



WWT

Report of Trustees and Annual Accounts  
2016/17





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## Report of the Trustees: Introduction

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The Trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiaries for the year ending 31 March 2017. This report describes what we achieved in the year and sets out our plans for wetland conservation in the future. The report also explains our constitution and governance arrangements. The audited financial statements for the year ending 31 March 2017 provide the financial details of the work we carried out during the year and how it was funded. The financial statements include the income and expenditure of the charity and all its subsidiaries wherever the statements are referred to as 'consolidated' or 'group'.

This report is prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015). In order to meet all these requirements some specific terms have to be used and detailed disclosures made on some subjects, but wherever possible we try to make the report and the financial statements clear and easy to read. We hope you find it helpful. More information on our work can be found on our website [www.wwt.org.uk](http://www.wwt.org.uk).

## Report of the Trustees: Chairman's message

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This has been a year of considerable success and celebration for WWT. In November the Trust passed the milestone of 70 years since our founder, Sir Peter Scott, established the small Severn Wildfowl Trust on the banks of the River Severn in Gloucestershire. The organisation now has ten wetland sites across the UK, the most recent being WWT Steart Marshes in Somerset, and welcomes over one million visitors to them every year. Some 60,000 school pupils benefit annually from a day spent at our centres learning about and experiencing the wonders of wetland nature. WWT's international presence and impact continue to grow through the work of our conservation scientists and consultancy activities.

This year, Her Majesty The Queen stepped down as our Patron, as she has done with a number of her other charities, after many decades of tremendous support for WWT. The Queen first visited Slimbridge in 1950 and remains one of our longest standing supporters. However, we are delighted that The Prince of Wales, WWT's President for many years, has agreed to become our new Patron. We were extremely pleased to welcome him to Slimbridge in November to help us celebrate our 70<sup>th</sup> anniversary, and were grateful that he could find time in his considerably busy schedule to meet and talk to so many staff, volunteers and supporters on the day.

WWT's anniversary year was also marked by the start of phase one of an exciting new project, Slimbridge 2020, supported by the Heritage Lottery Fund. This will open Sir Peter Scott's house to visitors and develop the Centre in a really creative way to link our founder's heritage with the current and future work of the organisation.

A key objective of our wetland centres is to provide people with enjoyment and increased awareness of wetlands and their wildlife. We want our visitors to have a truly memorable experience, and to achieve this I have been pleased to chair a group during the year to review our long term approach to enhancing members' and guests' experience whilst visiting our centres, and reaching out to the Black, Asian and minority ethnic communities to engage more in our work.

WWT has always been a practical conservation organisation and will continue to be so. However, another area of our work that has grown considerably over the past year has been our political advocacy, primarily concentrating on Westminster at present. With Brexit comes many challenges, but also opportunities. It is vital that the UK's exit from the European Union does not result in any lessening of environmental policies and protection. Indeed, our opportunity is to seek a new and improved approach, and it is a primary focus for us to work even more closely now with other conservation organisations.

Another priority for WWT in the UK is our "Working Wetlands" programme to promote and establish wetlands that provide benefits to people and communities as well as wildlife. Examples such as Sustainable Drainage Systems (SuDS), especially in the urban context, offer excellent opportunities to solve localised surface water flooding issues whilst enhancing the environment for biodiversity and the people who live or work there.

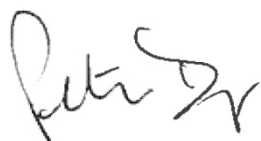
Our local and international conservation work has always been of fundamental importance to our organisation and carries forward Sir Peter Scott's work from his earliest days in 1946. One of the many projects undertaken during the year is an attempt to accelerate recovery of the lost breeding populations of the increasingly rare black-tailed godwit to the Cambridgeshire and Norfolk fens by head-starting godwit chicks. This programme, from our Welney centre, utilises the skills we have gained in our work in other countries, for example with the spoon-billed sandpiper in Arctic Russia. Our work in Madagascar, focusing on saving the nearly extinct Madagascar pochard, has expanded to working with local communities around our chosen release site of Lake Sofia to help them to develop more sustainable livelihoods, thereby reducing the pressure on the wetland to

## Report of the Trustees: Chairman's message

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benefit the pochard, people and other wetland wildlife. This project has attracted the attention of the government and could influence future wetland conservation and management policy for the whole of Madagascar. We believe that it also establishes a template for future conservation projects, where success can only be achieved through the involvement of local people.

This report highlights many of our major achievements and successes over the past year. However, it is important to also look to the future and set our aspirations for the coming years. The world continues to change around us at an ever growing pace, and WWT's awareness of the challenges faced by wetlands and their wildlife has led us to create and publish a new vision for the next 25 years, and a plan for the next five years to take us towards that goal. I am confident that with the dedication of our members, volunteers, supporters and our highly skilled staff, WWT can achieve its ambitions and meet the conservation challenges ahead to make a real difference for wetlands, their wildlife, and ultimately people in the UK and across the world.



Peter Day  
Chairman



# Report of the Trustees: Objectives and activities

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## Our vision

A world where healthy wetland nature thrives and enriches lives.

## Our mission

We conserve, restore and create wetlands, save wetland wildlife, and inspire everyone to value the amazing things healthy wetlands achieve for people and nature.

## Our six big goals: What we want the world's wetlands to look like by 2040

### 1. **The UK's wetlands and their wildlife are thriving and increasing**

We want to see blue and wildlife-rich corridors across towns and the countryside, and for populations of threatened wetland species to be flourishing.

### 2. **Everyone in the UK can access wetlands that provide amazing experiences and inspire support for their conservation**

We want people across the UK to take joy and inspiration from wetlands in their gardens, local communities and from our wetland centres and nature reserves. Through experiencing the wonder and benefits of wetlands first-hand we believe that more people will love them and support their conservation.

### 3. **Wetlands in the UK are recognised as part of our natural infrastructure, providing space for wildlife and people and vital services to us all**

We want wetlands to be recognised not just as great places for wildlife and to spend time but as a critical part of our natural infrastructure helping solve problems that affect millions of people. We want everyone to see how wetlands deliver many things, like reducing flooding, drought and cleaning our water.

### 4. **Decision makers globally understand the threats to wetland nature and are taking ambitious action to remove them**

We want decision makers to understand the value of managing wetlands sustainably for wildlife and people and how existing policies have damaged them. We want strong international agreements that support each other for better management of wetland nature across the world.

### 5. **Wetlands are managed in a way that benefits wetland nature and enhances people's lives across the world**

We want people across the world to manage wetlands sustainably because they understand how this can deliver thriving wetland nature while improving and sustaining local livelihoods.

### 6. **Risks are decreasing for all wetland nature and no species have gone extinct**

We want wetland nature to recover as soon as possible. We share our planet with a wide range of wonderful wetland species and want them to have a future and for coming generations to experience them too. We want thriving healthy communities of animals and plants that are needed to sustain healthy wetlands and the benefits they provide.

# Report of the Trustees: Objectives and activities

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## Our aims

Over the next five years our strategy focuses on five key aims. They show our initial path to meet our commitments towards realising our 25 year vision for wetlands.

- 1. Create, restore and manage larger, more connected and more healthy wetlands in the UK**
- 2. Move and inspire people engaging with our wetlands to support wetland conservation**
- 3. Connect people with wetlands where they live and work in the UK**
- 4. Offer and promote solutions to conserve the world's most threatened wetland hotspots and improve the livelihoods of their people**
- 5. Strengthen wetland conservation on priority global flyways**

## Our activities

We are delivering against our ambitious aims through the following activities:

### Wetland centres

Our wetland centres support our aims both by engaging visitors with wetlands and wildlife and by directly managing important UK wetlands, many of national or international importance. We manage our wetlands to maximise their wildlife value and to adapt them to environmental change.

Our wetlands play a major role in connecting people to wetland nature, with over one million people visiting our centres every year. We aim to boost our visitors' experience by providing close encounters with wetlands and their wildlife. Through this positive engagement, guests can be inspired to support our work and take their own direct action.

### Conservation science

Our targeted conservation activities are underpinned wherever possible by evidence. We research and diagnose the problems affecting wetlands and wetland wildlife and offer solutions.

We focus on priority global flyways: the East Asian - Australasian flyway and the Northwest European flyway. We examine threats to migratory populations along these flyways, so we can help to protect the wetlands on which they depend. We monitor their status to assess the impact of environmental change. We undertake research into specific threats such as collisions with powerlines, lead poisoning, disease, hunting and climate change.

We find solutions to help us and others take positive conservation action, particularly finding solutions to support national programmes of wetland conservation and sustainable development in our priority countries overseas.

We investigate the health and wellbeing benefits of having access to wetlands so we have the evidence to encourage others to create and conserve wetlands and connect people with them where they live and work.

# Report of the Trustees: Objectives and activities

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## **Conservation action**

Using our leading techniques, we are restoring populations of species such as the black-tailed godwit, common crane and common scoter which have been nationally, regionally or locally lost from wetlands.

We take direct action to help save threatened waterbird species as flagships for intertidal and freshwater wetlands on our priority flyways, focussing on species like the spoon-billed sandpiper and Baer's pochard.

We offer and promote solutions to conserve the world's most threatened wetland hotspots and improve the livelihoods of their people. We are developing long term programmes of community-based wetland management work in our priority countries including Madagascar and Cambodia. In Madagascar, this includes our conservation work to save the Madagascar pochard, whose survival also depends on working with local communities. We help foster wetland conservation and sustainable development nationally in those countries and more widely through Multilateral Environmental Agreements.

## **Working wetlands**

Wetlands have many benefits. They can provide high value habitats to wildlife, flood alleviation, water quality improvements, as well as offering the perfect backdrop for recreation and wellbeing. Our "working wetlands" programme recognises that wetlands can work hard to deliver multiple uses for both wildlife and people.

We create and restore wildlife-rich working wetlands in the rural environment ranging from small farm-scale wetlands to vast schemes such as WWT Steart Marshes that show how wetlands can tackle problems like diffuse pollution and flooding while also benefitting wildlife.

We also work with local communities in towns and cities to create wetlands that provide homes for wildlife while providing vital services such as helping to reduce local flooding, improving water quality and providing important green (and 'blue') spaces for people to enjoy.

We provide advice, tools, training and demonstrations that make it easier for people to create their own wetlands with real value to wildlife.

## **Advocacy and campaigns**

We convince decision makers of the importance of wetland nature and the multiple benefits of wetlands by offering solutions for improvements in law, policy and funding for wetland conservation and restoration.

We use our voice to make threats to wetlands more widely recognised and we lobby and provide policy and practical examples showing how future laws and policies can support wildlife-friendly land and water management with multiple benefits.

## **Consultancy**

We work all over the world providing wetland consultancy services including ecological surveys, wetland management advice and the design and build of wastewater treatment systems. We work directly on the development of international wetland centres and wetland parks, many inspired by WWT wetland centres.

## Wetland centres

### **We manage our wetland reserves to maximise their wildlife value**

Our nine wetland centres include 2,500 hectares of important nature reserves. Eight of these reserves carry a national and/or international designation and our work on these reserves contributes to many local, regional and national Biodiversity Action Plan targets.

Our Arundel centre is particularly vulnerable to floods and we have been progressing plans to help alleviate ongoing risks by managing flood waters better to help conserve important freshwater habitats and species.

Our reserves are the base for numerous amazing wildlife spectacles. Highlights in 2016/17 were:

- The newly restored Arun River Life area at Arundel had a first this spring when two broods of lapwing were hatched. Breeding pochard was another highlight for this area as one chick fledged, the first for the Arundel site for several years.
- Arundel was the site of some bird of prey firsts too, with five marsh harriers recorded roosting in the reedbed. A juvenile osprey also stopped over for six weeks and gave some fantastic fishing displays.
- The first breeding season took place at the shingle islands, created at Washington in 2015, supporting record numbers of breeding avocet (10 pairs and 27 fledged chicks) and common terns continued to breed in good numbers with around 100 pairs. The terns are particularly important in deterring avian predators generally and this will have helped with the successful fledging of the little ringed plover, the first for a number of years.
- This spring was fantastic for the breeding black-tailed godwits at Welney. Birds nesting on the created wet grasslands of Lady Fen had a bumper year with three broods successfully fledging nine young, the largest number of chicks fledged from the WWT areas of the Ouse Washes since the 1980s. This species has benefited from improvements to the predator proof fence and a new water control system. In addition, the first ever corncrake breeding attempt took place at Welney.
- Our black-headed gull colony at Castle Espie reached 800 pairs and was confirmed as the largest colony on Strangford Lough. In Northern Ireland, black-headed Gull is red listed on the Birds of Conservation Concern.
- For the first time ever, kingfishers were recorded breeding in the constructed nesting bank in the Sheltered Lagoon in London.
- A large botanical survey of the Caerlaverock saltmarshes included records of a number of rare species and at least one new rarity - seaside centaury. We also recorded a natural expansion of the saltmarsh in the same survey which has been accreting along the Caerlaverock coast line at an average rate of 30m a year for the last 10 years.
- Four rare breed Dexter cattle were bought last year to improve the grazing management at London. Along with our existing Highland cows, the Dexters are implementing a new grazing regime that is already showing benefits for the grazing marsh and the flower rich grasslands.

## Report of the Trustees: Achievements and performance

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- Martin Mere recorded its first otters in recent years, with a whole family arriving on the reserve.
- We have created access routes through the Western Scrapes at Llanelli to allow volunteers and machinery in to carry out of rush and scrub control over four hectares. This work has also enabled us to restore cattle grazing in the area, which will help us to manage and improve the wet grassland habitat for wildlife in the long term.
- The first invertebrate survey of the Slimbridge saltmarsh was undertaken over the summer. We recorded 15 species of conservation concern in the survey. Some of the species found have very specialist requirements and are only found on saltmarshes. An important find was brown-banded carder bee, a section 41 species (UK BAP Priority species).

### **We move and inspire people engaging with our wetlands to support wetland conservation**

We continually invest in our wetland centres to encourage more people to visit, to make the experience more inspiring and to make our conservation messages more powerful. We want all our visitors to go home understanding more about wetlands and wetland wildlife, their conservation, WWT's work and what they can do to help wetlands in their homes or workplaces. This is a key aim in our new five year strategy and something that we will be focussing on at our centres over the next few years.

Over one million people visited our wetland centres during the year, 970k non-school visitors and 62k pupils and teachers on formal learning visits.

The Easter weekend and Easter school holidays are traditionally busy times at our centres. Because Easter moves between March and April, there were two Easter weekends in the 2015/16 year, but none in 2016/17. Despite this, 970k non-school visitors came to our wetland centres in 2016/17, down only 0.3% compared with the 973k who visited in 2015/16. Overall our visitor numbers have been steadily rising over the last few years. Visitor numbers are affected by weather (particularly at peak visiting times like school holidays) and the general economy but we believe this steady rise is a result of improvements to the experience we provide. This is a combination of investment in infrastructure and exhibits as well as special events. In 2016/17 we saw significant peaks at each centre that hosted a new Aardman Dusty Duck wetland animal trail and the popular Lego brick animal trail launched in 2015/16 went to some centres for a second visit. As well as attracting in a new audience, these trails carry simple conservation messages.

In 2016/17, we welcomed 51,563 pupils and 10,522 teachers and adult helpers on curriculum-linked formal learning visits across the UK. This is a slight decrease on 2015/16 (by 0.5% for pupils and 2.5% for adults). The majority of our school visitors were from the primary sector, taking part in hands-on, investigative enquiry based learning sessions, and self-guided activities.

Our Inspiring Generations Free School Visits Scheme, funded by HSBC's Water Programme, enabled pupils from disadvantaged areas to experience a wetland centre for free. The original programme ended in December 2016 but additional support from HSBC has enabled even more pupils benefit from this for free in 2017. 31% (18,977) of the pupils we welcomed to our centres in 2016/17 did so via this scheme, resulting in a total of 74,450 pupils visiting thanks to HSBC support over the last five years.

The Inspiring Generations project is also continuing to bring wider benefits. The scheme has provided valuable research into the impact of a WWT school visit on pupils' values, attitudes and

## Report of the Trustees: Achievements and performance

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behaviour towards the natural world. It has also contributed to some capital improvements, centre experience developments and resource creation.

In 2016/17 we made experiences at our centres more engaging through:

- Completion of the Thames Water H<sub>2</sub>O in London. This provides a multi-functional space, including state of the art facilities for school groups and events.
- By the end of the year, work had commenced on new “mini-wetlands” in the London courtyard that will demonstrate the value of rain fed ponds in urban environments for both wildlife and people whilst helping to reduce flooding risk from surface run-off.
- Flamingo Bay, a new children’s play area was built at Llanelli with support from players of People’s Postcode Lottery. A wild play experience will be added next year.
- A new covered space for pond dipping was constructed at Castle Espie.
- At Martin Mere, a North American themed Boreal exhibit was nearing completion by the end of the year thanks to support from players of People’s Postcode Lottery.
- The Close Encounters duck feeding area at Washington benefitted from a major re-landscaping.
- New and innovative interpretation at all our centres.
- A new and improved programme of walks and talks at some of our centres, targeting the needs of our different audiences.

In 2015/16, the Heritage Lottery Fund awarded us a development grant to complete detailed plans for a £6m project at Slimbridge. This project, Slimbridge 2020, will celebrate the life of our founder Sir Peter Scott and tell the story of Slimbridge and modern conservation, provide the highest quality experience for visitors and lead them on their own journeys to become advocates of wetland conservation. The iconic Scott House will be opened up to the public, along with other heritage features, ambitious new exhibits will explore different ways to entertain and educate and the wild nature reserve will be made accessible to many more visitors, all brought alive by staff and volunteers. We have spent the year finalising plans and designs for the second round of our bid to the Heritage Lottery Fund and developing a fundraising campaign for the remaining funds. If our bid is successful, the developments themselves will be built within the next three years.

Avian influenza spread across Europe during the winter of 2016/17 and we took measures, such as disinfecting footbaths and suspension of hand-feeding by the public, to minimize the risk of infection being brought into and out of our wetland centres. Some of our birds, such as flamingos, were housed inside during the higher risk period to minimise the risk of them contracting the disease. Despite a small number of cases within wild birds on or near our reserves, there were no reported cases in our living collections.

## Conservation science

### **We investigate and lead recovery efforts for waterbirds in decline in the Northwest European flyway**

The waterbirds that winter in the British Isles represent one of the UK's most important contributions to global biodiversity. They are part of the Northwest European flyway, which is an excellent example of a co-ordinated approach to flyway management with several examples of impressive species recovery.

We continued to tackle and offer solutions for the conservation of species in decline such as Greenland white-fronted geese who breed in Greenland and winter exclusively in Ireland and Britain. They have declined by 40% over 20 years and are classified as globally 'Endangered'. Our research to identify the causes of the decline included fitting GPS tags to birds to investigate movements and survival.

We continued to monitor flyway species to assess the impact of environmental changes. This included detailed long term studies on species such as Bewick's swan, whooper swan and Svalbard barnacle goose.

We supported a number of assessments of the status of waterbirds and other wetland wildlife by providing data and expertise. They include Birds of Conservation Concern, State of the UK's Birds and the State of Nature report.

We continued to study the threats to waterbirds on the flyway, such as diseases and lead poisoning through the ingestion of shotgun pellets. Highly pathogenic avian influenza H<sub>5</sub>N<sub>8</sub> spread across Europe during the winter of 2016/17 and was responsible for the deaths of wild birds and poultry. We played an ongoing role in advising the UK government and we continued to be funded by Defra to be part of the GB Wildlife Disease Surveillance Partnership to provide an early warning system for risks to human, domestic animal and wildlife health.

We commenced a major new project to build a cumulative wind farm impact analysis for the Icelandic pink-footed goose. Funded by DONG Energy, this three year project will be the first comprehensive national assessment of its type.

### **We investigate the health and wellbeing benefits of having access to wetlands**

Evidence is growing that access to wildlife and wild places is beneficial to people's health and wellbeing and, especially for people with urban lifestyles, this can be lacking. We work to investigate the links between wetlands and wellbeing and make decision makers aware of them. This could become a powerful motivation for the creation and restoration of many new wetlands, which would improve lives and create more space for wetland wildlife.

This is an expanding area of work for WWT. During 2016/17 we began to develop skills in assessment methods of health and wellbeing and developing methodologies for gathering self-reported health data that will be needed for wellbeing projects currently being developed.

## Conservation action

### **We restore populations of species that have been lost from wetlands**

Numerous wetland species have been lost from the UK entirely and many more lost regionally or locally. In a lot of cases there is potential for recovery: in recent decades, at some sites habitats have been restored and pollution and persecution reduced. However, recolonisation and recovery can be limited because species cannot disperse easily to new sites and because small populations often increase very slowly. We believe that the creation of healthy wetlands should be accompanied by efforts to restore their full set of native species, creating more robust ecosystems.

The Great Crane Project aimed to re-establish a sustainable population of common cranes in Britain. Between 2010 and 2014, a total of 94 birds were released and in 2015/16 the first wild-hatched crane chicks of released captive-bred parents took flight. In 2016/17 three chicks successfully fledged making a total of seven chicks fledged to date.

In restored wetlands on the Cambridgeshire and Norfolk fens, we began a project to boost lost breeding populations of the increasingly scarce black-tailed godwit. In partnership with RSPB, we have secured £1.2m EU Life Nature Programme funding for this project. WWT is responsible for head-starting godwit chicks in order to accelerate the population recovery as well as monitoring their survival and migration routes. This has involved taking eggs from breeding pairs, hatching them in incubators, rearing them in outdoor aviaries and releasing the fledged birds. We also work with local schools and communities to increase the awareness of conservation of the black-tailed godwit and their wetland habitats.

The common scoter is among the rarest wetland species in the UK. There are only around 40 pairs left, with numbers having dropped by more than half over the last 25 years. The largest population is in the Flow Country of Caithness and Sutherland, with a second core in the West Inverness Lochs Special Protection Area. Although there are several potential threats to the breeding scoters, there has been no good scientific evidence to tell us which are actually causing the species' decline. Working with the RSPB, SSE, the Forestry Commission and other partners, our researchers have been gathering the evidence we need to identify the solutions to these problems.

### **We work to conserve threatened waterbird species as flagships for intertidal and freshwater wetlands on priority flyways**

Migratory flyway populations are always subject to risk because they depend on multiple wetlands across numerous international boundaries. The flyways across East Asia and Australasia and across Northwest Europe take birds through some of the most developed regions in the world.

#### *East Asian-Australasian Flyway*

The East Asian - Australasian Flyway is the most species-rich waterbird flyway in the world. It is also the most threatened, with intense pressures arising from rapid economic development, particularly in China and South Korea.

The most significant of our projects along this flyway is that of the spoon-billed sandpiper, a collaboration between WWT, Birds Russia, Moscow Zoo and the RSPB, working with colleagues from the BTO, BirdLife International, ArcCona and the Spoon-billed Sandpiper Task Force. A few years ago only about 100 pairs were thought to survive in the wild. In conjunction with work by the partnership to address the major threats of habitat loss and illegal hunting, we embarked on an



## Report of the Trustees: Achievements and performance

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ambitious captive breeding programme at Slimbridge to act as a safety net and a possible source of birds for reintroduction. 20 birds (13 males and 7 females) remain in the captive population. Whilst we have not yet succeeded in getting birds to successfully fledge young in captivity we remain positive that this will happen and progress towards this has been made each year.

Since 2012, we have also been head-starting chicks from the wild breeding population to increase the number of young fledged in the arctic Russian tundra. This reduces losses of eggs and chicks to predators. This helps many more birds to fledge successfully than would happen without our help. 30 birds were released in 2016/17, our most successful year so far, representing approximately 20% of the estimated total number of young fledged by the species that year. Four were later re-sighted on migration. To date, 22% of a total of 111 head-started birds have been re-sighted at least once.

To increase our ability to monitor the migrating birds successfully, we fitted GPS tags to three birds in October 2016. Tags have not been fitted on such small birds before, and these very small, light tags were specially developed by Microwave Telemetry for the purpose. The tags are providing important data on the movements and locations of the birds along the flyway, some of which were previously unknown.

Another species that is Critically Endangered along the flyway is Baer's pochard. This species was once relatively widespread in Asia but a rapid decline has pushed it close to extinction. In order to establish a conservation breeding programme for Baer's pochard at Slimbridge, we now have birds in a bespoke facility where we have simultaneously been pioneering the development of an aquaponics system to reduce water use and grow food plants. If effective, the system could be adapted for use in a variety of contexts, from the captive breeding facilities in Madagascar to the duckeries at our UK centres. Meanwhile, we co-ordinate the global Task Force for the species, and are working with partners on the flyway to develop conservation measures for the wild population and the wetlands on which it depends.

### *Northwest European Flyway*

There has been considerable collaborative conservation work along this flyway but significant threats remain and some populations, including the Bewick's swan, are declining for reasons not yet fully understood.

By flying in a paramotor with Bewick's swans along their migratory route from northern Russia to the UK, the Flight of the Swans project engaged communities, conservationists, scientists and governments and galvanised action to attempt to halt the birds' decline. We held four scientific events along the flyway during the expedition, attended by over 400 people. A gathering of hunters in the Arctic discussed reasons for the illegal hunting of swans and possible solutions. Danish hunters gave demonstrations to other countries on the alternatives to using toxic lead ammunition in shooting and agreements were made between outdoor sports groups and conservationists to work together to reduce the disturbance of birds during their vital rest periods on migration. We visited 54 schools and many others followed events online. We are maintaining the momentum into 2017/18 with further work to reduce the illegal hunting of the birds.

# Report of the Trustees: Achievements and performance

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## **We develop long term, community-based wetland management projects**

### *Madagascar*

Since 2009 we have been working in Madagascar, one of our priority countries and a place of extreme wetland loss. The situation is most severe on the central plateau where almost all remaining wetlands are severely degraded. Many of the species that rely on them, including the Madagascar pochard, are on the brink of extinction. The wetland degradation is catastrophic for the local people who rely on the harvesting of natural resources and the environmental damage links directly to poverty and unsustainable futures.

We are working with communities that live around Lake Sofia to help develop sustainable management of the wetlands to benefit both wildlife and people. The lake was identified as a potential reintroduction site for the Madagascar pochard, the world's most endangered duck, and is also home to a suite of other wetland species, some of which are also threatened. Working with our partners, Durrell Wildlife Conservation Trust, Asity, the Madagascar Government and OSDRM (a local affiliate of the Aga Khan Foundation) and with funding from Darwin Initiative, we established community-based management associations in all the communities that live around the lake. They have since signed new agreements with the Government to manage the lake's resources. Successful pilots to encourage sustainable rice farming techniques resulted in falling pesticide use and increased rice yields. Work with fishers replaced the majority of illegal nets with legal ones and early signs are that fish populations are responding and daily income is increasing. Lake Sofia has been accepted by the Government of Madagascar to be designated as a new Ramsar Site. We also produced national guidance and developed a new wetland education programme and we hope that the project at Lake Sofia will become a model for sustainable wetland management nationally.

We have been breeding the Madagascar pochard in captivity in Madagascar very successfully and the Conservation Breeding Centre now houses 90 birds. We began trials in preparation for re-introducing the pochard to Lake Sofia over the next few years.

During 2016/17, thanks to funding from the Critical Ecosystem Partnership Fund, we began a project in the western Maevatanana-Ambato-Boeny wetland Key Biodiversity Area in partnership with the Aspinall Foundation to assess the state of the wetlands, deliver our wetland education programme at local schools, support community management of wetlands and restore wetland habitats.

### *Cambodia*

Cambodia is another of our priority countries. Around 30% of the country is wetland and 80% of the population depend on harvesting natural resources for their livelihoods. On the lower Mekong floodplain, the vast, seasonally-flooded grasslands have been almost entirely lost to intensification of agriculture. Only a few fragments remain, supporting important populations of globally threatened wildlife, including an isolated and highly threatened population of Sarus cranes. These remaining fragments are coming under increasing pressure so, with funding from the Darwin Initiative and the Critical Ecosystem Partnership Fund, we are working with local partners to build capacity to sustainably manage and protect two wetland reserves as well as work with local communities and the national government to improve practices and find alternatives to current damaging and unsustainable activities.

## Report of the Trustees: Achievements and performance

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On-the-ground activities on both reserves included trials to promote more sustainable methods of rice production, the development of sustainable funding mechanisms for community fishery programmes, various interventions to help local communities tackle the threat of land encroachment, an environmental education programme, habitat restoration and encouraging eco-tourism. Wise-use guidelines were developed, which have been endorsed by the Minister of the Environment and they will be shared through the Ramsar network.

### Working wetlands

#### **We create and restore ‘working wetlands’ in farmed landscapes**

WWT Steart Marshes is a spectacular wetland landscape created in partnership with the Environment Agency and opened in 2015. In addition to providing important intertidal habitats on the Severn estuary to replace those to be lost as sea levels rise, the newly developed saltmarshes and mudflats “work” hard to help prevent erosion of tidal defences, reduce local flooding risks in nearby properties, store carbon, and provide homes for wildlife, including habitats for fish breeding. WWT is coordinating a programme of research at the site to demonstrate and quantify these benefits to help inform how future schemes are designed and managed. This evidence is also feeding in to the work of the Severn Vision project ([www.severnvision.org](http://www.severnvision.org)) – a collaboration between WWT and six other organisations representing wildlife and landscape interests on the estuary – which promotes a positive, proactive vision for the estuary, including the creation of an additional 6,000 hectares of habitat like WWT Steart Marshes.

The development of the site, particularly colonisation by saltmarsh plants and the formation of the natural creek system has been dramatic. We continue to manipulate the habitats through grazing and changes in water management to enhance its ecological development. We altered the water management regime in the brackish area by opening up the pen stock every high spring tide to allow fresh inundations and closing after. This greatly improved the bird numbers – they are now clearly feeding on the invertebrates and more saltmarsh plants are colonising.

There were over 50,000 visits to the new wetlands in 2016/17.

We continued to investigate options to demonstrate multiple benefits of wetlands on a landscape scale in the UK.

#### **We create new working wetlands in local communities in towns and cities**

Sustainable Drainage Systems (SuDS) store or hold back water temporarily to reduce risk of flooding downstream and help improve water quality. With careful design, they can also provide local wetland habitats, good for both wildlife and people. We provided ongoing support with training, advice and learning resources for the nine schools that took part in our London SuDS for Schools project.

We are developing an area with the London Borough of Enfield in the Prince of Wales Park as a local wildlife and community wetland that will help alleviate downstream flooding and improve water quality. We created new SuDS features at the Prince of Wales Primary School as an educational resource and to communicate messages about the value and importance of water and wetlands.

## Report of the Trustees: Achievements and performance

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We have been working with Slough Borough Council, Thames Water and the Environment Agency on a multi-site development of working wetlands designed to provide community assets and help alleviate local flooding. We are restoring Salt Hill Stream in Slough to restore wildlife, improve water quality, reduce flood risk and encourage community involvement in caring for the stream.

### **We provide advice to help people create their own wetlands**

We launched an online survey to gather evidence about the benefits wetlands provide for people and wildlife. Specifically, we are searching for UK examples where wetlands have been created or restored to help manage flood risk or improve water quality. This survey will improve our collective understanding of the contribution wetlands make to our natural capital in the UK, from small urban ponds to vast coastal marshes.

A lack of information on the effectiveness of wetlands in managing flood risk or improving water quality is often cited as a reason not to support such projects. We are aware of many examples from around the UK and wish to gather information about them together in one place and make this openly available. We hope the outputs will inspire and facilitate further delivery and monitoring of these types of projects. The information provided will be communicated to national and local policymakers, businesses, communities and environmental professionals.

Our gold-medal winning Working Wetlands Garden at the Hampton Court Flower Show, designed by Jeni Cairns and sponsored by the HSBC Water Programme, demonstrated that a garden could successfully be a haven for wildlife and people whilst also a working solution to the problem of flash flooding caused by urban run-off.

## Advocacy and campaigns

### **We convince decision makers of the importance of wetlands and offer solutions**

We have stepped into a leading role in political advocacy in the environment sector during 2016/17, directly influencing law and policy. We briefed MPs and Peers regularly on matters of policy, ranging from renewable energy to wetland creation, in person and in writing. In addition, we produced three major policy reports:

- Rich in Nature, WWT policy publication
- A place for SuDS, CIWEM and WWT
- Water resilient cities, BITC and WWT

These reports directly and successfully influenced policy (on long-term environmental commitments and on sustainable drainage delivery) and received significant coverage in the media.

We submitted WWT consultation responses to Select Committees and Government, with regular citations and adoption of WWT recommendations. The EFRA committee's post-legislative scrutiny of the Flood and Water Management Act used our recommendations on natural flood mitigation and SuDS almost word for word.

We successfully broadened WWT's recognition and influence in Parliament using a range of techniques from written briefings and meetings to site visits, party conference events and roundtables. London Wetland Centre has been an important asset, hosting visits from the Deputy

## Report of the Trustees: Achievements and performance

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Mayor of London, the No 10 Policy Unit, the LGA green infrastructure team, and the DEFRA 25 year plan team, amongst others.

We successfully influenced party policy throughout the year. Notably, WWT had a direct influence on a number of 2017 General Election manifestos. Our words have been directly incorporated in Liberal Democrat and Green Party manifestos and, working with others, we secured a strengthened commitment to the 25 year environment plan in the Conservative manifesto.

We are a founder member of Greener UK, a new coalition of environmental organisations focused on the Brexit debate. As part of the coalition, we produced a series of environment manifestos, held a major parliamentary reception, met with Ministers, and convinced over 200 MPs to sign a Greener UK pledge. WWT is leading Greener UK's work in several areas, including Environment Act policy (jointly with TWT), transposition of Lisbon Treaty Principles in the Great Repeal Bill, and on individual projects such as a roundtable for Conservative MPs on environmental law post-Brexit.

We deepened our work with CIWEM on SuDS, leading a group of water companies and professional bodies. We continue to play an active role in Wildlife and Countryside Link, chairing the Blueprint for Water group and the 25 Year Environment Plan group.

Internationally we work with Multilateral Environmental Agreements (MEAs) and other international processes to promote sustainable practice in wetland management and conservation, reduce threats to wetlands and their wildlife and support healthy wildlife populations.

We are an International Organisation Partner (IOP) of the Ramsar Convention and work to further the wetland conservation aims of the convention in a wide range of ways. We lead Wetland Link International (WLI), a global support network for wetland education centres. WLI has over 300 member wetland centres worldwide and is a key part of the Ramsar Convention's CEPA (communication, education, participation and awareness) programme. Through the initiation of a WLI internship programme, we broadened the reach of WLI in key regions and worked on a new website to make it more accessible and user friendly to a diverse global audience.

Through Ramsar, we also play a particularly significant role in the promotion of a 'One Health' approach to wetland diseases and their management. This ecosystem based approach integrates the management of wildlife, human and domestic livestock diseases in the context of sustainable wetland management. With the International Union for the Conservation of Nature (IUCN), Convention on the Conservation of Migratory Species of Wild Animals (CMS) and also through one of the CMS instruments, the African-Eurasian Waterbird Agreement (AEWA), we promote the health of populations of migratory wetland species, and play a key role in helping the development of, and encouraging the implementation of, resolutions to restrict the use of toxic lead ammunition. We work with these MEAs on a range of other issues as and when appropriate, particularly relating to the conservation of key wetland habitats such as intertidal wetlands. We are a partner and member of the Management Committee of the East Asian - Australasian Flyway Partnership (EAAFP) and work to help in the development and delivery of the EAAFP strategy.

### **We use our voice to make threats to wetlands more widely recognised**

During 2016/17 we began to develop a more public aspect to WWT's parliamentary and political work. The aim is to provide public support for our proposals and to develop our supporter base by advertising the work we do.

## Report of the Trustees: Achievements and performance

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We wrote extensively for Wildlife and Countryside Link, Green Alliance, WWT and other blogs, including the three “most read” Wildlife and Countryside Link blogs for the year. We appeared in speaking engagements at a number of high-level conferences and expanded our online presence, particularly on social media.

The campaign that ran in support of The Flight of the Swans produced sustained media coverage throughout 2016/17 in the UK and across all the countries on the swans’ migration. There were over 700 articles published and around 1,000 mentions on TV and radio, including national TV coverage in every country. Possibly most significant was the Russian coverage where 84 Flight of the Swans stories ran. As Russia provides the breeding grounds for the Bewick’s swans and few conservation stories usually make it into the press, this was very significant. We also achieved intensive social media interest in the project - over 200,000 people viewed the project website and 14,000 people signed the petition calling for stronger protection for the Bewick’s swans and the wetlands they rely on.

Flight of the Swans won Campaign of the Year at the 2017 ENDS Environmental Impact Awards for the scale of its ambition, huge profile and international reach. Activity around the Flight of the Swans will continue over the coming couple of years, making use of the stories and film footage gathered during the expedition.

### Consultancy

#### **We provide wetland consultancy services including ecological surveys, wetland management advice, the design and build of wastewater treatment systems and the development of international wetland centres**

One of our most significant projects in 2016/17 was working for Dubai Municipality in partnership with an engineering firm based in Dubai, to develop a brand new wetland centre and enhance the existing habitat at Ras Al Khor Wildlife Sanctuary. Ras Al Khor on Dubai Creek was the UAE’s first Ramsar site, designated for the habitats and migratory species that find an oasis in the heart of one of the world’s busiest cities. It attracts over 20,000 birds from 75 species during peak migration. Like many urban wetlands, Ras Al Khor faces many challenges, including pollution and pressures from urban encroachment. However, the wetlands have the potential to create a much needed natural experience for local residents and tourists. The vision is for it to become an internationally recognised site for best practice in wetland management with a wetland centre that delivers CEPA in line with Ramsar’s guidelines.

We worked collaboratively on a number of projects and potential projects with Nanjing University Research Institute of Changshu (NJUecoRICH), a highly respected research institute in China. During the year we began working with NJUecoRICH and MET Studios Hong Kong on a 900 hectare habitat restoration/creation and visitor centre project at Jianhu Jiulongkou National Wetland Park.

We promoted wetland education and visitor engagement at wetland reserves by supporting clients to deliver visitor facilities in the UK, Chile and Norway. Other contracts in 2016/17 included visual aerial surveys of harbour porpoises in the Severn Estuary, working with the Surrey Wildlife Trust to provide a habitat restoration design for Burpham Court Farm near Guildford and designing and creating a wetland at Mill Farm on behalf of the Medway Valley Country Partnership. We have delivered seven river restoration designs for biodiversity, recreation and flood management, including the design and supervision of the construction of wetland habitats along the River Irwell

## Report of the Trustees: Achievements and performance

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in Salford to assist the Environment Agency with a scheme to reduce flooding, provide wildlife habitats and community access. We delivered successful SuDS schemes for a housing development and another for a village council as well as ten constructed wetland treatment systems for a range of clients, including a compost facility, a drinks manufacturer, a sewage treatment works and seven systems to treat farm runoff.

### Membership

Our members are the bedrock of our organisation. From funding our on-the-ground conservation work to giving volume to our campaigning voice, we could not do what we do without them. In 2016/17 we saw a 1.6% increase in member numbers compared with the previous year.

To increase the number of people who support us by being a member of WWT we:

- Provided additional and more frequent training to our teams at centres who talk to visitors about becoming a member.
- Promoted membership through our website.
- Progressed membership communications to visitors who book their admission tickets online.
- Promoted membership to all those who use our free Wi-Fi at centres.

Our members are loyal and our retention rate remains strong at 86.9%. To continually improve how we engage with our members we:

- Integrated our supporter database with our website and till systems and conducted research with our members so that we can provide a more personalised service, understand their patterns of visitation, their areas of interest and how they want to hear from us so that we can tailor communications appropriately.
- Built digital renewals into plans for the new website to make it as easy as possible for members to manage their relationship with us.
- Encouraged more members to sign up to Gift Aid to maximise the financial contribution they can make to us at no extra cost to them.

### Shops and restaurants

Our subsidiary company WWT Trading manages the shops and restaurants at each of the nine wetland visitor centres. The taxable profits of the company are donated to the charity each year, so all its profits directly support our conservation work. The service provided by the shops and restaurants is also an important part of the visitor experience and so we continually aim to improve what we offer.

In 2016/17 we refurbished the restaurant at Slimbridge, reopening it as the Kingfisher Kitchen with a completely new decor, menu and service style. We received very positive feedback from our visitors and the design and menu, which is already in place at Castle Espie, will be replicated at London and Llanelli next year.

We also opened a newly refurbished kiosk by the Slimbridge canoe safari in July, providing a wider range of products including soft scoop ice cream.

## Report of the Trustees: Achievements and performance

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A key ingredient to the success of our trading areas is the people who work in them. We continued to focus on a training and development programme to ensure all our staff have the skills to fulfil the highest standards of customer service.

During 2015/16 we invested in a new electronic point of sale (EPOS) system, replacing the tills at all our sites, introducing new stock management and sales reporting software. Integrating with the supporter database we introduced in 2014/15, the new system was in use for the start of the 2016/17 year and has begun to provide increased functionality and reporting capability.



# Report of the Trustees: Achievements and performance

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## Public benefit statement

This statement complies with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission. Sir Peter Scott founded WWT in 1946 to bring people and wildlife together, and to engage and inspire people to enjoy and take an interest in the natural world. He established four pillars as the foundation of WWT's conservation work – scientific research, 'on the ground' conservation action, education and recreation. These have been the core elements of WWT's work throughout its 70 years and remain central to its future plans.

## Conservation science and action

WWT manages ten sites (nine wetland centres and WWT Steart Marshes), eight of which carry a national and/or international designation. We have a public responsibility for the management and conservation of these important wildlife habitats and the species they support, including threatened species such as Bewick's swan, natterjack toad and water vole. Our work on these reserves contributes to many local, regional and national Biodiversity Action Plan targets.

WWT has a longstanding and respected history of monitoring and research, particularly in the fields of migration and population studies of key waterbird species, in bird diseases, and more recently in the fields of constructed wetlands for improving water quality and enhancing biodiversity, and sustainable drainage systems. This research informs our own conservation action and is used to inform and influence others responsible for the management of wetlands and their species.

Our knowledge and expertise are increasingly used to help restore and recreate wetland habitats for the benefit of wildlife, landscape and amenity value and local human livelihoods around the world. WWT's international work includes conservation of wetland habitats to benefit local communities as well as biodiversity, conservation breeding and reintroduction programmes to help prevent the extinction of some of the world's rarest and most endangered species. This builds on the pioneering conservation breeding work of Sir Peter Scott that saved the Hawaiian goose (Nene) from extinction over 50 years ago.

## Education

Since its inception WWT has been well known for its educational work at its wetland centres – both formal learning programmes for visiting schools and youth groups, and informal engagement with visitors of all ages. Many schools make repeat visits each year.

WWT's advocacy work seeks to influence policy and decision making to achieve better understanding of the importance of wetland habitats and to enhance the conservation of the precious biodiversity of the UK. Major examples include its continuing work to promote the importance of, and need for, out of classroom learning for young people, working with government and other NGOs to inform the feasibility assessment of the River Severn for tidal energy generation, and WWT's significant input into government policy-making in respect of avian influenza.

Through its Wetland Link International network WWT encourages and facilitates exchange of expertise, experience and best practice between member wetland centres across the world.

## Report of the Trustees: Achievements and performance

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### **Recreation & engagement**

WWT's wetland centres provide more than one million people with the opportunity to enjoy and be close to nature each year. Whilst a charge is made for admission to the nine wetland centres in order to fund their operation and maintenance, there are concessionary rates for people over the age of 65, for unemployed people and for students. Entry to all nine wetland centres is free to members and membership is open to everyone. The site at Steart Marshes is a new type of WWT reserve, which is open to the public free of charge. All WWT sites are accessible to all, with paths suitable for wheelchairs and for people with other disabilities.

We offer a wide range of opportunities for volunteers and value their considerable contribution to our work. More than 900 people volunteer at our wetland centres each year. WWT also has strong links with communities and local organisations close to our wetland centres, for example the Scout group that meets at Slimbridge, where they encourage young people to get closer to nature. Our membership remains strong, enabling us to engage directly with more people on wetland and environmental issues. WWT's growing involvement with the corporate sector has resulted in increasing staff volunteering days at our wetland centres.

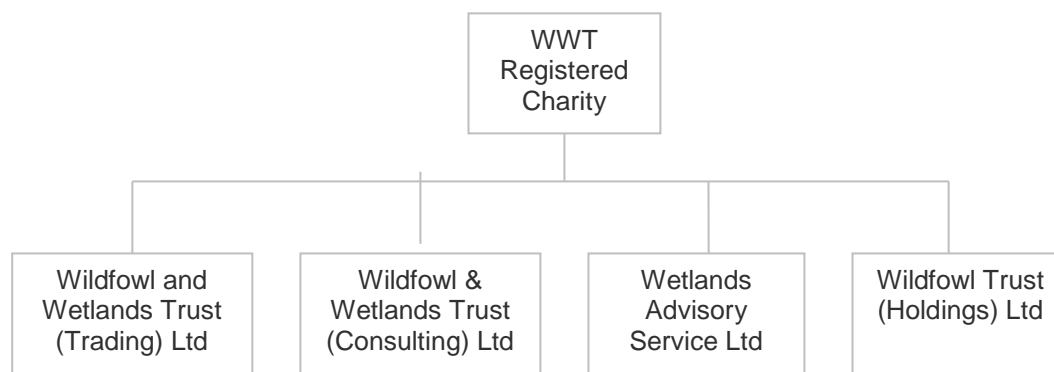
# Report of the Trustees: Structure, governance and management

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The late Sir Peter Scott founded the charity, registered in England and Wales, on 10 November 1946. The charity's objects are to promote the conservation and study of wildfowl and wetlands forming their habitat. WWT was converted to a charitable company limited by guarantee on 16 December 1993.

## Subsidiary companies

WWT has four, wholly owned subsidiary companies, all registered in England and Wales.



Wildfowl and Wetlands Trust (Trading) Ltd, known as WWT Trading, carries out commercial activities, mostly retail and catering, at WWT's centres. Wildfowl & Wetlands Trust (Consulting) Ltd, known as WWT Consulting, provides environmental consultancy services. Wetlands Advisory Service Ltd is now dormant. Wildfowl Trust (Holdings) Ltd does not trade, but acts as trustee of property which is dealt with in the accounts of WWT, whether real or personal, belonging to or in any way, whether directly or indirectly, of interest to WWT.

Each of the trading subsidiaries usually donates its taxable profits, where there are sufficient distributable reserves within the subsidiary, to the charity under the Gift Aid scheme. In 2015/16 Trustees agreed that WWT Consulting could retain a proportion of its profits for one year to invest in the future growth of the company.

For more detailed information about any of the subsidiary companies, the individual financial statements are filed annually with Companies House or they can be obtained from the Company Secretary at WWT's registered office. The address can be found on page 67.

## Scotland

The charity registered with the Office of the Scottish Regulator (OSCR) in 2008 and for reporting purposes to OSCR we are required to make a separate statement of our work in Scotland.

WWT's visitor centre in Scotland is the WWT Caerlaverock Wetland Centre, located in Dumfriesshire on the Solway coast. In the year ended 31 March 2017, 15,381 people visited the centre and in addition to this 457 school children and 89 accompanying adults were taught in formal learning programmes. Caerlaverock is most famous for its spectacle of barnacle geese and whooper swans from October to April. Wild osprey, barn owl, natterjack toad and the rare tadpole shrimp can also be seen at this centre.

# Report of the Trustees: Structure, governance and management

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Caerlaverock benefits from a dedicated volunteer base and ten full-time equivalent members of staff are employed here.

## Constitution

WWT was set up under a memorandum of association, which established the objects and powers of the organisation, and is governed under its articles of association.

The memorandum of association was last amended on 13 December 2007. The articles of association were last amended on 21 October 2010. Both documents can be obtained from the Company Secretary at WWT's registered office. The address can be found on page 67.

## Council of Trustees

The memorandum and articles of association stipulate that Council Members may each serve two three-year terms in office. Under certain circumstances Council Members may then serve a further term of up to three one-year periods, where the Council considers that continuity would be of particular benefit to the charity.

All members of the Council are volunteers, give freely of their time and have no beneficial interest in the group or charity.

Council Members are usually also Guarantor Members who guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2017 was 7 (2016: 8). Trustee indemnity insurance is provided.

## Responsibilities of Council

The Council of Trustees is responsible for setting WWT's strategic policies and objectives and for ensuring they are fulfilled. Council Members are WWT's directors for Companies Act purposes and must under United Kingdom law prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the group and charity and the incoming resources and application of resources, including the net income or expenditure, of the group for the year. In preparing those financial statements, the Council is required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards and statements of recommended practice 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 company will continue in operation.

The Council is responsible for ensuring that the group and charity have appropriate systems of control, financial and otherwise. They are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and charity and that enable them to ensure that the financial statements comply with the Companies Act 2006. In addition they are responsible for safeguarding the assets of the group and charity and hence for

## Report of the Trustees: Structure, governance and management

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taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- The charity is operating efficiently and effectively
- Its assets are safeguarded against unauthorised use or disposition
- Proper records are maintained and financial information used within the charity or for publication is reliable
- The charity complies with relevant laws and regulations.

### Nominations Committee

To ensure the Council is sufficiently skilled to carry out its responsibilities it undertakes skills analysis of existing members before new ones are appointed. This is carried out by the Nominations Committee. The Nominations Committee consists of the Chair of the Council, at least one other Council Member and the Chief Executive. Once the skills analysis is complete, the vacant positions on Council are advertised widely in order to attract the best possible selection of potential candidates. The candidates who best meet the skills required are then invited to a selection event where their experience and knowledge is explored in more detail by the Nominations Committee. Once appointed, each new Council member receives a full induction into the work and administration of the charity. Council Members receive regular updates on the work of WWT and any training deemed necessary to enable members to carry out their responsibilities fully.

### Finance Committee

The Finance Committee assists the Council with detailed scrutiny of WWT's finances, reviews the performance of the subsidiary companies and makes recommendations to the Council on matters that include the staff pension schemes, WWT's investment policy and WWT's reserves policy. Chaired by the Treasurer, this is a sub-committee of the Council.

As with the Council and other subcommittees, members of the Finance Committee are volunteers, give freely of their time and have no beneficial interest in the group or charity.

### Audit and Risk Committee

The Audit and Risk Committee is also a subcommittee of the Council and is responsible for the review of internal policies and procedures, safety management, insurance and IT security. The external auditors report to the Committee at least once a year.

### Remuneration Committee

Another subcommittee of the Council, the Remuneration Committee monitors the salary market and determines the salaries of WWT's Chief Executive and other Management Board members. The Committee periodically obtains current not-for-profit sector salary data for each role on Management Board based on the job descriptions and levels of responsibility. These data are used to ensure each salary is appropriate when compared with the salaries for similar roles within the same sector.

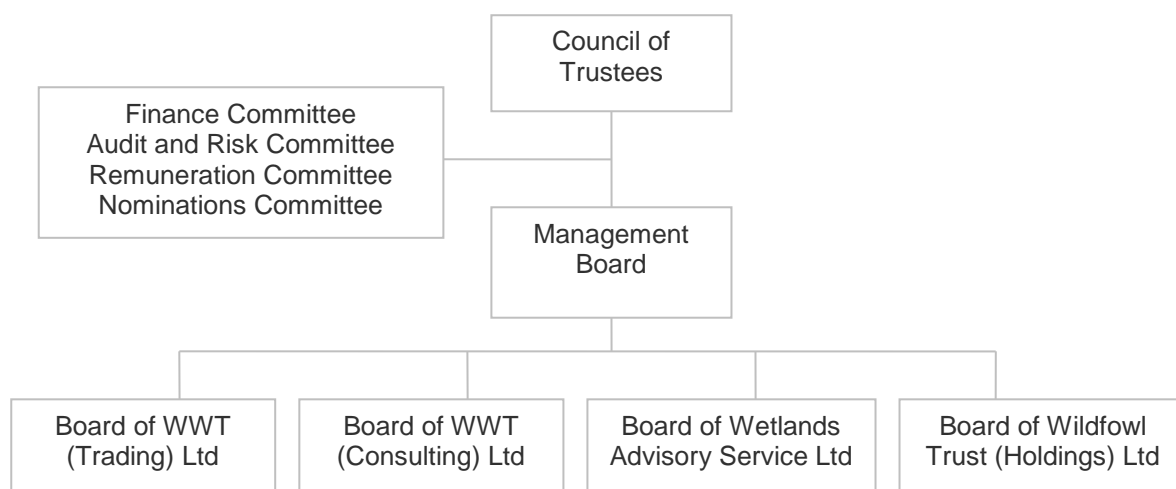
# Report of the Trustees: Structure, governance and management

## Management Board

Day-to-day running of WWT is carried out by the Management Board, consisting of paid members of staff. The most senior members of Management Board are the Chief Executive, who reports directly to the Chair of the Council, and the Chief Operating Officer.

## Management of subsidiary companies

Each subsidiary company has its own Board of Directors responsible for running the company. The Chief Executive or the Chief Operating Officer chair each board and at least one other member of WWT's Management Board sit on each company's board. WWT Consulting also benefits from non-executive board members who contribute specialist skills and expertise on a voluntary basis.



Members of the Council, Nomination Committee, Finance Committee, Audit and Risk Committee, Remuneration Committee and Management Board are listed on page 67.

## Auditor

An independent audit is conducted annually to fulfil WWT's legal obligations and for the Council to ensure financial statements have been properly prepared and give a true and fair view. The auditor's report to WWT's members is given on pages 37 to 38.

Mazars LLP have expressed their willingness to continue in office as the group's auditor and a resolution to reappoint them will be proposed at the next Annual General Meeting.

## Statement as to disclosure of information to auditors

The Council members have taken all the necessary steps to make themselves aware, as Trustees, of any relevant audit information and to establish that the auditors are aware of that information. As far as the Council members are aware, there is no relevant audit information of which the company's auditor is unaware.

## Staff and volunteers

WWT employs a team of highly committed and specialist staff. We have diverse roles: staff providing unforgettable experiences at visitor centres, wardens responsible for our internationally

## Report of the Trustees: Structure, governance and management

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important reserves, scientists carrying out research and on-the-ground conservation, and those working behind the scenes to ensure WWT operates professionally and efficiently.

We could not operate to the same degree without our extraordinary volunteer force. Over 900 volunteers contribute to our work in many different ways, from staffing admission desks to giving guided walks to visitors, making film footage and taking photographs, helping with administration and carrying out practical conservation work. It is hard to put an economic value on the unpaid contribution of time and skills that volunteers give, but a very conservative estimate of the value of the 198,000 hours given per year amounts to approximately £1.3m.

In 2016/17 we conducted a survey of our staff and 88% took the opportunity to provide views and opinions on working at WWT. Overall, the outcome was very positive with 96% of people enjoying working for WWT. There have been significant improvements in satisfaction in most sections of the survey since the last survey two years before, and we are generally ahead of the benchmark value for other charities. Staff have asked us to improve internal communications further and to look at improving the way we manage workload. Each team has also looked at the results specific to them to come up with local actions to improve the working life at WWT further.

A similar survey of volunteers was conducted in 2015/16, and the next is taking place in 2017/18.

We continued to develop the way in which we lead and manage all our teams, focussing on training and development in particular. We continued to run Welcome Days for all staff and volunteers joining the organisation. These take place regularly at all centres, providing information on our work, our history and our values. We value frequent communication with our staff and place great importance on face to face meetings between line managers and their teams. Staff and volunteers are informed of the latest strategic developments and our financial position on a regular basis via updates from managers and open presentations held by the Chief Executive and Chief Operating Officer. START, our Staff Representative Body, works to canvass opinions, ideas and suggestions from staff on topics of importance to them, and provides another channel for open communication with senior managers to discuss these topics. START is also a group that Management Board can use to test ideas and use as a barometer for the rest of the organisation. Netlands, our intranet, is an invaluable tool for communication between many of our staff and volunteers. For those staff and volunteers working outside or in our cafes who do not have regular access to a computer to view Netlands, we provide paper updates and we are working on improving the regularity of this important communication method.

### Equal opportunities

We are committed to developing equal employment opportunities. Selection, promotion and access to training are based solely on relevant aptitudes, skills and abilities. In this way, every employee is able to develop their individual skills and talents to make a positive contribution to WWT. Men and women are treated equally with regard to terms and conditions of employment and pay, where they are employed doing the same or broadly similar work.

Our commitment is demonstrated through our employment policies, which ensure access to recruitment, promotion, selection and training regardless of the individual's age, sex (or gender assignment), sexual orientation, race, religion or belief, disability, marital/civil partnership status or pregnancy. We are also working to make volunteering opportunities available to as wide a range of people as possible by broadening the recruitment methods and resources we use. Additionally, formal requirements for volunteering roles are kept to a minimum wherever possible to maximise

## Report of the Trustees: Structure, governance and management

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the accessibility of volunteering. WWT will consider any reasonable adjustments wherever practical to enable people with disabilities to apply for jobs and to work at WWT.

### Sustainability

As a conservation charity we take sustainability and managing our environmental impacts seriously, recognising the benefits this brings to people and the environment as well as financial savings. During 2016/17 we continued to improve our internal environmental performance.

We have reduced our buildings' carbon footprint by over 16% since 2013 through a range of projects and programmes including the installation of biomass boilers at two of our sites. Switching to biomass wood fuel pellets has also enabled us to significantly reduce the environmental risks associated with storing fuel on our sites - our heating oil use has fallen by 60% over the last four years. We have programmes in place to replace older, less efficient lighting with more efficient LED bulbs and lighting controls (timers and sensors) and have low flush toilets, percussion taps, waterless urinals and other water saving devices in place at our sites.

All of our wetland centres have wetland treatment systems and across our sites we have other sustainable buildings features including:

- Two ground source heat pumps
- An air source heat pump for heating and cooling
- A wind turbine
- Solar hot water heating
- Rainwater harvesting systems (rain water collected from the roof and used to flush the toilets)
- Composting toilets
- Water gardens
- Bird hides made from shipping containers
- Green roofs
- SuDS

We introduced new videoconferencing equipment at a number of our sites to reduce our travel impacts and improve our efficiency. We are already big users of teleconferencing with a 41% increase in hours of teleconferencing recorded in 2016 compared with 2015.

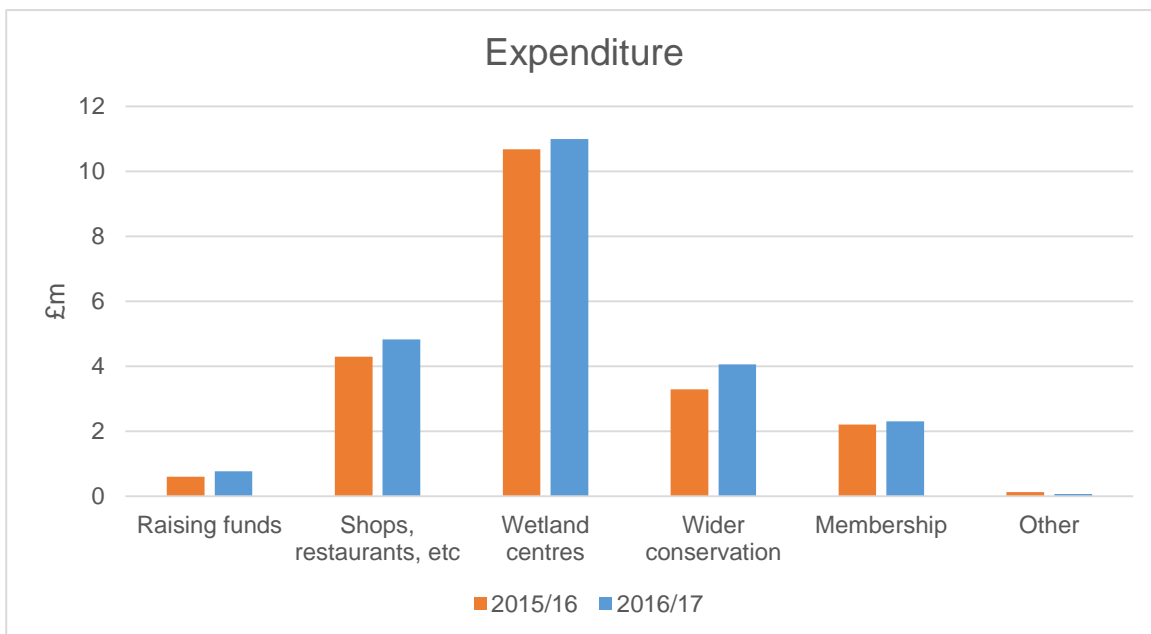
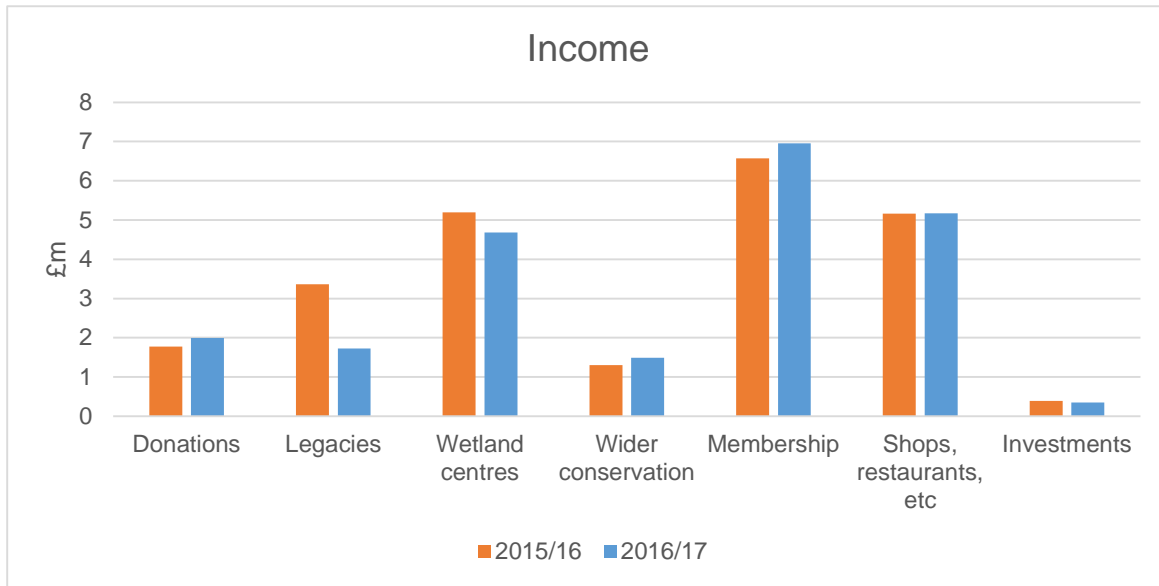
We are always looking for new and innovative ways to reduce our impacts, use resources wisely and communicate the value of the environment to members, supporters and local communities, particularly in relation to wetlands and wetland biodiversity.

During 2017/18 we will be formalising our Sustainability Strategy and continuing to deliver on this important agenda.



# Report of the Trustees: Financial review

Income in 2016/17 was £22.4m. As a result of high legacies received in previous years we were able to spend £23.0m, £0.6m more than our income. The greatest increase in expenditure was within our wider conservation programmes.



## Donations and legacies

Income from donations, grants and animal adoptions was £2.0m, an increase on the previous year of 12%. Legacy income decreased from the unusually high £3.4m in 2015/16 to £1.7m in 2016/17.

The costs of raising the donations, grants and legacies increased to just under £0.8m. We are investing in this area in order to increase our income, particularly grants and corporate support, to fund our ambitious conservation strategy.

## Report of the Trustees: Financial review

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### Wetland centres

The number of visitors to our wetland centres was just over one million, almost the same number as in the previous year despite no Easter falling in 2016/17. About two thirds of our visitors are members or others qualifying for free admission such as children under four years old. Our admission income comes from the third of visitors who buy tickets on-line or on arrival at a centre, and the number of these visitors decreased by 4% compared with 2015/16, reducing our admissions income by almost 3% after modest price rises.

All visitors buying tickets are encouraged to pay the higher 'Gift Aid' price, which includes a 10% donation. For visitors who are UK tax payers, this donation enables us to recover the tax on the entire admission fee, which during the year contributed almost £0.4m. The proportion of visitors paying the 'Gift Aid' price has fallen over recent years and we continue to look at ways of maximising the value of all our ticket sales.

Another important source of income for our wetland centres is grant income, which has decreased from £1.0m to £0.6m. This consists of agricultural grants at some of our largest reserves and the HSBC funding of our free school visits programme.

We spent £11.0m, almost two thirds of our charitable expenditure, on our wetland centres. This covers the staffing and other costs of managing our grounds, our wildlife reserves and providing a good experience to all our visitors plus the visitor infrastructure such as hides, footpaths and the visitor centre buildings themselves. It also includes the costs of marketing our centres to encourage more people to visit and the costs of engaging with our visitors and providing inspiring messages on wetland conservation. In addition to the £11.0m revenue expenditure we spent £1.7m on new capital investment, developing the visitor experience and facilities at our centres.

### Membership

Membership subscriptions are our most important source of income, supporting many of our activities at the wetland centres and within our wider conservation programmes. We have maintained our high retention rate amongst our membership but it is becoming harder to recruit new members, particularly away from our wetland centres. Overall the number of members rose by 1.6% and, following detailed market analysis, we increased our membership price. Total membership income totalled £7.0m in the year, a rise of 6%.

It cost us £2.3m (up 5%, following a decrease the year before) to recruit new members and provide all our membership services such as the Waterlife magazine. Some of these costs are directly covered by sponsorship and advertising income, included within other trading activities.

### Shops, restaurants other trading activities

The income from shops and restaurants rose by 3% to £4.6m despite a small decrease in the number of visitors at our centres. As part of our investment programme, we spent £0.3m on a major refurbishment of the Slimbridge restaurant. Improvements such as this are resulting in increases in the average amount that each visitor spends, and we also believe they will increase visitor satisfaction, increase repeat visitation and support membership recruitment.

The costs of raising funds in the shops and restaurants include the costs of the products sold in the shops, the restaurants' food, staff costs from both operations and support costs. There was an

## Report of the Trustees: Financial review

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increase in these costs as a percentage of trading turnover owing to inflation and increased staff costs.

Other income from trading operations totalled £0.6m, down 19%. Generated from sponsorship, lotteries, commissions and rents, it was lottery and sponsorship income that decreased during the year.

Overall, WWT Trading made an operating profit of £0.3m compared with £0.8m in the previous year.

### Wider conservation work

Grants and contracts totalling £0.8m were received for the charity's wider conservation programmes such as head-starting the black-tailed godwit, waterbird monitoring and the management of Steart Marshes. This is an increase of 46%, with the black-tailed godwit funding being the most significant new grant. Many of our wider conservation programmes are funded directly by donations and non-performance grants that are restricted to specific projects and are included within 'donations'.

WWT Consulting is one year into a planned investment phase. As expected, the company has broken even owing to investment in new staff. A small profit or even a small loss is expected next year before profits rise to a new, higher level. The company made a £60k donation to the charity from the 2015/16 profits leaving some of the profit in reserves to fund this investment phase.

We spent £4.1m on our wider conservation work. This is a 23% increase, the result of investment in these areas of work to fulfil our new strategy.

### Investments

Our £12.9m of listed investments are managed by UBS in a segregated portfolio. It was a good year for market performance and the value of our investments rose by £1.8m. Management fees were under £0.1m and income amounted to £0.4m.

Our investment policy includes ethical screening with the intention of aligning our investments to our charitable objectives as far as possible whilst at the same time maintaining income and growth. We aim to exclude companies from the highest impact sectors judged to be the worst or below average performers, and those where a significant level of activity relates to wetland destruction.

In addition to our listed investments, we own investment properties at Martin Mere as a result of the purchase of farmland to extend the reserve in 2011/12 and in 2016/17 received land held for investment as part of a legacy.

### Net current assets

Net current assets decreased by £1.3m to £5.7m, largely owing to a decrease in cash levels from £4.7m to £3.5m. Cash decreased because of our investment in capital expenditure during the year.

### Pension

In common with many organisations, our defined benefit pension scheme has reported a deficit in recent years. Action was taken to reduce the liability, closing the scheme to new entrants in 1997 and ceasing further accrual of future benefits in 2005. An actuarial valuation is carried out every

## Report of the Trustees: Financial review

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three years. The latest, as at 31 March 2015, showed the scheme in deficit by £3.1m. The charity agreed to pay over to the scheme the Pension Reserve of £1.7m during 2015/16 whilst continuing to make annual payments into the scheme of £275k and paying all the scheme's administration costs. Within these accounts, accounting regulations require us to report on a pension scheme valuation based on a different set of assumptions. This valuation shows a surplus of £0.1m at 31 March 2017; a pension surplus cannot be included on our balance sheet, though the movement year-on-year is reflected in the Statement of Financial Activities.

### Funds

We hold £2.3m in a permanent endowment fund. The income earned is included in unrestricted funds each year, but the capital remains in place subject only to fluctuations in the market value of the investment portfolio within which it is held.

We have a number of restricted funds where the donor restricts the purpose for which the fund can be used. These totalled £21m at 31 March 2017, of which £15m relates to capital, such as land and buildings, purchased with restricted donations. The remaining £6m falls into two categories: specific projects where income has been donated to the project but not yet spent and legacies that have been gifted to specific centres and not yet spent. Restricted funds fell by £0.5m as we used some legacies that had been given in a previous year. Some of our wetland centres have received very generous legacies and over the next two to three years we plan to support some big developments with these funds. These include the Arundel flood alleviation works, a new Pond Zone at Martin Mere and the Slimbridge 2020 project.

Unrestricted funds include the general fund and funds designated for a specific purpose by Council. Unrestricted funds totalled £16.9m, having increased by £1.1m owing in part to the significant increase in the value of our investments. £1.2m has been set aside in a designated planned projects fund for specific projects planned for the next couple of years. Projects include capital projects at centres and projects within our wider conservation programmes such as work to prevent the illegal shooting of Bewick's swans.

The Council's reserves policy includes setting aside sufficient funds to cover the charity's unrestricted essential expenditure for a period of up to six months as a contingency. The current contingency reserve level has been estimated at £6.8m and this has been set aside.

We have also set aside a fixed asset reserve, which represents the net book value of unrestricted fixed assets that cannot be easily disposed of as these are not liquid resources immediately available to the charity. This fund totalled £5.6m as at 31 March 2017.

Previously, the Council had also designated £1.65m in a pension reserve; this was paid over to the WWT defined benefit pension scheme at the end of 2015/16 in order to reduce the deficit on the scheme. The £150k that has now been transferred into the pension reserve relates to our liability to the multi-employer USS pension scheme. We have not provided for this liability as we cannot quantify the precise value or when it will become due, but the Council will set aside £150k each year for the next few years in order to build up a fund to pay this liability.

The remaining unrestricted funds are held within the general fund. Totalling £3.2m, this will be used for the ongoing running of the charity and investment over the next three to four years in additional staff capacity to deliver our strategy.

Total funds now stand at £40.4m, an increase of £0.9m compared with 31 March 2016.

# Report of the Trustees: Plans for future periods

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Over the next five years we will be focussing on five aims:

## **1. Create, restore and manage larger, more connected and more healthy wetlands in the UK**

- We will develop further sites to demonstrate working wetlands on a landscape scale in farmed landscapes.
- We will re-connect wetland landscapes around some of our wetlands.
- We will restore populations of UK wetland species including black-tailed godwit, common scoter and common crane, and investigate possibilities for other species.
- We will enhance management of all our reserves, particularly adapting them for environmental change.
- We will provide the evidence that wetlands provide multiple benefits for wildlife and people.
- We will continue to influence law and policy relating to wetlands in farmed landscapes.
- We will promote the multiple benefits of wetlands to specialist audiences and the wider public.
- We will develop and deliver calls to action for wetlands to various stakeholder audiences.

## **2. Move and inspire people engaging with our wetlands to support wetland conservation**

- We will develop our wetlands through capital improvements, particularly at Martin Mere (pond zone and living collection developments), London (development of wild play, observatory redevelopment, art trail and café refurbishment), Slimbridge (if our Heritage Lottery Fund bid is successful major works on the Scott House, duck decoy, reserve trails, living wetland theatre and aviary and living collection) and at other centres (including a new diving duck exhibit at Arundel and wild play at Llanelli).
- We will improve our experience for visitors through how we engage with them, taking into account the different motivations people have for visiting us.
- We will develop and improve how we convey important messages to our visitors.

## **3. Connect people with wetlands where they live and work in the UK**

- We will continue development of our community and urban working wetlands including projects in Slough, London Borough of Enfield and Dunfermline.
- We will develop more excellent examples of working wetlands for householders, schools and businesses providing natural flood defences or improving water quality while providing spaces for nature and people.
- We will continue to influence law and policy relating to urban and community working wetlands and access to blue space.
- We will promote urban and community working wetlands to stakeholder audiences through communications and campaigns.
- We will understand and measure the health and wellbeing benefits of wetlands.
- We will promote health and wellbeing benefits of wetlands at our wetlands and influence the health sector and decision makers to recognise the importance of wetlands for human and wildlife wellbeing.

## Plans for future periods

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### **4. Offer and promote solutions to conserve the world's most threatened wetland hotspots and improve the livelihoods of their people**

- We will continue and expand community based wetland management projects in the plateau wetlands Madagascar and will begin reintroduction of the Madagascar pochard.
- We will continue and expand our community based wetland management projects in the Mekong delta of Cambodia.
- We will investigate and if possible establish sustainable wetland management projects in Myanmar.
- We will develop national wetland management guidance in Madagascar and Cambodia and help ensure that wetland related international environmental agreements are delivered effectively.
- We will support global networks of wetland centres and grass-roots wetland conservation organisations through Wetland Link International and the World Wetland Network.
- We will continue to offer consultancy advice to the management and creation of sustainable wetlands.

### **5. Strengthen wetland conservation on priority global flyways**

- We will continue our conservation work on the spoon-billed sandpiper, including head-starting, and the wetlands on which they depend.
- We will develop our conservation work on the Baer's pochard and the wetlands on which they depend, including management of the species in captivity, monitoring and identifying causes of decline and key wetland sites.
- We will develop the capacity to monitor flyway populations of waterbirds and identify key sites.
- We will support wetland conservation and sustainable development along the major East Asian Australasian and Northwest European flyways through international environmental agreements and through strengthening and supporting wetland centres, Wetland Link International and the World Wetland Network.
- We will continue to tackle declines in migratory waterbirds on the Northwest European flyway, including Bewick's swan and Greenland white-fronted goose.
- We will continue to undertake long term studies on waterbird species to assess the impact of environmental change.
- We will continue to investigate threats to waterbirds on the Northwest European flyway and offer solutions.

## Report of the Trustees: Principal risks and uncertainties

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Council, assisted by the Audit and Risk Committee, oversees a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, identifying means of mitigating the risks and monitoring the success of mitigation.

The main risks identified during the risk management process were:

- A depressed economy reducing a number of income streams including membership, admissions, shop and restaurant sales, consulting contracts and investment returns.
- Funding uncertainty and environmental impacts as a result of leaving the EU.
- Loss of key contracts or insufficient fundraising resulting in a reduction in income.
- Adverse weather impacting visitor numbers and reducing income.
- Avian influenza resulting in restrictions to our centres.
- Climate change impacting on some centres that are vulnerable to flooding, affecting wildlife habitats and visitation.

The risks above were identified as significant prior to mitigation. The risk management process then identified ways in which the likelihood of the risks can be minimised (where this is possible) and how the impact of the risks, should they occur, can be reduced. The main mitigation actions we are taking are:

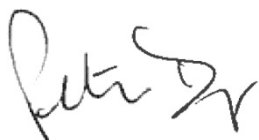
- To focus on increasing a number of different streams of income, not just income associated with visitation.
- To increase the power of our conservation messages; as well as more effectively achieving our charitable aims, we hope this will also broaden our supporter base.
- To protect our sites that are particularly vulnerable to flooding; for example our flood alleviation project at Arundel.

Because it is not possible to mitigate sufficiently all our significant risks, we hold a Contingency Fund within the financial reserves that would allow us to operate all basic functions for six months.

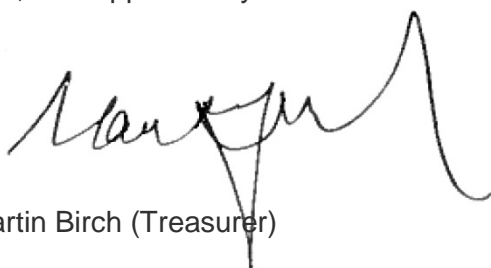
The charity's systems of internal control are designed to provide reasonable, but not absolute, assurance against material mis-statement or loss. They include:

- A five year financial strategic plan and an annual budget approved by the Council.
- Regular consideration by the Finance Committee and Council of financial results, variance from budgets, and non-financial performance indicators.
- Delegation of authority and segregation of duties.
- Regular review by the Audit and Risk Committee of the systems in place to identify and manage risks.

This report, incorporating the Strategic Report, was approved by the Council on 20 July 2017 and signed on its behalf by



Peter Day (Chair)



Martin Birch (Treasurer)

## Report of the Trustees: Membership, adoption and visitor numbers

### Membership and adoption

	Total number 31 Mar 2017	Total number 31 Mar 2016
Members:		
Life fellows	4,161	3,728
Fellows	206	229
Adult members	12,524	12,738
Joint adult members	41,640	43,181
Family members	100,276	95,931
Adult concession members	14,181	13,986
Joint adult concession members	37,573	37,465
Young person members	439	403
<b>Total members</b>	<b>211,000</b>	<b>207,661</b>
Animal adoptions	3,644	3,573

### Visitors to centres

	Total number year ended 31 Mar 2017	Total number year ended 31 Mar 2016
Arundel	102,719	93,460
Caerlaverock	15,381	16,104
Castle Espie	66,896	82,786
Llanelli	58,907	58,056
London	172,631	182,640
Martin Mere	197,643	199,636
Slimbridge	258,576	254,427
Washington	68,143	56,794
Welney	29,183	29,125
<b>Non-school visitors</b>	<b>970,079</b>	<b>973,028</b>
Children attending formal learning programmes	51,563	51,787
Teachers and adult helpers on formal learning programmes	10,522	10,779
<b>Total visitors to centres, excluding Steart Marshes</b>	<b>1,032,164</b>	<b>1,035,594</b>

Admission to Steart Marshes is free. We estimate 50,000 visits were made to the site in 2016/17 (2015/16: 13,000).



# Independent auditor's report to the members of WWT

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We have audited the financial statements of the Wildfowl & Wetlands Trust for the year ended 31 March 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

## Respective responsibilities of Directors and auditors

As explained more fully in the Responsibilities of Council statement set out on page 19, the Directors (who also act as the trustees for the charitable activities of The Wildfowl & Wetlands Trust) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report, including our opinion, has been prepared for and only for 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.

## Scope of the audit of the financial statements

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

## Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2017 and of the group's and the parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

# Independent auditor's report to the members of WWT

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## Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report incorporating the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report incorporating the Strategic Report have 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report incorporating the Strategic Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

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



Richard Bott (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
90 Victoria Street  
Bristol BS1 6DP

Date 31/8/17

*Mazars LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act*

# Consolidated statement of financial activities for year ended 31 March 2017 (incorporating consolidated income and expenditure account)

	Note	Unrestricted £'000	Restricted £'000	Permanent Endowment £'000	Year ended 31 Mar 2017 £'000	Year ended 31 Mar 2016 £'000
<b>INCOME AND EXPENDITURE</b>						
<b>Income and endowments from:</b>						
Donations	6	742	1,257	-	1,999	1,779
Legacies	7	1,399	330	-	1,729	3,361
Income from charitable activities:						
Wetland centres	8	4,393	288	-	4,681	5,194
Wider conservation programmes	9	1,115	375	-	1,490	1,307
Membership subscriptions	11	6,958	-	-	6,958	6,568
Income from shops, restaurants and other trading activities	12	5,173	-	-	5,173	5,167
Investment income	13	353	-	-	353	389
Other income		31	-	-	31	1
<b>Total income</b>		<b>20,164</b>	<b>2,250</b>	<b>-</b>	<b>22,414</b>	<b>23,766</b>
<b>Expenditure</b>						
Costs of raising funds:						
Donations and legacies	14	564	209	-	773	607
Shops, restaurants and other trading activities	15	4,827	-	-	4,827	4,298
Investments		53	-	-	53	66
Raising funds other		19	-	-	19	45
Expenditure on charitable activities:						
Wetland centres	16	9,145	1,850	-	10,995	10,675
Wider conservation programmes	17	3,012	1,046	-	4,058	3,293
Membership subscriptions	18	2,312	-	-	2,312	2,205
Pension other expenditure	34	-	-	-	-	23
<b>Total expenditure</b>		<b>19,932</b>	<b>3,105</b>	<b>-</b>	<b>23,037</b>	<b>21,212</b>
<b>Net income / (expenditure) and net movement in funds for the year before other recognised gains / (losses) and transfers</b>						
		<b>232</b>	<b>(855)</b>	<b>-</b>	<b>(623)</b>	<b>2,554</b>
Net gains / (losses) on investment assets	26	1,507	-	333	1,840	(147)
<b>Net income / (expenditure)</b>	21	<b>1,739</b>	<b>(855)</b>	<b>333</b>	<b>1,217</b>	<b>2,407</b>
Transfers between funds	32	(392)	392	-	-	-
Actuarial (losses) / gains on defined benefit pension scheme surplus	34	(469)	-	-	(469)	37
Change in non-recoverable pension surplus	34	194	-	-	194	(299)
<b>Net movement in funds</b>		<b>1,072</b>	<b>(463)</b>	<b>333</b>	<b>942</b>	<b>2,145</b>
<b>Funds at the start of the year</b>		<b>15,830</b>	<b>21,600</b>	<b>2,013</b>	<b>39,443</b>	<b>37,298</b>
<b>Funds at the end of the year</b>	32	<b>16,902</b>	<b>21,137</b>	<b>2,346</b>	<b>40,385</b>	<b>39,443</b>

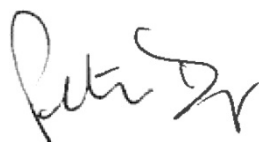
All activities relate to continuing operations.

# Balance sheets as at 31 March 2017

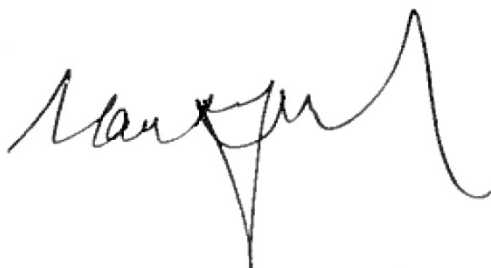
Company number: 2882729

	Note	The Group		The Charity	
		31 Mar 2017 £'000	31 Mar 2016 £'000	31 Mar 2017 £'000	31 Mar 2016 £'000
<b>Fixed assets</b>					
Intangible fixed assets	24	357	425	143	258
Tangible fixed assets	25	20,819	20,502	20,109	19,805
Investments	26	13,541	11,510	13,976	11,945
		<b>34,717</b>	<b>32,437</b>	<b>34,228</b>	<b>32,008</b>
<b>Current assets</b>					
Stocks and work in progress	27	871	557	28	28
Debtors	28	3,793	4,012	6,292	5,078
Cash at bank and in hand		3,474	4,698	1,807	3,687
		<b>8,138</b>	<b>9,267</b>	<b>8,127</b>	<b>8,793</b>
Creditors: amounts falling due within one year	29	(2,470)	(2,261)	(2,129)	(2,180)
<b>Net current assets</b>		<b>5,668</b>	<b>7,006</b>	<b>5,998</b>	<b>6,613</b>
<b>Total assets less current liabilities</b>		<b>40,385</b>	<b>39,443</b>	<b>40,226</b>	<b>38,621</b>
Creditors: amounts falling due after one year	30	-	-	-	-
<b>Net assets excluding pension liability</b>		<b>40,385</b>	<b>39,443</b>	<b>40,226</b>	<b>38,621</b>
Defined benefit pension scheme liability	34	-	-	-	-
<b>Net assets including pension liability</b>	31	<b>40,385</b>	<b>39,443</b>	<b>40,226</b>	<b>38,621</b>
<b>Funds</b>					
Permanent endowment fund		2,346	2,013	2,346	2,013
Restricted funds		21,137	21,600	21,137	21,600
Unrestricted funds:					
Designated funds		13,744	14,533	13,744	14,533
General funds		3,158	1,297	2,999	475
<b>Total funds</b>	32	<b>40,385</b>	<b>39,443</b>	<b>40,226</b>	<b>38,621</b>

The financial statements on pages 39 to 67 were approved by the Council on 20 July 2017 and signed on its behalf by:



Peter Day (Chair)



Martin Birch (Treasurer)

## Consolidated cashflow statement for the year ended 31 March 2017

	Note	31 Mar 2017		31 Mar 2016	
		£'000	£'000	£'000	£'000
<b>Net cash inflow from continuing activities</b>	39		<b>306</b>		<b>466</b>
<b>Returns on investments and servicing of finance</b>					
Interest received		11		24	
Other investment income		342		365	
			<b>353</b>		<b>389</b>
<b>Capital expenditure and financial investment</b>					
Purchase of intangible fixed assets		(22)		(226)	
Purchase of tangible fixed assets		(2,016)		(1,685)	
Sale of tangible fixed assets		15		1	
Purchase of fixed asset investments		(3,401)		(2,543)	
Sale of fixed asset investments		3,541		2,308	
			<b>(1,883)</b>		<b>(2,145)</b>
<b>Cash outflow before financing</b>			<b>(1,224)</b>		<b>(1,290)</b>
<b>Financing</b>					
Capital element of loan and finance lease rental payments			-		-
<b>Decrease in cash in the year</b>	40		<b>(1,224)</b>		<b>(1,290)</b>
Cash at start of the year			4,698		5,988
<b>Cash at end of the year</b>	41		<b>3,474</b>		<b>4,698</b>

# Notes to the financial statements

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## 1. General information

The Wildfowl & Wetlands Trust is a charity registered in England & Wales and in Scotland and a company limited by guarantee with no share capital. The Registered Office is Slimbridge, Gloucestershire, GL2 7BT.

### Statement of compliance

The company's financial statements have been prepared in compliance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

## 2. Accounting policies

A summary of the more important accounting policies, which have been applied consistently, is set out below.

### Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain investments.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared in sterling which is the functional currency of the company and group and rounded to the nearest £'000. Comparative information relates to the year ending 31 March 2016.

These financial statements consolidate the results of the charitable company and its wholly owned subsidiaries on a line by line basis. A separate statement of financial activities and income and expenditure account for the charitable company itself is not presented because the charitable company has taken advantage of the exemption afforded by section 408 of the Companies Act 2006 and FRS 102.

The Trustees are confident that the level of unrestricted reserves and solid income mean the charity has a secure future. There are no material uncertainties about the charity's ability to continue. The accounts have been prepared on a going concern basis.

### Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. All income is recognised net of Value Added Tax, where applicable.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted and the estate can be reliably estimated, or when a distribution is received. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably.

Income from visitors and members is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts, with the exception of staff discounts when the income is recognised gross. At admission to the wetland visitor centres and within the shops and restaurants this will be when admission is granted, shop goods or refreshments are accepted by a customer and a purchase transaction completed. Income for functions is recognised in the period in which the function took place.

Commission income such as on the sale of specialist equipment such as binoculars at WWT wetland centres by a third party is recognised in the period in which the sales took place.

Annual and life membership subscriptions are recognised in full in the period in which they are received. Members receive benefits including free admission to the wetland centres but the income does not relate to the wetland centres alone. Many members regard their subscriptions as gifts in support of all the charity's

## Notes to the financial statements

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activities rather than a transaction made in return for goods and services. It is not possible to quantify the extent to which membership subscriptions are gifts as opposed to transactions made in return for goods and services and the Trustees have decided to treat them as a separate category within income from charitable activities.

Income from government and other grants, whether capital or revenue grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Grant income is included within donations if it is in the form of a gift or non-exchange transaction. This includes grants that are restricted to a particular purpose providing there are no significant performance-related conditions and the substance of the grant is that of a gift. Grant income that is subject to significant performance-related conditions and / or the value of the income is similar to the value in goods or services received by the funder is recognised as income from charitable activities.

For contracts of consultancy services, income is recognised as the value of goods and services supplied. When the outcome of a contract can be estimated reliably in terms of its stage of completion, future costs to complete and collectability of revenue, the company recognises revenue and expenses on the contract by reference to the stage of completion of the contract at the end of the reporting period. The stage of completion is determined on the basis of the proportion of the contract costs incurred to date over the estimated total costs. When the outcome of a contract cannot be estimated reliably the company only recognises revenue to the extent of the recoverable contract costs incurred. Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

Sponsorship income is recognised when the contractual obligations of the sponsorship or advertising agreement have been fulfilled.

### **Donated goods and services**

In accordance with the Charities SORP (FRS 102), no value is ascribed to the considerable unpaid contributions of time and skills provided by volunteers due to the difficulty in attributing an economic value.

Gifts in kind donated for use by the charity are included at valuation (which is the equivalent economic benefit on the open market) on receipt where the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and the economic benefit can be measured reliably. A corresponding amount is then recognised in expenditure in the period of receipt.

### **Fund accounting**

The permanent endowment fund represents donations made where the donor requested that the capital be invested and the income either added to the capital or used to cover expenditure, depending on the conditions of the endowment.

Restricted funds are funds for which the donor has specifically restricted the purpose for which they can be used. The amounts in the funds represent the monies still remaining for future expenditure, or funds represented by assets purchased partly or fully from restricted funds.

Designated funds are funds for which Council has specifically designated the purpose for which they can be applied. The amounts in the funds represent the monies still remaining for future expenditure.

General funds represent the unrestricted net current assets of the group.

All income is allocated to the general fund unless otherwise restricted by the donor or specifically designated by the Council.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of the resources.

# Notes to the financial statements

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## Intangible fixed assets

Intangible assets comprise entitlements to agricultural grants and computer software. These are shown at cost. Intangible assets are amortised through the profit and loss account in equal instalments over the estimated useful life of the asset. The useful life is particular to each entitlement and is estimated as five years for computer software. If there is an indication that there has been a significant change in the useful life of the asset, the amortisation is revised prospectively to reflect the new expectations.

## Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost, which is their purchase cost, together with any incidental expenses of acquisition. No tangible fixed assets are revalued. All new fixed assets acquired by way of gift are included in the accounts at valuation or fair value as determined by the charity. Assets purchased using restricted funds remain restricted throughout their useful lives.

Depreciation is provided with the intention of writing off the costs of tangible fixed assets over their useful lives. The provision is calculated using the straight line method over the following periods:

Computer equipment	5 years
Motor vehicles	5 years
Plant and machinery	5-10 years
Freehold buildings	20-50 years

Leasehold buildings and equipment are depreciated over the life of the lease, subject to a maximum of 50 years. Any land held under freehold is not depreciated.

If there is an indication that there has been a significant change in the useful life or residual value of an asset, the depreciation is revised prospectively to reflect the new expectations.

## Investments

Fixed asset investments are held to generate income or for their investment potential, or both. Listed investments are stated at mid-market value. Unlisted investments are stated at the year-end valuation, performed by WWT's investment advisors. As a result, the Statement of Financial Activities does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings as they are together treated as changes in the value of the investment portfolio throughout the year.

Investment properties are included in the balance sheet initially at cost and subsequently at their open market value, where the cost of acquiring the market value is, in the Trustees' opinion, economically worthwhile when compared with the expected change in value of the properties. In accordance with the Charities SORP (FRS 102) investment properties are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the Council, necessary in order to give a true and fair view of the financial position of the charity.

Where the charity holds properties for the furtherance of its charitable objectives they are included within tangible fixed assets. This is the case even if they are generating rentals, providing the rental income is incidental and not the reason they are held by the charity.

## Stocks and work-in-progress

Stocks are stated at the lower of cost and net realisable value and include all the costs incurred in bringing the goods to their present location.

Costs associated with long-term contracts are included in work in progress to the extent that they cannot be matched with contract work accounted for as turnover. Long-term contract balances included in work in progress are stated at cost, after provision has been made for any foreseeable losses and the deduction of applicable payments on account. Full provision is made for losses on all contracts in the year in which the loss is first foreseen.



## Notes to the financial statements

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No value is ascribed to the wildfowl collections maintained at the centres as the Council considers that to do so would not be consistent with the objects of WWT.

### Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments like trade debtors and creditors with no stated interest rate and receivable or payable within one year, which are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

### Debtors

Trade and other 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.

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value.

### Creditors and provisions

Creditors and provisions 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Costs in respect of operating leases, where substantially all the benefits and risks of ownership remain with the lessor rather than with WWT, are charged to the statement of financial activities on a straight line basis over the lease term.

Assets purchased under finance leases, where substantially all the benefits and risks of ownership transfer to WWT at the start of the lease, are capitalised as fixed assets. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charges. These are written off to the statement of financial activities over the period of the lease.

### Tax

Where applicable, income is recognised net of any output Value Added Tax and the cost of irrecoverable input Value Added Tax is accounted for in the same period as the expenditure on which it was occurred. Any adjustments made in a subsequent period, such as the Capital Goods Scheme or as a result of a change in calculation method agreed with HMRC, will be recognised as soon as they are known.

Any corporation tax payable in respect of the taxable profit of one of the subsidiary companies is recognised in the year in which the taxable profit is generated. In most years, no corporation tax is payable because the subsidiary companies distribute all the taxable profits to the charity.

Deferred taxation on timing differences arises from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. A deferred tax liability is recognised only where it is sufficiently material that it may not be covered by a future distribution from the subsidiary company to the parent under the Gift Aid scheme and it is probable it will represent a liability expected to crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that it is regarded as probable that they will be recovered. Deferred tax assets and liabilities are not discounted.

# Notes to the financial statements

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## Foreign currencies

Assets, liabilities, revenues and costs expressed in foreign currencies are translated into sterling at rates of exchange ruling on the date on which the transactions occur, except for:

- (i) monetary assets and liabilities which are translated at the rate ruling at the balance sheet date (other than those in (ii) below); and
- (ii) transactions to be settled at a contracted rate and trading transactions covered by a related or matching forward contract which are translated at those contracted rates.

Differences arising on the translation of such items are dealt with in the profit and loss account.

## Employment benefits

The group operates a defined benefit pension scheme, which has now ceased the accrual of future benefits. The funds are valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the company benefits from the employees' services. The effects of variations from regular cost are spread over the expected average remaining service lives of members of the scheme.

WWT also contributes to two defined contribution pension schemes. The assets of the schemes are held separately from those of WWT in independently administered funds. The principal defined contribution scheme is a group stakeholder personal pension plan invested in an ethical fund.

WWT also contributes to the Universities Superannuation Scheme, a multi-employer pension scheme.

## Termination costs

Provisions for termination benefits are recognised only when the company is demonstrably committed to terminate the employment of an employee or a group of employees or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy

## 3. Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make some judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure. However, the nature of estimation means that actual outcomes could differ from those estimates. The main assumptions in these accounts relate to the assessment of the recoverability of trade debtors and the assessment of the carrying value of stock.

In preparing these financial statements management judged that it was not possible to accurately quantify the contingent multi-employer defined benefit pension scheme liability explained in note 34(b). There were no other significant judgements made by management in the preparation of these financial statements.

## 4. Changes in accounting policies

There have been no changes in accounting policies during 2016/17.

## Notes to the financial statements

### 5. Financial performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiaries: the results of the shops and restaurants and the wetland consultancy businesses. The summary financial performance of the charity alone is:

	2017 £'000	2016 £'000
Income	17,317	18,575
Gift aid from subsidiary companies	913	246
	18,230	18,821
Expenditure	(18,189)	(16,908)
Gain / (loss) on investment	1,840	(147)
Pension unrealised (loss) / gain	(469)	37
Change in non-recoverable pension surplus	194	(299)
<b>Net income</b>	<b>1,606</b>	<b>1,504</b>
Total funds brought forward	38,620	37,116
<b>Total funds carried forward</b>	<b>40,226</b>	<b>38,620</b>
Represented by:		
Permanent endowment fund	2,346	2,013
Restricted funds	21,137	21,600
Unrestricted funds	16,743	15,007
	<b>40,226</b>	<b>38,620</b>

### 6. Income from donations

	Unrestricted 2017 £'000	Restricted 2017 £'000	Total 2017 £'000	Unrestricted 2016 £'000	Restricted 2016 £'000	Total 2016 £'000
Donations	273	755	1,028	403	552	955
Grants	469	368	837	242	462	704
Animal adoptions	-	134	134	-	120	120
	742	1,257	1,999	645	1,134	1,779

### 7. Income from legacies

	Unrestricted 2017 £'000	Restricted 2017 £'000	Total 2017 £'000	Unrestricted 2016 £'000	Restricted 2016 £'000	Total 2016 £'000
Legacies	1,399	330	1,729	3,104	257	3,361

## Notes to the financial statements

### 8. Income from charitable activities: wetland centres

	Unrestricted 2017 £'000	Restricted 2017 £'000	Total 2017 £'000	Unrestricted 2016 £'000	Restricted 2016 £'000	Total 2016 £'000
Admissions	3,453	-	3,453	3,546	-	3,546
Grants & contracts	352	288	640	355	723	1,078
Other income	588	-	588	570	-	570
	4,393	288	4,681	4,471	723	5,194

### 9. Income from charitable activities: wider conservation programmes

	Unrestricted 2017 £'000	Restricted 2017 £'000	Total 2017 £'000	Unrestricted 2016 £'000	Restricted 2016 £'000	Total 2016 £'000
Conservation science grants & contracts	171	312	483	191	13	204
Working wetlands grants & contracts	215	63	278	173	144	317
Consultancy	685	-	685	752	-	752
Other income	44	-	44	34	-	34
	1,115	375	1,490	1,150	157	1,307

### 10. Government funding

The charity received the following performance related government grants and contracts to fund wetland centres and wider conservation programmes.

	2017 £'000	2016 £'000
City of Sunderland	2	15
Darwin Initiative	172	131
Department of Energy and Climate Change	-	21
Department for Environment, Food and Rural Affairs	51	52
Environment Agency	96	149
Joint Nature Conservation Committee	31	30
London Borough of Richmond upon Thames	118	66
OFGEM	27	19
Rural Payments Agency	443	445
Scottish Natural Heritage	100	61
Scottish Rural Development Programme	-	33
	1,040	1,022

### 11. Income from membership subscriptions

	Unrestricted 2017 £'000	Restricted 2017 £'000	Total 2017 £'000	Unrestricted 2016 £'000	Restricted 2016 £'000	Total 2016 £'000
Membership subscriptions	6,958	-	6,958	6,568	-	6,568

## Notes to the financial statements

### 12. Income from shops, restaurants and other trading activities

	2017 £'000	2016 £'000
Shops at wetland centres	1,473	1,436
Restaurants at wetland centres	3,137	3,034
Sponsorship	318	396
Lottery	80	137
Other	165	164
	5,173	5,167

The lottery and £20k (2015/16: £5k) of other income was generated by the charity. All the income from the shops and restaurants, sponsorship and the remaining other income was generated by WWT's subsidiary company, WWT Trading. Note 38 has further details on WWT Trading. All the income from shops, restaurants and other trading activities is unrestricted.

### 13. Investment income

	2017 £'000	2016 £'000
Dividends and other income from listed securities	342	361
Interest receivable	11	28
	353	389

All investment income is unrestricted.

### 14. Costs of raising funds: donations and legacies

The costs of generating donations and legacies include the staff costs, printing, postage and other costs incurred as a result of raising donations, administering legacy income, applying for grants and publicising and fulfilling the animal adoption scheme. The costs include managing the relationships with many funders, including those supporting us through some performance related grants.

	Unrestricted 2017 £'000	Restricted 2017 £'000	Total 2017 £'000	Unrestricted 2016 £'000	Restricted 2016 £'000	Total 2016 £'000
Raising donations and legacies	352	209	561	371	52	423
Support costs (note 19)	212	-	212	184	-	184
	564	209	773	555	52	607

## Notes to the financial statements

### 15. Costs of raising funds: shops, restaurants and other

The costs of generating the income in the wetland centre shops and restaurants and other income from other trading activities include the costs of the products sold in the shops, the restaurants' food, staff costs and support costs. Support costs include depreciation on WWT Trading fixed assets. These activities operate through the charity's subsidiary WWT Trading, further details of which are in note 38. All these costs are unrestricted.

	2017 £'000	2016 £'000
Shops at wetland centres	1,349	1,254
Restaurants at wetland centres	2,625	2,229
Other trading costs	25	95
Support costs (note 19)	828	720
	4,827	4,298

### 16. Expenditure on charitable activities: wetland centres

The costs of wetland centres include the staff, maintenance and other costs associated with managing the experience for our visitors, grounds, reserves and caring for the wetland wildlife at the nine UK wetland centres. We manage over 3,000 hectares including one Area of Special Scientific Interest (ASSI), seven Sites of Special Scientific Interest (SSSIs), six Special Protection Areas (SPAs) and six Ramsar sites. Also included are the central costs of designing and developing new exhibits at centres, developing new and engaging visitor experiences and learning programmes, managing the collections of captive animals and overseeing the management of the reserves. The majority of unrestricted support costs and all the restricted support costs consist of depreciation on capital assets.

	Unrestricted 2017 £'000	Restricted 2017 £'000	Total 2017 £'000	Unrestricted 2016 £'000	Restricted 2016 £'000	Total 2016 £'000
Arundel	653	86	739	640	69	709
Caerlaverock	247	12	259	228	70	298
Castle Espie	506	1	507	465	6	471
Llanelli	488	(22)	466	472	73	545
London	1,168	144	1,312	1,264	77	1,341
Martin Mere	921	25	946	947	12	959
Slimbridge	1,785	323	2,108	1,852	35	1,887
Washington	507	(79)	428	528	138	666
Welney	327	32	359	341	29	370
Central developments, aviculture, learning & reserve management	1,085	323	1,408	721	272	993
Support costs (note 19)	1,458	1,005	2,463	1,470	966	2,436
	9,145	1,850	10,995	8,928	1,747	10,675

## Notes to the financial statements

### 17. Expenditure on charitable activities: wider conservation programmes

The costs of the wider conservation programmes consist of the cost of conservation science, conservation action, working wetlands, advocacy and campaigning and consultancy. The consultancy is conducted through the subsidiary company WWT Consulting (note 38).

	Unrestricted 2017 £'000	Restricted 2017 £'000	Total 2017 £'000	Unrestricted 2016 £'000	Restricted 2016 £'000	Total 2016 £'000
Conservation science	835	155	990	631	134	765
Conservation action	408	541	949	282	422	704
Working wetlands	408	111	519	47	187	234
Advocacy & campaigns	324	239	563	514	13	527
Consultancy	640	-	640	594	-	594
Support costs (note 19)	397	-	397	469	-	469
	3,012	1,046	4,058	2,537	756	3,293

### 18. Expenditure on charitable activities: membership subscriptions

Membership costs consist of the production of the membership magazine, maintaining membership details and the recruitment of new members. All these costs are unrestricted.

	2017 £'000	2016 £'000
Membership	1,934	1,896
Support costs (note 19)	378	309
	2,312	2,205

### 19. Support costs

	Mgmt £'000	Finance £'000	People £'000	IT £'000	Other £'000	Gov £'000	Depn £'000	2017 £'000	2016 £'000
Costs of raising funds: donations	48	43	31	26	10	15	39	212	184
Costs of raising funds: shops & restaurants	167	141	97	136	41	83	163	828	720
Wetland centres	281	186	215	178	69	108	1,426	2,463	2,436
Conservation science	7	15	25	21	8	13	31	120	175
Conservation action	5	5	17	14	5	8	14	68	97
Working wetlands	39	8	13	11	4	7	16	98	84
Advocacy & campaigns	14	5	9	8	3	5	11	55	50
Consultancy	10	14	10	14	-	8	-	56	63
Membership	59	160	39	33	13	20	54	378	309
	630	577	456	441	153	267	1,754	4,278	4,118

Support costs are allocated on the following basis:

Management (Mgmt)	Staff numbers
Finance	Budget
HR and volunteering (People)	Staff numbers
Information Technology (IT)	Staff numbers
Other	Staff numbers
Governance (Gov)	Staff numbers
Depreciation (Depn)	Staff numbers (except for depreciation on restricted assets)

## Notes to the financial statements

### 20. Governance

Included within support costs above are the governance costs of the charity. These include the costs of meeting the charity's constitutional and statutory requirements.

	2017 £'000	2016 £'000
Audit fee	11	11
Legal fees	27	39
Public & employer's liability insurance	75	67
Pension administration	59	77
Management time spent on governance	20	22
Finance time spent on governance	29	28
Human resources time spent on governance	11	10
Other direct costs	35	16
	267	270

### 21. Net income / (expenditure) for the year

This is stated after charging:

	2017 £'000	2016 £'000
Amortisation	169	68
Depreciation	1,620	1,590
Council's remuneration	-	-
Council's reimbursed expenses	4	3
Trustee indemnity insurance	2	2
Auditors' remuneration:		
Audit services	17	17
Non-audit services	8	4
Operating lease rentals:		
Property	165	165
Other	79	50

### 22. Employee information

The costs of staff employed by WWT during the year are shown below:

	2017 £'000	2016 £'000
Costs		
Wages and salaries	10,234	9,273
Social security costs	846	751
Pension costs – defined contribution scheme	317	293
Pension costs – USS multi-employer scheme	6	5
Pension costs – final salary scheme	275	1,925
Contributions received into final salary scheme	(275)	(1,925)
Termination costs	5	45
	11,408	10,367



## Notes to the financial statements

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The headcount and average full-time equivalent (FTE) number of persons employed by WWT during the year are shown below:

		2017 Number	2016 Number
Costs of raising funds:	headcount	364	236
	FTE	124	110
Charitable activities:	headcount	494	380
	FTE	294	268
Total:	headcount	858	616
	FTE	418	378

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No directors (Council Members) of The Wildfowl & Wetlands Trust received any emoluments from WWT during the year (2015/16: none). During the year, out-of-pocket expenses totalling £3,895 (2015/16: £2,834) were paid to Council Members. The total cost of Council Member expenses was higher than this, but some Trustees chose to waive their expenses. The Trustees do not consider it economically worthwhile to collect data on waived expenses so the value of this has not been quantified.

The key management personnel of the group comprise the Trustees, who are not remunerated for these roles and give freely of their time, members of Management Board and the Managing Director of WWT Trading. The total employee remuneration of key management personnel for the group was £530k (2015/16: £521k) plus pension contributions of £33k (2015/16: £33k).

Employees received emoluments (excluding pension contributions) in excess of £60,000 within the following ranges:

	2017 Number	2016 Number
£60,001 to £70,000	2	2
£70,001 to £80,000	2	2
£80,001 to £90,000	1	1
£100,001 to £110,000	-	-
£110,001 to £120,000	1	1

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These employees accrued benefits of £33k (2015/16: £33k) into a money purchase pension scheme.

### 23. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The group's tax liability is usually minimised by the donation of taxable profit by the subsidiary companies to the charity under the Gift Aid scheme. The Trustees agreed that the subsidiary company WWT Consulting may retain a proportion of its profits from 2015/16 within the subsidiary for investment in future growth. In 2015/16 WWT Consulting intended to retain all its profits and £26k of corporation tax due on these profits was provided for. In 2016/17 the company donated £60k to the charity out of the retained profits, reducing the corporation tax bill by £15k. The adjustment has been accounted for in 2016/17.

## Notes to the financial statements

### 24. Intangible fixed assets

<b>Group</b>	Computer software £'000	Entitlements £'000	Total £'000
<b>Cost</b>			
At 31 March 2016	518	24	542
Additions	22	-	22
Transfers	79	-	79
<b>At 31 March 2017</b>	<b>619</b>	<b>24</b>	<b>643</b>
<b>Accumulated amortisation</b>			
At 31 March 2016	114	3	117
Charge for year	167	2	169
<b>At 31 March 2017</b>	<b>281</b>	<b>5</b>	<b>286</b>
<b>Net book value</b>			
At 31 March 2017	338	19	357
At 31 March 2016	404	21	425
<b>Charity</b>			
<b>Cost</b>			
At 31 March 2016	351	24	375
Additions	-	-	-
<b>At 31 March 2017</b>	<b>351</b>	<b>24</b>	<b>375</b>
<b>Accumulated amortisation</b>			
At 31 March 2016	114	3	117
Charge for year	113	2	115
<b>At 31 March 2017</b>	<b>227</b>	<b>5</b>	<b>232</b>
<b>Net book value</b>			
At 31 March 2017	124	19	143
At 31 March 2016	237	21	258

The entitlements are entitlements to agricultural grants.

The transfers within the Group accounts of £79k related to assets in development during 2015/16 which were transferred from Tangible to Intangible fixed assets during 2016/17.

## Notes to the financial statements

### 25. Tangible fixed assets

Group	Land and buildings £'000	In development £'000	Plant and machinery £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
<b>Cost</b>						
At 31 March 2016	25,907	757	10,638	389	1,604	39,295
Additions	896	442	610	-	68	2,016
Disposals	-	-	(4)	(44)	-	(48)
Transfers	276	(536)	170	-	11	(79)
At 31 March 2017	27,079	663	11,414	345	1,683	41,184
<b>Accumulated depreciation</b>						
At 31 March 2016	8,645	-	8,255	366	1,527	18,793
Charge for year	963	-	641	9	7	1,620
Disposals	-	-	(4)	(44)	-	(48)
At 31 March 2017	9,608	-	8,892	331	1,534	20,365
<b>Net book value</b>						
At 31 March 2017	17,471	663	2,522	14	149	20,819
At 31 March 2016	17,262	757	2,383	23	77	20,502
<b>Charity</b>						
<b>Cost</b>						
At 31 March 2016	25,707	515	9,671	387	1,359	37,639
Additions	896	438	414	-	68	1,816
Disposals	-	-	(4)	(44)	-	(48)
Transfers	276	(317)	30	-	11	-
At 31 March 2017	26,879	636	10,111	343	1,438	39,407
<b>Accumulated depreciation</b>						
At 31 March 2016	8,627	-	7,556	365	1,286	17,834
Charge for year	953	-	545	9	5	1,512
Disposals	-	-	(4)	(44)	-	(48)
At 31 March 2017	9,580	-	8,097	330	1,291	19,298
<b>Net book value</b>						
At 31 March 2017	17,299	636	2,014	13	147	20,109
At 31 March 2016	17,080	515	2,115	22	73	19,805

As at 31 March 2017 and 31 March 2016 there were no assets held under finance lease.

The charity's land and buildings recorded here are held by Wildfowl Trust (Holdings) Ltd, a wholly owned subsidiary of the charity, which does not trade but acts as trustee of property for WWT.

Included within land and buildings are assets held on long-term lease. As at 31 March 2017 their total cost was £9,673k (2015/16: £8,898k) and their accumulated depreciation was £3,055k (2015/16: £2,690k). The remaining assets under Land and Buildings are all freehold property.

## Notes to the financial statements

### 26. Fixed asset investments

Total fixed asset investments comprise:

	Group		Charity	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Listed investments	12,942	11,110	12,942	11,110
Investment property	599	400	599	400
Investment in subsidiary companies	-	-	435	435
	13,541	11,510	13,976	11,945

#### a) Listed investments

	2017 £'000	2016 £'000
Group and Charity		
Market value		
At start of the year	11,110	11,168
Change in cash holding	132	(143)
Unrealised gains / (losses)	1,596	(240)
Realised gains	244	93
Equalisation	-	(3)
Transfers in	-	-
Purchase of additional investments	3,401	2,543
Sale of investments	(3,541)	(2,308)
Market value at end of the year	12,942	11,110
Historical cost at end of the year	10,257	10,164
Fixed interest securities – UK	1,019	1,211
Equity shares – UK	6,305	5,377
Equity shares – overseas	4,542	3,589
Property funds	588	586
Alternative investments	197	190
Liquid assets	291	157
	12,942	11,110

Investments representing over 5% by value of the portfolio comprised:

	2017 £'000	2016 £'000
UBS ETF PLC MSCI UK SOC RES UCITS ETF FND CL-A GBP	1,057	958
UBS INV FUNDS ICVC S&P500 INDX FUND SHS CLASS J GBP DIST	1,396	1,088
ISHARES II PLC CORE UK GILTS UCITS ETF GBP	777	660

#### b) Investment property

	2017 £'000	2016 £'000
Group and Charity		
Cost / valuation		
At start of the year	400	400
Additions at cost	199	-
At end of the year	599	400

The investment property addition during the year was donated as part of a legacy and it has been independently valued. The Trustees have not had the existing properties revalued as the cost of doing so would be disproportionate to the expected change in value of the properties.

## Notes to the financial statements

### c) Investment in subsidiary companies

Investments held by the charity include an additional £435k (2016: £435k) investment in the subsidiary companies at cost (see note 38).

## 27. Stocks and work in progress

	Group		Charity	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Goods for resale	529	473	-	-
Livestock	28	28	28	28
Work in progress	314	56	-	-
	871	557	28	28

The livestock are cattle farmed at the Martin Mere and London centres. No value in these accounts relates to the wildfowl collections at centres, as to include such a value would not be consistent with the objects of WWT.

## 28. Debtors

	Group		Charity	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Trade debtors	1,055	1,415	305	554
Amounts owed by subsidiaries	-	-	3,289	1,972
Other debtors	1,327	1,159	1,447	1,160
Prepayments and accrued income	1,411	1,438	1,251	1,392
	3,793	4,012	6,292	5,078

## 29. Creditors: amounts falling due within one year

	Group		Charity	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Trade creditors	856	1,039	661	758
Amounts owed to subsidiaries	-	-	-	394
Corporation tax liability	-	26	-	-
Other taxation and social security	386	316	386	316
Other creditors	98	97	91	93
Accruals and deferred income	1,130	783	991	619
	2,470	2,261	2,129	2,180

## 30. Creditors: amounts falling due after one year

Creditors falling due after more than one year are £nil (2016: £nil).

## Notes to the financial statements

### 31. Analysis of group net assets between funds

	Permanent endowment fund £'000	Restricted funds £'000	Designated funds £'000	General funds £'000	Total 2017 £'000	Total 2016 £'000
Tangible and intangible fixed assets	-	15,254	5,922	-	21,176	20,927
Investments	2,346	2,829	6,594	1,772	13,541	11,510
Net current assets	-	3,054	1,228	1,386	5,668	7,006
<b>Net assets</b>	<b>2,346</b>	<b>21,137</b>	<b>13,744</b>	<b>3,158</b>	<b>40,385</b>	<b>39,443</b>

### 32. Movement in funds (group)

	At the start of the year £'000	Incoming resources £'000	Outgoing resources £'000	Transfers £'000	Gains / (losses) £'000	At the end of the year £'000
Permanent endowment fund	2,013	-	-	-	333	2,346
Restricted funds:						
Wetland centres & reserves:						
Arundel	1,243	84	(85)	(24)	-	1,218
Caerlaverock	52	30	(12)	-	-	70
Castle Espie	109	1	(1)	(18)	-	91
Llanelli	1	21	23	(24)	-	21
London	452	231	(143)	(322)	-	218
Martin Mere	2,024	260	(24)	(378)	-	1,882
Slimbridge	676	397	(367)	(119)	-	587
Washington	132	48	79	(110)	-	149
Welney	205	14	(33)	(14)	-	172
Learning	400	64	(248)	(5)	-	211
Wider conservation programmes	1,050	852	(829)	159	-	1,232
Other	44	248	(460)	200	-	32
Capital	15,212	-	(1,005)	1,047	-	15,254
<b>Total restricted funds</b>	<b>21,600</b>	<b>2,250</b>	<b>(3,105)</b>	<b>392</b>	<b>-</b>	<b>21,137</b>
Unrestricted funds:						
Designated funds:						
Contingency reserve	6,759	-	-	-	-	6,759
Planned projects reserve	2,614	-	-	(1,386)	-	1,228
Fixed asset reserve	5,160	199	-	248	-	5,607
Pension reserve	-	-	-	150	-	150
General funds	1,297	19,965	(20,207)	596	1,507	3,158
<b>Total unrestricted funds</b>	<b>15,830</b>	<b>20,164</b>	<b>(20,207)</b>	<b>(392)</b>	<b>1,507</b>	<b>16,902</b>
<b>Total funds</b>	<b>39,443</b>	<b>22,414</b>	<b>(23,312)</b>	<b>-</b>	<b>1,840</b>	<b>40,385</b>

#### Permanent endowment fund

The permanent endowment fund represents donations made where the donor requested that the capital be invested and the income earned on the capital used by the charity. Income earned on this fund is recognised in the General funds. Any market value gains or losses are recognised within this fund.

# Notes to the financial statements

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## Restricted funds

Restricted funds are funds for which the donor has specifically restricted the purpose for which it can be used. These funds are recorded individually by project but, for ease, are broadly categorised in these accounts by activity.

The restricted capital fund represents the net book value of those tangible fixed assets purchased from restricted funds, including most of the land and buildings owned by the charity.

## Designated funds

Designated funds are unrestricted funds to which the Council has assigned a specific purpose. The Council's reserves policy includes setting aside sufficient funds to cover the charity's unrestricted essential expenditure for a period of up to six months. This is included within the contingency reserve and this level is set according to the Trustees' assessment of risks affecting the organisation's need for funding to protect WWT in the event of an emergency.

The planned projects reserve relates to funds set aside for planned investments due to be made in the charity over the next few years as part of WWT's strategic plan.

The fixed asset reserve represents the net book value of unrestricted fixed assets that cannot be easily disposed of as these are not liquid resources immediately available to the charity.

The pension fund had previously been set aside to build a prudent provision towards the scheduled defined benefit pension scheme contributions. During 2015/16 the fund was paid across to the pension scheme as a lump sum in order to reduce the scheme deficit. The fund now represents the first year of a savings plan to set aside funds for payment of the USS pension liability (note 34b).

## General funds

The general funds represent those unrestricted funds that are freely available for use on the general running costs of the charity.

## Transfers between funds

Within restricted funds, transfers have been made to capital, representing funded capital projects that have been completed.

The transfer between the general fund and the fixed asset designated fund is an annual adjustment to ensure this reserve is equal to the net book value of unrestricted fixed assets that cannot be easily disposed of.

The transfer between the general fund and the contingency fund represents an annual update to the designated funds set aside to cover the charity's unrestricted essential expenditure for a period of up to six months.

The transfer between the general fund and the planned projects fund represents funds allocated to planned investments as part of WWT's strategic plan, funded by legacies.

The transfer between the general fund and the pension reserve comprises the annual savings plan for the USS liability.

The transfer between unrestricted and restricted funds predominantly consists of the donations of sponsorship profit from WWT Trading (treated as unrestricted funds in the consolidated accounts) to the charity for specific, restricted purposes (treated as restricted funds in the consolidated accounts). A transfer of funds is also sometimes necessary to meet a shortfall in the funding of some projects that were largely funded through restricted grants and donations.

## 33. Post balance sheet events

On 1 June 2017 the charity provided its subsidiary company, WWT Consulting, with a three year loan facility. Initially the sum available to the company is £500k, reducing over the three years. This loan has been put in

## Notes to the financial statements

place to provide working capital during the planned investment phase and to support the cash flow demands of a strategically important contract in Dubai.

### 34. Pension commitments

#### (a) Defined benefit scheme

WWT operates a funded pension scheme providing benefits based on final pensionable pay. The scheme was closed to new entrants from 1 April 1997 and ceased further accrual of future benefits on 31 October 2005.

A qualified actuary, who is not an officer or employee of WWT, calculates the outstanding liability at the end of each year. A full actuarial valuation is performed every three years. The most recent actuarial valuation was carried out as at 31 March 2015 and showed the scheme in deficit by £3,114k.

The liabilities of the plan have been estimated for the purposes of FRS 102 based on the results of the funding actuarial valuation as at 31 March 2015, adjusted for the different assumptions required under FRS 102 and taking into consideration subsequent cashflows. The FRS 102 valuation at 31 March 2017 shows a surplus of £105k; this has not been recognised in these accounts.

Since the scheme ceased further accrual in 2005, there has been no pension charge. However, WWT has paid £275k in cash (2015/16: £275k) to the scheme during the year in accordance with the schedule of contributions plus a one off payment of £1,650k during 2015/16, and has paid the premiums for death-in-service cover provided under the scheme, as requested by the insurer. Over the next year to 31 March 2018 WWT expects to make contributions of £275k, continuing for a period of 5 years. Whilst the scheme is showing a surplus according to FRS 102 calculations, WWT will continue to fund the scheme based on the full actuarial valuation.

The employer and the Trustees of the pension scheme have agreed funding objectives and these are set out in the Statement of Funding Principles dated 12 April 2016.

The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) were as follows:

	2017 % p.a.	2016 % p.a.
Discount rate	2.6	3.5
RPI assumption	3.3	3.0
CPI assumption	2.3	2.0
LPI pension increases	3.2	2.9

The underlying mortality assumption is based upon the standard table known as S2PA on a year of birth usage with CMI\_2016 future improvement factors and a long term rate of future improvement of 1.0% per annum (2016: S2PA with CMI\_2015 future improvement factors and a long-term future improvement rate of 1.0% p.a.). This results in the following life expectancies:

- Male age 65 now has a life expectancy of 21.9 years (previously 22.0 years)
- Female age 65 now has a life expectancy of 23.7 years (previously 24.0 years)

The amounts recognised in the balance sheet as at 31 March 2017 (with comparative figures for the year ending 31 March 2016) are as follows:

	2017 £'000	2016 £'000
Present value of plan liabilities	(16,967)	(13,423)
Market value of scheme assets	17,072	13,722
Surplus in the plan	105	299
Adjustment for non-recoverable surplus	(105)	(299)
Net defined benefit asset / (liability)	-	-



## Notes to the financial statements

The amounts to be recognised in the Statement of Financial Activities for the year ending 31 March 2017 (with comparative figures for the year ending 31 March 2016) are as follows:

	2017 £'000	2016 £'000
Current service cost	-	-
Administrative expenses	-	-
Interest on net defined benefit (asset) / liability	-	23
(Gain) / loss on plan changes	-	-
Curtailment (gain) / loss	-	-
<b>Total</b>	<b>-</b>	<b>23</b>

Changes in the present value of the plan liabilities for the year ending 31 March 2017 (with comparative figures for the year ending 31 March 2016) are as follows:

	2017 £'000	2016 £'000
Present value of plan liabilities at beginning of period	13,423	13,968
Current service cost	-	-
Interest on plan liabilities	462	454
Actuarial losses / (gains)	3,502	(555)
Benefits paid	(420)	(444)
<b>Present value of plan liabilities at the end of period</b>	<b>16,967</b>	<b>13,423</b>

Changes in the fair value of the plan assets for the year ending 31 March 2017 (with comparative figures for the year ending 31 March 2016) are as follows:

	2017 £'000	2016 £'000
Market value of plan assets at beginning of period	13,722	12,328
Interest on plan assets	462	431
Return on assets, less interest included in Profit & Loss	3,033	(518)
Benefits paid	(420)	(444)
Contributions paid by the company	275	1,925
<b>Market value of plan assets at end of period</b>	<b>17,072</b>	<b>13,722</b>
<b>Actual return on plan assets</b>	<b>3,495</b>	<b>(87)</b>

The major categories of plan assets as a percentage of total plan assets for the year ending 31 March 2017 (with comparative figures for the year ending 31 March 2016) are as follows:

	2017	2016
Equities	21%	20%
Annuities	32%	32%
Bonds	27%	27%
Absolute return	20%	20%
Cash	0%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The plan has no investments in property occupied by, assets used by or financial instruments issued by WWT.

## Notes to the financial statements

Analysis of the remeasurement of the net defined benefit liability recognised in the Statement of Financial Activities for the year ending 31 March 2017 (with comparative figures for the year ending 31 March 2016) are as follows:

	2017 £'000	2016 £'000
Return on assets, less interest included in Profit & Loss	3,033	(518)
Experience gains and losses arising on plan liabilities	(9)	(195)
Changes in assumptions underlying the present value of plan liabilities	(3,493)	750
Change in non-recoverable surplus	194	(299)
Remeasurement of net defined benefit liability recognised in the Statement of Financial Activities	(275)	(262)

Movement in net defined benefit asset / (liability) during the year ending 31 March 2017 (with comparative figures for the year ending 31 March 2016) are as follows:

	2017 £'000	2016 £'000
Net defined benefit asset / (liability) at beginning of year	-	(1,640)
Recognised in Profit and Loss	-	(23)
Contributions paid by the company	275	1,925
Remeasurement of net defined benefit liability recognised in Statement of Financial Activities	(275)	(262)
Net defined benefit asset (liability) at end of the year	-	-

### Funding Policy

Funding valuations are carried out every three years on behalf of the Trustees of the plan, by a qualified independent actuary. The actuarial assumptions underlying the funding valuation are different to those adopted under FRS 102. The last such valuation was at 31 March 2015. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A recovery plan has been agreed with WWT which commits WWT to paying contributions to fund the shortfall. These deficit reduction contributions are incorporated into the plan's Schedule of Contributions signed on 12 April 2016 and are as follows: Annual contributions of not less than £275k per annum payable for 6 years from 1 April 2015 together with a lump sum of £1,650k paid on 1 March 2016. These payments are subject to review following the next funding valuation, due as at 31 March 2018.

### (b) Multi-employer defined benefit scheme

WWT has one employee who contributes into the Universities Superannuation Scheme (USS), a multi-employer pension scheme. There are also 19 pensioners and deferred members of the scheme. During the year, we paid contributions of £6k (2015/16: £5k) into the scheme for the one active member. The scheme is in deficit; the most recent formal valuation of the scheme was at 31 March 2014, a deficit of £5.3 billion. The universities and other employers within the scheme have agreed to fund this liability through increased contributions. As at 31 March 2017 WWT had a commitment to pay, as part of the annual contributions over the next few years, a sum of approximately £9k. This liability has not been recognised in the accounts. Were WWT to withdraw from the scheme in the future, WWT would have to fund the remaining liability relating to all 20 WWT members of the scheme on a buyout basis. It is not possible to accurately quantify the size of this liability or the date at which it may become payable. Trustees have established a plan to set aside £150k each year for the next few years in a pension reserve in readiness for the payment of this liability.

### (c) Defined contribution schemes

From 1 April 1997, WWT has contributed to a defined contribution Group Stakeholder Personal Pension Plan (GSPPP) currently invested in Aviva. The pension charge for the year was £308k (2015/16: £284k).

## Notes to the financial statements

During 2013/14 WWT started to contribute into the National Employment Savings Trust (NEST), a defined contribution workplace pension scheme. The pension charge for the year was £4k (2015/16: £4k).

WWT also contributes to one other scheme that is a defined contribution scheme. The assets of the scheme are held separately from those of WWT in independently administered funds. The pension charge for these funds was £6k (2015/16: £5k).

Included within Other Creditors are outstanding contributions of £54k (2015/16: £48k).

### 35. Capital commitments

	2017 £'000	2016 £'000
Authorised and contracted for	846	214
Authorised but not contracted for	847	2,091

At 31 March 2017, WWT was committed to a number of capital projects at WWT wetland centres to improve and develop the visitor experience, including £461k on the Arundel flood resilience project, and £50k to upgrade the café outdoor space at Slimbridge. Further projects were approved but not yet contracted, including developing new office accommodation at Slimbridge, a Pond Zone at Martin Mere and a discovery hide at Castle Espie.

### 36. Operating lease commitments

The Group had total commitments at the year-end under non-cancellable operating leases as follows:

	2017		2016	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Due within one year	131	68	131	50
Due between two and five years	504	73	504	46
Due in over five years	3,950	-	4,076	-
	4,585	141	4,711	96

The land and buildings operating lease commitments due in over five years relate to long-term leases of some of our wetland centres. Some leases are as long as 98 years, and the figures above are the total commitments over the full length of the lease.

### 37. Related party transactions and transactions with Trustees

We are not aware of any related party transactions in the year (2015/16: £nil). As disclosed in note 22, out of pocket expenses totalling £3,895 (2015/16: £2,834) were paid to Council Members. Donations received from Council Members totalled £3,140 (2015/16: £720).

As disclosed in note 33, a loan facility has been provided by the charity to WWT Consulting after the end of the year.

### 38. Trading subsidiaries

The charity has four wholly owned trading subsidiaries, which are registered in England and Wales. WWT (Trading) Ltd (registered company 2541350) carries out commercial activities, mainly retail and catering. WWT (Consulting) Ltd (registered company 2277255) provides environmental consultancy services. Wetlands Advisory Service Ltd (registered company 3050829) is dormant. Wildfowl Trust (Holdings) Ltd (registered company 587114) does not trade, but acts as trustee of property which is dealt with in the

## Notes to the financial statements

accounts of WWT. Usually all the companies donate their taxable profits to WWT. In 2015/16 the charity agreed that WWT (Consulting) Ltd would retain a proportion of its profits for the year in order to grow the company.

A summary of the trading results for WWT (Trading) Ltd and WWT (Consulting) Ltd is shown below. Accounts, audited where applicable, for all companies are filed with the Registrar of Companies at Companies House each year.

### Statements of comprehensive income

		WWT (Trading) Ltd		WWT (Consulting) Ltd	
		Year ended 31 Mar 2017 £'000	Year ended 31 Mar 2016 £'000	Year ended 31 Mar 2017 £'000	Year ended 31 Mar 2016 £'000
Turnover	- third party	5,073	5,025	686	752
	- group	57	61	76	117
Cost of sales	- third party	(3,524)	(2,871)	(243)	(253)
	- group	(57)	(61)	(76)	(117)
Gross profit		1,549	2,154	443	499
Administration costs		(1,300)	(1,376)	(458)	(370)
Operating profit / (loss)		249	778	(15)	129
Interest received		2	3	-	-
Tax on profit / (loss) on ordinary activities		-	-	15	(26)
Total comprehensive income for the year		251	781	-	103

The assets and liabilities of the companies were:

Fixed assets	923	864	1	-
Current assets	2,137	2,008	1,181	2,247
Current liabilities	(2,580)	(1,791)	(1,066)	(2,071)
Total net assets	480	1,081	116	176
Share capital – £1 ordinary shares	350	350	85	85
Retained profits	130	731	31	91

The above subsidiary accounts are before consolidation adjustments.

## Notes to the financial statements

### 39. Reconciliation of changes in resources to net cash inflow from operating activities (group)

	2017 £'000	2016 £'000
Net incoming resources before other recognised gains / losses	(623)	2,554
Depreciation on tangible fixed assets	1,620	1,590
Amortisation of intangible fixed assets	169	68
Transfer in of fixed asset investment	(199)	-
Investment income and interest	(353)	(389)
Pension other costs	-	23
Profit on sale of fixed assets	(15)	-
Loss on disposal of fixed assets	-	(1)
Cash movement in fixed asset investment valuation	(132)	143
(Increase) / decrease in stock	(314)	47
Decrease / (increase) in debtors	219	(1,356)
Increase / (decrease) in creditors (excluding movements in finance leases)	209	(288)
(Decrease) in pension liability (excluding new actuarial gains / losses)	(275)	(1,925)
Net cash inflow from operating activities	306	466

### 40. Reconciliation of net cash inflow to movement in net funds

	2017 £'000	2016 £'000
Decrease in cash in the year and movement in net funds in the year	(1,224)	(1,290)
Net funds at start of the year	4,698	5,988
Net funds at end of the year	3,474	4,698

### 41. Analysis of net funds

	2017 £'000	2016 £'000
Cash at bank and in hand	3,474	4,698
Loans and finance leases	-	-
	3,474	4,698

## Notes to the financial statements

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### 42. Donors and grant funders

We are extremely grateful to all those individuals, companies, government agencies, grant-making bodies and other organisations who assisted WWT's work during 2016/17.

WWT's Patrons are as follows:

Ian and Jane Anderson	Dr and Mrs E Lambert
Michèle Bailey and Ian Davis	Mr and Mrs Ben Lundie
Dr John and Mrs Sarah Barney	Rosemary Mason and Palle Uhd Jepson
Anthony and Alison Blackwell	Judy Matthews
Martin Blakey	Roger Miller
Simon and Elaine Brown	Claudine Pendry
Dr Jane Bradbury and Dr Michael Clark	David and Gillian Prichard
Val Coney and Taff Jones	Keith Roper
Peter Day	Rosemary Sharpe
Tony Gale	Hannah Stebbings
Edward Giles	John Stevenson
Annie and John Harris	Rupert Stocks
Andrew Harrison	Hazel Trapnell
Joan Harvey	Mo and Ron Warren
Anne Hawkins	Anthony Wassell
Mr and Mrs J J Howes	Tom Wilde
Adam Huttly	

We would like to acknowledge the gifts generously left in the wills of many kind benefactors.

Grants were received from the following through the Landfill Communities Fund:

Veolia Environmental Trust  
Viridor Credits Environmental Company

Other organisations from whom support was received include:

Critical Ecosystem Partnership Fund  
Darwin Initiative through UK Government Funding  
Environment Agency  
European Commission - LIFE  
Heritage Lottery Fund  
HSBC Bank plc  
Leica Camera AG  
Support of players of People's Postcode Lottery  
Thames Water Ltd  
The Patron's Fund  
Transglobe Expedition Trust

## Administrative information

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### Membership of the Council

The members of the Council as at 31 March 2017, all of whom were members for the whole of the year ended on that date and until the date of this report unless stated otherwise, are listed below:

Peter Day (Chairman)

Sir Graham Fry KCMG (until 6 October 2016)

Martin Birch

Barnaby Briggs

Anna Carragher

Pamela Castle

Prof Alastair Driver

Simon Tonge

### *Finance Committee*

Martin Birch (Chairman)

Barnaby Briggs

Peter Day

David Milne QC

Elizabeth Rae (from 15 September 2016)

### *Audit and Risk Committee*

Simon Tonge (Chairman)

Sir Graham Fry KCMG (until 6 October 2016)

Robert Falkner

### *Remuneration Committee*

Peter Day (Chairman)

Martin Birch

Barnaby Briggs

### *Nominations Committee*

Peter Day (Chairman)

Barnaby Briggs

Pamela Castle

Martin Spray CBE

### Management Board

Martin Spray CBE (Chief Executive)

Kevin Peberdy (Chief Operating Officer)

Deborah Pain (Director of Conservation)

Ruth Seymour (Director of Marketing and  
Supporter Development)

Nicola Spencer (Director of Finance and Support)

Ian Wilson (Director of Operations)

### Company information

*Registered office*

Slimbridge

Gloucestershire

GL2 7BT

*Company Secretary*

Nicola Spencer

Company registration number 2882729

Registered charity number 1030884 (England & Wales)

Scottish charity registration number SC039410

VAT registration number 618368028

For more information visit our website:

[www.wwt.org.uk](http://www.wwt.org.uk)

### Advisers

#### *Principal bankers*

National Westminster Bank plc

21 Eastgate Street

Gloucester

GL1 1NY

#### *Auditors*

Mazars LLP

90 Victoria Street

Bristol

BS1 6DP

#### *Investment managers*

UBS Wealth Management

1 Curzon Street

London

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