



WWT

Report of Trustees and Annual Accounts
2015/16

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Report of the Trustees

Introduction

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 2016. 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 2016 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.

Report of the Trustees

Chairman's message

The Severn Wildfowl Trust was founded in 1946 by Sir Peter Scott as a conservation charity created to protect wetlands for wildlife and people. Now named the Wildfowl & Wetlands Trust (WWT), the charity has pioneered the saving of threatened wetland wildlife, and we are now experts in wetland management and creation as well as a resource of excellence in conservation science. We believe that showing people of all ages just how extraordinary the value of wetlands are to the world can help ignite their passion to help us conserve them. As we mark our 70th anniversary it is right to remember some of WWT's great achievements, such as saving the Hawaiian néné and Madagascar pochard from extinction; the building of the London Wetland Centre; creation of WWT Steart Marshes wetland habitat and, most fundamentally, development and management of our reserves. Our centres provide unforgettable wetland experiences for now more than a million children and adults each year, including nearly 60,000 young students, inspiring them to support our conservation work and engaging with them for the future.

Whilst we celebrate these successes, however, it is also fitting to look to the future and set out our aspirations for the coming years. Through our mission and a new vision of what we would like the world to look like in 2040, we have set ourselves six very ambitious goals in support of that aim. I am confident that with the continuing dedication of all our members, volunteers, funders and our highly skilled team of staff, we can achieve these ambitions in a sustainable and cost effective way and make a real difference to wetlands, wetland wildlife and people in Britain and across the world.

Wetlands are essential for life on earth and their beauty and productivity are a source of inspiration for everyone. However, much of the world's wetland natural capital has been lost and degraded, no longer providing the benefits it once afforded. In Britain, wetlands make up only 3% of Britain's landmass but are home to around 10% of all our species, and nearly two thirds of our freshwater and wetland species are in decline, so they are disproportionately important in our environment. The health of wetlands, their wildlife and the people that benefit from them are inextricably linked. Pressures upon them are increasing as both the human population and demands on natural resources grow. As we damage and destroy wetlands, we reduce their ability to sustain populations of plants and animals. Wetlands also provide water for drinking and agriculture, clean our waste, store carbon, provide food and help protect us from drought and flooding. By saving, restoring, creating and better-managing wetlands, we can help resolve many of the challenges of a changing climate at the very time we are in most need of these natural defence mechanisms.

As we move forward and seek increasingly to engage with those responsible for ensuring the wellbeing of our environment, we wish WWT to be seen at the forefront of providing leadership and influence to create a sustainable future for our wetlands, their wildlife and the people who are dependent upon them.



Peter Day
Chairman

Report of the Trustees

Objectives and activities

Our vision

A world where healthy wetland nature thrives and enriches lives.

Our mission

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Our activities

Our part in achieving the vision for wetlands will focus on the following activities:

- **Wetland centres**

Our wetland centres are some of the best wetland sites in the UK and we manage them to ensure they deliver for wildlife. We provide unforgettable wetland experiences to over one million visitors every year, inspiring them to support wetland conservation.

- **Conservation science**

We study why wetland nature is declining and find positive solutions.

- **Conservation action**

We take direct action to save some of the planet's most threatened wetland wildlife and bring real benefits to the communities living among some of the most vulnerable wetlands in the world.

- **Working wetlands**

We demonstrate wetlands can be managed or created to provide a wide range of vital services for people such as flood alleviation or treatment of farm effluent, as well as providing homes for wildlife.

- **Advocacy and campaigns**

We work with others to convince decision makers that wetlands are a crucial and effective part of the answer to some challenging environmental problems and advise on practical ways of restoring wetland nature.

- **Consultancy**

We work all over the world providing wetland consultancy services including ecological surveys, wetland management advice, wetland centre design and the design and build of wastewater treatment systems.

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Achievements and performance

Wetland centres

Providing unforgettable experiences

Over one million people visited our wetland centres during the year, both day visitors and pupils on formal learning visits.

973,028 day visitors came to our wetland centres, a 12% increase compared with 2014/15. Our visitor numbers have been steadily rising over the last few years. Visitor numbers are affected by weather (particularly at peak visiting times like school holidays) and the general economy but we believe this steady rise is a result of improvements to the experience we provide. This is a combination of investment in infrastructure and exhibits as well as special events. In 2015/16 we saw very significant peaks at each centre that hosted a Lego brick wetland animal trail. As well as attracting in a new audience, each Lego brick animal carried simple conservation messages.

We also welcomed 51,787 pupils and 10,779 teachers and adult helpers on curriculum-linked formal learning visits across the UK, an increase of 4% on the previous year. 80% of our school visitors were from the Primary sector, taking part in hands-on, investigative enquiry based learning sessions, with many also benefitting from self-guided activities.

Our Inspiring Generations Free School Visits Scheme, funded by HSBC's Water Programme, is enabling 60,000 pupils from disadvantaged areas to experience a free wetland centre visit by December 2016. 32% (16,572) of pupils visiting our centres in 2015/16 visited via this scheme, resulting in a total of 47,324 pupils since the beginning.

The Inspiring Generations project also brings wider benefits in the form of valuable research into the impact of a WWT school visit on pupils' values, attitudes and behaviour towards the natural world, and also contributions to some capital improvements, resources, staff development and teacher training.

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. Highlights in 2015/16 were:

- The Discovery Hide is part of a significant programme of new developments completed and planned for Martin Mere. It is designed for families and those learning how to watch nature. One section provides large windows, sofas, binoculars, scopes and guides. From here visitors can 'graduate' to a more typical hide section. The development allows easy access from the visitor centre to the reserve views for all visitors and has transformed this area of the centre.
- At Washington a new circular hide was completed with views over the new saline lagoon and the river Wear, together with new wheelchair-friendly access paths.
- We opened the Secret Swamp at Castle Espie, a circular trail through woodland and wetlands offering natural, active play in a tranquil setting.
- At Llanelli we built a Water Lab; funded by HSBC's Water Programme this provides an outdoor shelter for school groups whilst collecting rainwater and demonstrating sustainable water management.
- By the end of the year, development of the Thames Water H₂O in London was almost complete. This will provide a multi-functional space, including state of the art facilities for school groups.
- At Slimbridge, we refurbished the popular Riverlife play area.

We continue to develop new and innovative interpretation and engagement at all our centres to make visits more enjoyable and our conservation messages more effective. This is an area that we will be focussing on over the next few years, to ensure that every visitor goes home understanding more about wetlands, their conservation, WWT's work and what they can do to help wetlands in their homes or workplaces.

During the year, the Heritage Lottery Fund awarded us a development grant to complete detailed plans for a £6m project at Slimbridge. This project will celebrate the life of our founder Sir Peter Scott and tell the story of Slimbridge and modern conservation, providing the highest quality experience for visitors and leading them on their own journeys to become advocates of wetland conservation. The iconic Scott House will be opened up to the public, along with other heritage features, ambitious new exhibits will explore different ways to entertain and educate and the wild nature reserve will be made accessible to many more visitors, all brought alive by staff and volunteers. We will spend the coming year finalising plans and raising the remaining funds. The developments themselves will be built within the next five years.

Thriving wetlands and wetland wildlife

Our nine wetland centres 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.

Our Arundel centre is particularly vulnerable to floods and we have been drawing up plans to help alleviate ongoing risks by managing flood waters better. The project will be in two phases in October 2016 and April 2017.

Our reserves provide some amazing wildlife spectacles. Highlights in 2015/16 were:

- Holly-leaved Naiad, a very rare, protected aquatic plant suddenly appeared in large numbers at Arundel along the route used by the boats. It previously only occurred in Norfolk so the origin of this plant remains a mystery.
- Arundel recorded a bittern, 3,000 starlings, 200 pied wagtails, 30 reed buntings and 60 linnets using its reedbed and scrub as a winter roost.
- Two pairs of ringed plover bred successfully on new saltmarsh created at Castle Espie a few years ago. Common terns were regularly present throughout spring and summer around the Saline Lagoon leading to hopes that they might breed in the future.
- It was another record year for barnacle geese, with an estimated 39,500 wintering on the Caerlaverock reserve and on the surrounding Solway coast. They became the stars of the BBC Autumnwatch programme hosted by the centre in November.
- The huge operation to clear trees and scrub from the Millennium wetlands at Llanelli that had overgrown the wetland margins has had good early results. Short-eared owls, hen harriers, bitterns and up to 300 black-tailed godwits have been seen in the area and by the end of the year lapwing could be seen prospecting for nest sites.
- Some amazing urban bird records from London – as many as four bitterns and jack snipe and early signs that the kingfishers are finally showing an interest in the constructed nesting bank in the Sheltered Lagoon.
- London also boasts over 200 species of fungi. An autumn foray revealed some uncommon ones – the girdled webcap, the girdled knight, the blushing rosette and a very rare brittlegill species.
- Martin Mere recorded its first breeding common tern with a pair producing two chicks and the first appearance of an adult white-winged black tern since the early 2000s.
- In addition to its success with breeding cranes the Slimbridge reserve also had two pairs of breeding black-tailed godwit.
- Although now levelling out, the population of water voles at Slimbridge remains very high and is widely distributed across the reserve in many different habitats.
- A survey of the Dumbles, the internationally important saltmarsh at Slimbridge, showed it was in good condition and expanding and has some rare species, including the grass bulbous foxtail.

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Achievements and performance

- A warm, wet winter led to some fantastic waterfowl spectacles at Slimbridge. Numbers of some waterbirds approached the highest ever recorded, including golden plover, pintail, teal and wigeon and an overall peak mid-winter count of waterfowl of over 27,300.
- Two newly constructed shingle islands at Washington have had instant success with roosting curlew and redshank and regular flocks of over 200 lapwing – double the numbers in recent years. There are also excellent signs of the island's nesting potential with avocets already showing an interest.
- Amazing records of birds using the newly created wet grasslands at Welney known as Lady Fen, with peak numbers of over 8,000 whooper swans, 9,000 wigeon and 8,000 golden plover. Prospects for further breeding by black-tailed godwits were also looking good.

Conservation science

In order to understand where valuable conservation resources should be used we need to monitor populations to identify which species are declining. We continue to organise the Goose and Swan Monitoring Programme, in partnership with the Joint Nature Conservation Committee and Scottish Natural Heritage.

We support 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 are also funded by Defra to be part of the GB Wildlife Disease Surveillance Partnership to provide an early warning system for risks to human and domestic animal health and threats to UK wildlife.

We continue to monitor causes of wildfowl mortality, such as diseases and lead poisoning through ingesting shotgun pellets. Collision with power-lines is another significant issue for some species in the UK and we continue to work with Electricity Northwest to identify potential collision hotspots for swans and geese around Martin Mere.

We have been working on Bewick's swans since the 1960s. The Northwest European population has declined dramatically over the last 20 years and we are working to determine the causes of the decline and to reduce the threats that we know of, such as illegal shooting, lead poisoning and collisions with power lines. As part of this work, some birds were fitted with GPS tags and have been tracked from Slimbridge and Welney to their breeding grounds in Arctic Russia. This provided useful information on their movements, especially in relation to wind farms.

The common scoter is the only wildfowl species that is Red Listed as a breeding bird in the UK. There are only around 50 pairs left, with numbers having dropped by half over the last 25 years. The largest population is in the Flow Country of Caithness and Sutherland, with a second core in the West Inverness Lochs area. Although there are several potential threats to the breeding scoters, there has been no good scientific evidence to tell us which are actually causing the species' decline. Working with the RSPB, SSE, the Forestry Commission and other partners, our researchers have been gathering the evidence we need to identify the solutions to these problems. As a result, SSE has marked a power-line that was a proven hazard to scoters. They have also adjusted their management of the water-levels in the lochs to try to minimise the chances of scoter nests being flooded at high water, or nest islands becoming connected to the mainland at low water. We have also been identifying previously unknown wintering locations by tagging nesting hens, mapping underwater habitat and determining precise habitat use and feeding areas through pioneering use of hydro-acoustic tracking.

Greenland white-fronted geese breed in Greenland and winter exclusively in Ireland and Britain. They have declined by 40% over 20 years and are classified as globally 'Endangered'. Our research to identify the causes of the decline included fitting GPS tags to birds to monitor their movements, analysing the impacts of disturbance and investigating the reasons for low breeding success.

Baer's pochard was once relatively widespread in Asia but a rapid decline has pushed it close to extinction. There is concern this species may be an indicator of more widespread waterbird declines in Asia, as yet undetected by monitoring schemes. We produced an international action plan for the species, and started a genetics study of all birds in European and North American collections to determine their genetic purity and to establish a conservation breeding programme at Slimbridge.

Conservation action

Since 2009 we have been working to save the Madagascar pochard, the world's most endangered duck. We have been breeding the birds in captivity in Madagascar very successfully and the Conservation Breeding Centre is now complete and houses 75 birds. We are now undertaking a ground-breaking wetland restoration and livelihoods improvement project, alongside Durrell Wildlife Conservation Trust, Asity, the Madagascar Government and OSDRM (a local affiliate of the Aga Khan Foundation) at Lake Sofia, where we plan to reintroduce the pochard. We are working with around 10,000 people in the local communities that depend on the lake to develop systems that involve them in the governance of the lake and activities in the watershed, protect the site, and develop sustainable livelihoods that give them security and resilience. In time, it will become a new home for the pochards and a model for sustainable wetland management nationally.

The East Asian-Australasian Flyway continues to provide an important geographical focus for much of our work. Perhaps the most significant of our projects along this flyway is that of the spoon-billed sandpiper, a collaboration between WWT, Birds Russia, Moscow Zoo and the RSPB working with colleagues from the BTO, BirdLife International, ArcCona and the spoon-billed sandpiper Task Force. Only about 200 pairs are thought to survive in the wild and whilst the major threats of habitat loss and illegal hunting are being addressed, we have embarked on an ambitious captive breeding programme at Slimbridge to act as a safety net and a possible source of birds for reintroduction. 24 birds (8 females and 16 males) remain in the captive population. Unfortunately the captive birds did not breed in 2015/16, but following a few minor changes we are confident of achieving breeding success next year.

Since 2012 we have also been taking eggs from the breeding grounds in the wild, hatching them in incubators, rearing them in outdoor aviaries in the arctic Russian tundra and releasing the fledged birds. This reduces losses of eggs and chicks to predators, and the technique is called 'head-starting'. This helps many more birds to fledge successfully than would happen without our help. The success of this approach has been demonstrated by the numbers of flagged head-started birds that have been re-sighted, indicating healthy survival and return rates.

In order to establish a conservation breeding programme for Baer's pochard at Slimbridge, we now have 16 birds (eight males and eight females) in a bespoke facility where we have simultaneously been pioneering the development of an aquaponics system to reduce water use and grow food plants. If effective, the system could be adapted for use in a variety of contexts, from the captive breeding facilities in Madagascar to the duckeries at our UK centres. The water used during the indoor rearing stage was collected, filtered and stored and we are now investigating the way ducks pollute the water body on which they reside and the efficiency of different plant species to remove these 'pollutants' when dirty pond water is circulated through grow beds containing these plants.

Only a few fragments of lower Mekong seasonally-inundated grasslands remain in southern Cambodia and Vietnam. These support important populations of globally threatened wildlife, including an isolated and highly threatened population of Sarus cranes, and are vitally important to millions of Cambodians that depend upon them for their livelihoods. These remaining fragments are coming under increasing pressure and so we are working with local partners to build capacity to sustainably manage and protect two wetland reserves in Cambodia as well as work with local communities and the national government to improve practices and find alternatives to current damaging and unsustainable activities.

On-the-ground conservation interventions are well underway at both sites, including establishing a 'buffalo bank' where poor members of the community sign agreements to borrow buffalo bought by the project in exchange for agreeing to undertake conservation grazing with them alongside conservation-friendly water-level management. When the buffalo give birth they get to keep the offspring, giving them a long-term means to improve their livelihoods. At Anlung Pring a new multiple-use community wetland has been created from a disused irrigation pond. Under agreement with local communities two thirds will be for wetland nature conservation with the remaining third reinstated as a dry-season water source for local vegetable gardens and a nascent community growing scheme. In the longer term the aim is that this wetland will be the first stop for tourists visiting the site.

We lead Wetland Link International (WLI), a global support network for wetland education centres. WLI has over 300 member wetland centres worldwide and is part of the Ramsar Convention's approach to wetland engagement and education.

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Achievements and performance

In the UK, the Great Crane Project, a partnership with RSPB and Pensthorpe Conservation Trust, with major funding from Viridor Credits Environmental Company, aims to re-establish a sustainable population of common cranes in Britain. Between 2010 and 2014, a total of 94 birds were released of which around 75 are still alive and well. In 2015/16 the first wild-hatched crane chicks of released captive-bred parents took flight. Two chicks fledged in Somerset and one at Slimbridge. In total there were eight breeding pairs and a further seven to nine territorial pairs; one pair in Somerset hatched chicks but lost them at around three weeks old (cause unknown) and two pairs laid eggs but failed to hatch them. At Slimbridge, one other pair laid eggs: their first nesting attempt was abandoned for unknown reasons and their second nesting attempt lasted for 30 days of incubation but they were found to be incubating infertile eggs. Another pair fledged a chick in Wiltshire.

We worked with the RSPB and the Wildlife Trusts to develop a new 150 ha wetland reserve at Coveney adjacent to the Ouse Washes in partnership with the Environment Agency. The new reserve, to be managed by the RSPB, is part of works to help mitigate for loss of wintering and breeding birds as a result of deep winter floods and unseasonal spring and early summer flooding which has impacted on wildlife on the Ouse Washes themselves.

Working wetlands

Wetlands can combine habitats of high value to wildlife with many other benefits such as flood prevention, improvements in water quality, reducing erosion, providing places for recreation and helping the well being of people. Our “working wetlands” programme recognises that wetlands can work hard for both wildlife and people.

In 2015/16 we officially opened the first of our working wetland sites – the vast Steart marshes restored from former farmland in partnership with the Environment Agency. In addition to providing important intertidal habitats on the Severn estuary to replace those to be lost as sea levels rise, the newly developed saltmarshes and mudflats help prevent erosion of tidal defences, reduce local flooding risks in nearby properties and provide homes for wildlife, including habitats for fish breeding. We also completed work to enhance the habitats and visitor facilities, thanks to funding from Viridor Credits Environmental Company, the Environment Agency and others.

Over 13,000 people visited the marshes in 2015/16. Despite habitats being less than two years old they also attracted nationally important numbers of avocet, dunlin, little egret, redshank, shelduck and shoveler and a peak winter count of waterbirds of nearly 19,000 on habitats. Breeding birds included avocet, only the second pair to breed in Somerset in 130 years.

Working wetlands can also be at much smaller scales. Sustainable Drainage Systems (SuDS) are designed to store or hold back water temporarily to reduce risk of flooding downstream and help improve water quality. With careful design they can also provide mini wetland habitats and places for people. Building on work with schools in London and Northumberland we are developing a community scheme in Slough to demonstrate a range of opportunities for these urban wetlands and “blue” corridors.

We are developing potential partnerships to develop further working wetland sites, including retro-fitting old SuDS systems. Working with developers we are trying to incorporate new ways of dealing with surface water management to provide space for wildlife and people. We are also focussing on the re-connection of floodplain wetlands to help alleviate floods and further developing wetland systems to help buffer and treat runoff from farms. Plans are under development to interpret some “working wetlands” at our centres and to develop new ideas.

Advocacy and campaigns

Our advocacy and campaigning work is making a difference at local, national and even international scale.

Our founder Sir Peter Scott was a key player in the creation of the Ramsar Convention for wetland conservation in 1971. We have continued to be an active contributor to the Convention and were recognised in June 2015 as the sixth International Organisation Partner. The Convention now has 169 countries as Contracting Parties around the world, so this is an important step forward in our global conservation influence, helping us to share our expertise wherever it is needed most.

At the European level, we joined other environmental organisations to campaign to protect the EU Birds and Habitats Directives. We helped to generate the biggest consultation response the European Commission has ever received and provided evidence to Brussels. The next stages of the project will focus on implementing the Directives properly. One key species protected by the Birds Directive is the Bewick's swan. As part of the Flight of the Swans project where, in 2016/17, a member of our team will fly with a paramotor the entire migration route of the Bewick's swan, we have formed new relationships with Members of the European Parliament and policymakers along the Bewick's swan flyway. We aim to secure change in each country along the route that will help protect the swans, including habitat creation, monitoring, and action to reduce illegal hunting and poisoning.

We are also extending our environmental policy influence domestically. In response to the winter floods, we are working to promote wetland creation and restoration as natural flood management, combining the need to restore nature with the benefits it will bring for people. We are playing a leading role among environmental NGOs in contributing to the UK Government's 25 year plan for the environment, and will advocate the importance of wetland conservation as part of a plan to build environmental priorities into decision-making.

Alongside our policy work with Government, we are influencing the legislative agenda in Parliament. The Housing and Planning Bill was intended to pave the way for many thousands of new homes every year by easing planning rules, with no provision for the environment or resilience. Leading a coalition of interest groups, we secured a legally binding commitment to a national review of sustainable drainage policy and law in new developments and we aim to ensure that the review leads to strong Government action next year.

All our advocacy work is rooted in scientific analysis and practical experience. We are:

- drawing on our world-leading scientific research to call for policies to limit the use of lead ammunition, which poisons many thousands of wildfowl every year;
- sharing our experience of managing the ecological impacts of invasive, non-native species, promoting policies to control their introduction and limit their spread around the UK and EU;
- sharing the lessons of our Wetland Centres, such as the importance of connecting people with nature; and
- demonstrating the economic benefits of environmental action – such as our managed realignment project in Somerset – to argue for a natural capital approach to decision-making.

We are reinforcing our advocacy in these areas by joining and leading coalitions of NGOs and other stakeholders, especially through our leading role in coalitions like Blueprint for Water and Wildlife and Countryside Link. These provide a strong foundation to extend the benefits of our experience more widely next year, particularly with a view to policy developments in Wales, Northern Ireland and Scotland.

Consultancy

We deliver wetland conservation through our subsidiary company WWT Consulting on a range of projects across four sectors: Ecological Surveys and Assessments, Habitat Design and Management, Wetland Treatment Systems and Visitor Centre Planning.

One of our most significant projects in 2015/16 was working for Dubai Municipality in partnership with an engineering firm based in Dubai, to develop a brand new Wetland Centre and enhance the existing habitat at Ras Al Khor Wildlife Sanctuary. Ras Al Khor on Dubai Creek was the UAE's first Ramsar site, designated for the habitats and migratory species that find an oasis in the heart of one of the world's busiest cities. It attracts over 20,000 birds from 75 species during peak migration. Like many urban wetlands, Ras Al Khor faces many challenges, including pollution and pressures from urban encroachment. However, the wetlands have the potential to create a much needed natural experience for local residents and tourists. The vision is for it to become an internationally recognised site for best practice in wetland management with a wetland centre that delivers Communication, Education, Participation and Awareness (CEPA) in line with Ramsar's guidelines.

Working with Amec Foster Wheeler and FWAG South East, on behalf of Thames Water, we carried out hydrology, ecology and topography surveys at farms in Surrey, Hertfordshire and Wiltshire to help select sites to install large scale wetland swales. Thames Water wants to find out if swales offer a suitable mechanism for

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reducing the levels of pesticides and herbicides that are reaching our rivers. This project is due to run until 2017 with water quality monitoring ongoing to assess the performance of swales on three different farms.

With the World Bank and Sri Lankan Government departments, we completed an in-depth analysis of flood risk and the economic value of wetlands in Colombo. Without the wetlands the metropolitan region would have to cope with a flood loss of over 200 million US dollars on average every year, increased air temperatures, poorer water quality and the loss of many other ecosystem services. Not only are the wetlands vital for human well-being and the economy of Sri Lanka they are also home to a plethora of wildlife including one of the most endangered mammals, the fishing cat. We have raised the importance of wetlands within the highest levels of government and there are now plans to embed a wetland management strategy within wider urban planning, update policy guidance and to protect the wetlands for future generations.

Membership

Our members are the bedrock of our organisation. From funding our on-the-ground conservation work to giving volume to our campaigning voice, we could not do what we do without them. In 2015/16 we saw a small increase in member numbers of 1% compared with the previous year. We continued to focus on recruitment at centres and through our website as it is increasingly challenging to secure many cost effective recruitment sources outside our centres. Our members are loyal and our retention rate remains strong.

Shops and restaurants

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

In 2015/16 we refurbished the restaurant at Castle Espie, reopening it as the Kingfisher Kitchen with a completely new decor, menu and service style. We received very positive feedback from our visitors and the design and menu will now influence future projects at other centres. The new menu and service style has been successfully introduced at Martin Mere and plans are being developed for a big refurbishment at Slimbridge in 2016/17.

The Slimbridge shop was extended and refurbished in 2014/15. A year on, sales were 33% ahead of the same period the previous year and average spend per visitor was £1.73 against £1.43 the previous year; the business plan had projected a figure of £1.71 in the first twelve months. This has given us the confidence to plan other retail improvements in 2016/17 and we began working on floor-plans and designs for the London Wetland Centre.

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

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

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 69 years and remain central to its future plans.

Conservation science and action

WWT manages ten sites with 3,500 hectares of important nature reserves. Eight of these reserves carry a national and/or international designation. We have a substantial 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 outside our centres, both in the UK and overseas, to help in restoring and recreating wetland habitats for the benefit of wildlife, landscape and amenity value and local human livelihoods. WWT's international work includes conservation of wetland habitats to benefit local communities as well as biodiversity, and 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 interaction with visitors of all ages. Many schools make repeat visits each year.

WWT's advocacy work seeks to influence policy and decision making to achieve better understanding of the importance of wetland habitats and enhance the conservation of the precious biodiversity of the UK. Major examples have been 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 scouts who meet at Slimbridge, which encourage young people to get closer to nature. Our membership remains strong, enabling us to engage directly with more people on wetland and environmental issues. WWT's growing involvement with the corporate sector has resulted in increasing staff volunteering days at our wetland centres.

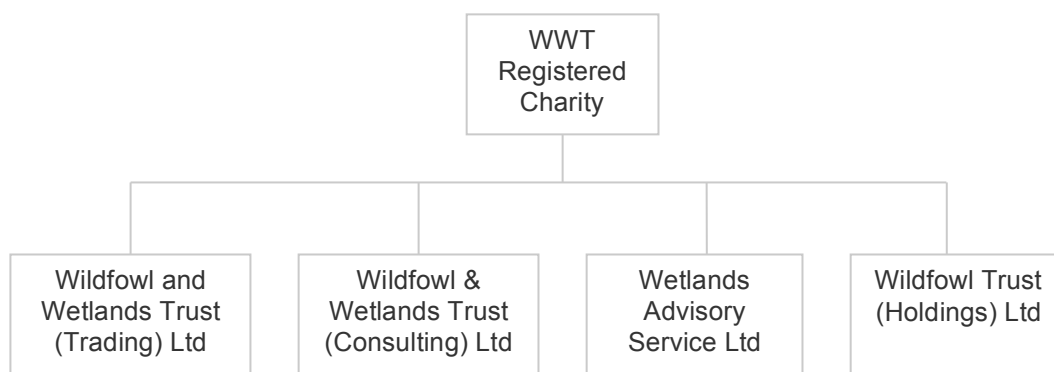
Report of the Trustees

Structure, governance and management

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 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 to the charity under the Gift Aid scheme. In 2015/16 Trustees agreed that WWT Consulting could retain a proportion of its profits for one year to invest in the future growth of the company.

For more detailed information about any of the subsidiary companies, the individual financial statements are filed annually with Companies House or they can be obtained from the Company Secretary at WWT's registered office. The address can be found on page 56.

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 only visitor centre in Scotland is the WWT Caerlaverock Wetland Centre, located in Dumfriesshire on the Solway coast. In the year ended 31 March 2016 16,104 people visited the centre and in addition to this 1,069 school children 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 ten full-time equivalent members of staff are employed here.

Report of the Trustees

Structure, governance and management

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 56.

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 2016 was 8 (2015: 9). 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; and
- 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:

- 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; and
- the charity complies with relevant laws and regulations.

Report of the Trustees

Structure, governance and management

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, which also oversees the recruitment of new Council Members. The Nominations Committee consists of the Chair of the Council, the Treasurer, at least one other Council Member and the Chief Executive.

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 fully their responsibilities.

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 auditors, both external and internal, 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

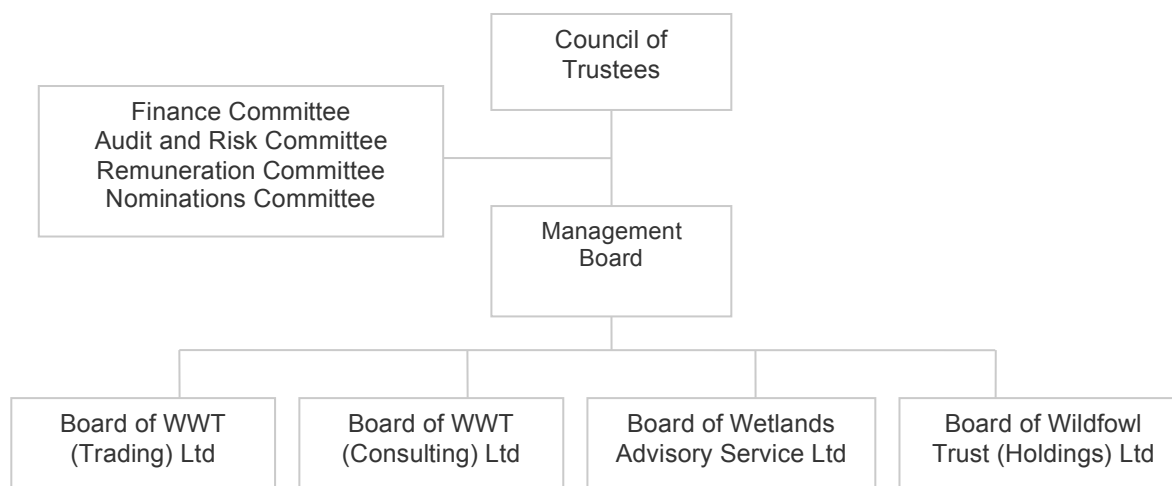
Day-to-day running of WWT is carried out by the Management Board, consisting of paid members of staff. The most senior member of Management Board is the Chief Executive, who reports directly to the Chair of the Council.

Management of subsidiary companies

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

Report of the Trustees

Structure, governance and management



Members of the Council, Nomination Committee, Finance Committee, Audit and Risk Committee, Remuneration Committee and Management Board are listed on page 56.

Auditors

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 auditors' report to WWT's members is given on pages 25 to 26.

Mazars LLP have expressed their willingness to continue in office as the group's auditors 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 auditors are unaware.

Staff and volunteers

WWT employs a team of highly committed and specialist staff. We have diverse roles; staff providing unforgettable experiences at visitor centres, wardens responsible for our internationally important reserves, scientists carrying out research and on-the-ground conservation, and those working behind the scenes to ensure WWT operates professionally and efficiently. We continue to develop the way in which we lead and manage all our teams, focussing in 2015/16 on training and development in particular.

We could not operate to the same degree without our extraordinary volunteer force. Over 900 volunteers contribute to our work in many different ways, from staffing admission desks to giving guided walks to visitors, making film footage and taking photographs, helping with administration and carrying out practical conservation work. It is hard to put an economic value on the unpaid contribution of time and skills that volunteers give, but a very conservative estimate of the value of the 198,000 hours given per year amounts to approximately £1.3m, and this figure is rising each year. In 2015/16 we conducted a survey of our volunteers, who were invited to provide views and opinions on volunteering at WWT. The responses painted a very positive picture with 91% of volunteers happy with their experience, much higher than the national average. Many volunteers requested better communication about projects and developments, and we are working to provide this. The volunteer survey will be repeated every two years. A similar survey of staff was conducted in 2014/15, which will be repeated in 2016/17.

Report of the Trustees

Structure, governance and management

In 2015/16 we launched new Welcome Days for all staff and volunteers joining the organisation. These take place regularly at all centres, providing information on our work, our history and our values. We value frequent communication with our staff, and place great importance on face to face meetings between line managers and their teams. Staff and volunteers are informed of the latest strategic developments and our financial position on a regular basis via updates from managers and open presentations held by the Chief Executive. We have established START, our Staff Representative Body, to canvass opinions, ideas and suggestions from staff on topics of importance to them, and provide another channel for open communication with senior managers to discuss these topics. START is also a group that Management Board can use to test ideas and use as a barometer for the rest of the organisation. Throughout 2015/16 teams have continued to consider the feedback provided in the latest staff survey, identified areas for improvements and implemented actions to address these areas. Netlands, our intranet, was launched at the start of the year and it has proved to be an invaluable tool for communication between many of our staff and volunteers. For those staff and volunteers working outside or in our cafes who do not have regular access to a computer to view Netlands, we will be launching a condensed paper version in 2016/17.

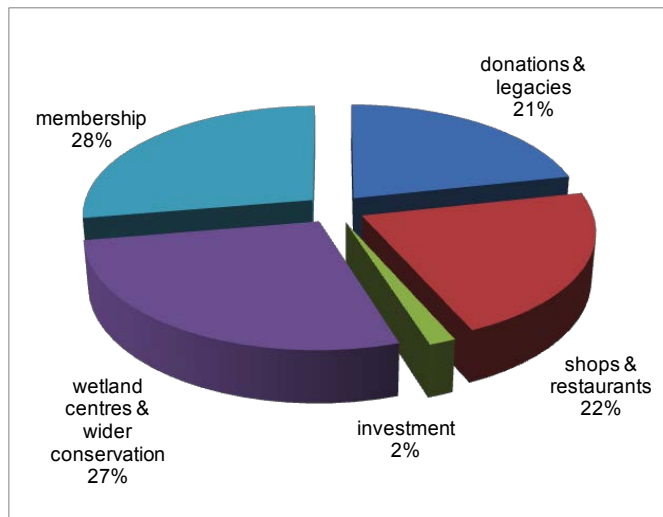
Equal opportunities

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

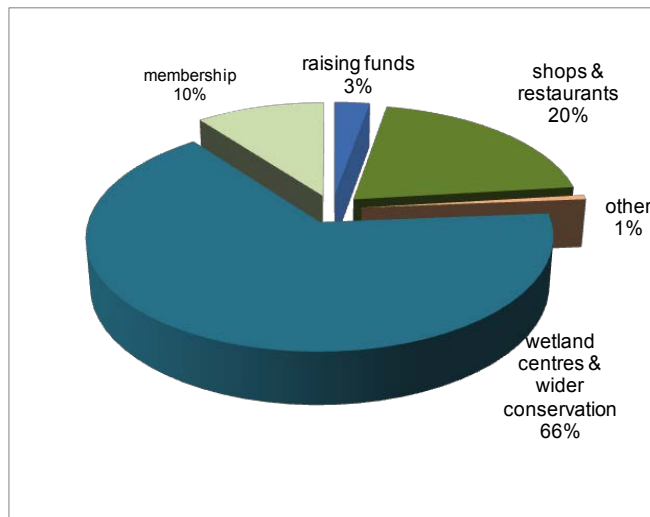
Our commitment is demonstrated through our employment policies, which ensure access to recruitment, promotion, selection and training regardless of the individual's age, sex (or gender assignment), sexual orientation, race, religion or belief, disability, marital/civil partnership status or pregnancy. We are also working to make volunteering opportunities available to as wide a range of people as possible by broadening the recruitment methods and resources we use. WWT will consider any reasonable adjustments wherever practical to enable people with disabilities to apply for jobs and to work at WWT.

In 2015/16 our income increased by 13% to £23.8m, which was more than we expected. We increased our expenditure by a modest 3% to £21.2m and have developed plans for investment in both our wetland centres and wider conservation programmes in the next couple of years.

Income



Expenditure



Donations and legacies

Income from donations and adoptions was £1.8m, a decrease on the previous year because we received fewer grants. The timing of grant applications and projects can mean that grant income varies year on year. We expect grant income to increase over the next three to four years as our plans for the Peter Scott Living Legacy project at Slimbridge unfold.

Legacy income rose to £3.4m, a significant increase on last year's £2.0m. This level of legacy income was unexpected and was a major reason for the overall surplus this year. We will use these legacies in 2016/17 to fund capital projects at some of our wetland centres and new work within our wider conservation programmes; the money is ring-fenced within our Planned Projects Fund.

The costs of raising the donations and legacies increased to £0.6m, the result of investment in future growth.

Wetland centres

The number of visitors to our wetland centres increased by 11% to just over one million, thanks to capital developments, improvements in the experience we provide visitors, investment in visitor marketing and new initiatives such as our wetland animal Lego brick trail. Over half our visitors are members or other categories qualifying for free admission such as children under four years old. Just fewer than half our visitors pay for a day ticket, this admissions income increased by 15% to £3.5m.

All visitors buying day tickets are encouraged to pay the higher 'Gift Aid' price, which includes a 10% donation. For visitors who are UK tax payers, this donation enables us to recover the tax on the entire admission fee, which during the year contributed £0.4m. The proportion of visitors paying the donation has fallen. The main cause is the increasing popularity of online ticketing, a trend across the visitor attraction sector that we need to keep pace with, and we are looking at ways of maximising the value of these ticket sales.

Another important source of income for our wetland centres is grant income, which has increased from £0.7m to £1.0m. This consists of agricultural grants at some of our largest reserves and the HSBC funding of our free school visits programme.

We spent £10.7m or two thirds of our charitable expenditure on our wetland centres. The cost covers the staffing and other costs of managing our grounds, our wildlife reserves and providing a good experience to all our visitors

Report of the Trustees

Financial review

plus the visitor infrastructure such as hides, footpaths and the visitor centre buildings themselves. In addition to this, we spent £1.4m on new capital investment, developing the visitor experience and facilities at our centres.

Membership

Membership subscriptions are our most important source of income, supporting many of our activities at the wetland centres and within our wider conservation programmes. We have maintained our high retention rate amongst our membership but it is becoming harder to recruit new members, particularly away from our wetland centres. Following detailed market analysis we increased our membership price; this contributed to an 8% increase in membership income. Total membership income totalled £6.6m in the year.

It cost us £2.2m (down 4%) to recruit new members and provide all our membership services such as the Waterlife magazine. Some of these costs are directly covered by sponsorship and advertising income, included within other trading activities.

Shops, restaurants other trading activities

Largely driven by visitor numbers, the income from shops and restaurants rose by 10%, to £4.5m. The costs of raising funds in the shops and restaurants include the costs of the products sold in the shops, the restaurants' food, staff costs from both operations and support costs. There was a decrease in these costs as a percentage of trading turnover compared with last year following continued efforts to maintain and improve margins.

As part of our ongoing investment programme, we spent £0.4m on two major capital projects: the refurbishment of the Castle Espie restaurant and the new EPOS system.

Other income from trading operations totalled £0.7m, up 47%. Generated from sponsorship, lotteries, commissions and rents, it was sponsorship income that rose most significantly.

Overall, WWT Trading made an operating profit of £0.8m compared with £0.2m in the previous year.

Wider conservation work

Grants and contracts in support of the charity's wider conservation programmes included waterbird monitoring contracts, funding for SuDS projects and the development and management of Steart Marshes. As some SuDS projects were completed and the development phase of Steart Marshes came to an end, there was a decrease in income by 17% to £0.5m. There are a number of new SuDS projects in the pipeline and this area of work is expected to increase over the coming few years. Many of our wider conservation programmes are funded directly by donations and non-performance grants that are restricted to specific projects and are included within 'donations'.

WWT Consulting had a good year, with contract income up 38% to £0.8m. The company has returned an operating profit of £0.1m, more than double the previous year. A subsidiary of the charity, WWT Consulting usually donates all its taxable profits to the charity. In 2015/16, Trustees agreed the company could retain a proportion of its profits for one year in order to invest them back into the company. A smaller profit or even a small loss is expected during the initial phase of the investment, before profits rise to a new, higher level. The company is not planning to make a donation to the charity from the 2015/16 profits and a small corporation tax charge will result.

We spent £3.3m on our wider conservation work. This is a 4% decrease; the result of a small number of temporary staff vacancies during the year (now filled) and some changes in spend where projects reached a new stage. All our wider conservation programmes are expected to increase in size over the next two to three years.

Investments

Our £11.1m of listed investments are managed by UBS in a segregated portfolio. The market value decreased by £0.1m during the year due to instability in the global markets, management fees were £0.1m and total income returns amounted to £0.4m. Our investment policy includes ethical screening with the intention of aligning our investments to our charitable objectives as far as possible whilst at the same time maintaining income and growth. We aim to exclude companies from the highest impact sectors judged to be the worst or below average performers, and those where a significant level of activity relates to wetland destruction.

In addition to our listed investments, we own investment properties at Martin Mere as a result of the purchase of farmland to extend the reserve in 2011/12.

Net current assets

Net current assets increased by £0.3m to £7.0m. Cash decreased during the year because we made a large one-off payment to the pension scheme and made a significant investment in fixed assets. Debtors increased as a result of a small number of high value invoices for grants and contracts that were issued close to the end of the year.

Pension

In common with many organisations, our defined benefit pension scheme has reported a deficit in recent years. Action has been 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 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 £0.3m at 31 March 2016; a pension surplus cannot be included in our accounts and so it has been removed.

Funds

We hold £2.0m 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 £21.6m at 31 March 2016, of which £15.2m relates to capital, such as land and buildings, purchased with restricted donations. The remaining £6.4m 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. Prior to transfers, restricted funds fell by £0.3m as we used some legacies that had been given to specific centres in a previous year. Some of our wetland centres have received very generous legacies and over the next two to three years we plan to support some big developments with these funds. These include the Arundel flood alleviation works, a new Pond Zone at Martin Mere and the Peter Scott Living Legacy projects at Slimbridge.

Unrestricted funds include the general fund and funds designated for a specific purpose by Council. Unrestricted funds totalled £15.8m, having increased by £2.3m thanks in part to the unexpectedly high legacy income received during the year. £2.6m has been set aside in a designated planned projects fund for specific projects planned for the next couple of years. Projects include an array of capital projects at the wetland centres (particularly those centres that have not received many of their own restricted legacies) and projects within our wider conservation programmes such as work to prevent the illegal shooting of Bewick's swans and SuDS research.

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

We have also set aside a fixed asset reserve, which represents the net book value of unrestricted fixed assets that cannot be easily disposed of as these are not liquid resources immediately available to the charity. This fund totalled £5.2m as at 31 March 2016.

Previously, the Council had also designated £1.65m in a pension reserve; this was paid over to the defined benefit pension scheme at the end of 2015/16 in order to reduce the deficit on the scheme.

The remaining unrestricted funds are held within the general fund. Totalling £1.3m, this will be used for the ongoing running of the charity.

Total funds now stand at £39.4m, an increase of £2.1m compared with 31 March 2015.

Report of the Trustees

Plans for future periods

In order to work towards our six big goals, we have outlined areas we will be focusing on for the next five years. Some of the main plans are set out below.

- We will create and offer amazing experiences for more visitors to our wetland centres. Our plans include a capital investment programme across all our wetland centres including a new Pond Zone at Martin Mere, redevelopment of Slimbridge restaurant and London shop, a Discovery Hide at Castle Espie, natural play space at Llanelli and a £6m project that will tell the story of Slimbridge and modern conservation.
- Through new interpretation and engagement we will inspire more of our visitors to support wetlands and take action in their own homes or workplaces.
- We will manage and expand our own nature reserves and working wetland sites to maximise their value for wetland wildlife. Plans include a project in 2016/17 to alleviate the flood risks at Arundel.
- We will identify reasons for the decline of our UK priority threatened wetland species, such as Greenland white-fronted goose, Bewick's swan and common scoter, propose solutions and take action to improve their conservation status. In 2016/17 the Flight of the Swans project, where a member of our team will fly with a paramotor the entire migration route of the Bewick's swan, will aim to secure change in each country along the route to help protect the swans.
- Through direct action, we will save the rarest and bring back lost wetland species, including the creation and restoration of wetland habitats. Our plans include the wetland restoration of Lake Sofia in Madagascar and the reintroduction of the Madagascar pochard, continuing the successful head-starting programme of spoon-billed sandpiper and establishment of breeding populations of spoon-billed sandpiper and Baer's pochard.
- We will continue working with local communities to sustainably manage wetland sites in Cambodia and will do more projects to demonstrate how good wetland management can both benefit threatened wildlife and help people.
- We will measure and communicate the benefits that wetlands provide to people and, beginning with a community project in Slough, we will develop more excellent examples of working wetlands at household, community and catchment scales, providing natural flood defences or improving water quality while providing spaces for nature and people.
- We will influence decision makers to develop policies that support the creation of working wetlands in homes and workplaces.
- We will help ensure that wetland related UK and international environmental agreements are delivered effectively, especially in our focal countries/regions including the UK, Madagascar and East Asia.

Report of the Trustees

Principal risks and uncertainties

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

The main risks identified during the risk management process were:

- a depressed economy reducing a number of income streams including membership, admissions, shop and restaurant sales, consulting contracts and investment returns;
- funding uncertainty and environmental impacts as a result of leaving the EU;
- loss of key contracts or insufficient fundraising resulting in a reduction in income;
- adverse weather impacting on visitor numbers and reducing income; and
- 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:

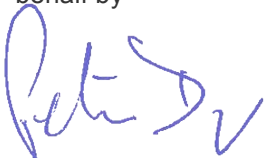
- to focus on increasing a number of different streams of income, not just income associated with visitation;
- to increase the power of our conservation messages; as well as more effectively achieving our charitable aims we hope this will also broaden our supporter base; and
- taking action to protect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

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

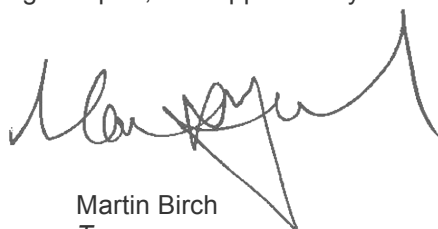
The charity's systems of internal control are designed to provide reasonable, but not absolute, assurance against material mis-statement or loss. They include:

- a five year financial strategic plan and an annual budget approved by the Council;
- regular consideration by the Finance Committee and Council of financial results, variance from budgets, and non-financial performance indicators;
- delegation of authority and segregation of duties;
- regular review by the Audit and Risk Committee of the systems in place to identify and manage risks; and
- reviews and testing by the internal auditor of areas that are considered to be relatively high risk.

This report, incorporating the Strategic Report, was approved by the Council on 14 July 2016 and signed on its behalf by



Peter Day
Chair



Martin Birch
Treasurer

Report of the Trustees

Membership, adoption and visitor numbers

Membership and adoption

	Total number 31 Mar 2016	Total number 31 Mar 2015
Members:		
Life fellows	3,728	3,317
Fellows	229	264
Adult members	12,738	13,211
Joint adult members	43,181	45,518
Family members	95,931	92,901
Adult concession members	13,986	13,764
Joint adult concession members	37,465	36,800
Young person members	403	438
Total members	207,661	206,213
Animal adoptions	3,573	3,791

Visitors to centres

	Total number year ended 31 Mar 2016	Total number year ended 31 Mar 2015
Arundel	93,460	90,964
Caerlaverock	16,104	14,792
Castle Espie	82,786	55,678
Llanelli	58,056	53,143
London	182,640	168,763
Martin Mere	199,636	182,658
Slimbridge	254,427	226,923
Washington	56,794	47,887
Welney	29,125	28,251
Day visitors	973,028	869,059
Children attending formal learning programmes	51,787	49,535
Teachers and adult helpers on formal learning programmes	10,779	10,479
Total visitors to centres, excluding Steart Marshes	1,035,594	929,073

Admission to Steart Marshes is free. We estimate 13,000 people visited the site in 2015/16 (2014/15: 11,000).

Independent auditors' report to the members of the Wildfowl & Wetlands Trust

We have audited the financial statements of the Wildfowl & Wetlands Trust for the year ended 31 March 2016 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of Directors and auditors

As explained more fully in the Responsibilities of Council statement set out on page 15, the Directors (who also act as the trustees for the charitable activities of the Wildfowl & Wetlands Trust) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report, including our opinion, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2016 and of the group's and the parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report incorporating the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report

to the members of the Wildfowl & Wetlands Trust

Matters on which we are required to report by exception

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

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

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

Date

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

Consolidated statement of financial activities

(incorporating consolidated income and expenditure account)
for the year ended 31 March 2016

	Note	Unrestricted £'000	Restricted £'000	Permanent Endowment £'000	Year ended 31 Mar 2016 £'000	As restated Year ended 31 Mar 2015 £'000
INCOME AND EXPENDITURE						
Income and endowments from:						
Donations	6	645	1,134	-	1,779	2,600
Legacies	7	3,104	257	-	3,361	1,967
Income from charitable activities:						
Wetland centres	8	4,471	723	-	5,194	4,248
Wider conservation programmes	9	1,150	157	-	1,307	1,215
Membership subscriptions	11	6,568	-	-	6,568	6,069
Income from shops, restaurants and other trading activities	12	5,167	-	-	5,167	4,524
Investment income	13	389	-	-	389	369
Other income		1	-	-	1	15
Total income		21,495	2,271	-	23,766	21,007
Expenditure						
Costs of raising funds:						
Donations and legacies	14	555	52	-	607	390
Shops, restaurants and other trading activities	15	4,298	-	-	4,298	4,201
Investments		66	-	-	66	59
Raising funds other		45	-	-	45	11
Expenditure on charitable activities:						
Wetland centres	16	8,928	1,747	-	10,675	10,021
Wider conservation programmes	17	2,537	756	-	3,293	3,441
Membership subscriptions	18	2,205	-	-	2,205	2,308
Pension other expenditure	34	23	-	-	23	82
Total expenditure		18,657	2,555	-	21,212	20,513
Net income/(expenditure) and net movement in funds for the year before other recognised gains/(losses) and transfers		2,838	(284)	-	2,554	494
Net (losses) / gains on investment assets	26	(120)	-	(27)	(147)	888
Net income / (expenditure)	21	2,718	(284)	(27)	2,407	1,382
Transfers between funds	32	(207)	207	-	-	-
Actuarial gains on defined benefit pension scheme deficit	34	37	-	-	37	119
Removal of pension surplus	34	(299)	-	-	(299)	-
Net movement in funds		2,249	(77)	(27)	2,145	1,501
Funds at the start of the year		13,581	21,677	2,040	37,298	35,797
Funds at the end of the year	32	15,830	21,600	2,013	39,443	37,298

All activities relate to continuing operations.

Balance sheets

as at 31 March 2016
Company number: 2882729

	Note	The Group		The Charity	
		31 Mar 2016 £'000	31 Mar 2015 £'000	31 Mar 2016 £'000	31 Mar 2015 £'000
Fixed assets					
Intangible fixed assets	24	425	267	258	222
Tangible fixed assets	25	20,502	20,407	19,805	19,882
Investments	26	11,510	11,568	11,945	12,003
		32,437	32,242	32,008	32,107
Current assets					
Stocks and work in progress	27	557	604	28	28
Debtors	28	4,012	2,656	5,078	4,146
Cash at bank and in hand		4,698	5,988	3,687	5,379
		9,267	9,248	8,793	9,553
Creditors: amounts falling due within one year	29	(2,261)	(2,552)	(2,180)	(2,904)
Net current assets		7,006	6,696	6,613	6,649
Total assets less current liabilities		39,443	38,938	38,621	38,756
Creditors: amounts falling due after one year	30	-	-	-	-
Net assets excluding pension liability		39,443	38,938	38,621	38,756
Defined benefit pension scheme liability	34	-	(1,640)	-	(1,640)
Net assets including pension liability	31	39,443	37,298	38,621	37,116
Funds					
Permanent endowment fund		2,013	2,040	2,013	2,040
Restricted funds		21,600	21,677	21,600	21,677
Unrestricted funds:					
Designated funds excluding FRS17 pension reserve		14,533	14,618	14,533	14,618
FRS17 Pension reserve		-	(1,640)	-	(1,640)
General funds		1,297	603	475	421
Total funds	32	39,443	37,298	38,621	37,116

The financial statements on pages 27 to 56 were approved by the Council on 14 July 2016 and signed on its behalf by:

Peter Day (Chair)

Martin Birch (Treasurer)

Consolidated cashflow statement

for the year ended 31 March 2016

	Note	31 Mar 2016		31 Mar 2015	
		£'000	£'000	£'000	£'000
Net cash inflow from continuing activities	40		466		3,752
Returns on investments and servicing of finance					
Interest received		24		133	
Other investment income		365		236	
			389		369
Capital expenditure and financial investment					
Purchase of intangible fixed assets		(226)		(304)	
Purchase of tangible fixed assets		(1,685)		(1,870)	
Sale of tangible fixed assets		1		13	
Purchase of fixed asset investments		(2,543)		(10,628)	
Sale of fixed asset investments		2,308		9,407	
			(2,145)		(3,382)
Cash (outflow) / inflow before financing			(1,290)		739
Financing					
Capital element of loan and finance lease rental payments			-		-
(Decrease)/Increase in cash in the year	41		(1,290)		739
Cash at start of the year			5,988		5,249
Cash at end of the year	42		4,698		5,988

Notes to the financial statements

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.

2. Accounting policies

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

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.

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. An explanation of how transition from the previously extant UK GAAP to FRS 102 has affected the reported financial position and financial performance is given in note 39.

Basis of preparation

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

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

The financial statements are prepared in sterling which is the functional currency of the company and group and rounded to the nearest £'000. Comparative information relates to the year ending 31 March 2015.

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

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

Income

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

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

Notes to the financial statements

Income (continued)

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 separate category within income from charitable activities.

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

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

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

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

Donated goods and services

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

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

Notes to the financial statements

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 profit and loss account in equal instalments over the estimated useful life of the asset. 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

Notes to the financial statements

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.

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.

Notes to the financial statements

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

Tax

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

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

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

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.

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.

Notes to the financial statements

3 Judgements and key sources of estimation uncertainty

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

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

4 Changes in accounting policies

Changes in accounting policies have been made to the recognition of legacy income and holiday accrual in line with the Charities SORP FRS 102. The impact of these is set out in note 39.

The recognition of income from animal adoptions has also changed. Previously, it was treated as unrestricted income. Trustees have decided that it is more appropriate to treat this income as restricted income and for corresponding amounts of relevant expenditure to be reclassified as restricted expenditure. This policy has been applied retrospectively to the comparative information for 2014/15. The new policy has not been applied to periods prior to 2014/15 because the impact on the different funds is zero.

5 Financial performance of the charity

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

	2016 £'000	2015 £'000
Income	18,575	16,756
Gift aid from subsidiary companies	246	160
	18,821	16,916
Expenditure	(16,908)	(16,493)
(Loss) / gain on investment	(147)	888
Pension unrealised gain	37	119
Removal of pension surplus	(299)	-
Net income	1,504	1,430
Total funds brought forward	37,116	35,686
Total funds carried forward	38,620	37,116
Represented by:		
Permanent endowment fund	2,013	2,040
Restricted funds	21,600	21,677
Unrestricted funds	15,007	13,399
	38,620	37,116

Notes to the financial statements

6 Income from donations

	Unrestricted 2016 £'000	Restricted 2016 £'000	Total 2016 £'000	Unrestricted 2015 £'000	Restricted 2015 £'000	Total 2015 £'000
Donations	403	552	955	435	710	1,145
Grants	242	462	704	216	1,115	1,331
Animal adoptions	-	120	120	-	124	124
	645	1,134	1,779	651	1,949	2,600

Animal adoptions were previously treated as unrestricted and have been subject to a change in accounting policy, set out in note 4.

7 Income from legacies

	Unrestricted 2016 £'000	Restricted 2016 £'000	Total 2016 £'000	Unrestricted 2015 £'000	Restricted 2015 £'000	Total 2015 £'000
Legacies	3,104	257	3,361	1,335	632	1,967

The recognition of legacy income been subject to a change in accounting policy, required by FRS 102. The income for the year ended 31 March 2015 has been restated. Further information is set out in note 39.

8 Income from charitable activities: wetland centres

	Unrestricted 2016 £'000	Restricted 2016 £'000	Total 2016 £'000	Unrestricted 2015 £'000	Restricted 2015 £'000	Total 2015 £'000
Admissions	3,546	-	3,546	3,087	-	3,087
Grants & contracts	355	723	1,078	360	291	651
Other income	570	-	570	510	-	510
	4,471	723	5,194	3,957	291	4,248

9 Income from charitable activities: wider conservation programmes

	Unrestricted 2016 £'000	Restricted 2016 £'000	Total 2016 £'000	Unrestricted 2015 £'000	Restricted 2015 £'000	Total 2015 £'000
Conservation science grants & contracts	191	13	204	131	12	143
Working wetlands grants & contracts	173	144	317	272	212	484
Consultancy	752	-	752	545	-	545
Other income	34	-	34	43	-	43
	1,150	157	1,307	991	224	1,215

Notes to the financial statements

10 Government funding

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

	2016 £'000	2015 £'000
City of Sunderland	15	16
Darwin Initiative	131	57
Department of Energy and Climate Change	21	20
Department for Environment, Food and Rural Affairs	52	52
Environment Agency	149	192
Joint Nature Conservation Committee	30	30
London Borough of Richmond upon Thames	66	46
OFGEM	19	21
Rural Payments Agency	445	430
Scottish Natural Heritage	61	58
Scottish Rural Development Programme	33	23
	1,022	945

11 Income from membership subscriptions

	Unrestricted 2016 £'000	Restricted 2016 £'000	Total 2016 £'000	Unrestricted 2015 £'000	Restricted 2015 £'000	Total 2015 £'000
Membership subscriptions	6,568	-	6,568	6,069	-	6,069

12 Income from shops, restaurants and other trading activities

	2016 £'000	2015 £'000
Shops at wetland centres	1,436	1,254
Restaurants at wetland centres	3,034	2,796
Sponsorship	396	162
Lottery	137	158
Other	164	154
	5,167	4,524

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

13 Investment income

	2016 £'000	2015 £'000
Dividends and other income from listed securities	361	236
Interest receivable	28	133
	389	369

All investment income is unrestricted.

Notes to the financial statements

14 Costs of raising funds: donations and legacies

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

	Unrestricted 2016 £'000	Restricted 2016 £'000	Total 2016 £'000	Unrestricted 2015 £'000	Restricted 2015 £'000	Total 2015 £'000
Raising donations and legacies	371	52	423	235	48	283
Support costs (note 19)	184	-	184	107	-	107
	555	52	607	342	48	390

15 Costs of raising funds: shops, restaurants and other

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

	2016 £'000	2015 £'000
Shops at wetland centres	1,254	1,203
Restaurants at wetland centres	2,229	2,152
Other trading costs	95	87
Support costs (note 19)	720	759
	4,298	4,201

16 Expenditure on charitable activities: wetland centres

The costs of wetland centres include the staff, maintenance and other costs associated with managing the visitor experience for our day visitors and school groups, grounds, reserves and caring for the wetland wildlife at the nine UK wetland centres. We manage over 2,600 hectares including one Area of Special Scientific Interest (ASSI), seven Sites of Special Scientific Interest (SSSIs), six Special Protection Areas (SPAs) and six Ramsar sites. Also included are the central costs of designing and developing new exhibits at centres, developing new and engaging visitor experiences and learning programmes, managing the collections of captive animals and overseeing the management of the reserves. The majority of unrestricted support costs and all the restricted support costs consist of depreciation on capital assets.

	Unrestricted 2016 £'000	Restricted 2016 £'000	Total 2016 £'000	Unrestricted 2015 £'000	Restricted 2015 £'000	Total 2015 £'000
Arundel	640	69	709	607	23	630
Caerlaverock	228	70	298	257	71	328
Castle Espie	465	6	471	403	13	416
Llanelli	472	73	545	432	19	451
London	1,264	77	1,341	1,091	56	1,147
Martin Mere	947	12	959	892	7	899
Slimbridge	1,852	35	1,887	1,659	23	1,682
Washington	528	138	666	484	17	501
Welney	341	29	370	332	72	404
Central developments, aviculture, learning & reserve management	721	272	993	987	240	1,227
Support costs (note 19)	1,470	966	2,436	1,427	909	2,336
	8,928	1,747	10,675	8,571	1,450	10,021

Notes to the financial statements

17 Expenditure on charitable activities: wider conservation programmes

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

	Unrestricted 2016 £'000	Restricted 2016 £'000	Total 2016 £'000	Unrestricted 2015 £'000	Restricted 2015 £'000	Total 2015 £'000
Conservation science	631	134	765	617	105	722
Conservation action	282	422	704	483	395	878
Working wetlands	47	187	234	16	294	310
Advocacy & campaigns	514	13	527	566	31	597
Consultancy	594	-	594	472	-	472
Support costs (note 19)	469	-	469	462	-	462
	2,537	756	3,293	2,616	825	3,441

18 Expenditure on charitable activities: membership subscriptions

Membership costs consist of the production of the membership magazine, maintaining membership details and the recruitment of new members. Sponsorship and advertising revenue from the membership magazine, included within other trading activities, covers some of these costs. All these costs are unrestricted.

	2016 £'000	2015 £'000
Membership	1,896	1,993
Support costs (note 19)	309	315
	2,205	2,308

19 Support costs

	Mgmt £'000	Finance £'000	People £'000	IT £'000	Other £'000	Gov £'000	Depn £'000	2016 £'000	2015 £'000
Costs of raising funds: donations	46	18	36	24	10	15	35	184	107
Costs of raising funds: shops & restaurants	152	84	127	124	48	80	105	720	759
Wetland centres	278	117	271	179	76	115	1,400	2,436	2,336
Conservation science	56	9	33	22	9	14	32	175	149
Conservation action	34	3	20	13	6	8	13	97	142
Working wetlands	33	3	14	10	4	6	14	84	43
Advocacy & campaigns	13	3	10	7	3	4	10	50	67
Consultancy	11	13	15	15	-	9	-	63	61
Membership	56	96	46	30	13	19	49	309	315
	679	346	572	424	169	270	1,658	4,118	3,979

Support costs are allocated on the following bases:

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

Notes to the financial statements

20 Governance

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

	2016 £'000	2015 £'000
Audit fee	11	11
Legal fees	39	32
Public & employer's liability insurance	67	73
Pension administration	77	68
Management time spent on governance	22	20
Finance time spent on governance	28	27
Human resources time spent on governance	10	14
Other direct costs	16	9
	270	254

21 Net income / (expenditure) for the year

This is stated after charging:

	2016 £'000	2015 £'000
Amortisation	68	1
Depreciation	1,590	1,557
Council's remuneration	-	-
Council's reimbursed expenses	3	1
Trustee indemnity insurance	2	2
Auditors' remuneration:		
Audit services	17	17
Non-audit services	4	4
Operating lease rentals:		
Property	165	150
Other	50	72

22 Employee information

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

	2016 £'000	2015 £'000
Costs		
Wages and salaries	9,273	8,961
Social security costs	751	735
Pension costs – defined contribution scheme	293	286
Pension costs – USS multi-employer scheme	5	5
Pension costs – final salary scheme	1,925	275
Contributions received into final salary scheme	(1,925)	(275)
Termination costs	45	63
	10,367	10,050

Notes to the financial statements

22 Employee information (continued)

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

	2016 No	2015 No
Costs of raising funds: headcount	236	266
FTE	110	117
Charitable activities: headcount	380	367
FTE	268	265
Total: headcount	616	633
FTE	378	382

No directors (Council Members) of the Wildfowl & Wetlands Trust received any emoluments from WWT during the year (2014/15: none). During the year, out-of-pocket expenses totalling £2,834 (2014/15: £761) 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 £521k (2015: £455k) plus pension contributions of £33k (2014/15: £31k).

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

	2016 No.	2015 No.
£60,001 to £70,000	2	2
£70,001 to £80,000	2	3
£80,001 to £90,000	1	-
£100,001 to £110,000	-	1
£110,001 to £120,000	1	-

These employees accrued benefits of £33k (2014/15: £31k) into a money purchase pension scheme.

23 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The group's tax liability is usually minimised by the donation of taxable profit by the subsidiary companies to the charity under the Gift Aid scheme. During 2015/16 Trustees agreed that the subsidiary company WWT Consulting may retain a proportion of its profits from 2015/16 within the subsidiary for investment in future growth. This will result in the payment of some corporation tax by WWT Consulting, which is included within consultancy costs.

Notes to the financial statements

24 Intangible fixed assets

Group	Computer software £'000	Entitlements £'000	Total £'000
Cost			
At 31 March 2015	304	12	316
Additions	214	12	226
At 31 March 2016	518	24	542
Accumulated amortisation			
At 31 March 2015	47	2	49
Charge for year	67	1	68
At 31 March 2016	114	3	117
Net book value			
At 31 March 2016	404	21	425
At 31 March 2015	257	10	267
Charity			
Cost			
At 31 March 2015	259	12	271
Additions	92	12	104
At 31 March 2016	351	24	375
Accumulated amortisation			
At 31 March 2015	47	2	49
Charge for year	67	1	68
At 31 March 2016	114	3	117
Net book value			
At 31 March 2016	237	21	258
At 31 March 2015	212	10	222

The entitlements are entitlements to agricultural grants.

The Group accounts include the new EPOS software purchased by the subsidiary company WWT Trading. This software had not been fully installed at 31 March 2016 and accordingly amortisation had not started.

Notes to the financial statements

25 Tangible fixed assets

Group	Land and Buildings £'000	In Development £'000	Plant and Machinery £'000	Motor Vehicles £'000	Computer Equipment £'000	Total £'000
Cost						
At 31 March 2015	25,075	391	10,182	394	1,593	37,635
Additions	181	1,504	-	-	-	1,685
Disposals	-	-	(18)	(7)	-	(25)
Transfers	651	(1,138)	474	2	11	-
At 31 March 2016	25,907	757	10,638	389	1,604	39,295
Accumulated depreciation						
At 31 March 2015	7,727	-	7,664	362	1,475	17,228
Charge for year	918	-	609	11	52	1,590
Disposals	-	-	(18)	(7)	-	(25)
At 31 March 2016	8,645	-	8,255	366	1,527	18,793
Net book value						
At 31 March 2016	17,262	757	2,383	23	77	20,502
At 31 March 2015	17,348	391	2,518	32	118	20,407
Charity						
Cost						
At 31 March 2015	24,879	370	9,247	394	1,348	36,238
Additions	181	1,227	-	-	-	1,408
Disposals	-	-	-	(7)	-	(7)
Transfers	647	(1,082)	424	-	11	-
At 31 March 2016	25,707	515	9,671	387	1,359	37,639
Accumulated depreciation						
At 31 March 2015	7,720	-	7,033	361	1,242	16,356
Charge for year	907	-	523	11	44	1,485
Disposals	-	-	-	(7)	-	(7)
At 31 March 2016	8,627	-	7,556	365	1,286	17,834
Net book value						
At 31 March 2016	17,080	515	2,115	22	73	19,805
At 31 March 2015	17,159	370	2,214	33	106	19,882

As at 31 March 2016 and 31 March 2015 there were no assets held under finance lease.

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

Included within land and buildings are assets held on long-term lease. As at 31 March 2016 their total cost was £8,898k (2014/15: £8,639k) and their accumulated depreciation was £2,690k (2014/15: £2,345k). The remaining assets under Land and Buildings are all freehold property.

Notes to the financial statements

26 Fixed asset investments

Total fixed asset investments comprise:

	Group		Charity	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Listed investments	11,110	11,168	11,110	11,168
Investment property	400	400	400	400
Investment in subsidiary companies	-	-	435	435
	11,510	11,568	11,945	12,003

a) Listed investments

	2016 £'000	2015 £'000
Group and Charity		
Market value		
At start of the year	11,168	9,253
Change in cash holding	(143)	(219)
Unrealised (losses) / gains	(240)	507
Realised gains	93	381
Equalisation	(3)	-
Transfers in	-	25
Purchase of additional investments	2,543	10,628
Sale of investments	(2,308)	(9,407)
Market value at end of the year	11,110	11,168
Historical cost at end of the year	10,164	9,979
Fixed Interest Securities – UK	1,211	859
Equity Shares – UK	5,377	5,865
Equity Shares – Overseas	3,589	3,404
Property Funds	586	546
Alternative investments	190	193
Liquid assets	157	301
	11,110	11,168

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

	2016 £'000	2015 £'000
UBS ETF PIC MSCI UK SOC RES UCITS ETF FND CL-A GBP	958	1,134
UBS INV FUNDS ICVC S&P500 INDX FUND SHS CLASS J GBP DIST	1,088	1,196

b) Investment property

	2016 £'000	2015 £'000
Group and Charity		
Cost/valuation		
At start of the year	400	400
Additions at cost	-	-
At end of the year	400	400

The Trustees have not had the properties revalued as the cost of doing so would be disproportionate to the expected change in value of the properties.

c) Investment in subsidiary companies

Investments held by the charity include an additional £435k (2015: £435k) investment in the subsidiary companies at cost (see note 38).

Notes to the financial statements

27 Stocks and work in progress

	Group		Charity	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Goods for resale	473	429	-	-
Livestock	28	28	28	28
Work in progress	56	147	-	-
	557	604	28	28

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

28 Debtors

	Group		Charity	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Trade debtors	1,415	646	554	337
Amounts owed by subsidiaries	-	-	1,972	1,812
Other debtors	1,159	833	1,160	833
Prepayments and accrued income	1,438	1,177	1,392	1,164
	4,012	2,656	5,078	4,146

29 Creditors: amounts falling due within one year

	Group		Charity	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Trade creditors	1,039	994	758	850
Amounts owed to subsidiaries	-	-	394	712
Corporation tax liability	26	-	-	-
Other taxation and social security	316	324	316	324
Other creditors	97	85	93	79
Accruals and deferred income	783	1,149	619	939
	2,261	2,552	2,180	2,904

30 Creditors: amounts falling due after one year

Creditors falling due after more than one year are £nil (2015: £nil).

Notes to the financial statements

31 Analysis of group net assets between funds

	Permanent Endowment Fund £'000	Restricted Funds £'000	Designated Funds £'000	General Funds £'000	Total 2016 £'000	Total 2015 £'000
Tangible and Intangible fixed assets	-	15,213	5,314	400	20,927	20,674
Investments	2,013	1,182	8,145	170	11,510	11,568
Net current assets	-	5,205	1,074	727	7,006	6,696
Pension liability	-	-	-	-	-	(1,640)
Net assets	2,013	21,600	14,533	1,297	39,443	37,298

32 Movement in funds (group)

	At the start of the year (restated) £'000	Incoming resources £'000	Outgoing resources £'000	Transfers £'000	Gains/ (losses) £'000	At the end of the year £'000
Permanent endowment fund	2,040	-	-	-	(27)	2,013
Restricted funds:						
Wetland centres & reserves:						
Arundel	1,245	90	(69)	(23)	-	1,243
Caerlaverock	40	82	(70)	-	-	52
Castle Espie	76	13	(6)	26	-	109
Llanelli	22	43	(73)	9	-	1
London	301	133	(77)	95	-	452
Martin Mere	2,185	184	(12)	(333)	-	2,024
Slimbridge	801	32	(35)	(122)	-	676
Washington	129	141	(138)	-	-	132
Welney	185	49	(29)	-	-	205
Learning	65	599	(203)	(61)	-	400
Wider conservation programmes	991	738	(754)	75	-	1,050
Other	-	167	(123)	-	-	44
Capital	15,637	-	(966)	541	-	15,212
Total Restricted Funds	21,677	2,271	(2,555)	207	-	21,600
Unrestricted Funds:						
Designated Funds:						
Contingency reserve	6,586	-	-	173	-	6,759
Planned projects reserve	1,910	-	-	704	-	2,614
Fixed asset reserve	4,472	-	-	688	-	5,160
Pension reserve	1,650	-	-	(1,650)	-	-
FRS17 pension reserve	(1,640)	-	-	1,902	(262)	-
General Funds	603	21,495	(18,657)	(2,024)	(120)	1,297
Total Unrestricted Funds	13,581	21,495	(18,657)	(207)	(382)	15,830
Total Funds	37,298	23,766	(21,212)	-	(409)	39,443

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

32 Movement in funds (group) (continued)

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 a worst case scenario.

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

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

The pension fund had previously been set aside to build a prudent provision towards the scheduled defined benefit pension scheme contributions. During 2015/16 the fund was paid across to the pension scheme as a lump sum in order to reduce the scheme deficit.

The deficit in the FRS 17 pension reserve previously represented the defined benefit pension scheme liability as valued under accounting standard FRS 17: Retirement Benefits. In 2015/16 the scheme was assessed under FRS 102 to be in surplus following the payment of the pension fund to the scheme and changes to actuarial assumptions (which lead to a £37k actuarial gain being recognised). It is not possible to recognise the surplus, so the £299k surplus was removed. The assumptions that we are required to use in these calculations are not the same as the ones generally used to assess the pension scheme financial position and the ones on which the payment plan agreed with the pension trustees is based. On that basis the scheme is still in deficit. More information is in note 34.

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, most notably the completion of the Discovery Hide at Martin Mere.

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 FRS17 pension reserve comprises the payments made to the pension scheme of £1,925k (the usual annual payment of £275k plus the payment of the pension fund of £1,650k) less the £23k of pension costs as per the pension valuation.

33 Prior year adjustment

Following the ICAEW Technical Release 16/14BL on 31 October 2014, WWT Consulting and WWT Trading have changed the accounting policy for donations made to its charitable parent company, WWT. Previously, such donations were included after operating profit and were accrued in the year to which they relate. Such donations are now included as distributions of profit and are recognised at the earlier of when they are paid or when they are approved by the company's board of directors.

As a result of this change in accounting policy, the prior year balances for gift aid donation from subsidiary undertakings and corresponding amounts owed to/from group undertakings have been restated. Amounts owed to group undertakings have increased by £67k and the amounts owed from group undertakings have decreased by £14k. The profit and loss reserve for the charity only has also been restated, decreasing by £81k.

Notes to the financial statements

34 Pension commitments

(a) Defined benefit scheme

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

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

The liabilities of the plan have been estimated for the purposes of FRS 102 based on the results of the funding actuarial valuation as at 31 March 2015, adjusted for the different assumptions required under FRS 102 and taking into consideration subsequent cashflows. The FRS 102 valuation at 31 March 2016 shows a surplus of £299k; this has not been recognised in these accounts. The position has improved due to changes to the actuarial assumptions used and significant employer contributions made during the year.

Since the scheme ceased further accrual in 2005, there has been no pension charge. However, WWT has paid £275k in cash (2014/15: £275k) to the scheme during the year in accordance with the schedule of contributions plus a one off payment of £1,650k during 2015/16, and has paid the premiums for death-in-service cover provided under the scheme, as requested by the insurer. Over the next year to 31 March 2017 WWT expects to make contributions of £275k, continuing for a period of 6 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:

	2016 % p.a.	2015 % p.a.
Discount rate	3.5	3.3
RPI assumption	3.0	2.9
CPI assumption	2.0	1.9
LPI pension increases	2.9	2.7

The underlying mortality assumption is based upon the standard table known as S2PA on a year of birth usage with CMI_2015 future improvement factors and a long term rate of 1.0% per annum. (2015: S2PA with CMI_2014 future improvement factors and a long-term future improvement rate of 1.0% p.a.). This results in the following life expectancies:

- Male age 65 now has a life expectancy of 21.9 years (previously 22.1 years)
- Female age 65 now has a life expectancy of 23.9 years (previously 24.2 years)

Employee benefit obligations

The amounts recognised in the balance sheet as at 31 March 2016 are as follows:

	2016 £'000	2015 £'000
Present value of plan liabilities	(13,423)	(13,968)
Market value of Scheme assets	13,722	12,328
Surplus / (deficit) in the plan	299	(1,640)
Adjustment for non-recoverable surplus	(299)	-
Net defined benefit (liability)	-	(1,640)

Notes to the financial statements

34 Pension commitments (continued)

The amounts to be recognised in the statement of financial activities for the year ending 31 March 2016 (with comparative figures for the year ending 31 March 2015) are as follows:

	2016 £'000	2015 £'000
Interest on net defined benefit liability	454	562
Expected return on assets	(431)	(480)
	23	82

Changes in the present value of the plan liabilities for the year ending 31 March 2016 (with comparative figures for the year ending 31 March 2015) are as follows:

	2016 £'000	2015 £'000
Present value of plan liabilities at beginning of period	13,968	12,608
Current service cost	-	-
Interest on plan liabilities	454	562
Actuarial (gains)/ losses	(555)	1,041
Benefits paid	(444)	(243)
Present value of plan liabilities at the end of period	13,423	13,968

Changes in the fair value of the plan assets for the year ending 31 March 2016 (with comparative figures for the year ending 31 March 2015) are as follows:

	2016 £'000	2015 £'000
Market value of plan assets at beginning of period	12,328	10,656
Interest on plan assets excluding non-recoverable surplus	431	480
Return on assets, less interest included in Profit & Loss	(518)	1,160
Benefits paid	(444)	(243)
Contributions paid by the company	1,925	275
Market value of plan assets at end of period	13,722	12,328
Actual return on plan assets	(87)	1,640

The major categories of plan assets as a percentage of total plan assets for the year ending 31 March 2016 (with comparative figures for the year ending 31 March 2015) are as follows:

	2016	2015
Equities	20%	32%
Annuities	32%	38%
Bonds	27%	28%
Absolute Return	20%	-
Cash	1%	2%
Total	100%	100%

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

Notes to the financial statements

34 Pension commitments (continued)

Analysis of the remeasurement of the net defined benefit liability recognised in the Statement of Financial Activities for the year ending 31 March 2016 (with comparative figures for the year ending 31 March 2015) are as follows:

	2016 £'000	2015 £'000
Actual return less expected return on plan assets	(518)	1,160
Experience gains and losses arising on plan liabilities	(195)	(12)
Changes in assumptions underlying the present value of plan liabilities	750	(1,029)
Actuarial gain / (loss) recognised in Statement of Financial Activities	37	119

Movement in surplus / (deficit) during the year ending 31 March 2016 (with comparative figures for the year ending 31 March 2015) are as follows:

	2016 £'000	2015 £'000
(Deficit) in plan at beginning of year	(1,640)	(1,952)
Recognised in Profit and Loss	(23)	(82)
Contributions paid by the company	1,925	275
Actuarial gain recognised in Statement of Financial Activities	37	119
Surplus / (deficit) in plan at the end of the year	299	(1,640)

Funding Policy

Funding valuations are carried out every three years on behalf of the Trustees of the plan, by a qualified independent actuary. The actuarial assumptions underlying the funding valuation are different to those adopted under FRS 102. The last such valuation was at 31 March 2015. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with WWT which commits WWT to paying contributions to fund the shortfall. These deficit reduction contributions are incorporated into the plan's Schedule of Contributions signed on 12 April 2016 and are as follows:

Annual contributions of not less than £275k per annum payable for 6 years from 1 April 2015 together with a lump sum of £1,650k paid on 1 March 2016.

These payments are subject to review following the next funding valuation, due as at 31 March 2018.

(b) Multi-employer defined benefit scheme

WWT has one employee who contributes into the Universities Superannuation Scheme (USS), a multi-employer pension scheme. There are also 19 pensioners and deferred members of the scheme. During the year, we paid contributions of £5k (2014/15: £5k) into the scheme for the one active member. The scheme is in deficit; the most recent formal valuation of the scheme was at 31 March 2014, a deficit of £5.3 billion. The universities and other employers within the scheme have agreed to fund this liability through increased contributions. As at 31 March 2016 WWT had a commitment to pay, as part of the annual contributions over the next few years, a sum of approximately £9k. This liability has not been recognised in the accounts. Were WWT to withdraw from the scheme in the future, WWT would have to fund the remaining liability relating to all 20 WWT members of the scheme on a buyout basis. It is not possible to accurately quantify the size of this liability or the date at which it may become payable.

Notes to the financial statements

34 Pension commitments (continued)

(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 £284k (2014/15: £282k).

During 2013/14 WWT started to contribute into the National Employment Savings Trust (NEST), a defined contribution workplace pension scheme. The pension charge for the year was £4k (2014/15: £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 (2014/15: £5k).

Included within Other Creditors are outstanding contributions of £48k (2014/15: £42k).

35 Capital commitments

	2016 £'000	2015 £'000
Authorised and contracted for	214	314
Authorised but not contracted for	2,091	2,839

At 31 March 2016, WWT was committed to a number of capital projects at WWT wetland centres to improve and develop the visitor experience, including £108k on the Thames Water H₂O at London, and £53k to upgrade the wide area network infrastructure upon which the centres rely. Further projects were approved but not yet contracted, including the Arundel flood resilience project, developing new office accommodation at Slimbridge, a Boreal Forest exhibition at Martin Mere and play space at Llanelli.

36 Operating lease commitments

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

	2016		2015	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Due within one year	131	50	103	72
Due between two and five years	630	46	501	85
Due in over five years	3,950	-	3,562	-
	4,711	96	4,166	157

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

37 Related party transactions and transactions with Trustees

We are not aware of any related party transactions in the year (2014/15: £nil). As disclosed in note 22, out of pocket expenses totalling £2,834 (2014/15: £761) were paid to Council Members. Donations received from Council Members totalled £720 (2014/15: £10,660).

Notes to the financial statements

38 Trading subsidiaries

The charity has four wholly owned trading subsidiaries, which are registered in England and Wales. WWT (Trading) Ltd (registered company 2541350) carries out commercial activities, mainly retail and catering. WWT (Consulting) Ltd (registered company 2277255) provides environmental consultancy services. Wetlands Advisory Service Ltd (registered company 3050829) is dormant. Wildfowl Trust (Holdings) Ltd (registered company 587114) does not trade, but acts as trustee of property which is dealt with in the accounts of WWT. Usually all the companies donate their taxable profits to WWT. In 2015/16 the charity agreed that WWT (Consulting) Ltd would retain a proportion of its profits for the year in order to grow the company. A summary of the trading results for WWT (Trading) Ltd and WWT (Consulting) Ltd is shown below. Accounts, audited where applicable, for all companies are filed with the Registrar of Companies at Companies House each year.

Statements of comprehensive income

	WWT (Trading) Ltd		WWT (Consulting) Ltd	
	Year ended 31 Mar 2016 £'000	Year ended 31 Mar 2015 restated £'000	Year ended 31 Mar 2016 £'000	Year ended 31 Mar 2015 restated £'000
Turnover - third party	5,025	4,359	752	571
- group	61	60	117	113
Cost of sales - third party	(2,871)	(2,784)	(253)	(129)
- group	(61)	(60)	(117)	(113)
Gross profit	2,154	1,575	499	442
Administration costs	(1,376)	(1,392)	(370)	(395)
Operating profit	778	183	129	47
Interest received	3	1	-	-
Tax on profit on ordinary activities	-	-	(26)	-
Total comprehensive income for the year	781	184	103	47
The assets and liabilities of the companies were:				
Fixed assets	864	569	-	1
Current assets	2,008	1,607	2,247	2,029
Current liabilities	(1,791)	(1,679)	(2,071)	(1,910)
Total net assets	1,081	497	176	120
Share capital – £1 ordinary shares	350	350	85	85
Retained profits	731	147	91	35

The above subsidiary accounts are before consolidation adjustments.

Notes to the financial statements

39 Impact of transition to FRS 102

The group transitioned to FRS 102 from previously extant UK GAAP as at 1 April 2014. The impact from the transition to FRS 102 is as follows:

Reconciliation of net income at 1 April 2014

	Unrestricted £'000	Restricted £'000	Permanent endowment £'000	Total £'000
Net income at 1 April 2014 under previous UK GAAP	4,882	419	60	5,361
Holiday pay accrual	(126)	-	-	(126)
Legacy income	209	186	-	395
Final salary pension scheme	53	-	-	53
Net income at 1 April 2014 under FRS 102	5,018	605	60	5,683

Reconciliation of net income at 31 March 2015

	Unrestricted £'000	Restricted £'000	Permanent endowment £'000	Total £'000
Net income at 31 March 2015 under previous UK GAAP	120	737	170	1,027
Holiday pay accrual	(1)	-	-	(1)
Legacy income	266	(48)	-	218
Final salary pension scheme	138	-	-	138
Net income at 31 March 2015 under FRS 102	523	689	170	1,382

Holiday pay accrual

Under previous UK GAAP, the group did not accrue for holiday pay where employees were entitled to carry forward holiday entitlement into the next financial year where it was expected to be taken during the subsequent financial year. Under FRS 102, the group is required to accrue for all short-term compensated absences as holiday entitlement earned but not taken at the date of the statement of financial position. The impact on the group is an increase in liabilities of £126k and £127k at 1 April 2014 and 31 March 2015 respectively.

Legacy income

Under previous UK GAAP, the charity recognised legacies when the amount could be quantified with reasonable accuracy. For residual legacies this was the earlier of receiving final accounts or receiving a distribution. Under FRS 102 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. The impact on the group is an increase in assets of £395k and £613k at 1 April 2014 and 31 March 2015 respectively.

Final salary pension scheme

Under FRS102 the presentation of the pension other expenditure and actuarial gain or loss has changed compared with previous UK GAAP. There is no impact on the group's assets, liabilities or total funds. The impact is merely to reduce total expenditure, which affects net income as shown above, and to improve the actuarial gain or loss, which is shown on the Statement of Financial Activities after net income, by the same amount.

Notes to the financial statements

40 Reconciliation of changes in resources to net cash inflow from operating activities (group)

	2016 £'000	2015 £'000
Net incoming resources before other recognised gains/losses	2,554	494
Depreciation on tangible fixed assets	1,590	1,557
Amortisation of intangible fixed assets	68	1
Transfer in of fixed asset investment	-	(25)
Investment income and interest	(389)	(369)
Pension other costs	23	82
Profit on sale of fixed assets	-	(5)
Loss on disposal of fixed assets	(1)	12
Cash movement in fixed asset investment valuation	143	218
Decrease in stock	47	3
(Increase)/decrease in debtors	(1,356)	1,963
(Decrease)/increase in creditors (excluding movements in finance leases)	(288)	96
(Decrease) in pension liability (excluding new actuarial gains/losses)	(1,925)	(275)
Net cash inflow from operating activities	466	3,752

41 Reconciliation of net cash inflow to movement in net funds

	2016 £'000	2015 £'000
(Decrease)/increase in cash in the year and movement in net funds in the year	(1,290)	739
Net funds at start of the year	5,988	5,249
Net funds at end of the year	4,698	5,988

42 Analysis of net funds

	2016 £'000	2015 £'000
Cash at bank and in hand	4,698	5,988
Loans and finance leases	-	-
	4,698	5,988

Notes to the financial statements

43 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 2015/16.

WWT's Patrons are as follows:

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

We would like to acknowledge the gifts kindly left in the wills of Sidney Cornell Hogg and many other generous benefactors.

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

Biffa Award
CWM Community & Environmental Fund
Lancashire Environmental Fund
SITA Trust
Veolia Environmental Trust
Viridor Credits Environmental Company

Other organisations from whom support was received include:

Critical Ecosystem Partnership Fund
Environment Wales
Heritage Lottery Fund
HSBC Bank plc
Leica Camera AG
Support of players of People's Postcode Lottery
Thames Water Ltd

Administrative information

Membership of the Council

The members of the Council as at 31 March 2016, all of whom were members for the whole of the year ended on that date and until the date of this report unless stated otherwise, are listed below:

Peter Day (Chairman)
Sir Graham Fry KCMG (Vice Chairman)
Leslie Jones (Treasurer until 1 October 2015)
Martin Birch (Treasurer from 1 October 2015)
Barnaby Briggs
Dr Andrew Brown (until 1 October 2015)
Anna Carragher
Pamela Castle (from 1 October 2015)
Prof Alastair Driver
Philip Duncan (until 1 October 2015)
Simon Tonge

Finance Committee

Martin Birch (Chairman)
Barnaby Briggs
Peter Day
David Milne QC

Audit and Risk Committee

Simon Tonge (Chairman)
Sir Graham Fry KCMG
Robert Falkner

Remuneration Committee

Peter Day (Chairman)
Martin Birch
Barnaby Briggs

Nominations Committee

Peter Day (Chairman)
Martin Birch
Sir Graham Fry KCMG
Martin Spray CBE

Company information

Registered office
Slimbridge
Gloucestershire
GL2 7BT

Company Secretary
Nicola Spencer

Company registration number 2882729
Registered charity number 1030884 (England & Wales)
Scottish charity registration number SC039410
VAT registration number 618368028

For more information visit our website: www.wwt.org.uk

Management Board

Martin Spray CBE (Chief Executive)
Kevin Peberdy (Deputy CEO and Director of Wetland Experience and Creation)
Deborah Pain (Director of Conservation)
Ruth Seymour (Director of Marketing)
Nicola Spencer (Director of Finance and Support)
Ian Wilson (Director of Operations)

Advisers

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National Westminster Bank plc
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Investment managers
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1 Curzon Street
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Company registration number 2882729

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