



**WWT**

# **Report of Trustees and Annual Accounts 2017/18**





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## 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 2018. 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 2018 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 messages

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It is now more than 70 years since Sir Peter Scott founded the Severn Wildfowl Trust, setting a visionary direction for conservation of wetlands and its wildlife which we continue to embrace. Thanks to the dedication of our supporters, staff and volunteers, WWT has made progress every year since 1946 towards meeting the many and varied challenges of wetland wildlife conservation, both here in Britain and across the globe. The past year has been no exception as we celebrate another successful year for the Trust.

As you are aware The Prince of Wales, our ex-President, has always been a strong supporter of our cause and was welcomed last year as our new Patron. We are delighted that television presenter, author and WWT Vice President Kate Humble, with whom we have worked for many years, has graciously agreed to become our new President, and we look forward to Kate taking on this most important public facing role. We are also pleased to have three new Vice Presidents: Mike Dilger, author, ecologist and television presenter; Stanley Johnson, environmentalist; and David Lindo, author and well known Urban Birder. Through their tremendous support for our work and prominence in the conservation world, they will all add greatly to our ability to connect with the wider public in delivering our messages about wetland and wildlife conservation.

Last autumn we were delighted to hear WWT had been successful in its bid to the Heritage Lottery Fund in support of Slimbridge 2020. The project, one of the largest ever undertaken by WWT, will be transformational for the Centre, enabling Sir Peter Scott's house and heritage to become a truly living legacy accessible for the first time. This creative development will provide a stunning array of new experiences to inspire a growing and increasingly diverse group of supporters to develop an ever more positive attitude towards wetlands and their wildlife.

In partnership with the Environment Agency, completion of the nearly 500 hectare managed coastal re-alignment project at WWT Steart Marshes created one of the largest new working wetland reserves in Britain. A landscape has been developed which combines protection against storm events and flooding with creation of wetland habitat of great biodiversity and recreational access for visitors. Besides reducing flood risk for the local area, this nationally significant project has become a major new resource for Somerset in demonstrating how wetlands can work both for wildlife and people. The popularity of the reserve has increased rapidly since opening in 2014, and now enjoys more than 48,000 visitors each year supported by more than 60 volunteers and staff.

Our pioneering work to help save wetland bird species from extinction is recognised internationally, and particularly for the resources WWT has directed towards saving the charismatic spoon-billed sandpiper in the Russian Arctic. The head-starting programme in Russia has successfully brought the species back from the brink. A similar project for the black-tailed godwit at WWT Welney on the Ouse Washes has also been successful. Our work there has accelerated recovery of this increasingly scarce species in Britain and enabled monitoring of its survival rate and migration routes. These head-starting successes have encouraged us this year to make future plans directed at the iconic wetland bird, the curlew.

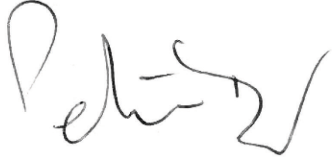
Investment in our wetland centres continues each year with the aim of encouraging more people to visit, have an enjoyable time and engage with our conservation messages. If at the end of a day they have understood and learnt more about our work and feel inspired to find out what they can do from their homes and workplaces to help wetlands, we will have been successful. This is a key aim in our new five year strategy.

The dedication of our highly skilled staff and volunteers enables us to produce the exceptional quality of conservation and support work found throughout WWT. However, none of this would be

## Report of the Trustees: Chairman's messages

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possible without the generosity of our many supporters. Like them, we want to make a real difference to wetlands and their wildlife in the world, and we believe our vision for the next 25 years of 'a world where healthy wetland nature thrives and enriches lives' linked to our initial five year strategic plan, is taking us towards achieving that ambitious goal.

A handwritten signature in black ink, appearing to read 'Peter Day', with a stylized flourish at the end.

Dr 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 people 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

During 2017/18 and over the next four 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

To enable us to deliver against our ambitious aims most effectively we have recently structured our charitable activities into nine conservation programmes and the support of our members.

- **Programme 1: Wetlands in UK rural catchments**  
We demonstrate the multiple benefits of wetlands for wetland wildlife and water management in farmed landscapes, provide the evidence that the benefits are real and influence policy and people to conserve wetlands on a landscape scale.
- **Programme 2: WWT waterscapes**  
We manage important UK wetlands at and around our sites, many of national or international importance. We manage our wetlands to maximise their wildlife value and adapt them to environmental change.
- **Programme 3: UK wetland species restoration**  
Using our leading techniques, we restore populations of species such as the black-tailed godwit, common crane and common scoter which have been nationally, regionally or locally lost from wetlands.
- **Programme 4: Experience and engagement of visitors to WWT sites**  
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 constantly enhance the visitor experience at all our sites. Through this positive engagement we hope to inspire support for our work and for visitors to take their own direct action for wetland conservation.
- **Programme 5: Urban and community wetlands in the UK**  
We demonstrate the values of urban and community wetlands and provide the evidence for their multiple benefits to wildlife and people, including the health and well-being benefits of having access to wetlands. We influence policy and people to create and connect to wetlands where they live, work or go to school.
- **Programme 6: International community-based wetland conservation**  
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

## Report of the Trustees: Objectives and activities

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community-based wetland management work in our priority countries including Madagascar and Cambodia. In Madagascar, community-based work in catchments has improved the ecology of whole lakes and provided an opportunity to re-introduce the endangered Madagascar pochard.

- **Programme 7: Sustainable wetland management globally**  
We promote solutions for global threats to wetland nature and wetland sites. Examples include solutions for the reduction of the threats from lead poisoning, ways to improve wetland health and the value of wetland communication, education, participation and awareness globally.
- **Programme 8: Wetland Conservation in the East Asian Australasian flyway**  
Often using flagship species, such as spoon-billed sandpiper and Baer's pochard, we take action to help identify, protect and improve management of intertidal and freshwater wetlands on this priority flyway.
- **Programme 9: Waterbird conservation in the Northwest European flyway (NWEF)**  
We monitor the conservation status of waterbirds on this flyway and work in collaboration with conservation groups to understand and address significant threats to populations including the Bewick's swan, Greenland white-fronted goose and common pochard.
- **Membership**  
Our members support all our conservation work within the nine programmes above. Unlike raising donations and other forms of support, engaging with our members is very much a charitable activity because much of our interaction with our members takes place at centres and is intrinsically linked to the work we do under Programme 4, encouraging members to learn more about wetland conservation and to take positive action in their own lives.

Not a charitable activity, but our shops and restaurants are important to the visitor experience within Programme 4, as well as the profits supporting our conservation work and so information on these activities is also set out in the next section.

## Programme 1: Wetlands in UK rural catchments

One of the prime examples of a working wetland (one with multiple benefits for wildlife and people) is the WWT Steart marshes. The mud flats, saltmarshes and wet grasslands continue to develop as important wildlife habitats while offering improved flood protection, reduced coastal erosion, nursery sites for commercially valuable fish and an increasingly popular site for education and recreation. We are developing new catchment based projects where we can also demonstrate, and provide the evidence of, multiple benefits for wildlife and people of natural flood management. We also completed a national review of working wetland sites, gathering available information on measures of multiple benefits.

Our political advocacy work has also made a significant contribution to this area of work. The Government's 25 year Environment Plan was strongly influenced by WWT policy proposals and launched by the Prime Minister at the WWT London Wetland Centre. This contribution was recognised by the Natural Capital Committee at their March event and following a visit by Michael Gove, the Secretary of State for Environment, Fisheries and Rural Affairs, to WWT Steart Marshes. In particular, the plan includes a framework for setting new environment targets, a commitment to a new statutory watchdog, and reinforces the promise for a UK environmental principles policy, as well as other recommendations from two major WWT policy documents *Nature's Way* and *Rich in Nature* launched this year. The plan includes new commitments to a Nature Recovery Network and improvements in site condition. Specifically the plan includes targets around "creating and sustaining more wetlands to reduce flood risk and offer valuable habitats".

WWT have played a significant role in the environment sector's response to the EU (Withdrawal) Bill, leading the amendments drafting team and also leading policy work on the environmental principles. We have met with key Conservative MPs behind the scenes and secured three major policy commitments from Government:

- Consultation on a new institution to fill the "governance gap"
- Consultation on the principles of environmental law
- Consideration of a new Environment Bill

WWT was cited in the House of Commons Committee Stage debate and has been among a small group of NGOs leading negotiations. In 2018/19 the Bill will receive its Third Reading in the House of Lords and we have one more amendment in play, giving statutory effect to the commitments on principles and the new watchdog.

We have hosted and spoken at events at the Labour and Conservative party conferences on food and farming (with SERA) and on Brexit and the environment. We are a founder member of Greener UK, a coalition of environmental organisations focused on the Brexit debate. We are leading Greener UK's work in several areas; we chair the legislative Drafting Group, have written amendments to the EU (Withdrawal) Bill, which have secured commitments from Government on a new environmental watchdog and a new environmental principles policy. We also play a leading role in the Environment Act pediment and contribute to the Brexit Scenarios Group. In addition, we are an expert contributor to the quarterly GUK Brexit Risk Tracker.

We continued to play an active role in Wildlife and Countryside Link, chairing the Blueprint for Water group, the 25 Year Environment Plan group, and the Legal Strategy Group.

## Report of the Trustees: Achievements and performance

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This year, we have begun to develop a more public aspect to our parliamentary and political work. We launched the #TimeToBeHeard public campaign to promote our policy proposals. We reached every MP in England and a high proportion of messages were personalised. We were the first NGO to begin public campaigning on the 25 year environment plan, calling for a new Environment Act. The campaign has been shared extensively online, with endorsements by Caroline Lucas MP, Steve Backshall and other influential individuals. We delivered a high-quality, high-visibility political campaign focused on policy change, on an extremely tight budget. The reception has been very positive among members, the wider public and Parliamentarians, producing our best ever policy response, with nearly 3,000 supporters writing to their MPs demanding the maintenance of environmental protections post Brexit. Michael Gove has now announced a consultation on the setting up of environmental body to facilitate this.

We have written extensively for Wildlife and Countryside Link, Green Alliance, WWT and other blogs, including the three “most read” Wildlife and Countryside Link blogs of the year.

### Programme 2: WWT waterscapes

Our wetland sites include 3,000 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.

We are also increasingly looking at opportunities to influence and support habitat management and creation in the catchments around our sites. Our partnership project to develop a “Severn vision” was completed this year. In addition to developing an eco-system approach to future developments on the river and its catchment, the project also identified opportunities for large scale wetland restoration and creation. Lady Fen, our 120 ha wetland creation project at Welney, strategically supports species impacted by unseasonal flooding on the Ouse Washes. Results for breeding and wintering birds using Lady Fen continue to be really impressive and include the declining black-tailed godwit, augmented by the 25 birds reared and released at Lady Fen as part of the head-starting project.

We also continued to work with the RSPB and the Wildlife Trusts to support further creation works near the Ouse Washes at Coveney, and with partners to agree the strategic future of the Ouse Washes and its catchment. This year we have also developed plans for potential future habitat creation works beyond current reserve boundaries at Slimbridge, Caerlaverock and Martin Mere.

We strive to constantly improve management of our wetland habitats and to ensure we are adapting what we do as environments change. Examples from this year include:

- We completed a major project at Arundel to help better protect our important freshwater habitats and wildlife (and the centre infrastructure) from the risk of saltwater flooding from the river Arun and from long-term deep flooding generally. As part of the works we developed new habitats and restored ditches and waterbodies which have colonised very quickly. By the summer the new ephemeral ponds had naturally established a good range of wetland plants including charophytes and arrowhead, probably the result of disturbing the seed bank during construction. Numerous dragonflies and damselflies took advantage of these new pools throughout the summer.
- Steart Marshes continues to develop well, particularly the development of communities of saltmarsh plants on the main intertidal area. In other areas we are still developing the ideal regime of water management and grazing – in the brackish area we have increased the

## Report of the Trustees: Achievements and performance

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frequency of flooding with saltwater and seen an instant increase in bird use and colonisation by saltmarsh plants. Other highlights include a large increase in breeding avocet numbers, records of cattle egret and pectoral sandpiper being seen and of a black-tailed godwit which fledged at WWT Welney.

- Great crested newt surveys at Washington show that these amphibians are expanding and colonising new ponds. We are working to improve water quality in other ponds at Washington to expand the population further.
- The wader marsh at Castle Espie, which receives saltwater at high tide via a tidal valve, was created over 10 years ago. We have been working out the best flooding regime for the marsh and our hard work has finally paid off. Saltmarsh communities are now well established and numbers of birds using the marsh for feeding and roosting continue to increase. Records this year include impressively large flocks of over 900 black-tailed godwit.
- We restored a number of the shingle islands at the London Wetland Centre to provide ideal bird nesting sites. The islands were covered with a plant suppressing membrane, large stones replaced at the edges to help retain the shingle and then the stone spread over the surface. The project needed the services of a very specialist contractor using an amphibious excavator and floating pontoons.
- We have been concerned for a number of years about a declining population of one of our most important species at WWT Caerlaverock, the natterjack toad. Following works to improve ponds and create new ones 2017 had some good news. Extensive surveys showed more ponds than expected with spawning events and tadpoles. Perhaps most importantly we also managed to confirm tadpoles successfully emerging as toadlets from at least four ponds, and discovered a good number of immature toads, between one and three years old, showing that breeding has been more successful in recent years.
- Following on from extensive tree management over the last five years, the reserve management “team” at Llanelli has now been boosted by the addition of seven rare breed Shetland sheep. These were carried out by boat to the islands in the deep water lake to help keep regrowth at bay. All the hard work in the Millennium Wetlands is beginning to reap the benefits, as our first lapwing in many years successfully fledged.
- The first formal eel survey of the Slimbridge site was undertaken over the summer. We caught nearly 100 eels, which were found in most water bodies. However, very few smaller eels were found, which was surprising as we’re so close to the estuary. We are now planning work to assist young eels to get over or bypass sluices into the site and mature eels to leave in their journey back to the river.

### Programme 3: UK wetland species restoration

Numerous wetland species have been lost from the UK entirely and many more lost regionally or locally. In many cases there is potential for recovery. At some sites habitats have been restored and persecution reduced. However, re-colonisation 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.

## Report of the Trustees: Achievements and performance

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In restored wetlands on the Cambridgeshire and Norfolk fens, we are working, as part of a wider project with the RSPB, to boost lost breeding populations of the increasingly scarce black-tailed godwit. Funded by a £1.2m EU Life Nature grant, we are “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. In spring 2018, eight head-started godwits were spotted back in the fens.

Successfully boosting local populations or re-introducing lost species to a site or series of sites is an exciting prospect for the future. Following a successful trial of rearing methods for common scoter at Slimbridge, actually using long-tailed ducks, we are developing proposals to potentially boost breeding pairs through head-starting at suitable sites in the Flow Country of Caithness and Sutherland or the West Inverness Lochs Special Protection Area. This follows work with RSPB, SSE, Forestry Commission and other partners to establish causes of decline and agree management changes in the breeding sites. This year we also started making plans for a potential series of site-based head-starting projects for that iconic wetland bird, the curlew.

We continued to monitor captive-bred cranes released as part of the Great Crane Project between 2010 and 2014. The cranes proved particularly difficult to find over the winter months, but in autumn 60 were known to be alive showing survival rates are higher than expected. Breeding success remains a concern however, with only four chicks reared from 19 nests. We anticipate this will increase as young cranes mature and become better parents.

### Programme 4: Experience and engagement of visitors to WWT sites

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 focusing on at our centres over the next few years.

Over one million people visited our nine wetland centres during the year, over 950k visits from members and day visitors and 57k pupils and teachers on formal learning visits. In addition, there were an estimated 48k visits to the wetlands at WWT Steart Marshes, which are free to visit.

The school holidays are traditionally busy times at our centres. Because of the poor summer weather, the number of visitors was 2% lower than the previous year, in line with many comparable visitor attractions. When the weather was good, we received very high numbers of visitors and we believe this 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 such as Lego Brick Wetland Animal trails and improved Wildlife Ranger programmes for families, and core event offerings such as photography workshops and dawn chorus walks with our reserve teams.

In 2017/18 we improved the visitor experience through new developments and through the way we engage with visitors, including:

- With support from the players of the People’s Postcode Lottery we developed a Boreal (wooded wetland) exhibit at Martin Mere interpreting both the important wildlife and cultural connection to this vast landscape. We also secured and relocated as part of the exhibit a gold

## Report of the Trustees: Achievements and performance

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medal winning Chelsea garden, also themed around the Canadian boreal environment and sponsored by the Royal Bank of Canada.

- We developed two new play spaces at Llanelli, one themed around flamingos for younger children and a wildplay trail giving the opportunity to get wet and muddy in wetlands.
- A new garden at Slimbridge providing a lovely place for reflection while showcasing some important messages around using water more wisely.
- Detailed plans developed for major new exhibits at Arundel, a new diving duck exhibit, and at Martin Mere, a large pond zone including opportunities for dipping in raised ponds and large natural wetlands.
- At London, improving the quality and range of our walks and talks programmes.
- Listening to customer feedback and refining our delivery of our programmes of events and activities.

The Heritage Lottery Fund awarded us a £4.1m grant towards a £6m project at Slimbridge. This project, Slimbridge 2020, is a three year project that began in January 2018. It 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 provide different ways for our visitors to interact and engage with our conservation stories and messages, and the wild nature reserve will be made accessible to many more visitors, all brought alive by staff and volunteers.

In 2017/18, we welcomed nearly 48,000 pupils and over 9,500 teachers and adult helpers on curriculum-linked formal learning visits across the UK. This was a significant increase on 2016/17 (by 10% for pupils and 4% for adults). Of these just over 39,000 were paid formal learning pupils, with the rest mainly from the Inspiring Generations Free School Visits scheme. 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.

A plan is in place for a gradual increase in paid visits in order to get formal learning paid pupil visits at WWT to over 45k by 2021. In addition, with WWT's National Formal Learning Plan and National Formal Learning Work Plan (2017-2022) being used by all learning teams, the quality of formal learning provision at WWT has improved greatly both within and external to the sector, with over 30% of our visits booked due to word of mouth and over 98% of our teachers grading their pupils learning experience 4 or 5 out of 5.

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 to benefit in 2017. Over 8,600 pupils were welcomed to our centres in 2017/18 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 behaviour towards the natural world. It has also contributed to some capital improvements and development of centre experience and resources.



## Report of the Trustees: Achievements and performance

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Avian influenza spread across Europe again during the winter of 2017/18 and we took measures, such as disinfectant footbaths and suspension of hand-feeding by the public, to minimize the risk of infection being brought into and out of our sites. 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 and poultry near our reserves, there were no reported cases from our sites this year. However this remains an ongoing risk to our reserves, and particularly our living collections, and we have comprehensive plans to help us manage our response to this somewhat unpredictable disease.

### Programme 5: Urban and community wetlands in the UK

We recognise that there should be opportunities for us all to connect and engage with wetlands where we live and work. Greater recognition of their value to wildlife and to providing essential services for people could provide the impetus for more and better managed and protected wetlands in our towns and cities.

In partnership with the London Borough of Enfield and Thames Water we have created an extensive new wetland in the Prince of Wales Park. The wetland was created by disconnecting a surface water sewer and, as well as providing a vital resource for both wildlife and the local community, it will also help to alleviate downstream flooding and improve water quality. Work was also completed at the nearby Prince of Wales Primary School where downpipes were disconnected and used to create mini wetlands and a raingarden, supplied with clean rainwater. The project has engaged over 200 students and the wetlands will continue to provide an interactive resource for the schools and to communicate the values of wetlands.

We have also been working with Slough Borough Council, Thames Water, the Environment Agency and local communities to restore the Salt Hill Stream – an urban river that runs right through the heart of Slough. The project aims to restore wildlife, improve water quality, reduce flood risk and, crucially, encourage the local community to value and care for the stream to safeguard its future. We have established a strong and committed network of volunteers who have, among other things, helped us survey the river and create new wetland habitats in Temple Wood. We have also developed detailed plans for the main new wetland habitat creation in Salt Hill Park, which we hope to begin work on creating in the year ahead.

Our political advocacy work to recognise the value of wetlands in development has also had results. The draft revised National Planning Policy Framework includes a new paragraph on sustainable drainage systems (SuDS) which refers to multi-functional SuDS (building in value for wildlife and communities) for the first time, as well as strengthening the planning presumption of SuDS in new build. The SuDS review (which we achieved in the previous year in the Housing and Planning Act) is now completed, pending publication, and the 25 Year Environment Plan commits to “amending Planning Practice Guidance to clarify construction and ongoing maintenance arrangements for SuDS in new developments, tightening links with planning guidance for water quality and biodiversity”. In Wales, we have continued to contribute to the Welsh Government SuDS expert group and influence further commitment to SuDS in developments in Wales.

Evidence is growing that access to wildlife and wild places is beneficial to people’s health and well-being and, especially for people with urban lifestyles, this can be lacking. We are working to investigate the links between wetlands and well-being and make decision-makers aware of them. This could become a powerful motivation for the creation and restoration of community and urban wetlands.

## Report of the Trustees: Achievements and performance

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This is an expanding area of work for WWT. During the year we have been developing the skills to assess methods of health and well-being. We also sat as a steering partner on a WetlandLIFE project led by University of Greenwich evaluating the socio-ecological value of wetlands for well-being. We completed a placement at Imperial College, London, during which a pilot experiment was conducted that captured psychological, physiological and other data from visitors experiencing the London Wetland Centre to assess their feelings of well-being. Analysis of the large amounts of data collected continues, together with planning to develop this important area.

### Programme 6: International community-based wetland conservation

Our international community-based wetlands conservation work is currently focussing on two priority countries: Madagascar and Cambodia.

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 establish 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, several 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 major funding from Darwin Initiative and HSBC, we are supporting local communities to manage the lake's resources under newly drawn-up management agreements, expanding our successful pilot rice farming and alternative livelihoods work, and have begun piloting work to reforest areas that fringe the lake. We also launched our national guidance on wetland management and led a training course for the managers of Madagascar's 20 Ramsar sites, including Lake Sofia which was officially designated as one of the country's newest in May 2017. Unfortunately, our expansion of work in the western Maevatanana-Ambato-Boeny wetland area was curtailed due to serious security concerns.

We have been breeding the Madagascar pochard in captivity in Madagascar very successfully and the Conservation Breeding Centre now houses 100 birds. The past year also saw the opening of an Interpretation Centre in Antsohihy by Princess Anne and the President of Madagascar. Here the public can see Madagascar pochard and learn more about our conservation efforts. We continued with trials at Slimbridge in preparation for re-introducing the pochard to Lake Sofia, which we hope could happen later in 2018.

Around 30% of Cambodia is wetland and 80% of the population depend on harvesting natural resources for their livelihoods. In 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. We are working at two of the last remaining fragments in Cambodia - Anlung Pring and Boeung Prek Lapouv. At both sites we seek to empower local communities to gain real and tangible benefits from living alongside healthy wetlands. We do this by enabling a move away from environmentally damaging agricultural practices, and developing alternative livelihoods that are intrinsically linked with healthy wetlands. This year, a particular area of focus was developing and promoting ecotourism at Anlung Pring.

## Report of the Trustees: Achievements and performance

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We also actively manage the habitats at both sites, including restoration of inundated forests, removal of invasive species, and biodiversity monitoring. Over the past year we have been undertaking vulnerability assessments to better understand the potential impacts of climate change and help factor this in to site management.

### Programme 7: Sustainable wetland management globally

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. WLI's intern this year came from Chile and a focus of work was in the Americas. We also worked with the Ramsar Regional Centre East Asia and the Asian Wetland Symposium to hold the 6th WLI Asia meeting in Saga, Japan where we took the opportunity to promote the value of wetland centres in the region. In the East Atlantic Flyway we continue to work through the network, holding an annual meeting in Luxembourg, and celebrating World Migratory Birds day with an inter-site video conference with school groups.

The World Wetland Network (WWN) is a global network of civil society groups and non-governmental organisations (NGOs) working on wetland conservation. WWT supports the network and enables smaller NGOs to participate more fully in Ramsar meetings. This year WWN worked with the Society of Wetland Scientists to run a global citizen science survey on the status and trends of wetlands, which received 600 responses. The final data and analysis will be published and announced at a side event at the next Ramsar Conference of Contracting Parties. WWN continues regular contact with members through our regional networks.

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 continued to study the threats to waterbirds, such as diseases and lead poisoning through the ingestion of shotgun pellets. Just as in the previous year, avian influenza spread across Europe during the winter of 2017/18 and was responsible for the deaths of wild birds and some 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.

### Programme 8: Wetland Conservation in the 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. 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.

Our strategy to support the protection and management of coastal wetlands along the flyway is focused on work on spoon-billed sandpiper a rare and iconic species of high value as an ambassador of the vast flyway population. The project is 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. We embarked on an ambitious captive breeding programme at Slimbridge to act as a safety net and a possible source of birds for reintroduction. Nineteen birds (12 males and 7 females) remain in the captive population.

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 and allows many more birds to fledge successfully than would otherwise happen without our help. Another 30 birds were released in 2017 making a total of 141 to date. The re-sighting rate of head-started birds appears similar to wild birds (ca. 25%) and they have been seen across the full flyway range. Monitoring released birds has identified key wetland sites along the flyway, some not previously recognised. The future task will be to assess how these sites are managed and protected to benefit all flyway populations.

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. Baer's pochard is an ambassador for the loss and degradation of freshwater wetlands across the flyway and we are developing projects to assess current populations and support the conservation management and protection of key sites. Alongside work on the flyway we have established 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 used in other applications, including captive breeding facilities in Madagascar and at WWT sites in the UK.

WWT has been elected to one of only two places for non-governmental organisations on the new Management Committee for the EAAFP and is leading the development of the next strategic plan for the partnership.

### Programme 9: Waterbird conservation in the Northwest European flyway (NWEF)

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.

## Report of the Trustees: Achievements and performance

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Following on from the successful Flight of the Swans project in 2016/17 which tracked the migration of swans from a paramotor from northern Russia to the UK, engaging communities, conservationists, scientists and governments and galvanising action to attempt to halt the birds' decline, we maintained momentum with further work to reduce the illegal hunting of the birds in the Russian Arctic.

Research has been undertaken to diagnose the reasons for Bewick's swan decline. Survival of adults has dropped in recent years, while breeding success has remained stable. Analysis also indicates that the problem does not lie in the food supply at the main wintering site in Britain at WWT Welney.

We continued to tackle and offer solutions for the conservation of species in decline such as Greenland white-fronted geese, which 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-accelerometer tags to birds, to allow us to reconstruct the events in the breeding season in West Greenland. We have also x-rayed birds to look for embedded shot, which tells us whether hunting pressure remains high, even though the species is legally protected.

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, as well as more work on numbers and productivity of all wintering goose and swan populations in the UK. 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 our major project to build a cumulative wind farm impact analysis for the Icelandic pink-footed goose. Funded by Orsted, this three year project is the first comprehensive national assessment of its type.

We continue to promote the sustainable management of waterbird populations in the flyway. We launched a new project to investigate the implications of Barnacle goose lethal control on the Hebridean island of Islay, and we worked with the European Goose Management Platform, which aims to establish common standards for management. We partnered with the British Association for Shooting and Conservation to investigate whether we could jointly monitor duck productivity and harvest in the UK.

### Works undertaken by WWT Consulting

WWT Consulting provide paid advice and practical assistance to clients, and their expertise reflects skill sets in the wider Trust. The wetland works they undertake can support and contribute to the WWT conservation strategy.

Relevant projects this year include:

- Developing greater engagement with wetlands through the design and build of multi-user pond dipping station and education space at Loch Lomond (RSPB); interpretative panels for a "Forgotten Landscape" project in the lower Severn Vale (South Gloucestershire Council); an Audience Development and Interpretation Strategy for the Ryevitalise Landscape Partnership Scheme, to conserve, protect and interpret the cultural and natural landscape of the River Rye (North York Moors National Park Authority); an Interpretation Action Plan for the Our

## Report of the Trustees: Achievements and performance

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Picturesque Landscape Partnership Scheme, which will integrate the vision for both the Pontcysyllte Aqueduct and Canal World Heritage Site (Denbighshire County Council).

- Wetland creation works including river restoration on the Glynch Brook in Gloucestershire (Severn Trent Water and North Midland Construction).
- Design development for visitor facilities at the Holmen Centre in Norway, Jiulongkou National Wetland Park in China and Dubai Wetland Centre in UAE.

### Membership

Our members are fundamental to our success across all of the different ways they engage with us. They provide funding for our conservation work, add weight and noise to our campaigning work and help spread the word about how wonderful wetlands are for wildlife and people. In 2017/18 we saw a 1% decrease in member numbers compared with the previous year.

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

- Promoted membership through all of our digital channels.
- Made it easier and quicker for visitors to our sites to join as a member by using tablets to speed up the administration process.
- Improved the look of membership communications and promotions.
- Promoted membership to all those who use our free Wi-Fi at centres.
- Continued to recruit new members at events and public sites around some of our centres.

Our members are loyal and our retention rate remains strong at 83.3%. To continually improve how we engage with our members, we:

- Linked our supporter database with our website and point of sale 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.

## Report of the Trustees: Achievements and performance

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In 2017/18 we refurbished the restaurants at Llanelli (opened 20<sup>th</sup> May) and London (opened 29<sup>th</sup> June), reopening them as the Kingfisher Kitchen with a completely new decor, menu and service style. The work represents a significant step forward for both centres and feedback has been very positive.

We also refitted the café at Caerlaverock with new furniture and interpretation to upgrade the catering experience.

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

### 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 10 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.

## Report of the Trustees: Achievements and performance

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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.

### **Recreation & engagement**

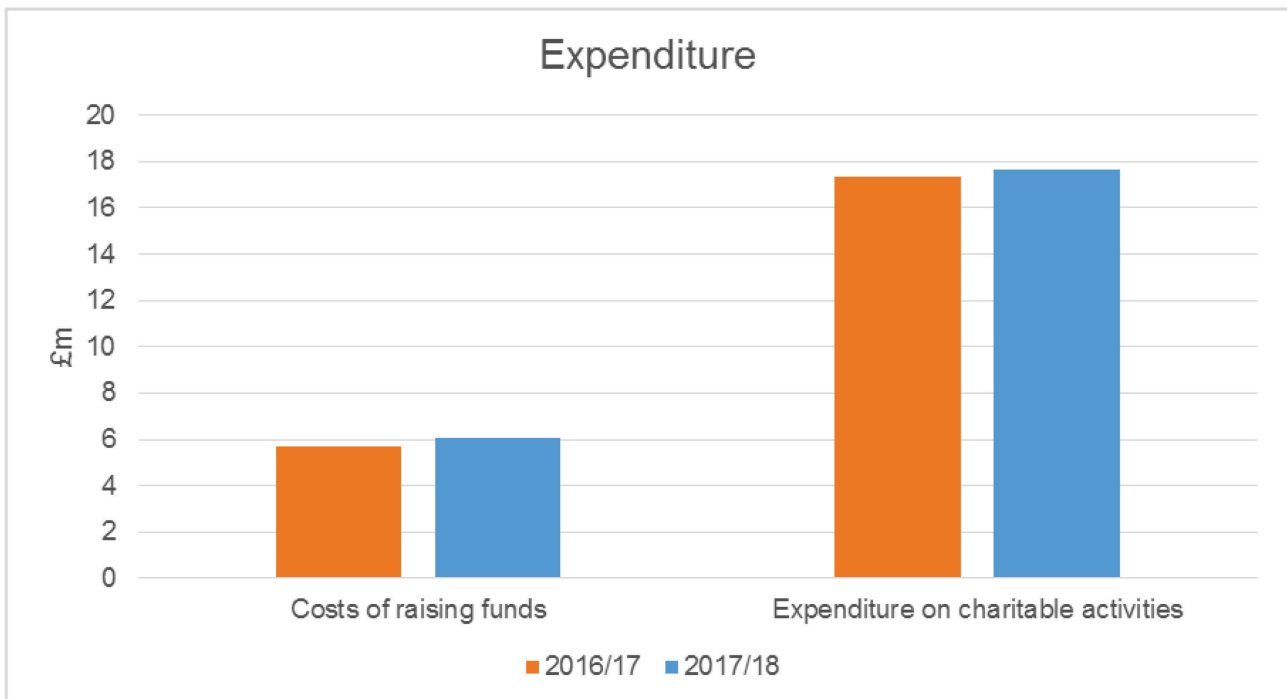
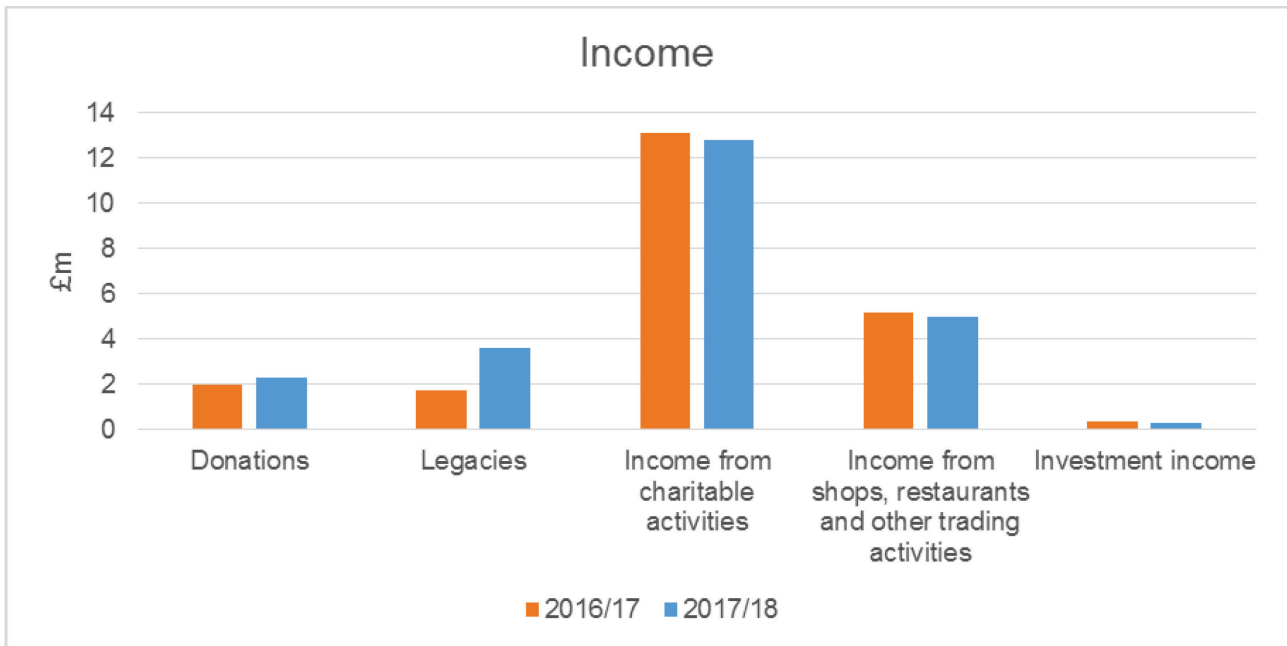
WWT's wetland centres provide more than one million people with the opportunity to enjoy and be close to nature each year. Whilst a charge is made for admission to the nine wetland centres in order to fund their operation and maintenance, there are concessionary rates for people over the age of 65, for 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: Financial review

Income in 2017/18 was £24.0m, an increase of 7% over the previous year. Expenditure also increased, to £23.7m, compared to £23.0m in 2016/17.



### Income

Income from donations, grants and animal adoptions was £2.3m, an increase on the previous year of 16%.

Legacy income increased from the £1.7m in 2016/17 to £3.6m in 2017/18. Legacies are a key element of our income and we are extremely grateful to those that remember the charity in their wills.

## Report of the Trustees: Financial review

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The number of visitors to our wetland centres was just over one million, almost the same number as in the previous year. Income from admissions to our wetland centres increased by 2% to £3.5m.

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. 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.

Membership income also grew by 2% to £7.1m. Membership subscriptions are our most important source of income, supporting many of our activities at the wetland centres and within our wider conservation programmes.

Another important source of income for our wetland centres is grant and contract income, where performance conditions have been placed on the income. This income fell in the year from £2.1m to £1.5m.

The income from shops and restaurants fell by 4% to £5.0m. We continue to strive to maximise the profits from trading activities in order to provide valuable funds for conservation work.

### Expenditure

The costs of raising the donations, grants and legacies increased to £1.1m. We are investing in this area in order to increase our income, particularly grants and corporate support, to fund our ambitious conservation strategy. We spent a further £4.9m in our trading activities in order to make profits that can be used for more conservation work. This includes the costs of the products sold in the shops, the restaurants' food, staff costs from both operations and support costs.

We spent £17.7m on our charitable activities, up by 2% on 2016/17. This covers our direct conservation work under the strategic priorities. In addition it 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. The amount that was spent on each of the strategic programmes and on membership is shown in Note 14 to the Financial Statements.

### Investments

Our investments include listed investments now managed by Rathbone Greenbank, following a review of our investments during the year. It was a good year for market performance and the value of our investments rose by £0.5m.

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 2017/18 received land held for investment as part of a legacy.

# Report of the Trustees: Financial review

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## 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 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 2016/17 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 £0.8m at 31 March 2018. The pension surplus is not included on our balance sheet since it is unlikely that the charity would ever be able to recover the asset, 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 £20.2m at 31 March 2018, of which £14.9m relates to capital, such as land and buildings, purchased with restricted donations. The remaining £5.2m 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. 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.

Unrestricted funds include the General Fund and funds designated for a specific purpose by the trustees. Unrestricted funds totalled £18.2m, having increased by £1.3m owing to the surplus of income over expenditure in the year. £0.8m has been set aside in a designated planned projects fund for specific projects planned for the next couple of years.

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 £6.9m 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 and as such these are not liquid resources immediately available to the charity. This fund totalled £5.4m as at 31 March 2018.

The pension reserve relates to our potential liability to the multi-employer USS pension scheme. We have not accounted for a liability as we cannot quantify the precise value or when it will become due, but the Council has decided to set aside an amount equal to the latest valuation of the liability as at 31 March 2018 so that, if and when the debt crystallises, the charity has the funds set aside to settle it.

The remaining unrestricted funds are held within the General Fund. Totalling £3.8m, 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 £40.8m, an increase of £0.4m compared with 31 March 2017.

# Report of the Trustees: Plans for future periods

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Over the next four 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 rural catchments.
- 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 rural catchments.
- 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, springwatch exhibit, butterfly house, art trail) Slimbridge (delivery of Slimbridge 2020) and at other centres (including a new diving duck exhibit at Arundel).
- 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 what messages we convey to our visitors and how we convey them.

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

- We will continue development of our community and urban working wetlands.
- 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 show that multiple benefits of urban and community wetlands are real.
- 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 well-being.

## Report of the Trustees: 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 of 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 initially investigate opportunities for 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.
- 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 assess opportunities to influence the protection and management of key wetlands along the East Asian Australasian flyway and build capacity for monitoring.
- 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 studies on waterbird species to assess the threats 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.
- Fluctuations in the economic factors that impact on the size of the likely USS pension liability.
- 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.
- To build up a fund that will pay for the USS liability when it crystalizes.

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.

## Report of the Trustees: Principal risks and uncertainties


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- 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 19 July 2018 and signed on its behalf by



Dr Peter Day  
Chair



Martin Birch  
Treasurer

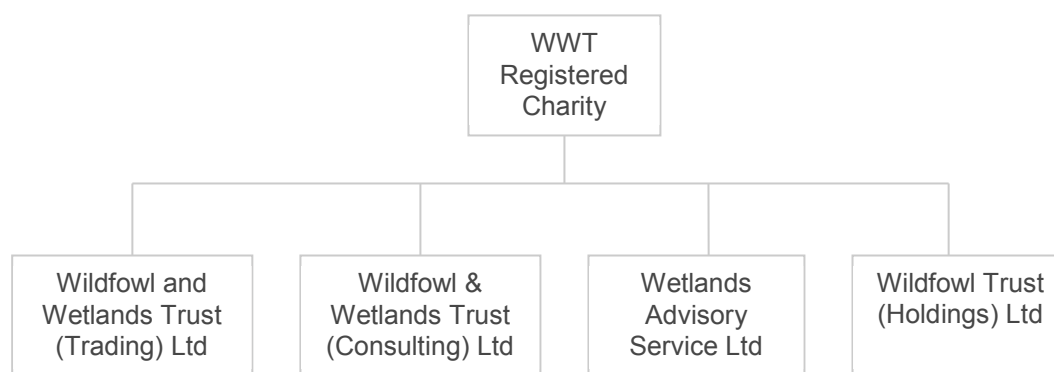
# Report of the Trustees: Structure, governance and management

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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.

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 2018, 17,835 people visited the centre and in addition to this 501 school children and 98 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.

Caerlaverock benefits from a dedicated volunteer base and 10 full-time equivalent members of staff are employed here.



# Report of the Trustees: Structure, governance and management

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## 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 2018 was 9 (2017: 7). 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 taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

# Report of the Trustees: Structure, governance and management

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- 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.

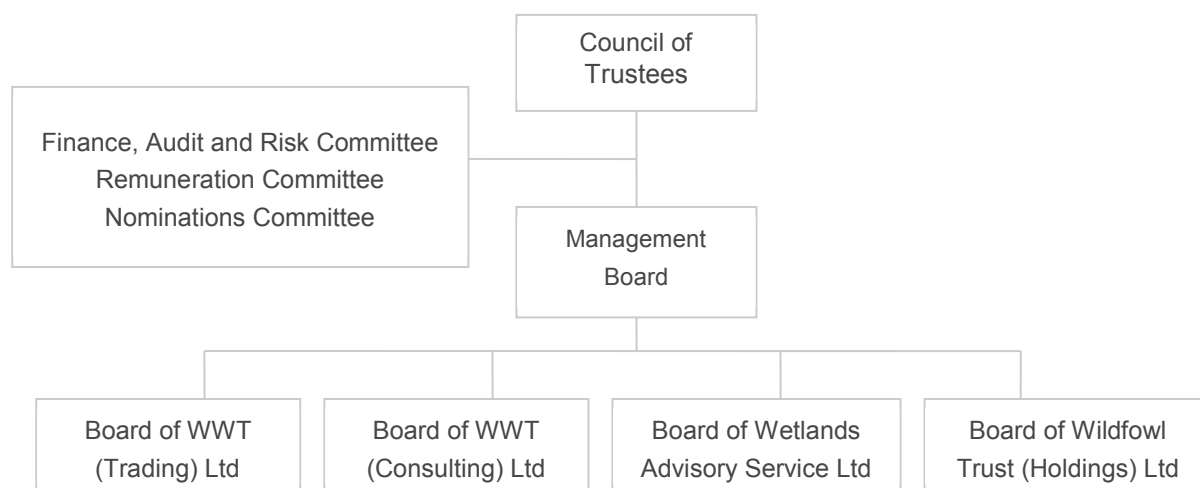
## **Management Board**

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.

# Report of the Trustees: Structure, governance and management

## 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 36 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

The passion and expertise of our staff and volunteers is critical to delivering our conservation aims and our managers work hard to value all our people and provide a culture that supports everyone to do their jobs to the best of their ability. Our team is growing and we now have circa 450 employees, 950 volunteers and 300 casual workers.

Informed by the last staff survey, the management team continue to focus on the identified priorities of managing performance, work life balance and internal communication. We place great value on providing support to team members to perform well, including holding regular one to one meetings, team meetings and investing in an annual appraisal, setting clear and meaningful

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

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objectives and identifying development needs. Recent research is helping us to identify changes that will help our people retain a work/life, and additional resource within the Public Relations and Communications team is enabling the provision of new communication tools to support managers to engage all of their team members in the progress of our work.

We take our employer responsibilities seriously and in the last year have worked to meet some new and some changing statutory requirements. Due to the size of our workforce we contribute to the Apprenticeship Levy and will now find ways to draw from it for training and development purposes. We have recently reported our Gender Pay Gap and were encouraged that, although we have a gap, we are not out of kilter with the charity sector. We have planned for and exceeded the requirements of the National Living Wage and the (increased) statutory minimum employer pension contributions. Pay and market conditions continue to be a challenge particularly as we reach full employment within the UK and we will continue to develop WWT as a great place to work.

Volunteers have continued to contribute significantly to our operations. Over the course of the year, over 1000 volunteers worked across the organisation, particularly contributing to working on grounds and reserve maintenance and development, providing quality visitor experiences and supporting education and family activities. The volunteer survey, conducted in May 2017, showed high levels of satisfaction with the volunteer experience at WWT, with 94% of survey participants saying they would recommend volunteering with us. Volunteers increasingly feel a part of WWT as a whole, with 85% of participants understanding how they contribute to WWT's vision. However, there is work to be done to help volunteers understand how they can contribute to our campaigning work, should they wish to.

Improvements to the volunteering infrastructure are taking effect. Informed by the survey, we have continued to enable Volunteer Managers to engage, support and lead their volunteer teams, focussing on reviews and regular engagement with volunteers, attendance at Welcome Days, mandatory training and good quality data management.

### **Modern Slavery Act Statement**

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain. We have a zero-tolerance approach to modern slavery and we are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains.

We are also committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains. We expect the same high standards from all of our contractors, suppliers and other business partners, and as part of our contracting processes, we include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children, and we expect that our suppliers will hold their own suppliers to the same high standards.

### **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

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

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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 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 2017/18 we have continued to improve our internal environmental performance. We have reduced our buildings' carbon footprint by over 27% and our energy consumption (kWh) by 16% since 2013 through a range of projects and programmes including the installation of biomass boilers at two of our sites, a ground source heat pump at another and an air source heat pump operating our café in Martin Mere.

In 2017/18 we introduced our first centre installed photovoltaic panels (PV) and an electric vehicle charging point for use by staff, volunteers and WWT Consulting at Slimbridge.

We are continuing to invest in our wetland treatment systems which enable us to operate at sites not connected to the foulwater sewer, bring benefits to wildlife and themselves reduce carbon emissions (by an estimated 16 tonnes a year) as a result of wastewater being treated at our sites using natural processes rather than being pumped to sewage treatment works and treated.

In order to help protect wetlands from plastic pollution, we have lead by example and removed single use plastics from our restaurants with alternative products for water and soft drinks, paper straws and a range of incentives and products encouraging reuse for hot beverages. We provide free water refills at all of our centres and promote this via online tools. We were amongst the leaders of many of our peers in moving to a plant based biodegradable wrap for our Waterlife magazine and this has been well received and we will be reviewing its use for our adoption packs and other suitable correspondence.

Our travel carbon footprint accounts for 17% of our total carbon footprint and remains constant despite organisational growth. This has been achieved by following our newly introduced WWT Travel Hierarchy, a common sense approach to managing our travel impacts and costs by teleconferencing, videoconferencing, using public transport and lower emitting vehicles and car sharing on business journeys.

We have recently switched our gas supply to a green tariff and our higher consuming electricity suppliers are already on a green tariff.

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

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During 2017/18 we agreed a five-year Sustainability Plan which includes challenging targets to ensure that we continue to deliver on this important agenda. These targets are based on our main environmental impacts and organisational aims:

- 95% of our visitor centres taps and water using devices (toilets, urinals etc.) meet our WWT good practice standards for water efficiency.
- 15% reduction in our site energy use through energy efficiency measures and renewable energy generation.
- 100% of our electricity is purchased from renewable tariffs.
- 15% reduction in average business travel carbon footprint per employee.
- 90% of our staff and volunteers have signed up to our Sustainability Standards.
- 15% reduction in waste to landfill through reducing, reusing (within and outside WWT), recycling or other recovery (e.g. composting, energy from waste) of our waste. A number of our sites are now zero waste to landfill.

During 2018/19, we will introduce a WWT Sustainable Purchasing Policy and work with suppliers to deliver this where possible. This would include commodities such as timber, peat, plastics products (both in restaurants, shops and as used outside at our centres), palm oil etc.

- 100% of printed materials printed on sustainable products using sustainable printing techniques with associated messaging.
- 100% of timber purchased from legal and sustainable sources.
- 100% of growing media to be peat free.
- 90% of plastic used in new construction projects and for outdoor furniture from recycled plastic products.

We will ensure our Ethical Investment Policy for WWT investments is adhered to by WWT investment managers, and seek to influence the Board of Pension Trustees to adopt a similar policy for the pension scheme.

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

## Membership and adoption

	Total number 31 Mar 2018	Total number 31 Mar 2017
Members:		
Life members	4,736	4,161
Fellows	191	206
Adult members	11,944	12,524
Joint adult members	40,318	41,640
Family members	100,387	100,276
Adult concession members	14,391	14,181
Joint adult concession members	37,711	37,573
Young person members	424	439
<b>Total members</b>	<b>210,102</b>	<b>211,000</b>
Animal adoptions	3,985	3,644

## Visitors to centres

	Total number year ended 31 Mar 2018	Total number year ended 31 Mar 2017
Arundel	95,018	102,719
Caerlaverock	17,835	15,377
Castle Espie	59,331	66,896
Llanelli	69,762	58,907
London	164,852	172,631
Martin Mere	190,818	197,648
Slimbridge	245,325	258,576
Washington	71,846	68,143
Welney	35,710	29,183
<b>Non-school visitors</b>	<b>950,497</b>	<b>970,080</b>
Children attending formal learning programmes	47,656	51,563
Teachers and adult helpers on formal learning programmes	9,599	10,522
<b>Total visitors to centres, excluding Steart Marshes</b>	<b>1,007,752</b>	<b>1,032,164</b>

Admission to WWT Steart Marshes is free. We estimate 48,000 visitations to the site in 2017/18 (2016/17: 50,000).

Following a change to the way we record visitors to our centres, the 2016/17 figures have been marginally re-stated.

# Independent auditor's report to the members of WWT

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## Opinion

We have audited the financial statements of The Wildfowl & Wetlands Trust (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise Consolidated statement of financial activities, Consolidated balance sheet, entity balance sheet, Consolidate cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

## Basis for opinion

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

## Conclusions relating to going concern

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

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

## Other information

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



## Independent auditor's report to the members of WWT

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

We have nothing to report in this regard.

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

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

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

### Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Trustees' Report.

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

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

### Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 29, the trustees (who are also the directors of the parent charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related

## Independent auditor's report to the members of WWT

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to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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

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

### Use of the audit report

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

Signed:



Name: Richard Bott

(Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

90 Victoria Street, Bristol, BS1 6AN

Date:

18/01/18

# Consolidated statement of financial activities for year ended 31 March 2018 (incorporating consolidated income and expenditure account)

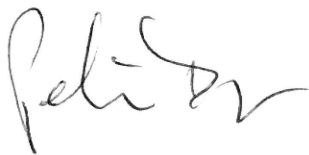
	Note	Unrestricted £'000	Restricted £'000	Permanent Endowment £'000	Year ended 31 Mar 2018 £'000	Year ended 31 Mar 2017 £'000
<b>INCOME AND EXPENDITURE</b>						
<b>Income and endowments from:</b>						
Donations	6	987	1,327	-	2,314	1,999
Legacies	7	3,226	371	-	3,597	1,729
Income from charitable activities	8	12,508	276	-	12,784	13,129
Income from shops, restaurants and other trading activities	10	4,981	-	-	4,981	5,173
Investment income	11	287	-	-	287	353
Other income		-	-	-	-	31
<b>Total income</b>		<b>21,989</b>	<b>1,974</b>	<b>-</b>	<b>23,963</b>	<b>22,414</b>
<b>Expenditure</b>						
Costs of raising funds:						
Donations and legacies	12	819	288	-	1,107	773
Shops, restaurants and other trading activities	13	4,859	-	-	4,859	4,827
Investments		88	-	-	88	53
Raising funds other		5	-	-	5	19
Expenditure on charitable activities	14	15,004	2,668	-	17,672	17,365
Pension other expenditure	29	-	-	-	-	-
<b>Total expenditure</b>		<b>20,775</b>	<b>2,956</b>	<b>-</b>	<b>23,731</b>	<b>23,037</b>
<b>Net income / (expenditure) and net movement in funds for the year before other recognised gains / (losses) and transfers</b>						
		<b>1,214</b>	<b>(982)</b>	<b>-</b>	<b>232</b>	<b>(623)</b>
Net gains / (losses) on investment assets	22	470	-	(17)	453	1,840
<b>Net income / (expenditure)</b>		<b>1,684</b>	<b>(982)</b>	<b>(17)</b>	<b>685</b>	<b>1,217</b>
Transfers between funds	28	(64)	64	-	-	-
Actuarial (losses) / gains on defined benefit pension scheme surplus	29	452	-	-	452	(469)
Change in non-recoverable pension surplus	29	(727)	-	-	(727)	194
<b>Net movement in funds</b>		<b>1,345</b>	<b>(918)</b>	<b>(17)</b>	<b>410</b>	<b>942</b>
<b>Funds at the start of the year</b>		<b>16,902</b>	<b>21,137</b>	<b>2,346</b>	<b>40,385</b>	<b>39,443</b>
<b>Funds at the end of the year</b>	28	<b>18,247</b>	<b>20,219</b>	<b>2,329</b>	<b>40,795</b>	<b>40,385</b>

All activities relate to continuing operations.

Balance sheets as at 31 March 2018  
Company number 2882729

	Note	The Group		The Charity	
		31 Mar 2018 £'000	31 Mar 2017 £'000	31 Mar 2018 £'000	31 Mar 2017 £'000
<b>Fixed assets</b>					
Intangible fixed assets	20	232	357	71	143
Tangible fixed assets	21	20,663	20,819	19,863	20,109
Investments	22	14,047	13,541	14,482	13,976
		<b>34,942</b>	<b>34,717</b>	<b>34,416</b>	<b>34,228</b>
<b>Current assets</b>					
Stocks and work in progress	23	924	871	27	28
Debtors	24	5,186	3,793	7,110	6,292
Cash at bank and in hand		2,071	3,474	1,239	1,807
		<b>8,181</b>	<b>8,138</b>	<b>8,376</b>	<b>8,127</b>
Creditors: amounts falling due within one year	25	(2,328)	(2,470)	(1,934)	(2,129)
<b>Net current assets</b>		<b>5,853</b>	<b>5,668</b>	<b>6,442</b>	<b>5,998</b>
<b>Total assets less current liabilities</b>		<b>40,795</b>	<b>40,385</b>	<b>40,858</b>	<b>40,226</b>
Creditors: amounts falling due after one year	26	-	-	-	-
<b>Net assets excluding pension liability</b>		<b>40,795</b>	<b>40,385</b>	<b>40,858</b>	<b>40,226</b>
Defined benefit pension scheme liability	29	-	-	-	-
<b>Net assets including pension liability</b>	27	<b>40,795</b>	<b>40,385</b>	<b>40,858</b>	<b>40,226</b>
<b>Funds</b>					
Permanent endowment fund		2,329	2,346	2,329	2,346
Restricted funds		20,219	21,137	20,219	21,137
Unrestricted funds:					
Designated funds		14,403	13,744	14,403	13,744
General funds		3,844	3,158	3,907	2,999
<b>Total funds</b>	28	<b>40,795</b>	<b>40,385</b>	<b>40,858</b>	<b>40,226</b>

The financial statements on pages 39 to 66 were approved by the Council on 19 July 2018 and signed on its behalf by:



Dr Peter Day (Chair)



Martin Birch (Treasurer)

# Consolidated cashflow statement for the year ended 31 March 2018

	Note	31 Mar 2018		31 Mar 2017	
		£'000	£'000	£'000	£'000
<b>Net cash (outflow)/inflow from continuing activities</b>	35		(96)		438
<b>Returns on investments and servicing of finance</b>					
Interest received		19		11	
Other investment income		268		342	
			<b>287</b>		<b>353</b>
<b>Capital expenditure and financial investment</b>					
Purchase of intangible fixed assets		-		(22)	
Purchase of tangible fixed assets		(1,580)		(2,016)	
Sale of tangible fixed assets		-		15	
Purchase of fixed asset investments		(6,395)		(3,533)	
Sale of fixed asset investments		6,381		3,541	
			<b>(1,594)</b>		<b>(2,015)</b>
<b>Cash outflow before financing</b>			<b>(1,403)</b>		<b>(1,224)</b>
<b>Financing</b>					
Capital element of loan and finance lease rental payments			-		-
<b>Decrease in cash in the year</b>	36		(1,403)		(1,224)
Cash at start of the year			3,474		4,698
<b>Cash at end of the year</b>	37		<b>2,071</b>		<b>3,474</b>

## 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.

# Notes to the financial statements

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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 2017.

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.

## **Basis of Consolidation**

These financial statements consolidate the results of the charitable company and its wholly owned subsidiaries on a line-by-line basis. The financial performance of the charity is shown in note 5.

The turnover and expenditure of the subsidiaries are included within the Consolidated Statement of Financial Activities. The assets and liabilities of each subsidiary is included on a line-by-line basis in the Consolidated Balance Sheet in accordance with FRS 102 paragraph 15.11. Further details of the subsidiaries are given in note 34. Accounting policies detailed in this note apply throughout the group and any surplus or deficit arising on intercompany transactions are eliminated in the Consolidated Statement of Financial Activities.

## **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 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 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

## Notes to the financial statements

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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.

### **Intangible fixed assets**

Intangible assets comprise entitlements to agricultural grants and computer software. These are shown at cost. Intangible assets are amortised through the income and expenditure 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

## Notes to the financial statements

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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

## Notes to the financial statements

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recognised to the extent that it is regarded as probable that they will be recovered. Deferred tax assets and liabilities are not discounted.

### 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.

### Pension Schemes

The cost of defined benefit pension plans and other post-employment medical benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuations, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. The mortality rate is based on publicly available mortality tables. Future salary increases and pension increases are based on expected future inflation rates.

## Notes to the financial statements

The USS is a multi-employer scheme. The assets of the scheme are held in a separate Trustee administered fund. The Charity is unable to identify its share of the assets and liabilities of this scheme and is therefore exposed to actuarial risks associated with other members' employees.

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 2017/18.

### 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 business. The summary financial performance of the charity alone is:

	2018 £'000	2017 £'000
Income	19,173	17,317
Gift aid from subsidiary companies	181	913
	<b>19,354</b>	<b>18,230</b>
Expenditure	(18,900)	(18,189)
Gain / (loss) on investment	453	1,840
Pension unrealised (loss) / gain	452	(469)
Change in non-recoverable pension surplus	(727)	194
<b>Net income</b>	<b>632</b>	<b>1,606</b>
Total funds brought forward	40,226	38,620
<b>Total funds carried forward</b>	<b>40,858</b>	<b>40,226</b>
Represented by:		
Permanent endowment fund	2,329	2,346
Restricted funds	20,219	21,137
Unrestricted funds	18,310	16,743
	<b>40,858</b>	<b>40,226</b>

### 6. Income from donations

	Unrestricted 2018 £'000	Restricted 2018 £'000	Total 2018 £'000	Unrestricted 2017 £'000	Restricted 2017 £'000	Total 2017 £'000
Donations	309	761	1,070	273	755	1,028
Grants	678	425	1,103	469	368	837
Animal adoptions	-	141	141	-	134	134
	987	1,327	2,314	742	1,257	1,999

## Notes to the financial statements

### 7. Income from legacies

	Unrestricted 2018 £'000	Restricted 2018 £'000	Total 2018 £'000	Unrestricted 2017 £'000	Restricted 2017 £'000	Total 2017 £'000
Legacies	3,226	371	3,597	1,399	330	1,729

### 8. Income from charitable activities

	Unrestricted 2018 £'000	Restricted 2018 £'000	Total 2018 £'000	Unrestricted 2017 £'000	Restricted 2017 £'000	Total 2017 £'000
Admissions	3,533	-	3,533	3,453	-	3,453
Membership	7,114	-	7,114	6,958	-	6,958
Grants & contracts	1,198	276	1,474	1,467	663	2,130
Other income	663	-	663	588	-	588
	12,508	276	12,784	12,466	663	13,129

### 9. Government funding

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

	2018 £'000	2017 £'000
City of Sunderland	-	2
Darwin Initiative	-	172
Department for Environment, Food and Rural Affairs	85	51
Environment Agency	38	96
Joint Nature Conservation Committee	24	31
London Borough of Richmond upon Thames	-	118
OFGEM	7	27
Rural Payments Agency	195	443
Scottish Natural Heritage	19	100
Welsh government	12	-
	380	1,040

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

	2018 £'000	2017 £'000
Shops at wetland centres	1,412	1,473
Restaurants at wetland centres	3,124	3,137
Sponsorship	143	318
Lottery	88	80
Other	214	165
	4,981	5,173

The lottery and £20k (2016/17: £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 34 has further details on WWT Trading. All the income from shops, restaurants and other trading activities is unrestricted.

## Notes to the financial statements

### 11. Investment income

	2018 £'000	2017 £'000
Dividends and other income from listed securities	268	342
Interest receivable	19	11
	287	353

All investment income is unrestricted.

### 12. 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 2018 £'000	Restricted 2018 £'000	Total 2018 £'000	Unrestricted 2017 £'000	Restricted 2017 £'000	Total 2017 £'000
Raising donations and legacies	636	288	924	352	209	561
Support costs (note 15)	183	-	183	212	-	212
	819	288	1,107	564	209	773

### 13. 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 34. All these costs are unrestricted.

	2018 £'000	2017 £'000
Shops at wetland centres	1,319	1,349
Restaurants at wetland centres	2,710	2,625
Other trading costs	18	25
Support costs (note 15)	812	828
	4,859	4,827

## Notes to the financial statements

### 14. Expenditure on charitable activities

	Unrestricted 2018 £'000	Restricted 2018 £'000	Total 2018 £'000	Unrestricted 2017 £'000	Restricted 2017 £'000	Total 2017 £'000
1. UK Wetlands	572	-	572	733	-	733
2. WWT Waterscapes	1,319	107	1,426	1,439	16	1,455
3. Species Restoration	106	66	172	202	113	315
4. Engagement	9,010	1,579	10,589	8,624	1,764	10,388
5. Urban Wetlands	286	127	413	139	98	237
6. International Cons	246	306	552	233	348	581
7. Global Wetland Management	419	-	419	505	-	505
8. East Asian Flyway	307	446	753	135	306	441
9. North West Flyway	839	37	876	678	251	929
Membership	1,900	-	1,900	1,781	-	1,781
	15,004	2,668	17,672	14,469	2,896	17,365

### 15. Support costs

	Mgmt £'000	Finance £'000	People £'000	IT £'000	Other £'000	Gov £'000	Depn £'000	2018 £'000	2017 £'000 (Restated)
Costs of raising funds: donations	31	75	22	15	7	9	24	183	131
Costs of raising funds: shops & restaurants	94	138	142	138	44	80	175	811	858
Costs of raising funds: other	-	1	-	-	-	-	-	1	2
1. UK Wetlands	28	8	13	11	2	6	9	77	106
2. WWT Waterscapes	46	21	45	29	13	17	69	240	234
3. Species Restoration	7	2	4	3	1	2	4	23	35
4. Engagement	300	174	249	164	73	95	1,460	2,515	2,440
5. Urban Wetlands	23	4	9	7	2	4	9	58	19
6. International Cons	17	3	9	6	2	3	9	49	37
7. Global Wetland Management	15	6	10	8	2	5	6	52	41
8. East Asian Flyway	32	5	17	11	5	6	17	93	21
9. North West Flyway	31	12	19	13	5	8	17	105	100
Membership	50	133	36	24	10	14	38	305	321
	674	582	575	429	166	249	1,837	4,512	4,345

Support costs are allocated on the following basis:

Management (Mgmt)	Staff numbers
Finance	Income and expenditure
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

### 16. 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.

	2018 £'000	2017 £'000
Audit fee	11	11
Legal fees	34	27
Public & employer's liability insurance	66	75
Pension administration	46	59
Management time spent on governance	19	20
Finance time spent on governance	29	29
Human resources time spent on governance	12	11
Other direct costs	32	35
	249	267

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

This is stated after charging:

	2018 £'000	2017 £'000
Amortisation	125	169
Depreciation	1,709	1,620
Council's remuneration	-	-
Council's reimbursed expenses	5	4
Trustee indemnity insurance	2	2
Auditors' remuneration:		
Audit services	11	17
Non-audit services	18	8
Operating lease rentals:		
Property	112	165
Other	94	79

### 18. Employee information

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

	2018 £'000	2017 £'000
Costs		
Wages and salaries	10,614	10,234
Social security costs	881	846
Pension costs – defined contribution scheme	349	317
Pension costs – USS multi-employer scheme	6	6
Termination costs	62	5
	11,912	11,408

Included in the terminations costs are non-statutory/non-contractual severance payments totalling £49k.

## Notes to the financial statements

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

		2018 Number	2017 Number (Restated)
Costs of raising funds:	headcount	217	229
	FTE	129	124
Charitable activities:	headcount	359	378
	FTE	301	294
Total:	headcount	576	607
	FTE	430	418

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No directors (Council Members) of The Wildfowl & Wetlands Trust received any emoluments from WWT during the year (2016/17: none). During the year, out-of-pocket expenses totalling £5,133 (2016/17: £3,895) 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 £536k (2016/17: £530k) plus pension contributions of £29k (2016/17: £33k).

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

	2018 Number	2017 Number
£60,001 to £70,000	2	2
£70,001 to £80,000	2	2
£80,001 to £90,000	1	1
£110,001 to £120,000	1	1

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These employees accrued benefits of £25k (2016/17: £33k) into a money purchase pension scheme.

## 19. 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.



## Notes to the financial statements

### 20. Intangible fixed assets

	Computer software £'000	Entitlements £'000	Total £'000
<b>Group</b>			
Cost			
At 31 March 2017	619	24	643
Additions	-	-	-
Transfers	-	-	-
At 31 March 2018	619	24	643
Accumulated amortisation			
At 31 March 2017	281	5	286
Charge for year	124	1	125
At 31 March 2018	405	6	411
Net book value			
At 31 March 2018	214	18	232
At 31 March 2017	338	19	357
<b>Charity</b>			
Cost			
At 31 March 2017	351	24	375
Additions	-	-	-
At 31 March 2018	351	24	375
Accumulated amortisation			
At 31 March 2017	227	5	232
Charge for year	71	1	72
At 31 March 2018	298	6	304
Net book value			
At 31 March 2018	53	18	71
At 31 March 2017	124	19	143

The entitlements are entitlements to agricultural grants.

## Notes to the financial statements

### 21. Tangible fixed assets

	Land and buildings £'000	In development £'000	Plant and machinery £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
<b>Group</b>						
Cost						
At 31 March 2017	27,079	663	11,425	346	1,710	41,223
Additions	886	103	450	43	98	1,580
Disposals	-	-	-	(1)	(1,203)	(1,204)
Transfers	228	(477)	166	9	74	-
Reclassifications	(48)	-	-	-	-	(48)
At 31 March 2018	28,145	289	12,041	397	679	41,551
Accumulated depreciation						
At 31 March 2017	9,608	-	8,904	331	1,561	20,404
Charge for year	953	-	607	16	133	1,709
Disposals	-	-	-	(1)	(1,203)	(1,204)
Reclassifications	(21)	-	-	-	-	(21)
At 31 March 2018	10,540	-	9,511	346	491	20,888
Net book value						
At 31 March 2018	17,605	289	2,530	51	188	20,663
At 31 March 2017	17,471	663	2,521	15	149	20,819
<b>Charity</b>						
Cost						
At 31 March 2017	26,879	636	10,111	343	1,438	39,407
Additions	887	102	240	44	98	1,371
Disposals	-	-	-	(1)	(939)	(940)
Transfers	227	(452)	142	9	74	-
Reclassifications	(48)	-	-	-	-	(48)
At 31 March 2018	27,945	286	10,493	395	671	39,790
Accumulated depreciation						
At 31 March 2017	9,580	-	8,097	330	1,291	19,298
Charge for year	942	-	499	16	133	1,590
Disposals	-	-	-	(1)	(939)	(940)
Reclassifications	(21)	-	-	-	-	(21)
At 31 March 2018	10,501	-	8,596	345	485	19,927
Net book value						
At 31 March 2018	17,444	286	1,897	50	186	19,863
At 31 March 2017	17,299	636	2,014	13	147	20,109

As at 31 March 2018 and 31 March 2017 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.

## Notes to the financial statements

Included within land and buildings are assets held on long-term lease. As at 31 March 2018 their total cost was £9,918k (2016/17: £9,673k) and their accumulated depreciation was £3,418k (2016/17: £3,055k). The remaining assets under Land and Buildings are all freehold property.

### 22. Fixed asset investments

Total fixed asset investments comprise:

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Listed investments	13,212	12,942	13,212	12,942
Investment property	835	599	835	599
Investment in subsidiary companies	-	-	435	435
	14,047	13,541	14,482	13,976

#### a) Listed investments

	2018 £'000	2017 £'000
Group and Charity		
Market value		
At start of the year	12,942	11,110
Change in cash holding	3,593	132
Unrealised gains / (losses)	(1,142)	1,596
Realised gains	1,398	244
Equalisation	-	-
Transfers in	-	-
Purchase of additional investments	2,802	3,401
Sale of investments	(6,381)	(3,541)
Market value at end of the year	13,212	12,942
Historical cost at end of the year	8,075	10,257
Fixed interest securities – UK	1,331	1,019
Equity shares – UK	2,847	6,305
Equity shares – overseas	4,609	4,542
Property funds	542	588
Alternative investments	-	197
Liquid assets	3,883	291
	13,212	12,942

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

	2018 £'000	2017 £'000
UBS ETF PLC MSCI UK SOC RES UCITS ETF FND CL-A GBP	-	1,057
UBS INV FUNDS ICVC S&P500 INDX FUND SHS CLASS J GBP DIST	-	1,396
ISHARES II PLC CORE UK GILTS UCITS ETF GBP	1,329	777
UBS GLOBAL ASSET MGMT (UK) S&P 500 Index J Inc	1,347	-
BLACKROCK FUND MGRS European Dynamic FD Inc	528	-

## Notes to the financial statements

<b>b) Investment property</b>	2018 £'000	2017 £'000
Group and Charity		
Cost / valuation		
At start of the year	599	400
Additions at cost	-	199
Reclassification	27	-
Revaluations during year	209	-
At end of the year	835	599

The investment properties were revalued during the year by independent RICS qualified surveyors and NAVA/NAEA valuers.

### c) Investment in subsidiary companies

Investments held by the charity include an additional £435k (2017: £435k) investment in the subsidiary companies at cost (see note 34).

## 23. Stocks and work in progress

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Goods for resale	561	529	-	-
Livestock	27	28	27	28
Work in progress	336	314	-	-
	924	871	27	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.

## 24. Debtors

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Trade debtors	828	1,055	220	305
Amounts owed by subsidiaries	-	-	2,588	3,289
Other debtors	1,766	1,327	1,766	1,447
Prepayments and accrued income	2,592	1,411	2,536	1,251
	5,186	3,793	7,110	6,292

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

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Trade creditors	1,149	856	913	661
Other taxation and social security	386	386	386	386
Other creditors	144	98	140	91
Accruals and deferred income	649	1,130	495	991
	2,328	2,470	1,934	2,129

## Notes to the financial statements

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

Creditors falling due after more than one year are £nil (2017: £nil).

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

	Permanent endowment fund £'000	Restricted funds £'000	Designated funds £'000	General funds £'000	Total 2018 £'000	Total 2017 £'000
Tangible and intangible fixed assets	-	14,936	5,959	-	20,895	21,176
Investments	2,329	2,859	6,403	2,456	14,047	13,541
Net current assets	-	2,424	2,041	1,388	5,853	5,668
<b>Net assets</b>	<b>2,329</b>	<b>20,219</b>	<b>14,403</b>	<b>3,844</b>	<b>40,795</b>	<b>40,385</b>

### 28. 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	2,346	-	-	-	(17)	2,329
Restricted funds:						
Wetland centres & reserves:						
Arundel	1,218	117	63	(466)	-	932
Caerlaverock	70	60	(48)	-	-	82
Castle Espie	91	-	(30)	(60)	-	1
Llanelli	21	3	(15)	8	-	17
London	218	149	(2)	(94)	-	271
Martin Mere	1,882	133	(87)	(99)	-	1,829
Slimbridge	587	792	(420)	-	-	959
Washington	149	14	(49)	(21)	-	93
Welney	172	7	(35)	(2)	-	142
Learning	211	26	(213)	-	-	24
Wider conservation programmes	1,232	493	(951)	144	-	918
Other	32	180	(183)	(14)	-	15
Capital	15,254	-	(986)	668	-	14,936
<b>Total restricted funds</b>	<b>21,137</b>	<b>1,974</b>	<b>(2,956)</b>	<b>64</b>	<b>-</b>	<b>20,219</b>
Unrestricted funds:						
Designated funds:						
Contingency reserve	6,759	-	-	131	-	6,890
Planned projects reserve	1,228	-	-	(419)	-	809
Fixed asset reserve	5,607	-	-	(203)	-	5,404
Pension reserve	150	-	-	1,150	-	1,300
General funds	3,158	21,989	(21,050)	(723)	470	3,844
<b>Total unrestricted funds</b>	<b>16,902</b>	<b>21,989</b>	<b>(21,050)</b>	<b>(64)</b>	<b>470</b>	<b>18,247</b>
<b>Total funds</b>	<b>40,385</b>	<b>23,963</b>	<b>(24,006)</b>	<b>-</b>	<b>453</b>	<b>40,795</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 represents a savings plan to set aside funds for payment of the potential USS pension liability (note 29b).

## 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.

# Notes to the financial statements

## 29. 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 cash flows. The FRS 102 valuation at 31 March 2018 shows a surplus of £832k; 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 (2016/17: £275k) to the scheme during the year in accordance with the schedule of contributions plus a one off payment of £1,650k during 2016/17, 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 2019 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:

	2018 % p.a.	2017 % p.a.
Discount rate	2.7	2.6
RPI assumption	3.1	3.3
CPI assumption	2.1	2.3
LPI pension increases	3.0	3.2

The underlying mortality assumption is based upon the standard table known as S2PA on a year of birth usage with CMI\_2017 future improvement factors and a long term rate of future improvement of 1.0% per annum (2017: S2PA with CMI\_2016 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 21.8 years (previously 22.0 years)
- Female age 65 now has a life expectancy of 23.7 years (previously 23.8 years)

## Notes to the financial statements

The amounts recognised in the balance sheet as at 31 March 2018 (with comparative figures for the year ending 31 March 2017) are as follows:

	2018 £'000	2017 £'000
Present value of plan liabilities	(15,618)	(16,967)
Market value of scheme assets	16,450	17,072
Surplus in the plan	832	105
Adjustment for non-recoverable surplus	(832)	(105)
Net defined benefit asset / (liability)	-	-

The amounts to be recognised in the Statement of Financial Activities for the year ending 31 March 2018 (with comparative figures for the year ending 31 March 2017) are as follows:

	2018 £'000	2017 £'000
Current service cost	-	-
Administrative expenses	-	-
Interest on net defined benefit (asset) / liability	-	-
(Gain) / loss on plan changes	-	-
Curtailed (gain) / loss	-	-
Total	-	-

Changes in the present value of the plan liabilities for the year ending 31 March 2018 (with comparative figures for the year ending 31 March 2017) are as follows:

	2018 £'000	2017 £'000
Present value of plan liabilities at beginning of period	16,967	13,423
Current service cost	-	-
Interest on plan liabilities	435	462
Actuarial losses / (gains)	(1,330)	3,502
Benefits paid	(454)	(420)
Present value of plan liabilities at the end of period	15,618	16,967

Changes in the fair value of the plan assets for the year ending 31 March 2018 (with comparative figures for the year ending 31 March 2017) are as follows:

	2018 £'000	2017 £'000
Market value of plan assets at beginning of period	17,072	13,722
Interest on plan assets	435	462
Return on assets, less interest included in Profit & Loss	(878)	3,033
Benefits paid	(454)	(420)
Contributions paid by the company	275	275
Market value of plan assets at end of period	16,450	17,072
Actual return on plan assets	(443)	3,495



## Notes to the financial statements

The major categories of plan assets as a percentage of total plan assets for the year ending 31 March 2018 (with comparative figures for the year ending 31 March 2017) are as follows:

	2018	2017
Equities	22%	21%
Annuities	28%	32%
Bonds	28%	27%
Absolute return	21%	20%
Cash	1%	0%
Total	100%	100%

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

Analysis of the remeasurement of the net defined benefit liability recognised in the Statement of Financial Activities for the year ending 31 March 2018 (with comparative figures for the year ending 31 March 2017) are as follows:

	2018 £'000	2017 £'000
Return on assets, less interest included in Profit & Loss	(878)	3,033
Experience gains and losses arising on plan liabilities	465	(9)
Changes in assumptions underlying the present value of plan liabilities	865	(3,493)
Change in non-recoverable surplus	(727)	194
Remeasurement of net defined benefit liability recognised in the Statement of Financial Activities	(275)	(275)

Movement in net defined benefit asset / (liability) during the year ending 31 March 2018 (with comparative figures for the year ending 31 March 2017) are as follows:

	2018 £'000	2017 £'000
Net defined benefit asset / (liability) at beginning of year	-	-
Recognised in Profit and Loss	-	-
Contributions paid by the company	275	275
Remeasurement of net defined benefit liability recognised in Statement of Financial Activities	(275)	(275)
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.

## Notes to the financial statements

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### (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 13 pensioners and deferred members of the scheme. During the year, we paid contributions of £6k (2016/17: £5k) into the scheme for the one active member. The universities and other employers within the scheme have agreed to fund this liability through increased contributions. As at 31 March 2018 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. In addition, were WWT to withdraw from the scheme in the future, WWT would have to fund the remaining liability relating to all 14 WWT members of the scheme on a buyout basis. The estimate of this liability, which has not been recognised in the financial statements as it is possible but uncertain, is £1.3m.

Trustees have designated funds in a pension reserve in readiness for the payment of this contingent 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 £337k (2016/17: £308k).

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 £5k (2016/17: £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 £5k (2016/17: £6k).

Included within Other Creditors are outstanding contributions of £54k (2016/17: £54k).

## 30. Contingent liabilities

In preparing these financial statements management have considered the potential liability in respect of the multi-employer benefit pension scheme as explained in note 29(b). The liabilities of this scheme are currently in excess of the scheme assets, under the buy-out valuation method. Management consider that there will only be a liability in the future if certain conditions are met. At the balance sheet date, all such conditions that could cause the liability to crystallise had not been met and thus there is a possible but uncertain obligation at the balance sheet date.

The current estimate of the contingent liability in respect of this is £1.3m.

## 31. Capital commitments

	2018 £'000	2017 £'000
Authorised and contracted for	286	846

At 31 March 2018, WWT was committed to a number of capital projects at WWT wetland centres to improve and develop the visitor experience, including £128k on the Slimbridge 2020 Wetland Theatre.

## Notes to the financial statements

### 32. Operating lease commitments

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

	2018		2017	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Due within one year	143	70	131	68
Due between two and five years	543	79	504	73
Due in over five years	3,228	-	3,950	-
	3,914	149	4,585	141

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.

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

We are not aware of any related party transactions in the year (2016/17: £nil). As disclosed in note 18, out of pocket expenses totalling £5,133 (2016/17: £3,895) were paid to Council Members. Donations received from Council Members totalled £600 (2016/17: £3,140).

During the year the charity provided its subsidiary company, WWT Consulting, with a four year loan facility. The maximum available to the company is £900k, reducing over the four years. This facility has been put in place to provide working capital during the planned investment phase and to support the cash flow demands of a strategically important contract in Dubai. Interest is chargeable at a rate of 4.5% above the base rate of Barclays Bank plc as varied from time to time.

### 34. 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 accounts of WWT. Usually all the companies donate their taxable profits to WWT.

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.

# Notes to the financial statements

## Statements of comprehensive income

		WWT (Trading) Ltd		WWT (Consulting) Ltd	
		Year ended 31 Mar 2018 £'000	Year ended 31 Mar 2017 £'000	Year ended 31 Mar 2018 £'000	Year ended 31 Mar 2017 £'000
Turnover	- third party	4,893	5,073	590	686
	- group	55	57	71	76
Cost of sales	- third party	(3,543)	(3,524)	(164)	(243)
	- group	(55)	(57)	(71)	(76)
Gross profit		1,350	1,549	426	443
Administration costs		(1,272)	(1,300)	(546)	(458)
Operating profit / (loss)		78	249	(120)	(15)
Interest received		-	2	-	-
Tax on profit / (loss) on ordinary activities		-	-	-	-
Total comprehensive income for the year		78	251	(120)	-

The assets and liabilities of the companies were:

Fixed assets	961	923	1	1
Current assets	1,457	2,137	936	1,181
Current liabilities	(2,042)	(2,580)	(941)	(1,066)
Total net assets	376	480	(4)	116
Share capital – £1 ordinary shares	350	350	85	85
Retained profits	26	130	(89)	31

The above subsidiary accounts are before consolidation adjustments.

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

	2018 £'000	2017 £'000
Net incoming resources before other recognised gains / losses	232	(623)
Depreciation on tangible fixed assets	1,709	1,620
Amortisation of intangible fixed assets	125	169
Transfer in of fixed asset investment	(12)	(199)
Investment income and interest	(287)	(353)
Profit on sale of fixed assets	-	(15)
(Increase) / decrease in stock	(53)	(314)
Decrease / (increase) in debtors	(1,393)	219
Increase / (decrease) in creditors (excluding movements in finance leases)	(142)	209
(Decrease) in pension liability (excluding new actuarial gains / losses)	(275)	(275)
Net cash outflow from operating activities	(96)	438

## Notes to the financial statements

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

	2018 £'000	2017 £'000
Decrease in cash in the year and movement in net funds in the year	(1,403)	(1,224)
Net funds at start of the year	3,474	4,698
Net funds at end of the year	2,071	3,474

### 37. Analysis of net funds

	2018 £'000	2017 £'000
Cash at bank and in hand	2,071	3,474
	2,071	3,474

### 38. Deferred income movement during the year

	Grants	Fees	Total 2018 £'000	Total 2017 £'000
Deferred income as at 1 April 2017	338	137	475	202
Amounts released during the year	(338)	(137)	(475)	(202)
Amounts deferred during the year	177	131	308	475
Deferred income as at 31 March 2018	177	131	308	475

Deferred income increased for the year ended 31 March 2017 owing to the deferral of a grant from HSBC. The projects funded by the HSBC grant are continuing to December 2018 so this forms part of the balance at 31 March 2018.

### 39. 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 2017/18.

WWT's Patrons are as follows:

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

## Notes to the financial statements

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Keith Roper

Rosemary Sharpe

Hannah Stebbings

John Stevenson

Rupert Stocks

Hazel Trapnell

Mo and Ron Warren

Anthony Wassell

Tom Wilde

We would like to acknowledge the gifts generously left in the wills of many kind benefactors. We would also like to express sincere thanks to Myra and Peter Woods for their generous support.

Grants were received through the Landfill Communities Fund from Viridor Credits Environmental Company.

Other organisations whose support we gratefully received include:

Critical Ecosystem Partnership Fund

Darwin Initiative through UK Government Funding

Environment Agency

Ernest Kleinwort Charitable Trust

European Commission - LIFE

Eversheds Sutherland

Garfield Weston Foundation

Heritage Lottery Fund

HSBC Bank plc

Leica Camera AG

Moto in the Community

Royal Bank of Canada

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 2018, 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:

Dr Peter Day (Chairman)

Andrew Beer (from 5 October 2017)

Martin Birch

Barnaby Briggs

Anna Carragher

Pamela Castle OBE

Prof Alastair Driver

Simon Henzell-Thomas (from 5 October 2017)

Simon Tonge

## Finance Committee

Martin Birch (Chairman)

Barnaby Briggs

Dr Peter Day

David Milne QC

Elizabeth Rae

## Audit and Risk Committee

Simon Tonge (Chairman)

Martin Birch

Robert Falkner

## Remuneration Committee

Dr Peter Day (Chairman)

Martin Birch

Barnaby Briggs

## Company information

### *Registered office*

Slimbridge, Gloucestershire, GL2 7BT

### *Company Secretary*

John Rew (from 19 July 2018)

Nicola Spencer (until 25 May 2018)

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)

## Management Board

Martin Spray CBE (Chief Executive)

Kevin Peberdy (Chief Operating Officer)

Matthew Carter (Director of Operations)  
(from 1 June 2018)

Deborah Pain (Director of Conservation)  
(until 6 April 2018)

John Rew (Interim Director of Finance and Support  
Services) (from 4 April 2018)

James Robinson (Director of Conservation)  
(from 1 May 2018)

Ruth Seymour (Director of Marketing and Supporter  
Development)

Nicola Spencer (Director of Finance and Support  
Services) (until 25 May 2018)

Ian Wilson (Director of Operations)  
(until 16 March 2018)

## Advisers

### *Principal bankers*

National Westminster Bank plc  
21 Eastgate Street, Gloucester, GL1 1NY

### *Auditors*

Mazars LLP  
90 Victoria Street, Bristol, BS1 6DP

### *Investment managers*

Rathbone Greenbank Investments  
10 Queen Square, Bristol, BS1 4NT

UBS Wealth Management  
1 Curzon Street, London, W1J 5UB



**WWT**

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

Company registration number 2882729

Registered charity number 1030884 (England & Wales)

Scottish charity registration number SC039410