (continued)

#### 24. RESTRICTED FUNDS – GROUP & COMPANY

	Balance at 1 April 2016	Income	Expenditure	Revalu ations	Transfers	Balance at 31 March 2017
	£'000	£'000	£'000	£'000	£'000	£'000
Heritage Assets – Nature Reserves	3,751	-	(6)	-	-	3,745
Visitor Centres	862	4	(14)	-	-	852
Reserve Acquisition Funds	238	81	(5)	-	-	314
Appeal Funds	336	88	(112)	-	(50)	262
Education & Awareness Projects	170	154	(195)	-	-	129
Conservation Activities	515	816	(993)	-	50	388
Fundraising development	6	1	(7)	-	-	-
	<u>5,878</u>	<u>1,144</u>	<u>(1,331)</u>	<u>-</u>	<u>-</u>	<u>5,690</u>

During the year the charity received £418,850 from the Heritage Lottery Fund towards The Great Heath and South West Wild Futures projects. The charity also received £89,926 from the Landfill Communities Fund for the Portland Living Landscapes and Upton Heath projects.

The Heritage Assets – Nature Reserves Funds represent land acquired as nature reserves with restricted funds.

Visitor Centre Funds represent fixed assets at our visitor centres together with restricted bank balances for use in the general operating costs of two of our centres.

The Reserve Acquisition Fund represents legacies received specifically for the acquisition of land.

The Appeals Fund represents donations received from appeals for money for specific purposes. The transfer of £50,000 relates to the funding of charitable activities on The Great Heath

The Education & Awareness Projects Funds represent restricted funding received, usually in the form of grants, for the specific purpose of raising awareness of the natural environment and educational activities. This fund also includes some fixed assets which have been acquired as part of specific projects for use within those projects.

The Conservation Activities Funds represent restricted funding received for conservation work both on our nature reserves and in the wider environment. The transfer of £50,000 represents the transfer of £50,000 from The Great Heath Appeal fund to support the ongoing work.

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Notes to the financial statements For the year ended 31 March 2017 (continued)

#### 25. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
Fund balances at 31 March 2017 are represented by:					
- Tangible fixed assets	1,313	40	927	-	2,280
- Heritage assets	817	-	3,834	-	4,651
- Investments	1,091	-	19	884	1,994
- Net current assets	536	541	910	280	2,267
- Long term creditors	(22)	-	-	-	(22)
	<u>3,735</u>	<u>581</u>	<u>5,690</u>	<u>1,164</u>	<u>11,170</u>

#### 26. SHARE CAPITAL

The Company is limited by guarantee and does not have any share capital.

#### 27. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2017 the charity had non-cancellable commitments under operating leases expiring as follows:

	Land & Buildings		Other	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Lease payments				
Falling due within one year	3	3	8	7
Falling due between two and five years	8	10	11	11
Falling due after five years	<u>2</u>	<u>3</u>	<u>-</u>	<u>-</u>
	<u>13</u>	<u>16</u>	<u>19</u>	<u>18</u>

#### 28. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions conferred by Financial Reporting Standard 102 section 33 from the requirement to make disclosures concerning related parties within the group. Details of key management personnel compensation are disclosed in note 12.

#### 29. CAPITAL COMMITMENTS

As at 31 March 2017 the Group and Trust had no outstanding contracted capital commitments (2016: £Nil).

#### 30. CONTROL

The Charity is controlled by its Trustees acting in accordance with the terms of the governing documents.

## THE DORSET TRUST FOR NATURE CONSERVATION LIMITED

### Notes to the financial statements

For the year ended 31 March 2017 (continued)

#### 31. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group		Company	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Net income for the year	(77)	242	(57)	267
<i>Adjusted for:</i>				
Losses/(gains) on investments	(215)	44	(215)	44
Net investment income	(51)	(84)	(51)	(84)
Depreciation charges	147	164	145	162
(Loss)/Profit on disposal of fixed assets	3	(4)	3	(4)
(Increase)/decrease in stocks	8	(2)	8	1
(Increase)/decrease in debtors	125	(429)	119	(479)
(Decrease)/increase in creditors	<u>38</u>	<u>(41)</u>	<u>121</u>	<u>(62)</u>
	<u>(22)</u>	<u>(110)</u>	<u>73</u>	<u>(155)</u>

#### 32. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group		Company	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Cash in hand	1,260	1,435	1,227	1,302
Cash for re-investment	<u>420</u>	<u>117</u>	<u>420</u>	<u>117</u>
<b>Total cash and cash equivalents</b>	<u>1,680</u>	<u>1,551</u>	<u>1,647</u>	<u>1,419</u>

#### 33. FINANCIAL INSTRUMENTS

	Group		Company	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Financial assets measured at amortised cost	908	1,034	923	1,103
Financial liabilities measured at amortised cost	(431)	(376)	(398)	(320)
Financial assets held at fair value	<u>1,994</u>	<u>1,994</u>	<u>1,994</u>	<u>1,994</u>
	<u>2,471</u>	<u>2,652</u>	<u>2,519</u>	<u>2,777</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

Financial assets held at fair value comprise fixed asset investments.

