

Company number: 01019263 (England and Wales)
Charity number: 501038

Durham Wildlife Trust
(A Company Limited by Guarantee)
Report and Financial Statements
For the Year Ended 31 March 2023



Durham Wildlife Trust
(A Company Limited by Guarantee)

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Durham Wildlife Trust
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023**

Structure Governance and Management

Durham Wildlife Trust is a charitable company limited by guarantee that was first incorporated on the 30th of July 1971 and does not have share capital. The Members of the company are the Trustees who served during the year and are named above. In the event of the charity being wound up, the liability in respect of each member is limited to £1.

Durham Wildlife Trust Limited is governed by its Memorandum and Articles of Association, which have been reviewed and amended since incorporation to ensure that they remain fit for purpose. Those documents are supported by policies and procedures that are designed to ensure effective governance of the charity's activities and management.

Anyone can become a member of the charity by paying a subscription and eligible members can then seek to become a trustee.

Appointment of Trustees

The charity is managed by a Board of Trustees who are Directors of the charitable company, as well as its Trustees for the purpose of charity law. Throughout this report they are referred to as Trustees. The officers of the Trust comprise a Chair, Secretary and Treasurer.

As set out in the Articles of Association, all members aged 16 and over are eligible to join the Board of Trustees, provided they are not legally disqualified from doing so. The Board consists of not less than 10 and not more than 15 elected members. The Trust's membership is notified of the opportunity to seek election to the Board prior to the Annual General Meeting (AGM). A Trustee recruitment procedure is in place and the Board conducts an annual audit of Trustees to identify knowledge and skills gaps that the recruitment process can help to address.

Following a nomination process, new Trustees are appointed at the AGM by a vote of the Trust members in attendance. Trustees elected in this way must retire at the fourth AGM following their election, although they are eligible for re-election to serve a second 4-year term. After their second 4-year term Trustees must stand down for a minimum of 12 months before they can seek re-election. The exceptions to this rule are the Chair, who can serve for up to six years, and the Treasurer, who is elected annually with no stipulation on the maximum period of office. The Board may also co-opt additional Trustees at any time and Trustees appointed by this method must retire from office at the next Annual General Meeting.

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Trustee Induction and Training

New Trustees undertake an induction process set out in a written induction procedure. This process provides information on their legal obligations under charity and company law and the management and operation of the charity. An induction pack is provided and includes items such as the governing document, Board minutes and audited accounts. New Trustees also meet key employees of the charity and have the opportunity to visit its nature reserves and current project sites.

The charity encourages further ongoing training for Trustees, either in-house or through external providers, to help them to undertake their role.

Organisation

The Trustees administer the charity, sitting as members of the Board. The Board meets at least four times each year and also appoints advisory committees to provide specialist consideration and support.

A Director is appointed by the Trustees to manage the day to day operations of the charity. Advisory committees, which are usually comprised of several members of the Board, the Director and other senior members of staff report directly to the Board.

Staff Remuneration

Remuneration for all staff is based on comparison against similar roles in the charity sector. Inflation awards are applied equally to all eligible members of staff and the level of award is decided by Trustees and is only awarded if considered affordable. Trustees made a 3% inflation award in April 2022.

The total salary bill for the year ended 31st March 2023 for the Trust Director and 4 other members of the management team was £205,805 plus employer pension contributions. During the year the highest salary in the Trust was 3.13 times larger than the lowest salary.

Related Parties

The charity delivers many of its objectives through partnership working with other voluntary groups, local authorities and government agencies. There is no formal representation of these partners on the charity's Board. During the year no trustees claimed travelling expenses (2022 - £nil) while engaged on Trust business and volunteering.

The charity is a member of the Royal Society of Wildlife Trusts (RSWT - charity number 207238), which acts as an umbrella body carrying out lobbying, national campaigning and other functions on behalf of all Wildlife Trusts. Member charities have the use of the Wildlife Trusts logo and benefit from the resources, best practice and experience of other member Trusts. Membership gives Durham Wildlife Trust a national voice and profile, as well as respectability by association for those unfamiliar with its work. However, each member of the RSWT remains an entirely separate charity and is independent in terms of governance.

REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

Risk Management

The Trustees regularly identify and review the major risks the charity may face. This information is used to develop a Risk Register, which records the systems and procedures which the charity will implement to mitigate the risks that have been identified. The Finance, Audit and Risk committee reviews the Risk Register at each of its four meetings a-year.

Attention is always paid to risks relating to Health and Safety and Safeguarding given the charity's work on practical land management and the engagement and education of children and adults. Health and Safety and Safeguarding are items on the agenda at every Board meeting.

Governance processes and Trust policies and procedures are reviewed on an annual basis to ensure they are fit for purpose and reflect current best practice. To reflect the importance of effective governance controls to control risk, a new post of Governance and Administration Manager was created during the year (filled by internal recruitment) to ensure that administration and oversight of governance was given greater emphasis within the charity.

Objectives and Activities

The charity's Business Plan in place during the 2022-23 financial year defined the objectives and activities of the organisation in the following way.

Our vision

Nature restored from Tees to Tyne.

Our Mission

To restore wildlife from the Tees to the Tyne with the backing of our members, supporters, partners and wider society; providing opportunities for participation, education and enhanced wellbeing.

Our aims

- To engage our members, supporters, partners and wider society in the restoration effort.
- To manage our nature reserves primarily for the benefit of wildlife and to the highest possible standards.
- To educate people and organisations about the importance and value of wildlife, encouraging them to take action to restore species and habitats and to support the work of DWT by becoming members and supporters.
- To deliver species and habitat restoration projects across land and sea that seek to maximise their effectiveness by operating at the largest possible scale, achieving 30% of land for wildlife by 2030.
- To operate high quality visitor facilities that provide opportunities to engage people in wildlife restoration and encourage their active support and participation.
- To act as an advocate for wildlife to influence local and national government and wider society.
- To operate in a financially, socially and environmentally sustainable way.
- To provide a high quality working environment for a workforce that is representative of our region.

All our work is informed by our values

- Wildlife is in crisis.
- Wildlife is intrinsically important.
- Wildlife enhances human health and wellbeing.
- Wildlife contributes to our economy.
- We represent all sections of society
- We lead by example.

Achievements and Performance

At the start of the year, Durham Wildlife Trust's activities were broadly managed under two areas of work with clearly defined senior management responsibility for each area.

Conservation, led by the Head of Conservation – incorporating management of nature reserves, species and habitat conservation projects

REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

Operations and Development, led by the Head of Operations and Development – incorporating administration, income generation, education and engagement, and communications.

~~During the year the Head of Operations and Development left the Trust to take a new role. This brought forward the process of reviewing senior management structure to ensure it still provided the best possible leadership for the organisation. As a result of the review a new role of Governance and Administration Manager was created reporting to the Trust Director, the Head of Operations and Development position deleted, and a new role of Head of Development and Communications created. Recruitment for that role was not possible within the year due to the late withdrawal of the selected candidate. The recruitment strategy was reappraised, and the decision made to postpone recruitment until early 2023-24 and focus on developing existing talent within the Trust. The Trust director therefore assumed line management responsibilities for development staff for the last 6 months of 2022-23.~~

To reflect the new structure this section of the annual report is subdivided into Conservation, Development and Communications, and Governance and Administration.

Conservation

During the year Durham Wildlife Trust continued to acquire new nature reserves as part of the 50@50 campaign, which aimed to increase the number of Trust nature reserves to 50 by the end of the charity's 50th anniversary year in July 2022. The 50@50 initiative supported delivery of the Business Plan objective of 30% of land for wildlife by 2030.

The following sites were acquired during the year:

- Cuthbert's Moor – Became the Trust's 50th reserve, with the completion of the purchase of the freehold in August. This is an upland moorland site in the North Pennines AONB near Middleton-in-Teesdale and represents a substantial acquisition for the Trust. The reserve is part of the Teesdale Allotments SSSI.
- The Folly, Chopwell East Fields and Hill 60 all came across to the Trust under a long-term management agreement with Gateshead Council. This will see the management of these sites for between 25-30 years.

As a result at 31st March 2023 the Trust had a suite of 50 nature reserves covering 1095 hectares of land.

In addition to the acquisition of land to add to the Trust's portfolio of nature reserves, during the year the Trust worked with Natural England to acquire land for the purpose of nutrient management in the Tees catchment. This work was part of the Nutrient Neutrality measures put in place by Natural England to prevent further degradation of designated habitats at the Teesmouth & Cleveland Coast SPA. Two sites were acquired during the year – Horse Close Lane (50.91 hectares) and Mordon North Farm (118.57 hectares). The land acquired is a mix of arable and improved pasture with some small areas of woodland. The arrangement with Natural England requires the Trust to not apply any form of artificial fertiliser to the land for a period of 125 years, which reduces the level of nutrient entering the Tees catchment. The Trust has received a payment for delivering the nutrient saving and that payment provided the funds required to purchase the land. The sums involved are significant in relation to the Trust's annual turnover and the financial and accounting implications are discussed later in this report.

The land acquired for nutrient reduction is within the operational area of the Bright Water project. The habitat restoration that will be delivered on the land complements the Trust's aspirations for the legacy of Bright Water, namely more environmentally sustainable land management across the catchment and large-scale wetland restoration to create the Great North Fen. Habitat restoration at scale can also provide income generation from the delivery of Biodiversity Net Gain, so the land secured in 2022-23 will hopefully deliver both improvements for wildlife and income to support further nature restoration in future years. As a result, management of the nutrient sites will be delivered in a different way to the Trust's nature reserves. The land forms part of the Trust's estate and will deliver nature recovery, but the scale and existing agricultural operations on the land mean that, for several years at least, management operations will be on a more commercial contract basis than is usual. This means access will also be limited in comparison to the charity's nature reserves, with members being able to visit the sites as part of guided tours and public access by formal rights of way only.

REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

Volunteer support for nature conservation activities, severely impacted by Covid 19 the previous year, returned to pre-covid levels. A new cloud-based volunteer management system was implemented during the year to improve the onboarding of new volunteers and provide better recording and recognition of the volunteer contribution to the Trust. The system provides a self-service platform for volunteers to view and manage their data, view their volunteer hours and register for opportunities, all functions that weren't available with the previous system. The cloud-based system also offers volunteer managers better access to reports, live updates on volunteer activity and easier access to emergency contact information when out in the field. The new system has streamlined volunteer administration for new and current volunteers and allowed the Trust to manage an increase in new volunteer enquiries.

Works required under DEFRA Stewardship agreements across the Trust's land holding continued to be delivered as required, where applicable agreements were extended for a further 12 months. The long-running Gateshead HLS agreement ended, and this was replaced by a new Countryside Stewardship Agreement which applies to the Gateshead sites and Stanley Moss. Agri-environment schemes and Forestry Commission grants continue to provide a valuable source of income.

Visitor numbers to Trust sites have remained high, continuing the trend established during the pandemic when more people made use of their local Durham Wildlife Trust nature reserve and enjoyed the benefits that nature can bring. The support of volunteer site wardens remained vital in ensuring that the nature reserves remained safe and welcoming places to visit.

The Healing Nature project was completed in June 2022 following an agreed extension in recognition of its success. The initiative, funded by DEFRA via the Green Recovery Challenge Fund, operated across sites in Gateshead, South Tyneside and Sunderland. The local authorities in each area also provided support. Healing Nature delivered significant achievements in just 15 months of project delivery and was highly commended by the project funders and partners.

Link Together successfully secured support from the National Lottery Heritage Fund (NLHF) in March 2022 for a 12-month development phase. The development period began in November 2022, with Anne Gladwin appointed as Link Together Project Manager. The Link Together project will focus on sites across the Sunderland Coalfield area, in particular the catchment of the Lumley Park Burn. This project is a first for Durham Wildlife Trust as it will make use of social prescribing via the Sunderland G.P. Alliance to engage volunteers. Sunderland City Council are joint lead on the project, which will focus on habitat and access improvements across Council owned sites.

Seascapes – Tyne to Tees, shores and seas is a National Lottery Heritage Fund supported partnership project led by Durham Heritage Coast, with Durham Wildlife Trust as one of the lead delivery partners. The Seascapes Officer employed by the Trust delivers the Intertidal Interactive programme, this engages people and groups of all ages in coastal and marine wildlife. Highlights have included volunteer monitoring programmes for shore birds and cetaceans, beach-based school activities and snorkelling experiences for school aged children. In addition, Seascapes funds little tern conservation efforts on the Durham Coast, delivered by the Trust. In 2022 the terns nested and bred at Seaton Carew and 70 chicks fledged. This was a significant improvement on previous years and a welcome success when considered against the backdrop of avian influenza that impacted bird breeding colonies elsewhere on the North Sea coast.

Nextdoor Nature is one of the latest initiatives in The Wildlife Trusts' mission to inspire and support 1 in 4 people to take action for nature. Centred on a community organising approach, each of the 46 local Wildlife Trusts have employed a Nextdoor Nature Community Organiser. Durham's Officer, Tom Parkin, began in post in July 2022. Working across Sunderland, South Tyneside, East Durham (Easington area) and Darlington (DL1 postcode), Tom's highlights to date have included work with residents in Hendon (Hendon Growing Garden), Washington (Washington Mind) and Dawdon (Dawdon Dene). This is a 2 year project administered by RSWT, funded by NLHF.

Delivery of the Naturally Native water vole conservation project continued throughout the year in partnership with Northumberland and Tees Valley Wildlife Trusts. The project is addressing the two most significant causes of water vole decline; predation by American mink and habitat loss. The project is an example of how collaboration between Wildlife Trusts and landowners can support nature's recovery at a regional scale. Naturally Native delivery will continue with NLHF funding until October 2023, when it is hoped interim funding can be secured to continue mink control whilst Naturally Native 2 is developed. It is hoped that Naturally Native 2 can deliver water vole restoration across a larger North region.

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The Discover Brightwater Landscape Partnership, which is the largest programme to be led by the Trust to date, has continued to successfully deliver on its programme of 19 workstreams and over 50 projects. These include: environmental projects, archaeology and community events with the aim to "Restore, Reveal and Celebrate Life Around the River Skerne". Notable achievements included in-river improvements between Fishburn and Holdforth Bridge and work with DWT volunteers improving public footpath and bridleway access to our planned new Bishop's Fen nature reserve at Bishop Middleham.

A series of creative writing classes led to a competition run by the Northern Echo to support new writers to produce short stories with the Skerne as the focus. The resultant Brightwater Anthology was published in September 2022 with a launch at Waterstones bookshop in Darlington.

Discover Brightwater Big Weekend events in September 2022 and April 2023 attracted over 8,000 participants for walks, training and celebrations at a range of parks and venues. The creation of a Natural Heritage Trail in Hardwick Park has been used by thousands of school children and other visitors whilst our Hidden Gem Trail, celebrating local women, starts at the Locomotion National Railway Museum and helps encourage visitors to walk through parkland, enjoy our railway heritage and spend time in the town centre at Shildon.

Our 8 young trainees have all moved into either full-time employment or have been accepted into local colleges for study after working to support families at Brightwater events to build over 500 bird-boxes and improve local landscapes, including the Quaker cemetery in Darlington and the newly refurbished Timothy Hackworth House garden at the Locomotion site.

The Trust's Exmoor pony herd continued to deliver conservation grazing across grassland nature reserves and the Trust's indispensable volunteer Pony Wardens continued to look after the animals' welfare. Sincere thanks must go to this special group of volunteers.

In summary, throughout 2022 – 23 the charity maintained high standards of nature reserve management and conservation project delivery. Durham Wildlife Trust continues to make a significant contribution to nature's recovery from Tees to Tyne and targets in the Business Plan to increase wildlife diversity and abundance remain on course. However, one area where progress has not been achieved as quickly as planned is auditing accessibility of the Trust's nature reserves. This is largely due to an underestimation of the complexity of auditing all the factors that contribute to making the Trust's work as accessible as it can be. An assessment process is now in place and work and accessibility audits at Rainton Meadows and Low Barns have been completed, with further roll out during 2022-23.

Development and Communications

During 22-23 the Trust further implemented its 'supporter' approach, bringing together members, volunteers and donors as supporters, and ensuring that everyone who engages with Durham Wildlife Trust has the best possible experience - the 'supporter journey'. The Supporter Development Manager led a process of identifying the elements of the supporter journey that were to be improved and there was significant attention paid to volunteering. The volunteer management system was reviewed, and the Trust invested in the administration of volunteering by the creation of the Supporter Administration Assistant to follow on from the previous 18-month Apprenticeship post that completed in January.

Membership performance in 22-23 was impacted by outside factors, principally the cost of living crisis. Trust membership is discretionary spend and across the charity sector there has been an impact on income generation. Recruitment of new members decreased by 36% and membership lapses increased by 33%. However, those that were able to give gave more and the average subscription for new memberships increased by 5% and the average subscription for all memberships by 2%. The overall effect on financial performance was minimal with membership income (including Gift Aid) increasing by 2% to £273,373 compared to the previous year.

REPORT OF THE TRUSTEES (Continued)
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Diversifying income streams has consistently been a key area of work for the Development team in order to reduce over-reliance on grants and membership. In response the Trust has grown retail income which increased by 14% to £24,300 exceeding targets. The Gift Shop at Rainton Meadows, retail space at Low Barns and the sale of goods at external events and online have all contributed to the successful retail offering and would not have been possible without the contribution of volunteers, for which the Trust is extremely thankful. Donations income also increased, with general donations up by 25% to £62,717 (excluding a donation of £850,000 in relation to the purchase of Cuthbert's Moor and a donation of £42,000 re the replacement of boardwalks at Low Barns). Rent and room hire contributed approximately £19,225 of additional funds. In addition, the team delivered the Durham Carrs appeal in 22/23, successfully fundraising £20,188 against a £20,000 public fundraising goal to support land purchases as part of the Great North Fen. Improved utilisation of digital techniques was an important part of this work and continues to be a development objective.

During the 22/23 financial year, the Trust reached 1,023,385 people online, through social media (Facebook, Twitter, Instagram, LinkedIn) and the website plus 7,500 views on You Tube. This reach comes in the face of ever-more challenging algorithms operated by the social media networks and a move towards developing more video-focused content, which is more resource heavy to produce. Top content pages for visits on the website were the shop (with a huge peak on 25 November, the day after 'green Friday'), Rainton Meadows and Low Barns nature reserves pages followed by the volunteer and job pages. Round-up emails went to the email database every month featuring the latest news, a blog highlighting the Trust's work, events and promotion of the retail offer. Further to the monthly updates, some additional themed emails on specific issues were distributed at key dates. The monthly email had over 11,000 subscribers.

A total of 2,145 people attended Durham Wildlife Trust events. This figure excludes drop-in attendees at events outside of the Eventbrite system, for example those held by Bright Water.

Educational visits to Trust sites (non-project funded) were lower than anticipated, with 24 school visits to reserves, lower than the 30 visits in the previous year. Whilst some of these included multiple class bookings, feedback suggests that rising cost of transport is a prohibitive issue for schools and as a result there has been an increase in schools requesting Trust sessions at the school premises rather than coming to reserves.

Externally funded education sessions have seen a marked increase on the previous financial year. These include sessions for Seascapes, home educated children and Guide and Scout groups. Education and engagement sessions have been delivered as part of the Trust's Great Woodland Get-Together and Naturally Native projects and on behalf of a variety of partners including Living Uplands, Believe Housing, The Auckland Project and North Pennines AONB Partnership. The Trust has also delivered teacher training sessions for Sunderland University.

Other engagement with young people included monthly Rangers at Low Barns and Rainton Meadows, Wildlife Watch from Rainton Meadows, Low Barns and Watergate Park and Beach Rangers sessions in support of Seascapes. Holiday Fun with Food programmes were also run across all school holidays at both Rainton Meadows and Low Barns, some of which were in collaboration with external providers such as Springboard.

Governance and Administration

Operations

Durham Wildlife Trust recognises that to deliver nature's recovery both the ecological and climate crises must be addressed. There are ongoing efforts to reduce the Trust's climate impact whilst at the same time increasing our conservation and engagement work. Across the Wildlife Trust federation, individual Trusts continue to improve monitoring and evaluation of carbon emissions. It is a complex exercise that will be refined year on year as the quality of data gathered improves. Efforts are also made to calculate carbon sequestration by the Trust's landholding using a methodology developed by the Royal Society of Wildlife Trusts. That is also a complex process that continues to be refined as the evidence base on carbon sequestration by habitat type improves. The latest available data on emissions and sequestration is shown below. The figures relate to 2021-22 and despite emissions increasing from 210 to 252 tCO₂e year on year the Trust remains a carbon negative organisation. The sequestration figure is likely to have increased due to the significant land acquisitions the Trust has made since the data was produced.

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Durham Wildlife Trust Annual Carbon Balance 2022-23		
Annual Emissions (tCO ₂ e)	Annual Sequestration (tCO ₂ e)	Balance (tCO ₂ e)
252	576	-324

The increase in emissions year on year is a result of an increase in the scale of the Trust's activities and number of employees. Livestock are the largest source of CO₂ emissions, contributing 141 of the 252 tonnes, so as the Trust's land holding increases and the need for grazing increases, emissions are likely to continue to rise in future years despite efforts to reduce emissions from transport, electricity and other sources.

Throughout the year the Trust continued to focus not only on carbon emissions but its wider environmental performance. This work was rewarded with continued Investors in the Environment Silver accreditation. To maintain the level of accreditation requires improved performance, demonstrating the Trust's commitment to lead by example in relation to environmental issues. One example of the work to deliver ongoing improvement was the installation of solar photovoltaic panels and battery storage at Rainton Meadows thanks in part to grant support from Sunderland City Council.

Work went on throughout the year to maintain the Trust's visitor facilities, including refurbishment of the WildPlay area at Rainton Meadows. The refurbishment work was funded by public and partner donations via the Spacehive community fundraising platform.

A significant piece of work to review employment terms and conditions and role descriptions was also undertaken during the year. Across all sectors, recruitment has proved challenging post Covid and it is recognised that the Trust will have to continue to review its employment offer to attract and retain high quality staff. Hybrid working arrangements have remained in place across the Trust and remain popular with employees.

Public Benefit

From 1 April 2008, section 4 of the Charities Act 2006 requires all charities to meet the legal requirement that its aims are for the public benefit. The Trustees confirm that they have complied with the duty to have due regard to the Charity Commission's general guidance on public benefit.

The Charity Commission states that there are two principles to be met in order to show that an organisation's aims are for the public benefit: firstly, there must be an identifiable benefit or benefits and secondly that the benefit must be to the public, or a section of the public.

The Trustees are satisfied that the aims and objectives of the charity, and the activities reported on above, meet these principles.

Financial Review

The year to 31st March 2023 saw incoming resources to the Group at £6,819,979 (2022: £3,091,926); expenditure was £2,594,060 (2022: £2,287,783). As a result there was a surplus of £4,225,919. This comprised a surplus after transfers on unrestricted funds of £50,101, a surplus after transfers on restricted funds of £3,294,769 and a surplus after transfers on designated funds of £881,940. The balance on restricted funds as at 31st March 2023 was £3,771,295 carried forward for the continuation of Restricted Projects (see Note 22). The balance on designated funds at 31st March 2023 was £2,570,579.

Trustees continue to take the view that placing newly acquired land in a designated fund provides a more meaningful presentation of the charity's unrestricted fund position. Other designated funds are to support volunteering activity, management of Rainton Meadows and the repair, maintenance (including replacement) of land, buildings, equipment and other assets.

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The balance on group unrestricted funds (excluding designated funds), increased in the year to 31st March 2023, and at the year-end was £819,152. The policy of the Trust remains to earn surpluses on unrestricted funds activities to further strengthen the financial position to enable us to further invest in delivering the charity's aims.

Durham Wildlife Services Ltd

Durham Wildlife Services is a private company limited by shares and is a wholly owned trading subsidiary of Durham Wildlife Trust. It was incorporated on 9th April 1991 as an Environmental Consultancy and aims to make a profit each year, which, subject to commercial financing needs, is Gift Aided to Durham Wildlife Trust.

Durham Wildlife Services Ltd primarily delivers ecological consultancy services, including species and habitat surveys and the production of land management and habitat creation plans. All surpluses from this activity are gift aided to the Trust.

The year to the 31st March 2023 saw a turnover of £179,312 compared to the previous year of £305,885. The net surplus was £17,125 after paying a donation of £22,111 over to the Trust during the financial year. Durham Wildlife Services proposes to pay £17,125 to Durham Wildlife Trust during 2023-24 from its profits.

Investment Powers and Policy

The Trustees, having regard to the liquidity requirements of the charity's project programme, some of which receive payment in arrears from grant funders, and to the financial reserves policy, will, where relevant, operate a policy of keeping available funds in an interest-bearing deposit account, with competitive levels of interest, and with an ethical investment policy.

Reserves Policy

The Reserves Policy relating to unrestricted funds set by Trustees is that financial reserves on unrestricted funds should ideally approach the value of nine months operational expenditure to provide sufficient cash liquidity to finance projects and mitigate financial risk.

The level of unrestricted funds at 31st March 2023 exceeded the Trustees policy target. The Trustees will continue to maintain the financial strength of the Trust, bearing in mind the need to deliver the charitable objectives of the Trust.

Designated Fund Policy

Trustees have set a designated fund policy to make provision for the repair, maintenance (including replacement) of land, buildings, equipment and other assets. It has been determined that 10% of unrestricted surplus will be designated for this purpose annually, with Trustees having discretion to vary the amount to reflect the charity's need and circumstances pertaining at the time.

Valuation of Freehold Property

During the 2021-22 financial year Trustees commissioned a valuation of the charity's freehold property. The purpose of the valuation was to ascertain current market value as land values on the asset register reflect purchase cost, not current valuation. As well as providing trustees with a greater understanding of asset values this information allowed the potential impairment of the value of land assets to be reviewed. There was no impairment.

Trustees have determined to periodically carry out a freehold land valuation and to present information on the value of land assets in the annual report.

	Number of sites	Area (ha)	Valuation (£)
Freehold land at 31 st March 2022	25	477.6	3,767,819
Freehold land acquired 2022-23	3	290.9	4,025,049
Total	28	768.5	7,792,868

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Plans for Future Periods

The charity continues to instigate fund raising campaigns in order to increase its income generation, particularly in respect of unrestricted funds. It continues to bear down on costs where possible.

~~The current financial policy is to maintain the financial strength of the Trust, while at the same time using available funds to strengthen the Trust's efforts in the fields of conservation and education in a measured way within the limits of the resources available.~~

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number: 501038
Company number: 01019263
Registered office: Rainton Meadows, Chilton Moor, Houghton-le-Spring, Co Durham, DH4 6PU

Advisors

Auditors Haines Watts 17 Queens Lane, Newcastle upon Tyne, NE1 1RN
Bankers Barclays Bank Plc Market Place, Durham, DH1 3ND

Directors and Trustees

The Directors of Durham Wildlife Trust are the Trustees for the purpose of charity law. The Trustees and officers serving during the year and since the year end were as follows:

Trustees: S Lister (Chair)
P Bell
F Butler
M Coates
C Gorman
G Hand (Resigned 17 October 2022)
V Kent
A Sorrell (Resigned 17 October 2022)
A Pensom
P Davidson
N Bell (Appointed 17 October 2022)
K Crozier (Appointed 17 October 2022)
H Neve (Appointed 17 October 2022)
S Wilson-Laing (Appointed 17 October 2022)

Company Secretary: P Bell

Management Team:

Chief Executive J Cokill
Head of Finance J McConnell
Head of Operation and Development Trust Z Hull
Head of Conservation M Dinning
BrightWater Project Manager P Black

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Statement of Trustees Responsibilities

The Trustees (who are also directors of Durham Wildlife Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with 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.

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

- o select suitable accounting policies and then apply them consistently; observe the methods and principles in the Charities SORP;
- o make judgements and estimates that are reasonable and prudent;
- o prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the Trustees are aware:

- o there is no relevant audit information of which the charitable company's auditors are unaware; and
- o the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

In accordance with the Companies Act 2006 a resolution proposing the appointment of Haines Watts North East Audit LLP as auditor for the year ending 31 March 2024 will be put to the members.


Sarah Lister
Chair

14 October 2023

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DURHAM WILDLIFE TRUST
FOR THE YEAR ENDED 31 MARCH 2023**

Opinion

We have audited the financial statements of Durham Wildlife Trust (the 'charitable company') and its subsidiary (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charitable Company Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 March 2023, and of the group'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 requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DURHAM WILDLIFE TRUST (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Durham Wildlife Trust
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DURHAM WILDLIFE TRUST (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- confirming with the directors and management whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations; and;
- assessing the risk of management override including identifying and testing a sample of journal entries.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our audit report.

Use of our report

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Craig Henderson (Senior Statutory Auditor)
for and on behalf of Haines Watts North East LLP.

Statutory Auditor

2 November 2023
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17 Queens Lane
Newcastle upon Tyne
NE1 1RN

Durham Wildlife Trust
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including consolidated income and expenditure account)

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds	Designated funds	Restricted funds	Total 2023	As restated Total 2022
	Notes	£	£	£	£	£
Income from:						
Donations and legacies	4	397,405	-	850,000	1,247,405	347,979
Charitable activities	5					
- Conservation activities		7,236	-	4,070,447	4,077,683	2,247,997
- Conservation projects		91,732	-	1,049,211	1,140,943	50,130
- Education projects		12,106	-	73,869	85,975	71,945
- Visitor centre		72,184	-	-	72,184	49,234
Other trading activities	6	194,804	-	-	194,804	324,641
Investment income	7	985	-	-	985	-
Total income		<u>776,452</u>	<u>-</u>	<u>6,043,527</u>	<u>6,819,979</u>	<u>3,091,926</u>
Expenditure on:						
Costs of raising funds	8					
- Donations and legacies		91,256	-	-	91,256	92,535
- Other trading activities		186,667	-	-	186,667	313,319
Charitable activities	9					
- Conservation projects		368,579	10,891	1,639,307	2,027,927	1,670,044
- Reserve projects		50,168	-	56,534	106,702	60,530
- Education projects		15,131	-	87,298	93,279	57,436
- Publications & affiliations		31,142	-	-	31,142	40,127
- Visitor centre		57,087	-	-	57,087	53,792
Total expenditure		<u>800,030</u>	<u>10,891</u>	<u>1,783,139</u>	<u>2,594,060</u>	<u>2,287,783</u>
Net movement before transfers		(23,578)	(10,891)	4,260,388	4,225,919	804,143
Transfers between funds	22	73,679	891,940	(965,619)	-	-
Net movement in funds		<u>50,101</u>	<u>881,049</u>	<u>3,294,769</u>	<u>4,225,919</u>	<u>804,143</u>
Reconciliation of funds						
Total funds brought forward		769,051	1,689,530	476,526	2,935,107	2,130,964
Total funds carried forward		<u>819,152</u>	<u>2,570,579</u>	<u>3,771,295</u>	<u>7,161,026</u>	<u>2,935,107</u>

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

Durham Wildlife Trust
(A Company Limited by Guarantee)

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

		2023		As restated 2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	16		5,823,464		1,657,151
Current assets					
Stock	18	10,031		13,138	
Debtors	19	483,505		584,332	
Cash at bank and in hand		1,707,159		1,101,833	
		<u>2,200,695</u>		<u>1,699,303</u>	
Creditors: amounts falling due within one year	20	(863,133)		(421,347)	
Net current assets		1,337,562		1,277,956	
Net assets			<u>7,161,026</u>		<u>2,935,107</u>
Funds	22				
Unrestricted funds			819,152		769,051
Designated funds			2,570,579		1,689,530
Restricted funds			3,771,295		476,526
			<u>7,161,026</u>		<u>2,935,107</u>

The notes on pages 19 to 38 form part of these financial statements.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Trustees on 14th October 2023 and signed on their behalf by:

S Lister
S Lister
Trustee

Company Number: 01019263

Durham Wildlife Trust
(A Company Limited by Guarantee)

CHARITABLE COMPANY BALANCE SHEET
AS AT 31 MARCH 2023

		2023		As restated 2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	16		5,823,464		1,657,151
Investments	17		12		12
			<u>5,823,476</u>		<u>1,657,163</u>
Current assets					
Stocks	18	10,031		13,138	
Debtors	19	467,792		540,823	
Cash at bank and in hand		1,657,213		1,073,967	
		<u>2,135,036</u>		<u>1,627,928</u>	
Creditors: amounts falling due within one year	20	(848,505)		(405,989)	
Net current assets			<u>1,286,531</u>		<u>1,221,939</u>
Net assets			<u>7,110,007</u>		<u>2,879,102</u>
Funds					
Unrestricted funds			768,133		713,046
Designated funds	22		2,570,579		1,689,530
Restricted funds			3,771,295		476,526
			<u>7,110,007</u>		<u>2,879,102</u>

The notes on pages 19 to 38 form part of these financial statements.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Trustees on 14th October 2023 and signed on their behalf by:

S. E. Lister
S Lister
Trustee

Company Number: 01019263

Durham Wildlife Trust
(A Company Limited by Guarantee)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Net cash flow from operating activities:			
Net cash provided by operating activities	27	4,800,007	932,622
Cash flows from investing activities			
Interest received		985	-
Purchase of tangible assets		(4,195,666)	(861,658)
Proceeds from sale of tangible assets		-	-
Net cash flow from investing activities		<u>(4,194,681)</u>	<u>(861,658)</u>
Net increase in cash and cash equivalents		605,326	70,964
Cash and cash equivalents at the beginning of the year		1,101,833	1,030,869
Cash and cash equivalents at the end of the year		<u>1,707,159</u>	<u>1,101,833</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		<u>1,707,159</u>	<u>1,101,833</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies

Durham Wildlife Trust is a company limited by guarantee, registered in England and Wales, (number 01019263) and not having a share capital. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance 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 January 2019), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

Durham Wildlife Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Basis of consolidation

The financial statements consolidate the results of Durham Wildlife Trust and its wholly owned subsidiary Durham Wildlife Services Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because Durham Wildlife Services has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

1.3 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds and forecast income and expenditure for a period of 12 months after the date of approval of these financial statements. The budgeted income and expenditure is sufficient considering the level of reserves for the charity to be able to continue as a going concern.

1.4 Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the charity for a particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

1.5 Income

All incoming resources are included in the Statement of Financial Activities when the charity has entitlement to the funds, any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

- Voluntary income is received by way of grants, donations and gifts are included in full in the Statement of Financial Activities when the trust becomes entitled. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Government grants received in respect of the Job Retention Scheme, and COVID support. Income from government are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.
- Membership subscriptions from both individual and corporate bodies are recognised when the funds are received.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts. Assets donated are recognised in full as donations and fixed assets.
- Investment income is included when receivable.
- Incoming resources from charitable trading activities are accounted for when earned.
- Grants and fees received for current year expenditure and grants for purchase of fixed assets are recognised in full in the Statement of Financial Activities in the period in which they are received, provided that the conditions for receipt have been complied with.
- Income is deferred only where the criteria for recognition as incoming resources in the Statement of Financial Activities does not exist at the balance sheet date.
- All legacies are credited to income in the year in which the Trust becomes entitled to the funds.
- Income from commercial trading activities is recognised as earned (as the related services are provided)

No amount is included within the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees Report.

1.6 Expenditure and irrecoverable VAT

All expenditure is accounted for on an accruals basis and is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's visitor centres and from the commercial trading activities of the company's subsidiary.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on the basis of time spent.

Irrecoverable VAT is charged as a cost against the expenditure when incurred.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

1.7 Tangible fixed assets

Individual fixed assets costing over £500 are capitalised at cost and are depreciated over their expected useful economic lives as follows:-

- Depreciation on motor vehicles, computer equipment, fixtures and other equipment is calculated at 25% on a straight-line basis so as to write off their cost over their estimated lives of 4 years
- As part of its core activities the Charity undertakes projects, which often have a length of less than one year. Whilst these projects produce significant benefits in terms of conservation the economic benefit to the charity is limited. It is therefore the policy of the charity to charge a rate of 100% depreciation in the year of purchase on any fixed assets that are purchased in respect of such projects.
- Depreciation on freehold property has been charged at 0%, apart from certain improvements to the properties, which are subject to a charge of 10% on a straight line basis. The cost of property includes the cost of freehold land, which is not a depreciating asset, and the Executive Committee is of the view that expenditure on maintenance of the buildings is such as to maintain the values of the Trust's property at least equal to cost.
- Improvements to leasehold property are written off in the year in which the expenditure is incurred.
- No depreciation is charged on nature reserves, which are included in both freehold and leasehold land and buildings.

1.8 Investments

Investments in subsidiary undertakings are held at cost less impairment.

1.9 Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

1.10 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.

1.11 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 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 recognised at their settlement after allowing for any trade discounts due.

1.13 Pensions

The charity operates a money purchase pension scheme. Amounts payable are included in the Statement of Financial Activities when the related salary is paid. Unremitted amounts are included in creditors.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

1.14 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.15 Taxation

The charity is exempt from corporation tax on its charitable activities.

2. Judgements and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

There are no significant accounting estimates which are considered to materially impact the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

3. Statement of financial activities from the prior year as restated

		Unrestricted funds	Designated funds	Restricted funds	Total 2022	Total 2021
	Notes	£	£	£	£	£
Income from:						
Donations and legacies	4	347,979	-	-	347,979	533,448
Charitable activities	5					
-Conservation activities		57,035	91,000	2,099,962	2,247,997	809,902
-Conservation projects		7,095	-	43,035	50,130	232,439
-Education projects		12,889	-	59,056	71,945	57,588
-Visitor centre		49,234	-	-	49,234	-
Other trading activities	6	324,641	-	-	324,641	327,094
Investment income	7	-	-	-	-	2,264
Total income		<u>798,873</u>	<u>91,000</u>	<u>2,202,053</u>	<u>3,091,926</u>	<u>1,962,735</u>
Expenditure on:						
Costs of raising funds	8					
-Donations and legacies		92,535	-	-	92,535	102,296
-Other trading activities		313,319	-	-	313,319	271,786
Charitable activities	9					
-Conservation projects		346,750	91,849	1,231,445	1,670,044	906,648
-Reserve projects		32,610	-	27,920	60,530	151,990
-Education projects		13,911	-	43,525	57,436	27,185
-Publications & affiliations		40,127	-	-	40,127	25,404
-Visitor centre		53,792	-	-	53,792	40,671
Total expenditure		<u>893,044</u>	<u>91,849</u>	<u>1,302,890</u>	<u>2,287,783</u>	<u>1,525,980</u>
Net movement before transfers		<u>(94,171)</u>	<u>(849)</u>	<u>899,163</u>	<u>804,143</u>	<u>436,755</u>
Transfers between funds	22	(44,997)	1,547,823	(1,502,826)	-	-
Net movement in funds		<u>(139,168)</u>	<u>1,546,974</u>	<u>(603,663)</u>	<u>804,143</u>	<u>436,755</u>
Reconciliation of funds						
Total funds brought forward		908,219	142,556	1,080,189	2,130,964	1,694,209
Total funds carried forward		<u>769,051</u>	<u>1,689,530</u>	<u>476,526</u>	<u>2,935,107</u>	<u>2,130,964</u>

Durham Wildlife Trust
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

4. Donations and legacies

	2023	2022
	£	£
Subscriptions	229,129	257,369
Donations	1,018,276	84,110
Legacies	-	6,500
	<u>1,247,405</u>	<u>347,979</u>

5. Income from charitable activities

	2023	2022
	£	£
Grants	5,177,054	2,390,498
Events income	72,184	5,888
Conservation income	9,387	13,492
Reservation income	91,732	2,605
Educational visits	12,656	6,823
Other income	13,772	-
	<u>5,376,785</u>	<u>2,419,306</u>

Summary of grants

Durham County Council	135,053	307,434
The National Lottery Heritage Fund	873,015	827,822
The Environment Agency	100,000	130,000
Northumbrian Water	89,945	155,062
Gateshead Council	181,472	50,000
Groundwork North East	-	27,227
County Durham Community Foundation	11,200	4,000
The Garfield Weston Foundation	25,000	-
Sunderland City Council	68,668	66,958
The Scotto Trust	12,500	-
RSWT	24,707	95,000
Suez	-	35,000
Veolia	-	600,000
DWP	-	9,909
RPA	-	42,479
ALA	24,000	14,143
Believe Housing	4,600	3,000
South Tyneside Council	-	11,150
Daniell Trust	4,000	4,000
Hoare Trustees	25,000	-
Zephyr Charitable Foundation	65,200	-
Scottish Power	90,831	-
Natural England	3,408,144	-
The Linder Foundation	10,000	-
Darlington Building Society	7,500	-
Other	16,219	7,314
	<u>5,177,054</u>	<u>2,390,498</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

6. Other trading activities	2023	2022
	£	£
Other trading income	15,492	24,786
Income from trading subsidiary	179,312	305,885
	<u>194,804</u>	<u>330,671</u>
	<u><u>194,804</u></u>	<u><u>330,671</u></u>
7. Investment income	2023	2022
	£	£
Bank interest	985	-
	<u>985</u>	<u>-</u>
	<u><u>985</u></u>	<u><u>-</u></u>
8. Raising funds	2023	2022
	£	£
Raising donations and legacies		
Staff costs	74,064	83,527
Fundraising expenses	17,192	9,008
	<u>91,256</u>	<u>92,535</u>
Other trading activities		
Purchases	18,525	22,111
Promotional expenses	5,955	7,434
Support costs for generating funds	-	-
Trading expenditure from subsidiary	162,187	283,774
	<u>277,923</u>	<u>405,854</u>
	<u><u>277,923</u></u>	<u><u>405,854</u></u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

9. Charitable activities expenditure

	Activities undertaken directly £	Support costs £	Total 2023 £	Total 2022 £
Conservation projects	1,972,965	54,962	2,027,927	1,669,994
Reserves projects	106,702	-	106,702	60,530
Education projects	93,279	-	93,279	57,436
Publications and affiliations	217	30,925	31,142	40,127
Visitors centres	12,576	44,511	57,087	53,792
	<u>2,185,739</u>	<u>130,398</u>	<u>2,316,137</u>	<u>1,881,879</u>

10. Support costs

	Management Costs £	Governance Costs £	Total 2023 £	Total 2022 £
Conservation projects	28,910	26,052	54,962	54,962
Publications and affiliations	25,238	5,687	30,925	38,905
Visitors centres	36,325	8,186	44,511	44,511
	<u>90,473</u>	<u>39,925</u>	<u>130,398</u>	<u>138,378</u>

11. Governance costs

	2023 £	2022 £
Auditors fees	9,000	5,630
RWST Membership	12,371	10,450
DWT Magazine & Marketing	18,554	28,455
	<u>39,925</u>	<u>44,535</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

12. Net income for the year

Net income is stated after charging;

	2023	2022
	£	£
Depreciation	29,353	22,630

13. Auditors remuneration

Audit of these financial statements	6,000	5,630
Audit of the subsidiary financial statements	3,000	2,850
	<u>9,000</u>	<u>8,480</u>
Non Audit fees	7,900	450
	<u>16,900</u>	<u>8,930</u>

14. Financial performance of the charitable company

The Consolidated Statement of Financial Activities includes the results of the wholly owned subsidiary.

The summary financial performance of the charity alone is;

	2023	2022
	£	£
Income	6,662,778	2,849,193
Expenditure	(2,431,873)	(2,004,009)
Net income	<u>4,230,905</u>	<u>845,184</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

15. Analysis of staff costs, Trustee remuneration and expenses, and the cost of key management personnel

The total staff costs and employees benefits were as follows:

	2023	2022
	£	£
Wages and salaries	749,384	793,053
Social security costs	63,388	62,163
Other pension costs	29,977	30,068
	<u>842,749</u>	<u>885,284</u>

The average number of employees during the year was as follows:

	2023	2022
	Number	Number
Costs of generating funds	3	3
Charitable activities	35	36
Management and administration	3	3
	<u>41</u>	<u>42</u>

No employees received remuneration of more than £60,000 (2022- none).

The Trustees were not paid or received any other benefits from employment in the year (2022 – .£nil). No Trustee received payment for professional or other services supplied to the charity (2022 - £nil).

There were no expenses paid to trustees during the year (2022 – nil).

The key management personnel of the charity comprise the Trustees and Management Team identified on page 10. The total employee benefits of the Management Team of the charity were £280,022 (2022 - £222,179).

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

16. Tangible fixed assets
Group and charity

	Freehold property £	Long leasehold £	Equipment, fixtures & fittings £	Motor vehicles £	Total £
Cost					
At 1 April 2022	2,050,458	127,567	989,023	95,267	3,262,315
Additions	4,094,662	-	82,438	18,567	4,195,667
At 31 March 2023	6,145,120	127,567	1,071,461	113,834	7,457,982
Depreciation					
At 1 April 2022	528,822	44,532	942,295	89,516	1,605,165
Charge for the year	3,955	-	20,590	4,808	29,353
At 31 March 2023	532,777	44,532	962,885	94,324	1,634,518
Net book value					
At 31 March 2023	5,612,343	83,035	108,576	19,510	5,823,464
At 31 March 2022	1,521,636	83,035	46,729	5,751	1,657,151

Included within freehold property and long leasehold are nature reserves with a total cost of £5,555,463 and £83,035, respectively. No depreciation has been charged on these amounts.

Durham Wildlife Trust
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NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

17. Investments

Charity	Group			
	2023	2022	2023	2022
	£	£	£	£
Shares in subsidiary undertaking	-	-	12	12

Company	Country	Percentage Shareholding	Description
Durham Wildlife Services Limited	England and Wales	100%	Ordinary

Durham Wildlife Services Limited whose principle activity is the provision of ecological consultancy services. The results and summary of assets and liabilities of the company are as follows:

	2023	2022
	£	£
Turnover	179,312	305,885
Cost of sales	(159,030)	(274,455)
Administrative expenses	(3,157)	(9,319)
Profit for the year	17,125	22,111
Distribution to Durham Wildlife Trust	22,111	63,152
	2023	2022
	£	£
Total assets	67,099	72,815
Total liabilities	(16,065)	(16,795)
Shareholders' funds	51,034	56,020

Durham Wildlife Trust
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NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

18. Stocks

	2023	Group 2022	Charity 2023	2022
	£	£	£	£
Stocks	10,031	13,138	10,031	13,138

19. Debtors

	2023	Group 2022	Charity 2023	2022
	£	£	£	£
Trade debtors	204,053	183,465	188,340	139,956
Prepayments	7,265	3,653	7,265	3,653
Accrued income	272,187	397,214	272,187	397,214
	<u>483,505</u>	<u>584,332</u>	<u>467,792</u>	<u>540,823</u>

20. Creditors: amounts falling due within one year

	2023	Group 2022	Charity 2023	2022
	£	£	£	£
Trade creditors	131,019	355,712	131,765	348,491
Social Security and other taxes	24,876	20,378	14,410	14,611
Accruals	63,331	35,834	63,331	35,834
Other creditors	11,540	9,423	6,632	7,053
VAT	632,367	-	632,367	-
	<u>863,133</u>	<u>421,347</u>	<u>848,505</u>	<u>405,989</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

21. Prior period adjustment

A prior period adjustment has been made in respect of;

(1) It was identified that land purchased in prior periods which had been capitalised had not been transferred out of the relevant restricted project fund. An adjustment has been posted to transfer the land into the designated land fund as once the land has been acquired, the restricted on these funds had lifted.

It was also identified that there was similar land held within unrestricted funds which should have been transferred to the designated fund in line with the trustee's policy of designating land.

Change to the balance sheet

	As previously reported £	Adjustment £	As restated at March 2022 £
Funds			
Restricted funds	1,285,981	(809,455)	476,526
Designated funds	1,043,039	646,491	1,689,530
Unrestricted funds	606,087	(162,964)	769,051
	<u>2,935,107</u>	<u>-</u>	<u>2,935,107</u>

Durham Wildlife Trust
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NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

22. Analysis of funds

Year ended 31 March 2023

	Brought Forward	Income	Expenditure	Transfers	Carried Forward
	£	£	£	£	£
Unrestricted Funds					
General fund	769,051	776,452	(800,030)	73,679	819,152
Designated funds					
Volunteers	49,920	-	(5,941)	-	43,979
Repairs and Maintenance	60,000	-	(4,950)	(22,028)	33,022
Rainton Meadows	132,636	-	-	-	132,636
Catchment management	-	-	-	25,000	25,000
Land	1,446,974	-	-	888,968	2,335,942
Total unrestricted funds	2,458,581	776,452	(810,921)	965,619	3,389,731
Restricted Funds					
Discover Bright Water	(3,870)	735,500	(816,218)	56,077	(28,511)
Heart of Durham	16,424	45,486	(43,542)	-	18,368
Land of Oak and Iron	10,959	-	-	-	10,959
Naturally Native	50,544	104,224	(144,762)	(7,696)	2,310
Low Barns	11,665	-	(261)	-	11,404
Conservation Projects	140,740	3,885,386	(470,116)	(3,216,052)	339,958
Education Projects	57,067	73,869	(87,298)	(20,550)	23,088
Living Landscapes Projects	100,095	1,049,211	(56,273)	(902,430)	190,603
Healing Nature	39,334	58,578	(91,042)	-	6,870
Great North Fen	54,380	21,928	-	(80,662)	(4,354)
Seascapes	(812)	69,345	(73,627)	-	(5,094)
Natural England Land	-	-	-	3,205,694	3,205,694
Total restricted funds	476,526	6,043,527	(1,783,139)	(965,619)	3,771,295
Total funds	2,935,107	6,819,979	(2,594,060)	-	7,161,026

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

22. Analysis of funds (Continued)

Year ended 31 March 2022 as restated

	Brought Forward	Income £	Expenditure £	Transfers £	Carried Forward £
Unrestricted Funds					
General fund	908,219	798,873	(893,044)	(44,997)	769,051
Designated funds					
Volunteers	9,920	-	-	40,000	49,920
Repairs and Maintenance	-	-	-	60,000	60,000
Rainton Meadows	132,636	91,000	(91,849)	849	132,636
Land	-	-	-	1,446,974	1,446,974
Total unrestricted funds	1,050,775	889,873	(984,893)	1,502,826	2,458,581
Restricted Funds					
Discover Bright Water	26,968	489,749	(625,855)	105,268	(3,870)
Heart of Durham	17,946	43,820	(45,352)	10	16,424
Land of Oak and Iron	10,959	-	(884)	884	10,959
Naturally Native	60,904	148,830	(217,430)	58,240	50,544
Low Barns	49,134	9,858	(2,523)	(44,804)	11,665
Conservation Projects	211,787	272,151	(181,693)	(161,505)	140,740
Education Projects	29,915	59,056	(43,525)	11,621	57,067
Living Landscapes Projects	571,239	33,177	(25,397)	(478,924)	100,095
Healing Nature	100,931	276,856	(91,474)	(246,979)	39,334
Seascapes	406	67,224	(68,757)	315	(812)
Great North Fen	-	801,332	-	(746,952)	54,380
Total restricted funds	1,080,189	2,202,053	(1,302,890)	(1,502,826)	476,526
Total funds	2,130,964	3,091,926	(2,287,783)	-	2,935,107

Transfers are made between funds when a fund has closed from restricted into unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

22. Analysis of funds (Continued)

DESIGNATED FUNDS:

Volunteers

Funds designated to support all aspects of volunteering and trainee positions at Durham Wildlife Trust.

Vehicle Replacement

Funds designated to provide for the replacement of the Trust's vehicles. These funds have been incorporated into the repairs and maintenance fund in 2022-23.

Repairs and Maintenance

Funds designated to make provision for the repair, maintenance (including replacement) of land, buildings, equipment and other assets.

Rainton Meadows

Funds designated to manage the Trust's Rainton Meadow Nature Reserve.

Catchment Management

Support for the Trust's work provided by the Garfield Weston Foundation that the Trust has designated to support partnership work with the Rivers Trusts and Northumbrian Water across the catchments of the rivers Skerne and Browney

Land

Specific fund created for the unrestricted land held by the charity.

RESTRICTED FUNDS:

Discover Bright Water

A National Lottery Heritage Fund Landscape Partnership scheme led by DWT that aims to deliver significant conservation work across the catchment of the River Skerne.

Heart of Durham

A landscape scale project delivering habitat and species conservation across northern and central County Durham that is supported by Northumbrian Water.

Land of Oak and Iron

A National Lottery Heritage Fund Landscape Partnership scheme in the Derwent Valley to deliver education and conservation projects.

Naturally Native

A project funded by the National Lottery Heritage Fund that focuses on conservation of the water vole. This project is delivered in partnership with Tees Valley and Northumberland Wildlife Trusts.

Low Barns Improvements

Funding received from Durham County Council Weardale AAP and North Pennines and Dales Leader to refurbish and improve the Visitors Centre at Low Barns Nature Reserve.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

22. Analysis of funds (Continued)

Conservation Projects

A fund created during 2020-21 to consolidate smaller conservation projects into a single Department in order to simplify financial management and reporting. Individual projects are identifiable by Project Codes.

Education Projects

A fund created during 2021-22 to consolidate smaller education projects into a single Department in order to simplify financial management and reporting. Individual projects are identifiable by Project Codes.

Living Landscapes North Projects

A fund created during 2021-22 to consolidate projects delivered across the Trust's living landscapes nature reserves into a single Department in order to simplify financial management and reporting. Individual projects are identifiable by Project Codes.

Natural England Land

During the year, the Charity entered into an agreement with Natural England to purchase and conserve certain pieces of land. Funding was received from Natural England in order to purchase the land, and the land must be managed within certain conditions as per the contractual agreement with Natural England. It is therefore classified as a restricted fund.

Great North Fen

A long-term project to deliver large scale habitat restoration across the Durham Carrs and wider catchment of the River Skerne.

Healing Nature

A project funded by the National Lottery Heritage Fund that focuses on habitat restoration across the Sunderland Coalfield area and associated health and well-being benefits

Seascapes

A National Lottery Heritage Fund Landscape Partnership led by Durham County Council that delivers a variety of projects along the coast and coastal waters from the Tyne to the Tees. Durham Wildlife Trust delivers a number of the projects.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

23. Analysis of net assets between funds

Year ended 31 March 2023

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total £
Tangible assets	281,828	2,335,942	3,205,694	5,823,464
Current assets	1,400,457	234,637	565,601	2,200,695
Creditors amounts due within one year	(863,133)	-	-	(863,133)
	<u>819,152</u>	<u>2,570,579</u>	<u>3,771,295</u>	<u>7,161,026</u>

Year ended 31 March 2022 as restated

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total £
Tangible assets	210,177	1,446,974	-	1,657,151
Current assets	980,221	242,556	476,526	1,699,303
Creditors amounts due within one year	(421,347)	-	-	(421,347)
	<u>769,051</u>	<u>1,689,530</u>	<u>476,526</u>	<u>2,935,107</u>

24. Operating leases

The future minimum lease payments under non-cancellable operating leases are as follows;

	2023 £	2022 £
Not later than one year	-	3,665
Later than one and not later than five years	-	-
Due more than five years	-	-
	<u>-</u>	<u>3,665</u>

25. Related Party Transactions

There have been no related party transactions during the year (2022 – none).

26. Pension Commitments

The charity operates a money purchase pension scheme. The pension scheme cost charge of £29,977 (2022 - £30,068) represent amounts payable by the charity. Unremitted amounts of £5,744 (2022 - £5,712) representing one month's deductions is included in creditors.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2023

27. Reconciliation of net income to net cash flow from operating activities

	2023	2022
	£	£
Net income for the year	4,225,919	809,269
Adjustments for:		
Interest received	(985)	-
Depreciation on tangible assets	29,353	22,629
Increase in stock	3,107	(5,532)
Decrease in debtors	100,827	(199,747)
Increase in creditors	441,786	306,003
Net cash flow from operating activities	<u>4,800,007</u>	<u>932,622</u>

28. Analysis of net debt

There charitable company had no debt during the year.