

Financial report

Financial activities

Overall incoming resources reduced by 26% to £3.8m during the year. The previous year's incoming resources included several large transactions, a donation of land at Cutacre (£840k) and grants and other funds to purchase mosslands (£943k), for which there were no similar equivalents in the current year.

Voluntary income rose slightly over the year. Membership income, which is a key part of our longer term objective to be less reliant on third party funding, rose by 11% in the year. This rise was offset partly by a reduction in income from legacies which by nature will fluctuate year-on-year.

Brockholes Enterprises Limited enjoyed a 22% rise in visitor numbers and consequently income across all facets of its operation rose. The performance of Brockholes continues to improve and new initiatives, outlined in the Strategic Report, are being implemented to continue that trend towards profitability.

Incoming resources from charitable activities fell by 38% to £2.3m. As stated above this reflects the absence of any large transactions similar to those that occurred in the previous year. During the year the Trust successfully disposed of the first tranche of land that it had identified last year as having minimal conservation value and realised a surplus above valuation of £82k which is included within these numbers.

Resources expended remained static year-on-year.

Overall there was a net outgoing of £482k during the year.

Balance Sheet

In comparison to recent years levels of fixed asset expenditure were much lower though the Trust continues to invest in infrastructure at Brockholes. The overall value of fixed assets fell by £0.3m as a result of depreciation on the existing assets.

Current assets, excluding cash, fell slightly over the year as a result of the sale of the first tranche of land at Cutacre.

Creditors falling due within one year fell slightly. The payment of the final part of the construction costs for Brockholes resulted in a £0.4m drop in accruals, but this was offset by similar rise in other creditors, where funds to support a proposed purchase of further lowland peat bog is reflected. These funds were not recognised as income in the year as at the year-end not all conditions of the funding arrangement were in place. Subsequent to the year end the likelihood of this transaction being successful has receded and in the event of non-completion these funds would be repayable to the funder. Trade creditors fell largely as a result of lower expenditure levels in the latter part of the year compared to the previous year.

Cash Flow

The overall cash flow for the year was neutral. As mentioned above the Trust received funds during the year in support of a proposed purchase of lowland peat bog (£0.45m).

The Trust continues to focus on rebuilding its cash reserves and to that end the remaining land held for sale was put on the market at the end of the year with a view to realising a sale in summer 2014. The underlying objective of the Trust is to achieve a stable cash flow situation from normal activities thus removing the reliance on large one-off transactions.

Financial Reserves

The Trust has established a financial reserves policy to cover for unexpected reductions in short-term income. Under the policy the Trust aims to hold sufficient unrestricted reserves in sufficiently liquid form (i.e. as net current assets) to enable it to cover 3 months of core operating expenditure (excluding depreciation). Core operating expenditure excludes expenditure funded by restricted or endowment funds. As a result of supporting the establishment of Brockholes in recent years, at March 2014 such reserves stood at approximately two-thirds of the required level. It is the intention of the Trust to restore the reserves to the required levels as soon as possible.

Investment Policy

The Trustees now have an investment policy in place that allows them to rely on specialist investment managers to maximise the charity's total return from its investments, consistent with a moderate level of risk and a socially responsible investment (SRI).

At present the Trust has only one external investment. Under a specific endowment fund the Trust has invested in collective investment funds, managed by an external specialist manager, for the purposes of providing income, in the form of dividends and interest, to support the maintenance of Freemans Pool, a parcel of land near Heysham. The performance of the investment is reviewed on a regular basis and is measured against overall market performance. In the event of underperformance the Trustees would consider placing the investment elsewhere.

Accounting Policies

There were no changes to accounting policies.

Availability of Funds

The assets in the form of debtors and cash are sufficient to fulfil obligations.

Ian Pollitt
Head of Finance and Services

THE LANCASHIRE WILDLIFE TRUST LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
For the year ended 31 March 2014

	Unrestricted funds 2014 £'000	Restricted funds 2014 £'000	Endowment funds 2014 £'000	Total funds 2014 £'000	Total funds 2013 £'000
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	898	4	-	902	892
Investment income	2	-	4	6	7
Brockholes Enterprises Ltd	510	-	-	510	378
	<u>1,410</u>	<u>4</u>	<u>4</u>	<u>1,418</u>	<u>1,277</u>
Incoming resources from charitable activities:					
Operations Department inc Brockholes Capital	200	1,310	-	1,510	3,026
Conservation	278	417	-	695	655
Education	109	26	-	135	124
	<u>587</u>	<u>1,753</u>	<u>-</u>	<u>2,340</u>	<u>3,805</u>
Total incoming resources	<u>1,997</u>	<u>1,757</u>	<u>4</u>	<u>3,758</u>	<u>5,082</u>
RESOURCES EXPENDED					
Costs of generating funds:					
Costs of generating voluntary income	552	-	-	552	505
Brockholes Enterprises Ltd	779	-	-	779	760
	<u>1,331</u>	<u>-</u>	<u>-</u>	<u>1,331</u>	<u>1,265</u>
Charitable activities:					
Operations Department inc Brockholes Capital	240	1,595	-	1,835	1,800
Conservation	419	400	33	852	852
Education	130	53	-	183	191
	<u>789</u>	<u>2,048</u>	<u>33</u>	<u>2,870</u>	<u>2,843</u>
Governance costs	37	-	-	37	46
Total resources expended	<u>2,157</u>	<u>2,048</u>	<u>33</u>	<u>4,238</u>	<u>4,154</u>
NET (OUTGOING) / INCOMING RESOURCES BEFORE TRANSFERS	<u>(160)</u>	<u>(291)</u>	<u>(29)</u>	<u>(480)</u>	928
Transfers between funds	(277)	289	(12)	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS / (LOSSES)	<u>(437)</u>	<u>(2)</u>	<u>(41)</u>	<u>(480)</u>	928
Unrealised (losses) / gains on investment assets	-	-	(2)	(2)	14
NET MOVEMENT IN FUNDS	<u>(437)</u>	<u>(2)</u>	<u>(43)</u>	<u>(482)</u>	943
BALANCE BROUGHT FORWARD	<u>990</u>	<u>12,299</u>	<u>854</u>	<u>14,143</u>	13,200
BALANCE CARRIED FORWARD	<u>553</u>	<u>12,297</u>	<u>811</u>	<u>13,661</u>	14,143

THE LANCASHIRE WILDLIFE TRUST LIMITED
BALANCE SHEETS
As at 31 March 2014
Registered Number: 00731548

	Group		Charity	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
FIXED ASSETS				
Tangible fixed assets	9,584	9,917	9,561	9,886
Heritage assets	2,774	2,774	2,774	2,774
Investments	197	199	197	199
	12,555	12,890	12,532	12,859
CURRENT ASSETS				
Stock	27	32	-	-
Assets held for sale	240	470	240	470
Debtors	1,186	1,150	1,218	1,324
Cash at bank and in hand	912	902	854	825
	2,365	2,554	2,312	2,619
CREDITORS: Amounts falling due within one year	(979)	(1,051)	(903)	(983)
Net current assets	1,386	1,503	1,409	1,636
Total assets less current liabilities	13,941	14,393	13,941	14,495
CREDITORS: Amounts falling due after more than one year	(280)	(250)	(280)	(250)
NET ASSETS	13,661	14,143	13,661	14,245
CHARITY FUNDS				
Endowment funds	811	854	811	854
Restricted funds	12,297	12,299	12,297	12,577
Unrestricted funds – general funds	553	990	553	814
	13,661	14,143	13,661	14,245