



Herts and
Middlesex

HERTFORDSHIRE AND MIDDLESEX WILDLIFE TRUST LIMITED

(A company limited by guarantee)

Company Registration Number 816710

Charity Number 239863

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2018

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HERTFORDSHIRE AND MIDDLESEX WILDLIFE TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Honorary President	Sir Simon Bowes-Lyon, KCVO
Honorary Vice President	Robert Wilson
Council of Management (Trustees)	Olivia Bertham Andy Brown Dr Veronica Edmonds-Brown (Vice Chairman) Dr Agneta Burton Keith Cotton Peter Delaloye Clive Hinds (Treasurer) Paul Knutson Sarah Kohl Michael Master (Chairman) Andrew Woods
Chairman, Finance & Resources Committee	Clive Hinds
Chairman, Conservation, Community & Education Committee	Dr Veronica Edmonds-Brown
Chairman, Health & Safety Committee	Sarah Kohl
Chief Executive	Lesley Davies
Senior Management Team	Vicky Barrett, Finance Manager (01/17 to 01/18) Sally Clark, Finance Manager (from 01/18) Dr Tom Day, Head of Living Landscapes Emma Norrington, Head of Fundraising & Communications Becky Vernon-Clinch, Business Support Manager (maternity leave commenced 03/18) Simone Deans, Business Support Manager (maternity leave cover from 12/17)
Auditors	Mazars LLP, The Pinnacle, 160 Midsummer Boulevard, Milton Keynes, MK9 1FF
Solicitors	Longmores, 24 Castle Street, Hertford, SG141HP
Bankers	Barclays Bank, 1 Churchill Place, LONDON E14 5HP
Registered office and principal address	Grebe House, St Michael's Street, St Albans, AL3 4SN
Charity number	239863
Company number	816710

HERTFORDSHIRE AND MIDDLESEX WILDLIFE TRUST LIMITED
TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

INTRODUCTION

The Trustees, who are also the Directors, of Hertfordshire and Middlesex Wildlife Trust Limited (“the Trust” or “HMWT”) are pleased to present their report and financial statements for the year ended 31 March 2018.

On behalf of the Trustees I would like to express my thanks to our Members, volunteers, advocates, financial supporters and our staff team for enabling the Trust to create a better future for wildlife.

Mike Master
Chairman

STRUCTURE, GOVERNANCE AND MANAGEMENT

Public Benefit

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

Charity and company limited by guarantee

The charity is registered with the Charity Commission and is a company limited by guarantee. It is governed by its Memorandum and Articles of Association as amended by Special Resolution on 1 July 1987, 1 July 1996, 15 September 2007, 8 November 2014, and 21 November 2015.

Individuals, groups and organisations paying the prevailing subscription, as set by the Trustees, or opting to pay a higher amount, become Members of the Trust. At 31 March 2018, the number of memberships stands at 11,876 (2017: 12,001) representing 22,312 individual Members (2017: 22,254).

The Trust operates in Hertfordshire and the London Boroughs of Barnet, Enfield, Harrow and Hillingdon ("Middlesex"). The Trust is an independent member of The Wildlife Trusts, a partnership of 47 local Wildlife Trusts and the Royal Society of Wildlife Trusts working across the UK protecting wildlife for the future. Collectively, the Wildlife Trusts have over 800,000 Members, manage around 2,200 nature reserves and have a vital role standing up for wildlife together at a national level.

Objects

The objects of the Trust (as set out in the Memorandum and Articles of Association) are:

- a) For the benefit of the public, to advance, promote and further the conservation, maintenance and protection of:
 - i) wildlife and its habitats;
 - ii) places of natural beauty;
 - iii) places of zoological, botanical, geological, archaeological or scientific interest;
 - iv) features of landscape with geological, physiographical, or amenity value.

- b) To advance the education of the public in:
 - i) the principles and practice of sustainable development;
 - ii) the principles and practice of biodiversity conservation.

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

Trustees

For the purposes of the Companies Act 2006, Trustees are Directors and the Council of Management is regarded as the Board of Directors of the Company. They are listed in the Legal and Administrative Information. The Council of Management, which can have between eight and twelve Trustees, administers the charity and meets four times per year. Andy Brown is the lead Trustee for the Council on matters relating to safeguarding. The following committees meet approximately quarterly:

- Finance and Resources Committee (FRC), chaired by Treasurer Clive Hinds
- Conservation, Community & Education Committee (CCE), chaired by Vice-Chairman Dr Veronica Edmonds-Brown
- Health and Safety Committee (HSC), chaired by Sarah Kohl

HERTFORDSHIRE AND MIDDLESEX WILDLIFE TRUST LIMITED

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

As set out in the Articles of Association, Trustees are elected by Members of the Trust attending the Annual General Meeting (AGM). Any Trustees co-opted by Council may serve for a period up to the next AGM when they must be elected. At each AGM, one third of the Trustees (the longest serving since their appointment) or the number nearest to one third must retire from office. Each may be re-elected until they have served for a period of nine continuous years, at which point they must retire, except in exceptional circumstances determined by Council and agreed by Members at the AGM.

When there are vacancies between elections, Members are circulated with invitations to nominate Trustees or to put themselves forward prior to the AGM. Selection is by a panel of Trustees, against an agreed specification, developed and approved by Trustees through a skills audit of current Trustees. Any Trustee selected through this process is required to be elected by Members at the next AGM. New Trustees sign a contract developed to meet the requirement of the Finance Act 2010 that Trustees are 'fit and proper' persons for the charity.

New Trustees receive induction, including meetings with the Senior Management Team and key staff, provision of policies and invitation to Trust events. Trustees are invited to attend an Open Day at the Royal Society of Wildlife Trusts to be introduced to the wider Wildlife Trusts movement, and have the opportunity to attend relevant training as the need arises. Depending upon their area of expertise, Trustees will be allocated to a Committee or to support staff on specific work areas.

Management

The Chief Executive leads the day to day operations of the charity, including finance, employment matters and advocacy. The Senior Management Team (SMT) meets monthly and consists of the Chief Executive, Head of Living Landscapes, Head of Fundraising & Communications, Finance Manager and Business Support Manager. The wider Management Team which plays an important role in the leadership and strategic direction of the Trust, and includes the members of SMT plus the Conservation Manager, Reserves Manager, Herts Environmental Records Centre Manager, Planning & Biodiversity Manager, Marketing & Communications Manager and Fundraising Manager.

The Trust's Reward and Remuneration Policy recognises that its success relies on the talent and contribution of all staff and the importance of valuing and rewarding our employees. The Trust promotes a 'total reward' approach under which all aspects of the work experience are recognised and prominence is given not only to reward and remuneration but also to less tangible rewards which can be important factors for employees deciding where to work and the level of commitment to give to their work. Whilst reward and remuneration effectively cover 'benefits' and 'pay', the total reward approach seeks to embrace an organisational culture of employees having a voice in the operation and direction of the Trust. This aims to lead to more engaged staff, improved performance, and to enhance the reputation of the Trust as an employer of choice. The Trust carries out benchmarking from time to time to ensure that salaries are appropriate to the level of responsibility and a reasonable level of salary is on offer.

The Trust encourages staff development and supports training through in-house mentoring and coaching, and external courses. At annual performance development reviews staff are asked to reflect on the previous year's training and to consider their coming year's needs. Investing in our staff is also about the quality of our accommodation and we continue to invest in office improvements.

Trust supporters

We would like to express our thanks to all our Members for their support for the Trust and for actively expressing their commitment to protecting wildlife. The Trust simply could not make the difference it does to wildlife without this support. With over 22,000 Members, the Trust has a powerful local voice enabling us to stand up for wildlife.

The Trust is extremely grateful for the support of the hundreds of volunteers who enable the Trust to carry out its work. We cannot name all our volunteers in this report as there are so many people involved; our thanks goes to each and every volunteer for their varied and ongoing support, without whom the Trust could not function.

The Trust relies upon securing financial support additional to our membership income and we are very grateful for all the individual donations, grants, legacies and sponsorships we receive.

Fundraising Activities

The Trust is registered with the Fundraising Regulator and a member of the Institute for Fundraising. Standards for fundraising are set out in the Fundraising Regulator's Code of Fundraising Practice, which the Trust is committed to adhere to. The Fundraising Promise outlines the commitment made to donors and the public by the Trust. Through this and the Trust's Fundraising Policy we confirm that our fundraising is legal, open, honest and respectful.

Our activities in FY18 included use of direct mail and emails to promote appeals; private site face-to-face and door drops, as well as general requests for donations and support. We ensure measures are in place to monitor compliance and that we protect vulnerable people and other members of the public from unreasonable intrusion and persistent approaches for support. All supporters are requested to state their preferences for how they want HMWT to contact them and invited to update these at any time. We record complaints in accordance with our Complaints Procedure and annually report all fundraising complaints to the Fundraising Regulator.

Risk management

The Trust maintains a Risk Register, an Accidents & Incidents Register, and a Complaints, Comments & Compliments Register. These are reviewed regularly by SMT and reports are taken to relevant committees.

Trustees keep under review their assessment of the major risks to which the charity is exposed and how these are mitigated. New risks and changes to risk levels are reported to FRC and HSWG and the Risk Register is reviewed annually by Trustees. Changes in the last year which have been taken into account include compliance with the Code of Fundraising Policy, General Data Protection Regulations and Charity Code of Governance. The Stort Meadowlands major project was developed but failed to secure a grant from the Heritage Lottery Fund, underlining the level of competition for external funding and the risk for the Trust in allocating resources to project development. The major risk associated with the EU referendum remains and there is yet to be any certainty around the future of legislation or agri-environment funding, although the Trust continues to support the national campaigns. As part of our risk management measures, we appointed a dedicated Health & Safety Officer in July 2017.

Risks identified as high and the steps taken to mitigate these are summarised in Table 1. Taking into account the mitigation measures, the risk level for all has been moderated to medium.

Principal risks and their management

PRINCIPAL RISKS	RISK MANAGEMENT PROCESS
<p>Loss of major income stream Change in government policy or legislation; loss of membership; impact of national criticism of charity fundraising; loss of private sites for fundraising.</p>	<p>Support national lobbying to promote strong policy and legislation and agri-environment funding; engage with existing and potential donors; actively seek grants; messages in communications to mitigate criticism of charities and fundraising. Focus on membership recruitment and diversification of routes to recruitment. Management of relationship with Wildlife Fundraising Central including CEO sits on WFC Board, HF&C oversees day to day relationship, support WFC recruiters</p>
<p>Major accident or incident on nature reserve or at a Trust event Potential impact on the Trust's reputation; closure of nature reserve.</p>	<p>Risk management for conservation work and events includes risk assessments, safe working practices, tree inspections, site infrastructure inspections and programme of repairs and improvements. Health and Safety Committee reviews accidents, incidents and near misses, dedicated Health & Safety Officer recruited.</p>
<p>Damage to reputation Adverse comments in press, reaction to press articles, accidents/incidents</p>	<p>Marketing & Communications Manager oversees media work and manages any sensitive communications. Work with RSWT on national issues. Prepare position statements in advance.</p>
<p>Invasive species Floating pennywort, Himalayan Balsam, mink</p>	<p>Site management plans address need for control; mapping and monitoring carried out by reserve officers and volunteer wardens. Water Vole Project remit includes invasive species. Concerns raised with the Environment Agency where action required.</p>
<p>Financial costs of major capital work Health and safety, flooding, tree management</p>	<p>Tree and reserve infrastructure surveys carried out. Designated fund set up.</p>
<p>Failure of partnerships Loss of partnerships and funds</p>	<p>Relationship building and ongoing project development with key partners e.g. Affinity Water, Tarmac, Catchment Partnerships, Environment Agency, local authorities and business. Engagement with partners at different levels of the Trust including Chief Executive and Chairman. Seek opportunities for positive PR.</p>
<p>Loss of key reserves/reduction in quality of reserves</p>	<p>Maintain a Tenure Plan and seek to improve agreements to enable security of tenure and give ability to fundraise. Policy on Reserve Acquisitions and Reserve Disposals. Programme of habitat enhancements and specialist management. Site management plans and new monitoring programme Lobbying government about impacts and mitigation of HS2 on Broadwater Lake.</p>
<p>Failure to comply with safeguarding policy</p>	<p>Overseen by the Chief Executive with two designated Safeguarding Officers. Safeguarding Policy and Procedure in place for Children & Young People and Vulnerable Adults. Andy Brown is lead Trustee for safeguarding. Safeguarding is standing item at Senior Management Team meetings.</p>
<p>Failure to comply with Code of Fundraising Practice</p>	<p>Policy and procedures in place, staff training has been carried out.</p>
<p>Failure to comply with General Data Protection Regulations</p>	<p>Assessment of GDPR compliance underway, policies and procedures being updated. Privacy Policy will be in place for 25 May.</p>

TRUST VISION, OBJECTIVES AND STRATEGIC PLANS

Vision and objectives

Across the UK the Wildlife Trusts share a vision for a Living Landscape and Living Seas, an environment rich in wildlife for everyone.

Objective 1: for WILDLIFE

To protect, enhance and connect places for wildlife on nature reserves, in urban areas and across the wider countryside through positive conservation action.

Objective 2: for PEOPLE

To inspire people to value the natural world and enable action for wildlife.

50 Year Vision

Over the Trust's 50 year history there have been extensive changes to the status of wildlife across the UK with major habitat and species losses. The Trust has achieved a huge amount during this period but there is more to do to address the decline. Whilst losses can happen rapidly, the recovery of nature takes longer. Our 50 year vision therefore recognises the need for long term planning to secure a positive future for the wildlife of Herts & Middlesex and sets out long term goals:

- Increased area of wildlife habitat, that is better connected and in good ecological condition
- 30% of the total land area being managed positively for wildlife alongside its other uses
- A reversal in the growing disconnect between people and wildlife
- Recognition of the link between a healthy natural environment and people's health and wellbeing
- Government policy, legislation and funding that recognises the importance of wildlife and helps, not hinders, its conservation.

Strategic Plan 2016-2021 – 'a better future for wildlife'

The Plan gives a clear direction for the Trust and overview on how we will meet our objectives. The Plan was founded on a review of achievements in previous years and the opportunities and challenges ahead.

For the Plan period our focus will continue to be to work through the overarching concept of Living Landscape. The Plan identifies priority habitats and flagship species. Members and volunteers will continue to play a vital role, providing both an essential source of income and of practical support for our conservation and engagement work as well as being the collective voice for nature.

The Plan highlights the ongoing importance of partnership working, external funding and our advocacy role. We will continue to stand up for wildlife, including how the impacts are considered in housing and infrastructure developments. Strong and effective legislation and policy, alongside agri-environment funding is critical to wildlife protection and to enabling the Trust and other landowners to carry out work to support wildlife on their land. The potential impact of the business sector on the natural environment underlines the importance of the Trust's work in this area, as well as offering the opportunity to engage with their staff and customer base.

REVIEW OF YEAR ENDED 31 MARCH 2018

Wildlife highlights

- Over 350 barbastelle bats records, including 3 potential new maternity roosting areas.
- 28 heron nests at Stockers Lake, the largest heronry in Hertfordshire.
- Two pairs of little ringed plovers summered at Panshanger Park.
- Proof of breeding of willow emerald damselflies was found at Panshanger Park.
- Three pairs of black-necked grebes raised five young at Hilfield Park Reservoir, the only place in southern England where these rare birds breed. Lesser emperor and red-veined darter dragonflies breeding.
- 10 green sandpipers on the lagoons at Lemsford.
- Tubular water dropwort found at Rye Meads, which had not been recorded for a number of years.
- Bitterns regularly seen in the early spring at Rye Meads, beyond the time they normally winter for.
- At Balls Wood, seven woodcock were sighted during a survey.
- At Fox covert, large numbers of white helleborine flowering.
- 20 southern march orchids discovered at Thorley Wash which had been absent for over 20 years. Water voles are doing well, grasshopper warblers and barn owls breeding.
- At Amwell there was an early bittern record in August. Yellow-legged and Caspian gulls present in the autumn roost, and a host of wildfowl in the winter including goldeneye, smew, pintail and goosander.
- Good sightings of bittern at Marsworth during the autumn and winter, as well as large corn bunting flocks of around 100 coming in to roost.
- White-letter hairstreak seen at Aldbury Nowers on a guided butterfly walk.
- Willow emerald damselflies spread and doing well at Amwell and Fir and Pond Woods.
- Scarce chaser and Norfolk hawk found at Amwell.
- At Hertford Heath scarce emerald damselfly found again, showing it is now a breeding colony.
- 11 white-legged damselflies were found along the River Stort between Harlow and Roydon, including at Hunsdon Mead, having previously thought these were extinct in Hertfordshire.
- The total number of breeding Odonata species in Hertfordshire is now 27. Given that not so long ago the total was 19, this is an amazing increase.

Leading nature conservation in Herts and Middlesex

The Barbastelle Bat Project went from strength to strength recording over 350 new records in 2017, including three potential maternity roosting areas. Funding from the Spear Charitable Trust, the Christopher Laing Foundation, and the John Spedan Lewis Foundation enabled the purchase of four sophisticated remote detectors used to record bat echo location calls enabling identification of activity and species. The grants have enabled the purchase of 24 barbastelle boxes which will now provide the roost sites. All the Local Wildlife Sites woodlands which were shown to be used by the only known maternity population in Herts located around Bishop's Stortford (and affected by the A120 by-pass scheme) were surveyed and management advice specific to the improvement of conditions for barbastelle given to the landowners.

In pursuit of our aim to conserve little ringed plovers, the Trust joined forces with the RSPB, Lee Valley Regional Park Authority (LVPRA), Environment Agency (EA) and Tarmac to initiate a strategy for wading birds in the Lea Valley. This aims to ensure that suitable habitat is provided every year for breeding and wintering wading birds, which are known to be in decline. The Trust's efforts will be focussed on reserves at Amwell, Rye Meads and with Tarmac at Panshanger Park.

Thanks to EA and LVPRA funding we continue our water vole work, a species which declined by 30% nationally between 2006 and 2015. We carry out water vole surveys and co-ordinate monitoring of American mink, their most significant predator. Since 2011, almost 500 sites have been surveyed with water voles found at around one third of these. Over 70 partners attended the annual water vole and invasive non-native species conference in November once again generously hosted by Affinity Water. The Trust continued to survey the River Beane valley with volunteers from the River Beane Restoration Association to document the current habitats and inform a restoration plan with the long-term aim to reintroduce water voles subject to funding. Monitoring of American mink is now established in the valley.

The Living Rivers Project achieved a huge amount in the last year. The Trust formed a partnership with LVRPA, EA, Kings Weir Fishery and the Fishers Green Angling Consortium to improve the habitat of the Old River Lea and allow barbel stocks to recover to a sustainable level. The partnership functions as a subgroup of the Lower Lea Catchment Partnership which the Trust hosts. This supports the conservation of barbel and the conservation of the wider riparian biodiversity of the Old River Lea, as the environmental requirements for barbel also support a wide diversity of wildlife. This is a pioneering partnership and accordingly was recognised by a feature on the BBC's Countryfile in December. In April local River Champion Patrick McNeill was presented with a National River Champion Award at the River Restoration Conference in recognition of his work to promote and protect the Upper River Lea. The River Champions Awards exist to acknowledge the often unsung heroes of the conservation world.

In June we opened the Chalk River Discovery Trail at Tewin Bury Farm Hotel. Initiated, written and designed by the Trust and funded by the hotel, the trail offers hotel guests and Trust members the opportunity to explore a section of the River Mimram not open to the general public. Working with the Trust, landowners Vaughan and Ivor Williams have worked to ensure their stretch of the Mimram is in the best possible condition, making the new discovery trail one of the best places in Hertfordshire to see the characteristic features and wildlife of one of the best chalk rivers in the county. Information boards located around the trail highlight some of the special features of the River Mimram and provide an important education resource for informing people about the importance of chalk rivers and the issues they face within Hertfordshire's Living Landscape.

Thanks to funding from the EA, the River Lea Catchment Partnership hosted by the Trust continued to grow and deliver on targets set for improving the rivers for people and wildlife. Catchment meetings were held for the Upper Lea and Middle Lea as well as the rivers Ash, Stort and Beane. Following the success of the River Lea Catchment Conference in 2016, a second conference was held in October and was attended by 45 people. The Trust has continued to maintain the Catchment Partnership web-based catchment plan, website and social media presence. The project completed feasibility studies for river restoration projects on the Mimram and Ash and contributed to a river restoration project at Wheathampstead.

In the Colne Valley, the Trust were partners in the development of a significant funding application to the Heritage Lottery Fund with Groundwork South – 'The Colne Valley, a Landscape on the Edge.' If successful the funding will enable projects to prevent water voles from becoming extinct and to work with angling clubs to develop conservation management plans for fisheries.

In partnership with Harpenden Town Council we established a new Harpenden People and Wildlife Project focusing on greenspace management and public engagement and educational work, including visiting schools, and advising teachers on how to manage school grounds for wildlife. Over 500 children visited greenspaces and were taught about wildlife. New management plans were written for Lydekker Park and Batford Springs nature reserve and Green Flag awards were secured for Harpenden Common and Lydekker Park. Two workshops were delivered at the 'Sustainable Schools Training Event' and twelve volunteer days contributed significantly to the conservation of the wildlife habitats at Harpenden Common. A programme of events for families were popular and included practical conservation days for children.

Increasing the quality and stature of our nature reserves

In addition to the regular habitat management, we completed a wide variety of nature reserves enhancements to improve the ecological quality and attractiveness for visitors. Grassland surveys were completed at a record 11 sites which are used to monitor the site condition.

Thanks to funding from the Tesco Bags of Help grants we ran two enhancement projects, at Long Deans and Wilstone Reservoir. At Long Deans new fencing was installed and we were able to put our trainee reserves officers through their chainsaw, brushcutter and botanical ID training. At Wilstone Reservoir we cut large areas of willow and reed bed, created two new ponds and lowered an area of reed bed. We received funding from the EA for a three year project at Tewinbury to restore the wetland areas, which started with willow removal from the reed bed and creating water vole breeding habitat.

At Tewin Orchard staff and volunteers undertook training on pruning skills. Our resident beekeeper had a productive year, as did our apple trees, with a bumper apple crop from which we produced over 800 bottles of apple juice. We installed a new bird hide funded by kind donations from our supporters.

Frogmore, Long Deans, Thorley Wash, Danemead and Rye Meads were grazed with cattle, and Amwell, Gobions Wood, Fir and Pond Woods and Aldbury with sheep. At Rye Meads we invested in our livestock handling facilities by updating our cattle corral. Hexton Chalk Pit was cut and raked by our superb volunteers, whilst at Frogmore Meadow we cleared scrub and held our usual haymaking sessions. At Aldbury Nowers, as well as a full cut and rake of the site, mining insect scrapes and bee banks were created. At Longspring Wood we undertook holly coppicing and at Balls Wood we thinned 4ha of the woodland, generating profit from the sale of the wood. At Old Park Wood, hazel coppicing with protecting deer baskets and some ring barking of larger trees to create more open woodland was undertaken. Small areas of scrub coppicing, meadow cutting, and dead hedging around browsed willows was undertaken at Danemead. Many larger trees were removed, opening up the pasture woodland to benefit botanical diversity. Danemead Scout Campsite were very kind in allowing us to connect to their bore hole to provide water to the reserve. A concrete pad has been laid ready for a drinking trough for the cattle to be installed. At Fir and Pond Woods, a large section of thick mature holly has been cut out along the edges of the woodland, benefiting woodland flora. At Patmore Heath we continued to restore the grassland areas – land equivalent to three tennis courts now converted from scrub to grassland. We restored one of the ponds and undertook crown lifting on ten of the large oaks on site to reduce shading and leaf fall, and encourage the regeneration of a diversity of acid grassland flora. At Hertford Heath we removed holly near the ponds at Goldingtons, and undertook scrub clearance, removal of saplings and selective felling at the Roundings.

At Lemsford Springs we finished two willow spilling sections in the River Lea, in order to stabilise the banks between the river and the lagoon, and pollarded willows to reduce shading to the lagoons and adding further stability to the banks. We continued willow clearance at Amwell, and used an excavator to scrape early successional habitats at the main viewpoint and de-silt a couple of the dragonfly pools. We hired a truxor to cut rides in the reed bed as well as the bittern bays, and assist with our cyclical reed bed management. At Cassiobury Park we had good attendance on work parties throughout the year, undertaking our usual work coppicing and maintenance of the grassland as well as creating new ponds. Stanborough Reedmarsh saw large section of the reed bed cut by volunteers and willow pollarding around the reed bed. At Purwell Ninesprings 50 students from North Herts College came to help rake up cuttings in the south meadow and a successful family pond dipping event took place in March.

Our People & Wildlife Project partnership with Affinity Water is working to improve important habitat for wildlife and increase community engagement at Stockers Lake, Springwell Reed bed and Hilfield Park Reservoir, reserves which are owned by Affinity Water and managed by the Trust. The People and Wildlife Officer was appointed to lead guided walks, support community engagement and encourage people living near the reserves to learn more about wildlife and volunteering opportunities. We continue to work closely with the Friends of Stockers Lake and value their support and local knowledge greatly. This year the emphasis of the project was on writing new five year management plans for the three nature reserves. Public engagement was focused around events including wildfowl and gull identification workshops. In the autumn the project was featured on BBC's Countryfile, a feature covering the construction of an innovative artificial kingfisher nesting bank at Stocker's Lake made from straw bales and surfaced with cob.

Increasing wildlife habitat in the wider countryside and urban areas

Four farms were surveyed as part of the national partnership with Jordans and management advice given to improve the ecological value. Bird surveys were conducted on three farms to provide a baseline to measure changes in bird populations and diversity due to the management changes. Thanks to our 12 volunteer surveyors, the Local Wildlife Sites programme conducted 33 surveys of woodlands and grasslands, covering over 525 hectares. Over the winter months the team visited 23 sites covering 98ha to carry out 10 yearly monitoring visits to measure gross change, provide species information, re-establish contact with landowners and provide management advice. We have continued to support the volunteer team through a series of in-house training, which makes use of the considerable our staff and volunteer expertise, improves the skills and enjoyment of the volunteers and results in more comprehensive and higher quality reports.

Our partnership with Tarmac continued at Panshanger Park through the People and Wildlife Project, playing a vital role in encouraging and welcoming visitors to the Park, providing advice on land management, organising a programme of guided walks and events, as well as running the volunteer group who assist with events, practical conservation work and ecological monitoring. The Festival of Wildlife, in partnership with the Hertfordshire Natural History Society, was held at the Park and attracted 3,000 visitors. The Panshanger Biodiversity Conference, hosted by the University of Hertfordshire, highlighted the variety of wildlife in the Park and the breadth of voluntary recording effort. The Forest School welcomed the 1000th child and ran a programme of fully-booked events for families through the school holidays.

Following our review of the Stevenage Biodiversity Action Plan, we continued to advise the Borough Council on the detailed implementation of the management plan across the town's 2,600 hectares of wetlands, woodlands, urban habitats and grasslands. On a consultancy basis the Trust produced management plans for The Grove, Gerrard's Cross Golf Club and Merchant Taylors' School and carried out ecology surveys of Cedars Park, Cheshunt and sections of the rivers Lea and Purwell.

Step change in our knowledge of habitats and species

Herts Environmental Records Centre continues to build the evidence base – the total number of records stands at 2.4 million with the addition of large datasets provided by the Herts Bird Club and Herts & Middlesex Butterfly Conservation. Almost 400,000 records relate directly to HMWT nature reserves. HERC worked closely with the county beetle recorder, providing digital archiving and mapping for the new book on beetles in Hertfordshire. The records centre also analysed Badger Group road casualty and sett density data and produced a map showing the hot spots in the county for road deaths. Data management storage and support was also provided to the Heartwood Monitoring Project. Negotiations have continued with the Herts and Middlesex Bat group and HERC hosted the Herts Invertebrate Project site planning meeting – all HIP visits this year will be to HMWT nature reserves.

The data was used by 651 projects including three Neighbourhood Plans and 396 pre-planning application ecological reports. HERC continues to support the Local Wildlife Sites Partnership, attending the ratification meetings, capturing the site boundaries to GIS, commenting on the selection criteria and providing data to help inform the management statements written by the Wildlife Sites survey team.

HERC has been supporting the Trust's nature reserves by mapping boundaries, infrastructure and creating compartments, and helped grassland condition monitoring surveys on three reserves. HERC also delivered an Orchards East contract to map historic orchards in Hertfordshire. The orchards are being visited by volunteers to see if the orchards exist today and their condition. Follow up surveys are planned this year to record the wildlife of the orchards in detail and management advice and training will be offered to the owners. HERC carried out a couple of cross records centre boundary projects including analysing data from Essex, London and Hertfordshire to produce a list of all the species recorded with the LVRPA area, identify the notable species and inform their new Biodiversity Action Plan. HERC was involved again at the Festival of Wildlife running a mini-beast stand and safari, as well as a family cricket and grasshopper walk at Frogmore Meadows.

Every Record Counts aims to promote biological recording and encourage volunteers to take part, learn a skill and share what they find. The initial funding bid was unsuccessful but we continue to look for support.

Positive outcome for wildlife from planning and infrastructure proposals

The Trust has an important role in commenting on planning and infrastructure proposals. We commented on nine Local Plans and appeared at two Local Plan hearing sessions to present our views. We are pleased where the local authorities have adopted the model policies which we recommend to ensure the protection of wildlife and wild places, and we hope that they will emerge in the final documents unscathed. We also commented and provided template policies for 10 neighbourhood plans. Over the year we reviewed 23,571 applications, 1,230 fell within our planning criteria and were passed to the Planning and Biodiversity Manager for review. 215 responses were made on these, of which 125 were objections. In most cases our objections and comments have resulted in positive changes to the applications, although it remains disappointing and concerning that in some instances our advice was not taken into account.

Extensive comments were made on the Heathrow Airport expansion consultation and we were invited to attend an ecological review of the plans at Canary Wharf in March. The proposals are fully embracing net ecological gain by utilising the DEFRA biodiversity impact calculator. We have continued to seek to influence the design of High Speed Two to reduce its negative ecological impacts and to seek positive mitigation where possible.

Increasing support for the Trust

The Trust is extremely grateful for the continued and growing support which we receive from all our supporters through their memberships, donations, legacies and grants. Membership activity has been broadly on target. Whilst the overall number of memberships has continued to decline slightly from the previous two years, the number of individual people this represents supporting the Trust has continued to increase. Members not only provide vital funding which enables the positive work for wildlife but also represent the collective voice of people who care about wildlife. This is critically important in helping the Trust to stand up for wildlife and get our message across to key decision-makers.

The increase in members reflects the ongoing success that we have had in recruiting families to support our work. Typically families do not stay with the Trust as long, so our work to provide new and engaging ways for people of all ages to discover our work and explore the natural world together continues to be an important focus for us. We have made real improvements to the way we communicate with all of our supporters, providing a new Reserves Guide for all our members in the summer thanks to funding through our Legacy Fund and an individual donation. We have also developed new ways to recruit new members during the year, trialling both postal and digital campaigns to encourage new people to contribute to the work of the Trust.

We are very grateful for the generous **legacies** we received from Gerald Salisbury, Michael Harverson, Ada Joan Franklin, Thomas Kittle and Gwendolene Violet Card. We received further distributions from the Estate of George Frank Rogers. We have also received notice of upcoming bequests from Olive Kathleen Sharman, Geoffrey Walter Malin, Felicity May Westover and Janet Susan Kelly: their Estates are currently under administration and we are in touch with the Extracting Solicitors accordingly. We continue to operate a dedicated Legacy Fund through which Trustees determine how unrestricted legacies are allocated, and enabling us to publicly demonstrate the importance of these generous gifts.

The Trust received kind **donations in memory** of Anthony Mori, David Green, Arthur Charles Holley, Michael Harverson, Barbara Rizzi, Graham Gower, Bob Hutton, Tony Havercroft, Doreen Jones, Basil Lambert, Alan Johnson, Michael Evans, Shiloh, Mary Darker, Sheila Lyons and John Foster.

We ran two **fundraising appeals** which combined achieved a total of almost £24,000 (£29,100 with Gift Aid), almost reaching our £25,000 overall target. The first focused on our precious meadows and grasslands, raising over £10,000. Despite not being one of our most successful in terms of total income nor response rate, it still reached one of the highest average gift of £58.27 in the past eight years, and our second highest overall. The second highlighted the need to support our Reserves Team, focusing on the key tools, equipment and training required to deliver a busy programme of conservation work on our nature reserves. This raised almost £14,000 and achieved the highest average gift of £65.03 that we have ever had. Unfortunately, we had one of the lowest response rates, so although individuals responded more generously to both appeals, the number of donors was down.

We were pleased to receive the ongoing support from our **Corporate Members**:

Platinum

Bourne Leisure Group
UK Power Networks (Operations) Ltd

Silver

Cemex UK
Tarmac

Gold

Johnson Matthey
Thames Water Utilities
Islandbridge Properties Limited
Affinity Water
The Grove Hotel, Spa and Golf Resort

Bronze

The Institute of the Motor Industry

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We have received support from our corporate partners through participation in our Working for Wildlife Days, including staff teams from Amgen UK, Britvic, UK Power Networks and Mace Foundation. We received support via national Wildlife Trust agreements with Vine House Farm for bird food sold, with Britvic which has its head office locally in Hemel Hempstead and from Wildlife Travel Ltd for wildlife holidays booked by individuals living in Herts and Middlesex. We have also progressed our partnership with Jordans. On a more local partnership level, the Trust embarked on two new partnerships producing wildlife-themed products to both raise income and brand awareness. The first of these being the new Himalayan balsam gin produced with Puddingstone Distillery, who also ran gin tasting events for us in August and September. At the end of 2017, we started working with a local award winning brewery, Farr Brew (SIBA Green Business Award 2018), to produce a new pale ale. We held a naming competition in March 2018, inviting Trust supporters to name the new beverage, with winners receiving a brewery tour and some beer. External income from **grants** and **individual donations** continue to be important to the Trust, enabling improvements on our nature reserves and other conservation and engagement projects. We have seen a 75% success rate in our grant applications during the course of the year. We continue to develop and deliver our Major Projects Grant Plan. We unfortunately failed to secure HLF funding for our Stort Valley Meadowlands Landscape Partnership Scheme on behalf of the Lea Valley NIA. We are also grateful to the University of Hertfordshire, Lee Valley Regional Park Authority and Affinity Water for hosting and supporting conferences and meetings, and for the generosity of all our funders which include:

Aldbury Parish Council	Mayor of Hertford, Cllr Linda Radford
Abbots Langley Parish Council	Miss S M G Ross Trust
Affinity Water	Natural England
Aviva Community Fund	Robert Kiln Charitable Trust
City of London Corporation (Green Arc)	Royal Society of Wildlife Trusts
Dr Ken Moody	Rural Payments Agency (DEFRA)
Environment Agency	Stansted Airport Community Fund
Friends of Tewin	Tarmac
Harpenden Town Council	Tesco Bags of Help
Hertfordshire County Council	Thames Water
Hertfordshire County Council Locality Budget	The Christopher Laing Foundation
HS2 Colne Valley Regional Park Panel	The Friends of Tring Reservoirs
John Davis	The Rothschild Foundation
John Spedan Lewis Foundation	The Spear Charitable Trust
Kate Aylett	Tring Rural Parish Council
Lea Valley Regional Park Authority	Veolia Environmental Services
London Borough of Hillingdon	Welwyn Hatfield Borough Council

Increasing influence on and support from key decision-makers

We continue to champion wildlife through our advocacy work with local government, MPs and business leaders on specific subjects such as the impact of Brexit and the future of agri environment funding and wildlife legislation. We continue to play a full role within the Wildlife Trust movement in national campaigns.

We are members of Herts Forward, the Health & Wellbeing Partnership, and the Local Nature Partnership. We continue to be a partner on the Herts Planning Officer Group, a highly beneficial and important role, enabling us to have input into this area of work which has such significant implications for our area. This has been particularly important given the amount housing and infrastructure growth and the current preparation of Local Plans. Working with local authorities continues to be a priority for the Trust in terms of having local impact and benefiting local communities. Special thanks go to County Cllrs Boulton, Buckmaster, Crofton, Eames-Peterson, Kaye and Walkington for their support through their Locality Grants. We are very pleased to continue working with Harpenden Town Council to deliver a wide range of community engagement and conservation activities through our partnership project, and delighted to welcome the High Sheriff, Will Hobhouse, to open the Festival of Wildlife.

More people aware of the need for wildlife conservation

Over 7,600 people including more than 2,800 children enjoyed our programme of walks, talks and events. Our largest event was the Festival of Wildlife at Panshanger Park which attracted 3,000 people. The two-day Festival, run in partnership with Herts Natural History Society, gave visitors the chance to find out about wildlife with guided and self-led activities offering real interactions with nature. Attendance at Apple Day continues to grow, this year 1,200 people attended the event at Orchard to celebrate the wildlife and produce of our traditional orchard nature reserve in Tewin.

The year also saw the introduction of a new programme of very popular events including an introduction to bee-keeping workshops, gin tasting events and a talk by acclaimed wildlife filmmaker Russell Savory. These paid-for events run alongside our many other events which remain donation only, and together are a great way of engaging our members and introducing new people to the Trust. The success of the events programme has been without paying for advertising, instead using free channels such as the Trust's Go Wild leaflets, social media and website. We have reviewed social media channels and improved engagement rates which can only help to further promote our events and other activities.

A new initiative was the Go Wild Volunteers project which recruited 26 volunteers to help at events on behalf of the Trust. The project, funded by Tesco Bags of Help and Aviva Community Fund, saw a diverse group of volunteers – some new to the Trust and others existing volunteers in other areas – receive training in heritage interpretation techniques, how to lead guided walks and first aid. Over the year these volunteers put in over 650 hours and continue to assist in our activities.

Raise awareness of the Trust and our work

Wildlife Matters and *Go Wild* are the Trust's flagship publications and continue to be well received. Over the past year the themes of *Wildlife Matters* have been meadows, woodlands and rivers. The shift in content towards a more thematic issue has helped to give *Wildlife Matters* a better structure. *Go Wild* has changed to become a single yearly publication to improve forward planning, better promote events across the year and reduce costs. Good local and national press coverage of the Trust's activities and key messages was gained. The biggest success was the launch of the Himalayan balsam gin project with Puddingstone Gin, which gained coverage in *The Times*, *The Telegraph*, BBC London News and Farming Today on Radio 4. This coverage gave good exposure on the Trust's work with invasive species and the threats they pose to local wildlife. The Trust's work with partners on tracking the Barbastelle bat, one of our priority species, saw coverage on BBC Inside Out featuring night-vision footage by Russell Savory. Local papers and *Hertfordshire Life* magazine continue to provide a regular source of press coverage. Our social media channels continue to grow and this year we launched a new Instagram account which at time of writing has 430 followers and growing fast. Social media is a cost-effective way of drip-feeding our messages to a diverse audience.

We have continued to participate in national campaigns and activities, most notably 30 Days Wild. Whilst ostensibly an awareness-raising campaign, we are beginning to see 30 Days Wild participants be converted to members. The Trust has also used local press to amplify national messages and campaigns such as responses to the Government's 25 Year Environment Plan, the declining water vole report and The Wildlife Trust's housing vision.

Increase sales activities and new income streams

110 sponsorships raised £2,200, with the hedgehog currently being the most popular, with the water vole the second most popular. We will continue to promote sponsorship through our website, social media platforms, publications, events and general activities. The same is also true of our merchandising, with FSC guides stocked and promoted in line with our Go Wild programme and sold directly at our larger events such as Festival of Wildlife and Apple Day.

More children learn about, experience and value nature

The partnership with Harpenden Town Council has been a tremendous way of encouraging children to learn about wildlife, as have Forest School and the Affinity Water project. Wild Trax has commenced and is targeting the 14-16 age group and testing ways with them around how to engage with their age group.

The Grebe House wildlife garden remains popular with visitors and sees many children passing through every year, even more so now following the new extension. Our events programme is designed to attract children, including the Festival of Wildlife, Apple Day and the wide variety of guided walks.

Increase number of actively involved volunteers

The Trust continues to be incredibly grateful to the hundreds of volunteers who have dedicated over 2,000 days to provide vital support for our work. This equates to an over £120,000 worth of input by volunteers to our delivery across our programmes.

Our Volunteer Wardens and their assistants play an invaluable role in helping to manage and monitor our nature reserves. We would like to thank all our Wardens, those who continue their role, those who have stepped down and those who have joined us in the last year. We would like to say a special thank you to Robert Philips for his fantastic work over at Thorley Wash, surveying wildlife and running events amongst others. We would like to say an enormous thank you, as always, to our wonderful nature reserves volunteers, without whose continued work and enthusiasm we would not be able to achieve a fraction of the work which we undertake each year. We would also like to say a special thank you to Steve Gill, our brilliant volunteer infrastructure surveyor, who has collected and processed an enormous amount of invaluable data from our reserves over the past year.

Many more volunteers support the Trust, including our community speakers, the wildlife gardening team at Grebe House, event supporters and leaders, as well as everyone involved in the Mid Herts Local Group.

We were very sad to lose Colin Lambert, one of our wardens at Marsworth Reservoir. Along with his wife Lynne, he dedicated many hours to the conservation of the site through practical management, as well as monitoring of birds and other wildlife. We are also sad to report the death of John Foster, a former Trustee who played an invaluable role over the years in ensuring the protection and enhancement of the wildlife at Panshanger Park.

Provide employment skills whilst helping the Trust

The Nature Reserves Trainee programme has had another successful year, with the completion of and recruitment of two new traineeships. Last year's trainees spent the spring and summer learning ecological field skills from both the Reserves and Wildlife Sites teams. Our current trainees have already passed their chainsaw and brushcutter qualifications, and are undertaking a botanical ID qualification as well as beginning to lead volunteer work parties out on our nature reserves. The Wildlife Sites Trainee programme ran very well again; our sincere thanks go to Kate Aylett who agreed to fund the position again this year.

Improve physical and intellectual access to wildlife and our reserves

We published a new *Reserve Guide* which featured new reserve descriptions, new maps and new imagery, and thanks to a donation from a member was sent to all members as well as given to new members. The new leaflet design pioneered by the Frogmore Meadow project has been rolled out across seven further leaflets covering eight reserves – Tewin Orchard, Tewinbury, Lemsford Springs, Old Park Wood, Amwell, Balls Wood (incorporating Hobbyhorse Wood) and Cassiobury Park.

We have made considerable improvements to the nature reserves access including footpaths, steps and bridge replacements at Danemead, Gobions Wood, Old Park Wood and Cassiobury Park. Providing informative and educational interpretation at our nature reserves has continued. With the help of grant funding, a new entrance sign with interpretation was installed at Longspring Wood.

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HEADLINE ACTIONS FOR THE YEAR ENDING 31 MARCH 2019

This sets out the major projects which will be developed with an indication of how the various work streams are funded. Unrestricted (core) funding is money we can spend on any activity in line with our charitable objectives. Restricted funding is where the provider of the money specifies exactly what it can be used for.

	Core funding	Restricted funding
STRATEGIC OBJECTIVE 1		
WILDLIFE: to protect, enhance and connect places for wildlife on nature reserves, in urban areas and across the wider countryside through positive conservation action		
HMWT leads nature conservation in Herts & Middlesex		
Develop projects on barbastelle bat and white admiral butterfly	X	X
Deliver Living Rivers Project, including water vole and non-native species work		X
Deliver the Living Woods & Heaths Project		X
Increased overall quality and stature of our portfolio of nature reserves		
Develop 5 nature reserves improvement projects	X	X
Ensure evidence-led management of nature reserves through monitoring and use of data to inform Site Management Plans	X	
Deliver Affinity Water Engagement Project at Stockers Lake, Springwell Reed bed and Hilfield Park Reservoir		X
Increased areas of wildlife habitat in the wider countryside and urban areas		
Provide advice on wildlife land management to 50 farmers, golf course managers, schools and local authorities.	X	X
Deliver the Local Wildlife Sites Programme, carrying out botanical surveys and providing management advice	X	X
Continue to work with Tarmac on the development of Panshanger Park	X	
Step change in our knowledge of habitats and species		
Host and run the Hertfordshire Environmental Records Centre		X
Develop the ecological evidence base by supporting volunteer recording and working with other voluntary conservation organisations	X	
Develop 'Every Record Counts', a project to encourage biological recording	X	X
Positive outcome for wildlife from planning and infrastructure proposals		
Review and comment upon local plan documents, planning applications and provide advice to Planners	X	
Influence the design and management of new green infrastructure	X	
Seek to secure appropriate ecological mitigation for High Speed Two and other major infrastructure	X	

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STRATEGIC OBJECTIVE 2:		
PEOPLE: to inspire people to value the natural world and to enable action for wildlife		
Greater support for the Trust		
Grow and strengthen active supporters (donors, volunteers, local fundraisers)	X	
Develop promotional activity to grow donations from individuals, groups and corporates	X	
Secure grants for the Major Project Plan and Nature Reserves Improvement Plan	X	X
Key decision-makers are influenced and supportive of the Trust and our objectives		
Advocate wildlife and its conservation to politicians, local authorities, business leaders	X	
Recruit community leaders, farmers and volunteers as Farmland Conservation Champions	X	
Play a full role within the Wildlife Trust movement in campaigning for strong protection through law and policy and on issues such as HS2	X	
More people are aware of the Trust and of the need for wildlife conservation		
Grow programme of walks, talks and events to increase participation and income	X	X
Continue the Panshanger Park People and Wildlife Officer role	X	X
Develop project to engage families with nature	X	X
Opportunities to raise awareness of the Trust and our work are maximised		
Increase media coverage and positive PR	X	
Maintain and develop the website and digital media, developing online content and interactivity with supporters and the general public	X	
Review sales activities and develop new products and income streams	X	
Children have the chance to learn about, experience and value nature		
Deliver and grow the Forest School at Panshanger Park		X
Deliver River School		X
Promote wildlife gardening action linked to GIS mapping project		X
Number of actively involved volunteers grows		
Build and support a network of active volunteers across the Trust's work	X	
Continue to support and develop Local Groups seeking opportunities to reach new areas	X	
Continue to support and develop our team of Reserve Wardens	X	
People gain employment skills whilst helping the Trust		
Continue to run annual trainee programme for reserves	X	
Continue to run annual trainee programme for Wildlife Sites	X	X
Continue to run annual trainee programme for Forest School		X
Introduce Fundraising and Communications trainee programme	X	
Physical and intellectual access to wildlife and our reserves improves		
Improve physical access to our nature reserves	X	X
Develop Interpretation Plan to improve understanding and enjoyment of nature reserves	X	X
Develop the 'community nature reserve' concept	X	X

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Income

Overall income

Our total income this year grew by £236k to £2,342k, this was the net result of a small decrease of £2k in unrestricted income and an increase in restricted income of £238k.

Unrestricted income is money we can spend on any activity in line with our charitable objectives, and restricted income is where the provider of the money specifies exactly what can be done with it.

Unrestricted income (decrease of £2k)

Unrestricted income comprises mainly membership subscriptions together with items such as donations, legacies, appeals and investment income.

This small change was the net of an increase in membership income of £20k (including related Gift Aid income), donations, gifts and grants up by £29k, a decrease in legacy income of £32k and fees and contracts down by £23k.

Membership income

Membership is a key income stream for the Trust, enabling us to carry out a significant proportion of our charitable activities. The Trust is committed to retaining members through engagement and communication; a sustainable membership base is a vital platform for the Trust. We also continually look to develop new ways of recruiting members.

Membership recruitment is primarily through our external recruiter Wildlife Fundraising Central (WFC). Formed in February 2013 and owned by a number of the Wildlife Trusts in the south-east (including HMWT). HMWT have regular communication with WFC management to review performance and discuss the challenges facing the company.

Total household memberships decreased by 125 from 12,001 in March 2017 to 11,876 as at March 2018. This year has seen additional pressures brought on WFC (our majority recruitment source) both in terms of team numbers and available venues, yet they still met their target for the Trust. Following the loss of Door to Door recruitment in FY17 and overall aim to diversify our recruitment streams the Trust has worked hard to develop new recruitment initiatives including a postal campaign in collaboration with our regional Wildlife Trusts and our first major digital campaign in January 2018.

The number of individual people this represents has continued to increase reflecting the ongoing success that we have had in recruiting families to support our work, however the majority of our overall membership lies with individual members.

We continue to expect that a significant proportion of new members will cancel their support within the first two years of their membership. Added to this families will typically remain members for a shorter time than other types of supporter.

The Trust continues to monitor the 'journey' of our members from recruitment through their wider engagement with our work and eventually their reasons and timing of cancellation to help improve and maintain our relationship with our supporters.

Whilst we saw a lower number of new joiners than expected over the year, we also saw a lower rate of leavers resulting in a better than expected rolling retention rate which was at 88.2% at the end of FY18.

Unrestricted legacy income

Unrestricted legacy funding is hugely important to the Trust to enable us to carry out vital management of our nature reserves, plan ahead for longer-term activities, and provide match funding to unlock grants. We are very thankful for these generous gifts.

However by its nature, legacy income is a variable and unpredictable source of income. Unrestricted legacy income fell from £63k to £31k in FY18. (Although as noted later in this report we received a significant restricted legacy during the year.) Management take a cautious approach with legacy income in the budgeting process due to its unpredictability, in order to avoid overstretching the Trust.

Unrestricted legacy income is now held in a designated fund, as discussed later in the report.

Restricted income (overall increase of £238k)

Restricted income comprises grants and contract income from third parties given to us for specific projects, which in some cases fund staffing costs to deliver the projects, together with related third-party costs. Grant giving bodies include local authorities, central government and charitable foundations.

We had reduced restricted grants and fees and contracts this year offset by a significant restricted legacy of £624k as mentioned in the Chief Executives report.

Grants and donations income fell by £209k - this income stream fluctuates each year as projects start and finish and is an area that continues to be increasingly competitive as more charities look for grant funding, government and local authority funding is reduced, and the pool of grants available is reducing.

The decline in grant income from last year was due in part to the impact of environmental fines. (This is where companies fined for environmental issues choose to pay the money to a nominated relevant charity) Last year £254k was received which is being used to fund the Living Rivers project and is expected to be spent in FY19-22. This year under similar circumstances we received £100k.

Funding from Tesco local community grant schemes continued to support projects at Balls Wood/Hertford Heath, the Wildlife garden at Grebe House, Lemsford Springs and Frogmore Meadows as well as supporting new projects at Long Deans & Wilstone Reservoir.

Restricted income from fees and contracts show a decrease from £358k to £256k. This decrease is due largely to the £83k of Environment Agency funding received last year for the delivery of the management plan for Tewinbury & the River Mimram combined with the ending of funding for several other projects. This category also includes income generated by our Herts Environmental Records Centre (HERC).

A detailed breakdown of restricted income by funder can be found in Note 4, along with the movement in restricted reserves, broken down by project, in Note 18.

Expenditure

Trustees continue to be keen to ensure that whilst satisfying our strategic objectives remains paramount, proper caution and control with regard to expenditure should be maintained where possible.

Raising funds

Expenditure on raising funds increased £38k from £540k to £578k. This largely due to increased expenditure on membership recruitment and staff costs.

Charitable activities

Expenditure on our charitable activities increased £37k from £1,151k in 2017 to £1,188k in 2018.

It should be noted that expenditure on restricted projects is impacted by timing differences, as restricted income received will be spent on projects in FY19-22.

Provision for Purwell Bridge

As noted in the financial statements in previous years, as a result of infrastructure surveying, the Trust became aware of some major work required to a bridge at Purwell Ninesprings. It is still unclear at this stage what the final cost will be but various estimates have been received ranging from £50k to £150k. Hence a provision of £100k has been retained. It is likely this work will need to be carried out in the next year.

Governance costs

Following the change introduced by FRS 102, Governance costs are now allocated to Raising funds and charitable activities in the Statement of Financial Activities (SoFA). These costs were previously disclosed separately in the SoFA - details of Governance costs can be found in Note 5. The level of Governance expenditure remains consistent with previous years at 4% of total expenditure.

Net movement in funds

Overall there was a surplus of £573k for the year. £661k relating to restricted funds (mainly due to the large restricted legacy and timing of expenditure), offset by a loss of (£85k) relating to unrestricted income being less than expenditure, and a £3k decrease in the book value of our investments with Sarasin and Blackrock.

It should be noted that the decrease in the book value of our investments does not represent cash lost, and the value of these investments can go down as well as up. However as explained later we are careful not to invest income in these investments that we need to access in the short term.

Financial position as at 31 March 2018

Our total funds at 31 March 2018 are £4,241k, comprising General Funds of £894k, Designated Funds £546k (which are unrestricted) and Restricted Funds of £2,801k.

Designated Funds

Designated funds are part of the unrestricted funds which Trustees have earmarked for a particular project or use, without restricting or committing the funds legally. The designation may be cancelled by the Trustees if they later decide that the Trust should not proceed or continue with the use or project for which the funds were designated.

The Trust has two designated funds. At the end of the financial year the Development Fund held £323k and the Unrestricted Legacies Fund £223k. The Development Fund is designed to allow the Trust to take advantage of opportunities that will further its objectives as they occur. As shown in Note 17, expenditure of £40k has been charged to the Trust's Development Fund this year.

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The Unrestricted Legacies Fund was introduced in October 2015 and the Finance Committee agreed that all unrestricted legacy income would be transferred into this fund each year. The aim of this fund is to ensure that the visibility of legacy income is not lost and to highlight what the legacies we receive are actually used for. Projects to be funded from the Legacy Fund will be considered annually as part of the budgeting process, and as requirements/opportunities arise. This year's unrestricted legacy income of £31k has been transferred into the fund and £26k charged to the fund for of Reserves Guide and tree works.

Restricted Funds

The Trust held £2,801k of restricted funds at 31 March 2018. These funds are analysed in Note 18.

The value of funds has increased by £661k from £2,140k at 31 March 2017. In particular we have seen the benefit of a large restricted legacy of £624k and £100k from the environmental compliance fine which is due to be spent in later years.

Financial reserves policy

Financial reserves are defined as that part of our unrestricted funds (including designated funds) that are available to spend on any of the Trust's purposes. Accordingly it excludes restricted funds and any tangible fixed assets purchased using unrestricted monies.

As described last year as a result of the most recent strategic review the Trustees decided that we need to maintain:

- adequate financial resources to meet our financial needs for the next 12 months ('short-term funds')
- we should set aside additional financial reserves to fund one off projects that may arise during the strategy plan period of 2016 to 2021 ('medium-term funds')
- we should invest our remaining financial reserves to create an endowment which will provide income to ensure that the Trust can fulfil its ongoing wildlife and people projects even if our income reduces in the short term ('long-term funds')

As noted last year the Trust is receiving restricted income which for a variety of reasons will not be spent in the immediate future. We therefore decided to expand our financial reserves policy to cover restricted funds, with the one difference being that when we apply the policy we will hold *short term funds* to cover planned expenditure for the next 24 months rather than just the next year's budget for unrestricted income.

Short-term funds must be maintained at a level to cover next year's budgeted unrestricted (including designated) cash outflows together with any financial or capital investments to be made in that period. They must be maintained in cash or cash equivalents (convertible to cash within 3 months).

At 31 March 2018, total unrestricted cash and equivalents stand at £1,727k - this level meets the Trust's short-term unrestricted requirements for the year to 31 March 2019.

Medium-term funds set aside to fund one-off projects over the strategic plan 2016 to 2021 may be invested in asset classes with higher risk than cash, but not entirely in equities.

At 31 March 2018, £360k of unrestricted funds are held in medium-term investments (primarily in fixed income assets) and £247k in a 12 month notice account (notice was given on this account in March 2018).

Long-term funds set aside to create an endowment may be invested in equities. At 31 March 2018 £729k.

Our level of financial reserves is reviewed by the Finance & Resources Committee (FRC) as part of the annual budget approval process to ensure that the Trustees are comfortable with the level of financial reserves being maintained by the Trust.

Additional reviews are required if the Trust's strategy is changed or if any significant unexpected events occur.

Our financial investment policy

Our financial investment policy is focused on the need to provide appropriate short term cash resources for the Trust to carry out its present and future activities effectively, together with the management of an acceptable level of investment risk on funds that we do not need in the short term to generate an income for the Trust, along with capital growth.

Our investment policy is reviewed annually by the FRC. In 2016 we began a phased investment plan agreed with Council, investing £660k of funds not required for our immediate short-term needs with Sarasin & Partners, and a further £160k last year. Investments are closely reviewed on a regular basis and any substantive changes to the finances will be highlighted to Council. This year we have invested a further £80k.

Investments are made into two funds - these are both Common Investment Funds:

- **Alpha Endowment fund** (long-term funds) – the objective of this fund is to achieve long-term capital growth whilst also generating a level of income. Assets are primarily held in UK and Global equities. 67% of our investments are made into this fund, with £600k (**cost**) invested at 31 March 2018. The value of these investments at 31 March 2018 was £664k represented a cumulative £64k (10.7%) gain on the amount invested.
- **Alpha Income fund** (medium-term funds) – the objective of this fund is to achieve a consistently attractive level of income coupled with the potential for long term capital appreciation, whilst aiming to preserve the value of the capital over the shorter term. It is fixed interest orientated, with the remainder in a mix of global equities, convertible bonds and cash. We invested a further £80k this year taking our total to £300k (**cost**), representing 30% of our investment at 31 March 2018.

The value of the investments at 31 March 2018 (£302k) represented a cumulative £2k (0.6%) gain on the amount invested.

The Sarasin Alpha funds follow a socially responsible and ethical investment policy.

Details of movements in our investments can be found in Note 11.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also Directors of Hertfordshire and Middlesex Wildlife Trust 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).

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

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

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

The directors are responsible for the maintenance and integrity of the Trustees' Annual Report and Financial Statements published on the Charity's website. Legislation in the UK concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The responsibility for preparing this Annual Report rests with the charity's Trustees. It is taken to the June 2018 meeting of Council for approval.

Disclosure of information to auditors

So far as the Trustees are aware, there is no relevant audit information of which the charity's auditors are unaware. The Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

Mazars have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act, it is proposed that they be re-appointed auditors for the ensuing year.

Statement for small companies

This Trustees' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption provided by section 414B(b) of the Companies Act 2006.

Approved by the Council of Management on

and signed on its behalf by

Clive Hinds
Trustee & Treasurer

HERTFORDSHIRE AND MIDDLESEX WILDLIFE TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERTFORDSHIRE AND MIDDLESEX WILDLIFE TRUST

Opinion

We have audited the financial statements of Hertfordshire and Middlesex Wildlife Trust (the 'charity') for the year ended 31 March 2018 which comprise of the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 25, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit report

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

Vincent Marke

(Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date:

HERTFORDSHIRE AND MIDDLESEX WILDLIFE TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2018

	Note	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
<u>Income from</u>					
- Donations and legacies:					
Membership subscriptions	2	1,035	-	1,035	1,015
Donations, gifts and grants	4(a)	89	-	89	135
Legacies		31	624	655	63
- Other trading activities:					
Fundraising activities		53	-	53	46
Investment and other income	6	38	-	38	41
- Income from charitable activities:					
Grants	4(a)	-	185	185	394
-Fees and contracts	4(b)	31	256	287	412
Total income		1,277	1,065	2,342	2,106
<u>Expenditure on</u>					
Costs of raising funds	5	564	14	578	540
Expenditure on charitable activities:					
Conservation and nature reserves	5	798	390	1,188	1,151
Provision for Purwell Bridge		-	-	-	100
Total expenditure		1,362	404	1,766	1,791
Net income/(expenditure) and net movement in funds before gains and losses on investments		(85)	661	576	315
Net Gains/(Losses) on investments	11a/1 7	(3)	-	(3)	92
Net movement in funds		(88)	661	573	407
Fund balances brought forward		1,528	2,140	3,668	3,261
Fund balances carried forward		1,440	2,801	4,241	3,668

All of the above results are derived from continuing activities.

There are no recognised gains and losses in the year other than those recorded above.

Movements in funds are shown above and in notes 17 and 18 to the financial statements.

The information presented within the Statement of Financial Activities for the year ended 31 March 2018 is equivalent to that which would have to be disclosed in an income and expenditure account and accordingly a separate income and expenditure account has not been presented, as permitted by Companies Act 2006.

The comparative SoFA for 2017 can be found in note 3.

The notes on pages 32 to 44 form part of these financial statements.

HERTFORDSHIRE AND MIDDLESEX WILDLIFE TRUST LIMITED

BALANCE SHEET AS AT 31 MARCH 2018

Company number: 816710

Charity number: 239863

	Note	31 March 2018 £000	31 March 2018 £000	31 March 2017 £000	31 March 2017 £000
Fixed Assets					
Tangible fixed assets	9		187		206
Nature reserves	10		1,334		1,334
Investments	11		<u>1,104</u>		<u>1,036</u>
			2,625		2,576
Current Assets					
Debtors	12	128		170	
Short term investments	13	247		240	
Cash and cash equivalents	13	<u>1,727</u>		<u>1,114</u>	
		2,102		1,524	
Creditors: Amounts falling due within one year	14	<u>(386)</u>		<u>(332)</u>	
Net Current Assets			<u>1,716</u>		<u>1,192</u>
Provision	15		(100)		(100)
Net Assets			<u>4,241</u>		<u>3,668</u>
Funds					
Restricted funds	18		2,801		2,140
Unrestricted funds:					
General funds	17		894		947
Designated funds	17		<u>546</u>		<u>581</u>
Total Funds			<u>4,241</u>		<u>3,668</u>

These financial statements have been prepared with the special provision of part 15 of the Companies Act 2006 relating to small entities.

These financial statements were approved and authorised for issue by the Council of Management on and signed on its behalf by:

..... M. Master (Chairman)

..... C. Hinds (Treasurer)

The notes on pages 32 to 44 form part of these financial statements.

HERTFORDSHIRE AND MIDDLESEX WILDLIFE TRUST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	Note	31 March 2018 £000	31 March 2018 £000	31 March 2017 £000	31 March 2017 £000
Cash flows from operating activities:					
Net cash provided by operating activities			573		407
Adjustments for:					
Depreciation	6	19		20	
(Gains)/losses on investments	11a	3		(92)	
Investment manager fees	11a	9		5	
Investment and interest income	6	(38)		(41)	
Trade and other receivables	12	42		156	
Trade and other payables (excl. financing activities)	14	54		(119)	
Provision	15	-		100	
Cash generated from operating activities			662	100	436
Cash flows from investing activities:					
Investment and interest income	6	38		41	
Purchase of property, plant and equipment	9	-		(17)	
Purchase of nature reserve	10	-		-	
Proceeds from the sale of investments		-		-	
Purchase of investments	11a	(80)		(160)	
Cash placed in fixed notice accounts (>3 month notice)	13	(7)		(7)	
Net cash used in investing activities			(49)	-	(143)
Cash flows from financing activities:					
Repayments of borrowing	14	-		(1)	
Net cash used in financing activities			-	(1)	(1)
Change in cash and cash equivalents in the reporting period			613		292
Cash and cash equivalents at the beginning of the reporting period			1,114		822
Cash and cash equivalents at the end of the reporting period			1,727		1,114

The notes on pages 32 to 44 form part of these financial statements.

HERTFORDSHIRE AND MIDDLESEX WILDLIFE TRUST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting Policies

General information

Hertfordshire and Middlesex Wildlife Trust Limited is a company limited by guarantee, incorporated in England and Wales. The address of its registered office and principal place of business is disclosed in the company information.

Hertfordshire and Middlesex Wildlife Trust Limited is also a charity, registered with the Charity Commission (England and Wales). The principal activity of the charity is to advance, promote and further the conservation, maintenance and protection of wildlife and its habitats.

The financial statements are presented in Sterling and this is the functional currency of the charity.

Basis of Preparation

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards. In preparing the financial statements the charity follows best practice as set out in the Statement of Recommended Practice: 'Accounting and Reporting by Charities' (SORP), the Financial Reporting Standard applicable in the United Kingdom and Ireland (FRS102) and the Charities and Companies Acts.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

- a) Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when received. Membership subscriptions are included in the accounts in the period in which they are received.
- b) Revenue grants are credited to incoming resources when they are receivable.
- c) Income from legacies is included within the financial statements when the charity is legally entitled to the income and the amount can be quantified at the year end with reasonable accuracy.
- d) Grants for the purchase of fixed assets are credited to restricted incoming resources when receivable.
- e) Costs of raising funds comprise the costs incurred through promoting membership and seeking donations to the Trust.
- f) Governance, finance and office costs (including relevant staff costs) are allocated to activities within the categories based on the average number of staff involved in those activities.
- g) Depreciation is provided on tangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Leasehold property (Grebe House)	straight line over 99 years
Reserves infrastructure	4% straight line basis
Motor vehicle	25% straight line basis
Plant	20% straight line basis
Office equipment	20% straight line basis
Computer equipment	20% straight line basis
Office refurbishment	20% straight line basis
Nature reserves	nil
Assets in the course of construction	nil

- h) Tangible fixed assets costing more than £3,000 are capitalised.

Grebe House leasehold property was acquired in 1981 on a 99 year lease. The net book value of the lease at 31 March 2018 was £83,000 (2017: £84,000). In the event that the Trust vacates the premises the lease will automatically revert to the Council of the District of St Albans, and there is no guarantee that compensation will be receivable. In view of this uncertainty the Trustees have decided to carry the leasehold at its net book value.

- i) The Trust holds nature reserves in furtherance of the charitable objects of the Trust. These assets cannot be readily sold and so in the normal operations of the Trust are not available for other use. The Trustees consider that owing to the incomparable nature of these reserves, conventional valuation approaches lack sufficient reliability and that, even if valuations could be obtained, the costs would be onerous compared with the additional benefits derived by the Trust and users of the accounts. The figures in the accounts represent the cost or valuation of the asset on acquisition where available, or where this is not available are included at the historic book cost.

With the exception of expenditure on major reserves infrastructure works, expenditure on constructions within the nature reserve are written off as expenditure during the year. It is the Council of Management's view that it should not be capitalised due to their vulnerability to vandalism.

- j) Debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.
- k) Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.
- l) 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.
- m) Cash and cash equivalents are cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.
- n) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of overheads and support costs.
- o) Unrestricted funds represent subscriptions, donations and other income received for charitable purposes.
- p) Designated funds comprise of unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of designated funds is set out in the notes to the financial statements.
- q) The Trust makes payments to the defined contribution personal pension plans of employees who have joined the plan. The charge for the year represents the total payments made.
- r) Life members' subscriptions are written off over 20 years.
- s) Rentals payable under operating leases are charged to the Statement of Financial Activities in the period in which they fall due.
- t) Investments are stated at market value. Unrealised gains/losses on the annual revaluation are transferred to reserves. Income from investments is recognised when it becomes receivable.
- u) Incoming resources are shown net of VAT.
- v) Irrecoverable VAT is identified as a cost and allocated to the appropriate costs.

w) Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The key estimates and assumptions made in these accounts are:

- Depreciation is calculated on a straight line basis, based on management's best estimate of the useful economic lives of assets on policies can be seen above;
- Nature reserves are shown at the cost or valuation of the asset on acquisition where available, or where this is not available are included at the historic book cost;
- In 2017, the Trust established a provision for works required to a bridge at Purwell Ninesprings. To date work has not commenced, so a more definite estimate of the costs involved have not become available. Work should commence in the first half of the new financial year.

2. Household Memberships

	2018	2017
Total Memberships at the start of the year	12,001	12,035
Net change	(125)	(34)
Total Memberships at the end of the year	11,876	12,001

3. Comparative Statement of Financial Activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000
<u>Income from</u>			
- Donations and legacies:			
Membership subscriptions	1,015	-	1,015
Donations, gifts and grants	60	75	135
Legacies	63	-	63
- Other trading activities:			
Fundraising activities	46	-	46
Investment and other income	41	-	41
- Income from charitable activities:			
Grants	-	394	394
Fees and contracts	54	358	412
Total income	1,279	827	2,106
<u>Expenditure on</u>			
Costs of raising funds	537	3	540
Expenditure on charitable activities:			
Conservation and nature reserves	727	424	1,151
Provision for Purwell Bridge	100	-	100
Total expenditure	1,364	427	1,791
Net income/(expenditure) and net movement in funds before gains and losses on investments	(85)	400	315
Net Gains/(Losses) on investments	92	-	92
Net movement in funds	7	400	407
Fund balances brought forward	1,521	1,740	3,261
Fund balances carried forward	1,528	2,140	3,668

HERTFORDSHIRE AND MIDDLESEX WILDLIFE TRUST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

4.(a) Grants and Donations	Unrestricted 2018 £000	Restricted 2018 £000	Total 2018 £000	Total 2017 £000
Environment Agency	-	31	31	31
Environmental Compliance Fine	-	100	100	254
Heritage Lottery Funds	-	-	-	17
Hertfordshire County Council	10	6	16	10
Individual Donations	-	13	13	75
Natural England	-	-	-	12
Rural Payments Agency (Defra) *	34	-	34	20
Tesco LCGS	-	22	22	34
Veolia Environmental Trust	-	1	1	20
Other	45	12	57	54
Total	89	185	274	529
Shown in the SoFA as follows:				
Donations, gifts and grants	89	-	89	135
Grants	-	185	185	394
Total	89	185	274	529

Grants/donations exceeding £10,000 per funder in either the year ended 31 March 2018 or 31 March 2017 have been disclosed separately in the above schedule, with anything below this included within other.

£254k received was received in October 2016 as part of a non-compliance environmental donation and is restricted for use on the Living Rivers project expected to be spent in FY19-22. £100k was received in May 2017 as a donation relating to an environmental fine. This is restricted for use on environmental enhancement works at stipulated sites.

* Higher Level Stewardship & Basic Payment Scheme.

4. (b) Fees and Contracts	Unrestricted 2018 £000	Restricted 2018 £000	Total 2018 £000	Total 2017 £000
Rent for Angling Licences	12	-	12	14
Consultancy	5	5	10	7
Cadent – Amwell Sluice	-	19	19	-
EA - Tewinbury Management plan	-	-	-	83
Hertfordshire County Council - HERC	-	44	44	43
Tarmac - Panshanger Forest School	-	-	-	35
Affinity Water - Biodiversity project	-	-	-	26
Forest School Educational activities	-	30	30	25
Harpenden TC - People & Wildlife Officer	-	72	72	22
Tarmac - Panshanger P & WO	-	26	26	37
HERC Data search invoices	-	48	48	40
HERC Annual Licences	-	9	9	7
Other	14	3	17	73
Total	31	256	287	412

5. Analysis of Total Resources Expended

	Note	Expenditure on Raising funds 2018 £000	Expenditure on Charitable activities 2018 £000	Governance 2018 £000	Total 2018 £000	Total 2017 £000
Direct costs:						
Staff & volunteer costs		277	596	6	879	832
Nature reserves and project expenditure		-	233	-	233	233
Publications, newsletters & publicity		27	61	-	88	91
Annual contribution to Royal Society of Wildlife Trusts		-	48	-	48	47
Depreciation	6/9	2	15	2	19	20
Membership recruitment & servicing		154	-	-	154	146
Audit and accountancy fees	6	-	1	7	8	8
Council expenses		-	-	2	2	1
Sub total		460	954	17	1,431	1,378
Support costs:						
Staff & volunteer costs	7	51	101	33	185	171
Finance		4	5	3	12	7
Office		29	53	17	99	107
Information technology		9	13	4	26	20
Legal and professional fees		4	7	2	13	8
Sub total		97	179	59	335	313
Total		557	1,133	76	1,766	1,691
Allocation of Governance costs		21	55	(76)	-	-
Provision for Purwell Bridge					-	100
Total per SoFA		578	1,188	-	1,766	1,791

Governance costs are allocated to activities within the categories based on the average number of staff involved in those activities.

6. Net Incoming Resources for the Year

	2018	2017
	£000	£000
Net incoming resources are stated after charging:		
Auditors' remuneration		
- statutory audit	6	6
- other services	1	1
Operating lease rentals		
- plant and machinery	16	13
- other	-	9
Depreciation – owned assets	17	19
– finance lease	2	1
	<u>38</u>	<u>40</u>
and crediting:		
Interest receivable	-	1
Investment income	38	40
	<u>38</u>	<u>41</u>

7. Staff Costs and Numbers

	2018	2017
	£000	£000
Salaries	877	834
Social security costs	83	80
Employer's pension	69	67
Total	<u>1,029</u>	<u>981</u>

	2018	2017
	No.	No.
The average number of full time equivalent employees during the year was:		
Conservation and Nature Reserves	11	11
Support and Administration	6	6
Fundraising and Publicity	9	8
Projects	8	7
Total	<u>34</u>	<u>32</u>

Termination payments are recognised when a commitment to pay them arises. During the year, no member of staff received a severance package (2017: none).

The Trust considers its key management personnel comprise the Chief Executive Officer and senior management team (Head of Living Landscapes, Head of Fundraising & Communications, Finance Manager and Business Support Manager). The total employment benefits including employer pension contributions of the key management personnel were £251,022 for five posts (2017: £248,930 for five posts). Finance Manager changed during the year, with a small period of handover. Business Support Manager went on maternity leave, with a small period of handover.

One employee was remunerated between £60,000 and £70,000 (2017: One).

8. Taxation

All income is applied for charitable purposes and therefore the charity is exempt from corporation tax.

9. Tangible Fixed Assets

	Land, Buildings & Reserves Infrastructure £000	Office Equipment £000	Motor Vehicles £000	Plant and Equipment £000	Total £000
Cost					
At 1 April 2017	234	40	47	29	350
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2018	<u>234</u>	<u>40</u>	<u>47</u>	<u>29</u>	<u>350</u>
Depreciation					
At 1 April 2017	65	20	33	26	144
Charge for the year	5	6	6	2	19
Eliminated on disposals	-	-	-	-	-
At 31 March 2018	<u>70</u>	<u>26</u>	<u>39</u>	<u>28</u>	<u>162</u>
Net Book Value					
At 31 March 2018	<u>164</u>	<u>14</u>	<u>8</u>	<u>1</u>	<u>187</u>
At 31 March 2017	<u>169</u>	<u>20</u>	<u>14</u>	<u>3</u>	<u>206</u>

The net book value of assets held under finance leases are as follows:

	2018 £000	2017 £000
Office equipment (Photocopiers)	<u>-</u>	<u>2</u>

10. Nature Reserves

	2018 £000	2017 £000
Nature Reserves at 31 March	<u>1,334</u>	<u>1,334</u>

The Trust's nature reserves are held to advance the conservation objectives of the charity. Such assets are central to the achievements of the Trust. Trustees believe that the cost of £1,334k is not materially overstated.

HERTFORDSHIRE AND MIDDLESEX WILDLIFE TRUST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

	2018	2017
	£000	£000
11. Fixed Asset Investments		
Listed investments (a)	1,089	1,021
Loan to Wildlife Fundraising (Central) Ltd (b)	15	15
Total	1,104	1,036

a) Listed Investments	2018	2017
	£000	£000
Market value at 1st April	1,021	774
Additions	80	160
Unrealised (losses)/gains	(3)	92
Investment manager fees	(9)	(5)
Market value at 31 March	1,089	1,021

Analysis by type of fund

Sarasin – Alpha CIF for Endowments	664	667
Sarasin – Alpha CIF for Income & reserves	302	232
Black Rock – Charinco Common Investment Fund	58	60
Black Rock – Charishare Restricted Common Investment Fund	65	62
Market value at 31 March	1,089	1,021

Historical cost at 31 March

978	898
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The funds are held in the UK by BlackRock and Sarasin investment managers.

b) Loan to Associated Company

On 20 March 2013 the Trust advanced a loan of £15,000 as the first tranche of funding of Wildlife Fundraising (Central) Limited as required by the Loan Agreement dated 28 January 2013. This is a company established by a number of the Wildlife Trusts (including the Trust) in the south-east to recruit new members.

A second tranche of £10,000 was due by 1st February 2014, however it is no longer expected to be called upon. This loan is secured under a mortgage security deed over the assets of the said company. The loan is repayable no later than 28 January 2020.

12. Debtors

Due within one year:	2018	2017
	£000	£000
Trade debtors	58	56
Income tax recoverable	50	56
Prepayments and accrued income	20	58
As at 31 March	128	170

HERTFORDSHIRE AND MIDDLESEX WILDLIFE TRUST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

13. Short term investments and Cash and Cash equivalents	2018	2017
	£000	£000
Short term investments:		
Fixed notice accounts (notice exceeding 3 months) *	247	240
Cash and Cash equivalents:		
Cash in hand	-	1
Current accounts	1,727	1,113
As at 31 March	1,727	1,114

* Notice was given on the fixed term (12 month notice) account held with Close Brothers, in March 2018.

14. Creditors: Amounts falling due within one year	2018	2017
	£000	£000
Life Members' Subscriptions	12	12
Trade creditors	47	102
Other creditors, accruals and deferred income	283	176
Taxation and social security	44	42
As at 31 March	386	332

15. Provisions	2018	2017
	£000	£000
As at 1 April	100	-
Charge to SOFA	-	100
As at 31 March	100	100

In 2017, the Trust established a provision for works required to a bridge at Purwell Ninesprings. To date work has not commenced, so a more definite estimate of the costs involved have not become available. Work should commence in the first half of the new financial year.

16. Analysis of Net Assets between Funds	Restricted Funds	Unrestricted Funds		Total Funds
	£000	Designated	General	£000
		£000	£000	
Fund balances at 31 March 2018 as represented by:				
Fixed assets	105	1	81	187
Nature Reserves	1,334	-	-	1,334
Investments	215	425	464	1,104
Cash and Cash equivalents	1,577	-	150	1,727
Short term investments (fixed notice account)	-	122	125	247
Net current assets/(liabilities)	(230)	-	(28)	(258)
Provision	-	-	(100)	(100)
Total Net Assets	3,001	548	692	4,241

HERTFORDSHIRE AND MIDDLESEX WILDLIFE TRUST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

17. Total Funds	At 1st April 2017 £000	Income £000	Expenses £000	Transfer £000	Investment gains / (losses) £000	At 31 March 2018 £000
Restricted Funds (note 18)	2,140	1,065	(404)	-	-	2,801
Unrestricted Funds:						
General Fund	947	1,246	(1,296)	-	(3)	894
Development Fund	363	-	(40)	-	-	323
Unrestricted Legacies Fund	218	31	(26)	-	-	223
Total Unrestricted Funds	1,528	1,277	(1,362)	-	(3)	1,440
Total Funds	3,668	2,342	(1,766)	-	(3)	4,241

The Development Fund represents designated funds set aside by the Trustees to support the delivery of objectives within the Strategic Plan.

The Legacy Fund was set up in October 15. The aim of this fund is to ensure that the visibility of legacy income is not lost and to highlight what the legacies we receive are actually used for. Projects to be funded from the Legacy Fund will be considered annually as part of the budgeting process, and as requirements/opportunities arise.

HERTFORDSHIRE AND MIDDLESEX WILDLIFE TRUST LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

18. Restricted Funds

Restricted funds represent amounts received for ongoing wildlife conservation projects and Hertfordshire Environmental Records Centre contributions, together with amounts received in the past for capital projects.

These are grants, donations and fees received for specific purposes, unspent amounts of which are carried forward to be spent in subsequent financial years. Funds were received in the year for specific wildlife conservation projects on the Trust's reserves as well as county-wide initiatives in Hertfordshire and Middlesex.

	At 1 April 2017 £000	Income £000	Expenses £000	At 31 March 2018 £000
<i>Wildlife Conservation Project Funds</i>				
Amwell Restoration/Sluice Works	3	19	(3)	19
Consultancy work	-	5	(5)	-
Friends of Tring Reservoir	12	-	(1)	11
Gobions Wood maintenance	13	-	(3)	10
Harpenden Commons & Greens Officer	-	24	(24)	-
Hertfordshire Environmental Records Centre (HERC)	98	108	(85)	121
Hilfield/Stockers/Springwell management	13	47	(48)	12
Individual Donations	75	5	(3)	77
Living Rivers	39	-	(34)	5
Living Rivers - Environmental Compliance	254	100	(10)	344
Lower Ash restoration	28	-	(9)	19
Panshanger Park Forest School	14	39	(53)	-
Panshanger Park Education Fund	30	32	(39)	23
Panshanger Park People & Wildlife Officer	-	26	(26)	-
Stort Valley restoration	10	1	(10)	1
Tesco Local Community projects	(5)	18	(13)	-
Tewinbury & Mimram River Restoration	79	-	(15)	64
Other	32	17	(12)	37
	695	441	(393)	743
<i>Restricted Legacy</i>	-	624	-	624
<i>Capital Funds</i>				
Nature Reserves Fund	1,280	-	-	1,280
Nature Reserves Infrastructure	85	-	(10)	75
Public Appeal Fund	80	-	(1)	79
Total	2,140	1,065	(404)	2,801

Projects with income exceeding £10,000 and/or those with balances exceeding £10,000 at 31 March 2018 have been disclosed separately in the above schedule. Projects below these figures have been included within other.

The Nature Reserves Fund represents Nature Reserves which have been acquired by the Trust or gifted or bequeathed to the Trust. Nature Reserves Infrastructure represents capitalised costs on the construction of Thorley Bridge. The Public Appeal Fund represents funds used for the acquisition of Grebe House.

19. Pension Commitments

The charity provides a defined contribution money purchase pension scheme, the assets of which are held separately from those of the company in an independently administered fund. Contributions totalling £68,797 (2017: £66,907) were paid during the year.

20. Future Financial Commitments

At 31 March 2018 the Trust had annual commitments under non-cancellable operating leases as set out below:

	2018		2017	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire:				
Within one year	-	6	1	3
Between one and five years	-	8	-	3
	<u>-</u>	<u>14</u>	<u>1</u>	<u>6</u>

21. Branches

The Trust now has two branches (Mid Herts and Lemsford Springs) (2017: Harrow, Mid Herts and Lemsford). In 2018 Mid Herts and Lemsford Spring branches both submitted returns. All these have been included in the financial statements.

22. Transactions with members of the Council of Management

During the year expenses totalling £1,338 were paid to two members of the Council of Management for travelling (2017: £1,206 paid to two members). No remuneration has been paid in the year (2017: £nil).

Unconditional donations received from Trustees during the year amounted to £452 (5 Trustees) and in 2017 £179 (4 Trustees).

There were no other transactions between Council members and the Trust during the year.

23. Control

The controlling party is deemed to be the Board of Trustees.