

THE NYIKA-VWAZA (UK) TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

6 April 2020 to 5 April 2021.

Charity Number 1105105

# THE NYIKA-VWAZA (UK) TRUST

## TRUST INFORMATION

Trustees	Thomas Geoffrey Lupton David William Billing Michael John Budgen Jonathan Hanson Jennifer Anne Kettlewell Jonathan Ralph Timberlake	Chairman Resigned 14 July 2020 Re-appointed 24 July 2020 Re-appointed 13 July 2020
Hon. Secretary and Treasurer	Peter Richard Lawrance	Re-appointed 16 April 2021
Canadian Representatives	Ms. Sigrid Anna Johnson and Mr. Don McMaster	
Banker	Lloyds Bank	
Investment Manager	Canaccord Genuity Wealth Management Anglo International House Bank Hill Douglas IM1 4LN Isle of Man	
Honorary Independent Examiner	Charles F Straughan	
Registered Office	50 Brewery Road Woking GU21 4NA Surrey	
Charity Number	1105105	
HMRC Charities Ref.	XR81083/0	

# THE NYIKA-VWAZA (UK) TRUST

## TECHNICAL ADVISORY GROUP

As at 5 April 2021

### TECHNICAL ADVISORY GROUP

David Billing	Community Programmes and M&E
Carl Bruessow	Reptiles
Francoise Dowsett-Lemaire	Birds and Evergreen Forests
Robert Dowsett	Birds and Butterflies
Cornell Dudley	Insects
Jonathan Hanson	Cats
David Happold	Mammals
Meredith Happold	Mammals
Pat Hardcastle	Forestry
Sigrid Anna Johnson	General
Isobyl La Croix	Orchids
Brian Morris	Ethnobiology
Peter Overton	Biodiversity Research Expeditions
Marianne Overton M.B.E.	Biodiversity Research Expeditions
Jonathan Timberlake	Vegetation Ecology
Denis Tweddle	Fish

## THE NYIKA-VWAZA (UK) TRUST

### THE TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2021.

#### Report of the trustees for the year ended 5<sup>th</sup> April 2021.

The trustees present their annual report and financial statements of the Trust for the year ended 5<sup>th</sup> April 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 applicable in the UK, published on 16 July 2014.

#### Objectives and activities for the public benefit.

**Objects of the Trust.** The objects of the Trust are:

- i) To provide for the benefit of the public the conservation, protection and improvement of the physical and natural environment, particularly but not exclusively of the Nyika National Park and Vwaza Marsh Wildlife Reserve in Malawi, Africa; and
- ii) The advancement of the education of the public in nature conservation generally and in particular but not exclusively of the Nyika National Park and Vwaza Marsh Wildlife Reserve in Malawi, Africa.

**Public Benefit.** The Trust provides public benefit by:-

- (i) Publicising and promoting knowledge around the world about the existence of the two national parks in the remote north of Malawi and about their precious fauna and flora;
- (ii) Providing funds for the conservation of the two national parks for which the Malawi Government lacks the necessary resources;
- (iii) Promoting the education of the public, both within Malawi and around the world, about the fauna, flora and other attributes of the two parks and heightening their appreciation of these assets;
- (iv) Encouraging Malawians to comprehend the importance and value of the two parks as part of their national heritage;
- (v) Developing an archival bibliography and information depository of the assets and other aspects of the two parks;
- (vi) Helping to fund improvements of a social and welfare nature for the people who live in the vicinity of the parks;
- (vii) Assisting to conserve in a healthy condition the habitats of the parks as a major source of water and food (e.g. honey) for the welfare of Malawians.
- (viii) Working to preserve the parks in their natural state for the world and posterity.

#### Structure, Governance and Management.

The Trust is a registered charity, number 1105105, and is constituted under a Trust deed dated 13 July 2004.

## **Trustees.**

New trustees are appointed by the existing trustees and serve for three years after which they may offer themselves for re-appointment. The Trust Deed provides for a minimum of three trustees.

All the trustees are committed to the objects of the Trust. The Chairman, Tom Lupton, lived and worked in Malawi through the 1970/90's, thereafter, returning periodically. All the other trustees have either lived in Malawi or have close connections with the country.

New trustees are appointed by a resolution of the continuing trustees having regard to their appropriate skills, knowledge and experience. On appointment, new trustees sign a model trustee declaration statement committing them to giving of their time and expertise. The welcome pack includes a copy of the governing Trust Deed, trustee board and sub-committee minutes, a copy of the last three years 'annual reports and accounts', and a copy of the Charity Commission's guidance 'The Essential Trustee: What You Need to Know' and 'Public Benefit: running a charity' and are required to sign their acceptance of the provisions of the Data Protection Policy.

## **Governance.**

At the periodic trustees' meetings, the trustees agree the broad strategy and areas of activity for the Trust, including consideration of grant making, investment, reserves and risk management policies and performance. The Trust's policies as regards to Risk Management, Privacy, Data Protection and Safeguarding are reviewed and agreed annually.

During the year, the trustees held three Ordinary Meetings via Zoom. Day-to-day administration is conducted by the Hon. Secretary and Treasurer, Peter Lawrance, in consultation with the Chairman and trustees as appropriate.

All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 2 to the accounts.

## **Relationship with the Malawi Government.**

The Malawi Government is appreciative of the contribution being made by the Trust in its current role of funding research and environmental education in Malawi.

Due to Covid 19 we were unable to meet with the Malawi High Commissioner during the year but intend to resume holding meetings of the trustees at the Malawi High Commission as soon as allowed.

**Risk Assessment.** The Trust possesses no physical assets. When making grants it takes such steps as it believes necessary to prevent financial fraud and ensure that grants are made to bona fide organisations or persons. In respect of children and other vulnerable persons or groups it also ensures where relevant that the bodies or persons to which it makes grants have adequate measures in place to keep them from harm and abuse. In other respects, the trustees are conscious of the importance of compliance and take such steps as are necessary to avoid failure to do so.

An additional risk lies in the performance of the investment portfolio and its capacity to supplement donations with additional income from the sale of securities to carry out the activities of the Trust. This is mitigated by retaining professional investment managers and having a balanced diversified investment portfolio.

No serious incident or other such matter occurred during the year that should have been brought to the attention of the Charity Commission.

### **Financial review.**

The Trust's work is entirely reliant on donation income supplemented where necessary by the income from or sale of investment securities, held as unrestricted funds, as detailed in the Notes to the accounts.

The trustees transferred a total of £26,800 from the unrestricted reserve to support the education programme carried out by the Lilongwe Wildlife Trust (LWT) in Malawi and the research grant programme.

During the year, the Trust received a gross income of £41,129 from donations, promotion activities, investment and other income and transfers from investments and spent £44,773 on contributions to the LWT education programme and the research grants. After UK operating costs of £681 and £1,459 of investment management costs there was a net excess of expenditure over income for the year of £5,783.

### **Investment policy and performance.**

Discretionary management of the portfolio is entrusted to Canaccord Genuity Wealth Management, based in the Isle of Man. The trustees regularly monitor the performance of their investment managers. The Portfolio comprises two sections, the first of which constitutes the **Unrestricted Reserve**. At the end of the year its market value was £30,732. The second section constitutes the **Expendable Endowment Fund**. This fund is a Reserve, the intention being to grow it steadily over time by additions and natural growth in order to provide long-term income and financial stability. The Fund had a year-end market value of £85,716.

### **Grant making policy.**

Since the establishment of the Trust, it has been the policy of the Trust to make periodic grants to support the objectives of the Trust in Malawi. This now includes funding an agreed education programme with LWT in Malawi and making available research grants in support of identified environmental and social issues affecting the Nyika and Vwaza areas.

### **Reserves policy.**

The trustees aim to maintain free reserves in unrestricted funds to meet the Trust's anticipated future commitments to the education programme in Malawi and to meet the anticipated funding for research grants over the next twelve months.

The balance of funds as at 5 April 2021 held as unrestricted funds, £30,732, and the Expendable Endowment Fund £85,716 is sufficient to cover the anticipated expenditure until April 2022.

### **Activities during the year 2020/21.**

Covid 19 disrupted our activities both in Malawi and the UK. Malawi had several lockdown periods resulting in the Education Programme being put on hold. However, by the year end the programme was fully operational.

The activities for 2020/21 were largely driven by the continuing education programme run by LWT, being the second year of the three-year Phase 2 programme agreed in April 2019. This programme provides for the continue education in the schools and communities surrounding the Nyika National Park and Vwaza Marsh Wildlife Reserve and encompasses the three essential elements of:

- Education through schools and in the communities to teach conservation and environmental best practices to counter the harmful consequences of poaching plants and animals, deforestation and killing animals that threaten livelihood through crop raids.
- Working with local law enforcement agencies to reinforce prosecution of poachers as poaching will only be stopped if there is a meaningful deterrent.

- Finding ways of replacing community income currently earned through lucrative trade in bush meat and the 'Chikanda' trade in orchids.

During the year, the Trust received regular activity and financial progress reports from LWT and had two on-line meetings with the Director of LWT.

In addition, the Trust operates a research grant programme (developed and launched in December 2015) to focus on known environmental and conservation issues that affect the Nyika National Park and the Vwaza Wildlife Reserve.

12 grants have been awarded to date, nine of which have been completed and three are in progress. In addition to providing financial support, the trust helps potential researchers with developing robust proposals and with advice and support in finalising study reports and is most grateful to Jonathan Timberlake for the time he devotes to this. The completed study reports are published on the Trust website.

In normal years, the Trust carries on an on-site review in Malawi of progress with LWT on the environmental education programme and the planned activities for the coming year. Due to Covid-19 restrictions on travel a visit was not possible in 2020 and is unlikely to be possible in 2021. However, the Trust is satisfied that progress as planned has been made during the year, despite reduced level of activities.

The Trust is to a large extent dependent on the support of donors, both individual and institutional, to fund the activities on the Nyika and at Vwaza Marsh Reserve. Some benefactors donate money unconditionally (general unrestricted funds); others express a non-binding preference that their donations are used for specific purposes, which we classify as designated unrestricted funds for administrative purposes as none fall within the legal definition of restricted funds where the donor imposes a restriction on the use of the funds by the trustees.

#### **Project Grants Received.**

We are most grateful for the very generous project grants totalling £5,500 received from non-personal donors namely the Camellia Foundation towards the costs of the education programme.

In addition, a total of £7,538 was donated by individuals, either by regular donation or one-off gifts for which we are most grateful. These donations include gift aid relief where appropriate.

#### **Grants made during the year.**

The Trust continued to make further payments to LWT under the agreed education programme for year 2 of Phase 2. In addition, two new research grants were awarded. Details of the grants made to institutions can be found in note 6 to the accounts.

**Needs and Risks.** The trustees are aware that the education work in Malawi to some extent can be affected by the health of the Malawi economy, especially when the exchange rate continues to depreciate, increasing local costs but yielding additional local income from sterling-based funding, and are conscious that unless additional reserves are built up through donation, in due course it may not be able to continue to support the activities beyond the agreed periods we have committed to. As the Trust does not operate commercially, it will continue to actively seek funds by way of grants, donations and legacies from all who support the activities, and combine this with fund-raising activities. We are most grateful to all supporters and especially those who themselves raise funds for us through their own individual initiatives.

## **Other Activities during the year .**

**Website.** [www.nyika-vwaza-trust.org](http://www.nyika-vwaza-trust.org) The website was relaunched in May 2019 and aims to provide up to date information both to supporters and anyone interested in the Nyika and Vwaza as it also enables the whole computerised world to become familiar with work of the Trust and how to support it. Jonathan Timberlake continues to add to the Bibliography and bird and plant checklists making it a valuable resource for scientific research as well as tourists. All completed Research Reports are available through the website. It is the Trust's continued intention that the website should become the first port of call for anyone who wishes to learn about the fauna and flora of the parks. The site also provides an important historical record of our times, and some earlier times, through the recording of every issue of Nyika-Vwaza News.

**Twitter.** **#NyikaVwazaTrust** The NVT Twitter account was opened in early 2019. Weekly posts are made, which are being followed by an increasing number of people interested in conservation in Malawi. Many thanks to Jonathan Hanson for leading this initiative.

**Revised "A Guide to the Nyika National Park".** The Trust published a completely revised edition of "Nyika - A Guide to the Nyika National Park" by Sigrid Johnson in July 2017. A total of 1,102 copies have been distributed to schools, communities and other interested bodies in the Nyika/Vwaza areas of Malawi under the education programme. The Guide was written primarily for Malawians, to give them a practical tool to learn about their rich natural heritage and to help care for it.

**Technical Advisory Group.** The Trust continued to receive invaluable support from its Technical Advisory Group, through provision of articles for the Newsletter and assistance in updating the Bibliography and species list.

**Nyika-Vwaza News.** Now in its sixteenth year, these biannual newsletters continue to be the Trust's principal, regular method of informing supporters of the work of the trust in the Nyika National Park and the Vwaza Marsh Wildlife Reserve areas. The Trust is indebted to the editor, Jennie Kettlewell, assisted by Mike Budgen, for continuing to plan and produce the newsletters. All 32 of the past issues are posted on the Trust's website. Following the provisions of the General Data Protection Act 2018 the Trust took steps to ensure supporters voluntarily 'opt-in' to the receipt of the newsletters and other communications from the Trust.

**Evening at the Union Jack Club in London.** Due to Covid-19 restrictions the annual meeting of the Trust had to be cancelled in 2020. It is hoped that the meeting will be possible in 2021.

### **Plans for the future.**

The trustees will continue to support the LWT environmental education programme. 2020/21 was the second year of the three-year Phase 2 programme. During 2021 trustees will review progress and options for any further involvement in an education programme or similar linked activity. It will also continue developing lines of applied research on relevant conservation and environmental issues, based on the experience and information gathered over the last sixteen years. The intention is to define research needs and to publicise these through the NGO and academic networks.

The trustees will continue to develop the knowledge base using the website with the intention that the facility will become a principal resource of information on the Nyika and Vwaza areas. The trustees will continue their advocacy work in the United Kingdom, raising funds to enable the work programmes to continue.



At the time of writing this report it is unclear if, and how the incidence of Covid-19 will impact on the future work of the Trust in Malawi, and its finances in the UK both in the short and longer term. The trustees will keep this under review.

**Trustees' responsibilities in relation to the financial statements.**

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Thanks.** I would like to record thanks to all the supporters of the trust, the trustees, and to Peter Lawrance, our honorary secretary and treasurer, for their input during the last year.

**Signature.** This Report was approved by the trustees on 6 July 2021 and is signed on their behalf by

Tom Lupton  
Chairman

**Independent Examiner's Report to the Trustees of the Nyika Vwaza (UK) Trust on the accounts for the year ended 5 April 2021.**

I report on the accounts of the Nyika Vwaza (UK) Trust for the year ended 5 April 2021 as set out in the annual report on pages 10-19.

**Respective responsibilities of the Trustees and the Examiner.**

The charity's trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under Section 144 (2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- Examine the accounts (under section 145 of the 2011 Act);
- To follow the procedures laid down in the General Directions given by the Charity Commission (under section 145 (5) (b) of the 2011 Act); and
- To state whether particular matters have come to my attention.

**Basis of independent examiner's statement**

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

**Independent Examiner's statement**

In the course of my examination no matter has come to my attention which gives me reasonable cause to believe that in any material respect the requirement:

- to keep accounting records in accordance with section 130 of the 2011 Act; and
  - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act
- have not been met; or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed

8 May 2021

C F Straughan  
Fellow of the Institute of Chartered Accountants in England and Wales  
Rusper House Lodge  
Newdigate Road  
Rusper  
Horsham RH12 4RR

THE NYIKA-VWAZA (UK) TRUST

Balance Sheet as at 5 April 2021.

	Notes	Unrestricted	Expendable	Total	Unrestricted	2019-20	Expendable	Total
		funds	Endowment		funds	2019-20	Expendable	Total
		£	£	£	£	£	£	£
<b>FIXED ASSETS</b>								
Investments	8	30,732	85,716	116,448	44,747	64,069	108,816	
Total Fixed Assets		<u>30,732</u>	<u>85,716</u>	<u>116,448</u>	<u>44,747</u>	<u>64,069</u>	<u>108,816</u>	
<b>Current Assets</b>								
Debtors	9	1,475		1,475	833		833	
Book Stock		995		995	1,001		1,001	
Cash at Bank		992		992	6,552		6,552	
Total Current Assets		<u>3,462</u>	-	<u>3,462</u>	<u>8,386</u>	-	<u>8,386</u>	
<b>Liabilities</b>								
Creditors falling due within 1 year	10	950		950	1,064		1,064	
Net Current Assets		<u>2,512</u>	-	<u>2,512</u>	<u>7,322</u>	-	<u>7,322</u>	
<b>TOTAL NET ASSETS</b>								
		<u>33,244</u>	<u>85,716</u>	<u>118,960</u>	<u>52,069</u>	<u>64,069</u>	<u>116,138</u>	
<b>The funds of the Charity</b>								
Expendable Endowment Fund	11		85,716	85,716		64,069	64,069	
Unrestricted funds		33,244		33,244	52,069		52,069	
Total Charity Funds		<u>33,244</u>	<u>85,716</u>	<u>118,960</u>	<u>52,069</u>	<u>64,069</u>	<u>116,138</u>	

The Balance Sheet was approved by the trustees on 6 July 2021 and is signed on their behalf by

Tom Lupton  
Chairman

THE NYIKA-VWAZA (UK) TRUST

Statement of Financial Activities for the period 6 April 2020 to 5 April 2021.

	Notes	2019-20				2019-20			
		Unrestricted Funds		Total Unrestricted funds	Expendable Endowment Fund	Total	Unrestricted Funds	Expendable Endowment Fund	Total
		General	Designated						
		£	£	£	£	£	£	£	
<b>INCOME</b>									
Donations and legacies		5,316	7,723	13,038		11,670		11,670	
Promotional activities		806		806		1,591		1,591	
Investment Income	3	167		167	318	1,497	1,537	3,034	
Other Income				0		7		7	
Transfer from Investments	8	26,800		26,800		36,500		36,500	
<b>Total Income</b>		<b>33,089</b>	<b>7,723</b>	<b>40,812</b>	<b>318</b>	<b>51,265</b>	<b>1,537</b>	<b>52,803</b>	
<b>EXPENDITURE</b>									
Education Programme Grants	6	30,370	7,723	38,092		39,253		39,253	
Research programme grants	6	6,675		6,675		2,580		2,580	
Nyika Guide Book issued FOC	6	6		6		2,564		2,564	
Fund Raising and Promotion Costs		667		667		817		817	
Investment Management costs	4	546		546	913	933	907	1,840	
Other support costs	5	14		14		2,720		2,720	
<b>Total expenditure</b>		<b>38,278</b>	<b>7,723</b>	<b>45,999</b>	<b>913</b>	<b>48,867</b>	<b>907</b>	<b>49,775</b>	
<b>Net Income/(Expenditure)</b>		<b>(5,189)</b>	<b>0</b>	<b>(5,188)</b>	<b>(595)</b>	<b>2,398</b>	<b>630</b>	<b>3,028</b>	
Other gains/(losses) on investments		13,543		13,543	22,237	6,008	(4,806)	1,202	
Movement on other assets		(27,180)		(27,180)	5	(47,948)	(5,061)	(53,010)	
<b>Net movement in funds</b>		<b>(18,826)</b>	<b>0</b>	<b>(18,825)</b>	<b>21,647</b>	<b>(39,542)</b>	<b>(9,237)</b>	<b>(48,780)</b>	
<b>Reconciliation of funds</b>									
Funds brought forward				52,069	64,069	91,611	73,307	164,918	
<b>Total Funds carried forward</b>				<b>33,244</b>	<b>85,716</b>	<b>52,069</b>	<b>64,069</b>	<b>116,138</b>	

**THE NYIKA-VWAZA (UK) TRUST**  
**Statement of Cash Flows**  
For the period ending 5 April 2021

	Unrestricted funds	Expendable Endowment	Total	2019-20		
				Unrestricted funds	Expendable Endowment	Total
	£	£	£	£	£	£
Net Income/(Expenditure)	(5,188)	(595)	(5,783)	2,398	630	3,028
adjustments:						
Transfer from investment account	(26,800)		(26,800)	(36,500)	0	(36,500)
Investment income	(167)	(318)	(485)	(1,497)	(1,537)	(3,034)
investment management costs	546	913	1,459	933	907	1,840
(Increase)/decrease in debtors/stocks	(636)	0	(636)	2,403	0	2,403
Increase/(decrease) in creditors	(114)	0	(114)	(1,880)	0	(1,880)
<b>Net cash used in operating activities</b>	<b>(32,359)</b>	<b>0</b>	<b>(32,358)</b>	<b>(34,143)</b>	<b>0</b>	<b>(34,142)</b>
<b>Cash flows from investing activities</b>						
Interest and Dividends	167	318	485	1,497	1,537	3,034
Investment management costs	(546)	(913)	(1,459)	(933)	(907)	(1,840)
Net proceeds from sale of investments	27,178	595	27,773	35,918	(630)	35,288
Net cash provided by investing activities	26,799	0	26,799	36,482	0	36,482
<b>Change in cash and cash equivalents</b>	<b>(5,559)</b>	<b>0</b>	<b>(5,559)</b>	<b>2,339</b>	<b>0</b>	<b>2,339</b>
Cash and cash equivalents brought forward	6,552	0	6,552	4,213	0	4,213
Cash and cash equivalents carried forward	992	0	992	6,552	0	6,552

## The Nyika Vwaza (UK) Trust

### Notes to the accounts

#### 1. Accounting Policies.

##### (a) Basis of preparation and assessment of going concern.

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. The trust constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The most significant areas of adjustment and key assumptions that affect items in the accounts are to do with estimating, if applicable, the liability from multi-year grant commitments (see note 1(d) and note 10 for more information). With respect to the next reporting period, 2021-22, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets (see the investment policy and performance and risk management sections of the trustees' annual report for more information).

##### (b) Funds structure.

The charity has one unrestricted fund, being a legacy in 2009 from the late Ian Hay. Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

At the time of receipt of the legacy the trustees decided to create an expendable endowment fund using part of the funds from the same legacy. This fund is unrestricted as to the use of funds by the trustees but it is the intention of the trustees to let the fund grow to provide income in the future.

Further details of each fund are disclosed in note 8.

##### (c) Income recognition.

All income is recognised once the charity is entitled to the income or there is sufficient certainty of receipt that the income will be received, and the amount of income receivable can be measured reliably. Donations, are recognised when they have been communicated and received in writing with notification of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/ executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset has been transferred to the charity.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been paid. This is normally upon notification by the investment manager.

**(d) Expenditure recognition.**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure and it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities. For more information on this allocation refer to note (h) below.

Research grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. In the case of an unconditional grant offer, tenable from a stated date, this is accrued once that date has passed, and the recipient has been notified of the grant award. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when a) the tenable date has passed and b) the recipient has been notified that any remaining unfulfilled conditions attaching to that grant have been satisfied.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

A provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award and there are no unfulfilled performance conditions under the control of the Trust that would permit the Trust to avoid making the future payment(s).

**(e) Irrecoverable VAT.**

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

**(f) Allocation of support and governance costs.**

Support costs have been differentiated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs relating to trustee Board and sub Committee meetings.

Governance costs and support costs relating to charitable activities have been apportioned based on the nature of the support costs between the education programme and research grants. The allocation of support and governance costs is analysed in note 5.

**(g) Costs of raising funds.**

The costs of generating funds consist of investment management.

**(h) Charitable activities.**

The expenditure on charitable activities includes grants made, governance costs and an apportionment of support costs as shown in note 5.

**(i) Fixed asset investments.**

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire or use put options, derivatives or other complex financial instruments.

**(j) Investment gains and losses.**

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

**(k) Contingent liabilities.**

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

**2. Related party transactions and trustees' expenses and remuneration.**

The trustees all give freely of their time and expertise without any form of remuneration or other benefit in cash or kind (2020: £nil). Travel expenses paid to the trustees in the year totalled £nil (2020: £331).

**3. Investment income.**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Dividends - equities	485	2,524
Interest - fixed interest securities	-	510
<b>Total</b>	<u>485</u>	<u>3,034</u>

In 2021 investment income, £318 (2020:£1,537) was attributable to the expendable endowment funds with the balance of £167 (2020: £1,497) to unrestricted funds.

**4. Investment management costs.**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Investment management fees	1,459	1,840

In 2021, £913 (2020: £907) of investment management costs were attributable to expendable endowment funds, £546 (2020: £933) to unrestricted funds.



## 5. Allocation of governance and other support costs.

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

Cost type	Total Allocated	Governance Related	Other support costs	Basis of apportionment
	£	£	£	
Trustee's expenses				
Other costs	14		14	Usage
Total				

## Allocation of support costs:

	2021	2020
	£	£
Grants to Lilongwe Wildlife Trust Education Programme	14	2,552
Research grants		168
<b>Total allocated</b>	<b>14</b>	<b>2,720</b>

## 6. Analysis of charitable expenditure.

The charity undertakes its charitable activities through grant making and awarded grants to a number of individuals and institutions in furtherance of its charitable activities.

	Grant funded activity	Support and governance costs	Total	2020
	£	£	£	£
Funded from unrestricted funds:				
Grants to LWT for Education in Malawi	38,092	14	38,106	41,805
Guide Book donated in UK	6		6	2,564
Grants for Research	6,675		6,675	2,748
			<b>44,778</b>	<b>47,117</b>

The education grants were made to an institution and grants for research to either institutions or individuals supported by an institution.

The Education grants were made from unrestricted funds £30,370 (2020:£31,495) and designated funds £7,723 (2020: £7,758)

The research grant was made from unrestricted funds £6,675 and from designated funds £nil, (2020:£80, designated funds £2,500.)

No Guide Books were donated to Malawi during the year, (2020: 352 books).

## 7. Auditor's remuneration.

The Independent Examiner's remuneration was Nil, (2020: Nil).

## 8. Fixed Asset Investments.

### Movement in fixed asset investments

	2021		2020	
	£	£	£	£
	Unrestricted Fund Investments	Endowment Fund Investments	Unrestricted Fund Investments	Endowment Fund Investments
Market value brought forward at 6 April 2020	44,240	63,410	74,169	67,586
Investment Income	167	318	1,497	1,537
Transfer to income	(26,800)		(36,500)	
Portfolio management fees	(546)	(913)	(933)	(907)
Net gain on revaluation	13,543	22,237	6,007	(4,806)
Market value at 5 April 2021	30,604	85,052	44,240	63,410
Equities & alternatives	23,269	64,668	31,618	45,319
Fixed interest securities	7,335	20,384	12,622	18,091
Investments at 5 April 2021	30,604	85,052	44,240	63,410
Cash held within the investment portfolio	128	664	507	659
Total Investments	30,732	85,716	44,747	64,069

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the financial review and investment policy and performance sections of the trustees 'Annual Report'.

The main risk to the Trust from financial instruments lies in the combination of uncertain investment markets and volatility in yield.

The Trust manages the investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Trust does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer-term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

## 9. Analysis of Current assets.

	2021	2020
	£	£
Stock 'Nyika Guide' Book	995	1,001
Accrued Income	1,475	833
Cash at bank	992	6,552
<b>Total</b>	<b>3,462</b>	<b>8,386</b>

All current assets in 2021 and 2020 relate to unrestricted funds.

## 10. Analysis of Current liabilities.

	2021	2020
	£	£
Creditors under 1 year		
3 Research Grants payable (2020:2)	950	1,064
<b>Total</b>	<b>950</b>	<b>1,064</b>

All creditors in 2021 and 2020 relate to unrestricted funds.

Movement in recognised provisions and funding commitments during the year:

	Charitable commitments accrued £
Grant commitments recognised at the start of the year	1,064
New grant commitments charged to the SoFA in year (see note 6)	6,675
Grants paid during the year	(6,789)
Amount of grant commitments recognised as at 5 April 2021	<u>£950</u>

## 11. Analysis of charitable funds.

Analysis of Fund movements	Balance b/fwd	Income	Expenditure	Transfers	Gains/Losses	Fund c/fwd
	£	£	£	£	£	£
Expendable endowment	64,069	318	(913)		22,242	85,716
Unrestricted funds	52,069	167	(546)	(26,800)	8,354	33,244
<b>Total</b>	<b>116,138</b>	<b>485</b>	<b>(1,459)</b>	<b>(26,800)</b>	<b>30,596</b>	<b>118,960</b>

The expendable endowment was established as part of the legacy from the late Ian Hay. The trustees have the power to spend both the income and the capital but it is their intention to grow the fund to support future Trust activity.

The unrestricted funds are available to be spent for any of the purposes of the charity.

## 12. Reconciliation of net movement in funds to net cash flow from operating activities.

	2021	2020
	£	£
Net Income/(Expenditure)	(5,783)	3,028
Transfer from Investment account	(26,800)	(36,500)
Deduct investment income shown in investing activities	(485)	(3,034)
Add back investment management costs	1,459	1,840
Decrease (increase) in debtors	(636)	2,403
Increase (decrease) in creditors	(114)	(1,880)
Net cash used in operating activities	(32,359)	(34,142)
<b>Cash flows from investing activities</b>		
Interest and dividends	485	3,034
Investment management costs	(1,459)	(1,840)
Net proceeds from sale of investments	27,774	35,288
Net cash provided by investing activities	26,800	36,482
<b>Change in cash and equivalents</b>	(5,559)	2,339
Cash and cash equivalents brought forward	6,552	4,213
Cash and cash equivalents carried forward	992	6,552