

THE NYIKA-VWAZA (UK) TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

6 April 2015 to 5 April 2016.

Charity Number 1105105

THE NYIKA-VWAZA (UK) TRUST

TRUST INFORMATION

Trustees	Thomas Geoffrey Lupton David William Billing Michael John Budgen Jennifer Anne Kettlewell Richard Gordon Wildman Kettlewell Paul Frederick Thomas Langton Jonathan Ralph Timberlake	Chairman
Hon. Secretary and Treasurer	Peter Richard Lawrance	
Trustees' Consultants	Major Ian A.D Gordon MBE	
Canadian Representatives	Ms. Sigrid Anna Johnson and Mr. Don McMaster	
Banker	TSB	
Investment Manager	Thomas Miller Investment Level 2 Samuel Harris House 5-11 St Georges Street Douglas IM1 1AJ 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

PATRONS and TECHNICAL ADVISORY GROUP

As at 5 April 2016

PATRON

Professor Colin A. Baker M.B.E.

Mr Neil Harvey

TECHNICAL ADVISORY GROUP

Carl Bruessow

Francoise Dowsett-Lemaire

Robert Dowsett

Cornell Dudley

David Happold

Meredith Happold

Pat Hardcastle

Sigrid Anna Johnson

Alison Kitchin

Isobyl La Croix

Brian Morris

Peter Overton

Marianne Overton

Jonathan Timberlake

Denis Tweddle

Dolf van Bruggen

Reptiles

Birds and Evergreen Forests

Birds and Butterflies

Insects

Mammals

Mammals

Forestry

General

Trees

Orchids

Ethnobiology

Biodiversity Research Expeditions

Biodiversity Research Expeditions

Vegetation Ecology

Fish

Molluscs

THE NYIKA-VWAZA (UK) TRUST

THE TRUSTEES' REPORT FOR THE PERIOD 6 APRIL 2015 TO 5 APRIL 2016

Report of the trustees for the year ended 5th April 2016

The trustees present their annual report and financial statements of the Trust for the year ended 5th April 2016. 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 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. One of the three Founding Trustees, Major Ian Gordon, served in the Nyika National Park for six years (1971-77) as Warden. He retired as a trustee in July 2008 but continues to provide the benefit of his knowledge and experience as a Trustees' Consultant. 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'.

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.

During the year the trustees held three Ordinary Meetings in London. 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.

Co-operation with the Malawi Nyika-Vwaza Trust.

The relationship between the Malawi Nyika-Vwaza Trust and this Trust was formalised in a Memorandum of Understanding between both Trusts that was signed in 2004. This included the requirement that we receive regular financial and operational reports about the activities that we fund in Malawi.

Following the decision in December 2014 to withdraw from funding the management operations in Malawi it has not been necessary that the Nyika Vwaza (UK) Trust receive reports and information from Malawi and contact with the Nyika Vwaza Trust in Malawi has been minimal.

Relationship with the Malawi Government

The Malawi Government is appreciative of the contribution being made by the Trust in its current role as significantly engaged in education in Malawi.

We are also pleased to be able to continue to hold meetings of the trustees at the Malawi High Commission.

Risk Assessment. The Trust possesses no physical assets. Its principal risks are two, financial and the consequences of inadvertently failing to comply with the requirements of the Charity Commissioners. Safeguards for the former are set out under Accounting Policies in the Financial Matters section of this report. With regard to the latter, we are conscious of the importance of compliance.

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.

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 £18,000 from the unrestricted reserve to support the education programme carried out by the Lilongwe Wildlife Trust (LWT) in Malawi.

During the year the Trust received a gross income of £30,714 from donations, investment income, gains and losses, other income and transfers from investments and spent £39,959 on contributions to the LWT education programme and research grants, and after UK operating costs of £2,499 and £2,613 investment management costs resulted in a net excess of expenditure over income of £14,356.

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

Investment policy and performance.

Discretionary management of the portfolio is entrusted to Thomas Miller Investment, based in the Isle of Man. The Trustees monitor closely the performance of their investment managers. The Portfolio comprises two sections, the first of which constitutes our **Unrestricted Reserve**. At the end of the year its market value was £145,449. 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 £60,341.

Grant making policy

Since the establishment of the Trust it has been the policy of the Trust to make periodic grants to support the activities 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 held as unrestricted funds at 5 April 2016 of £145,449 is sufficient to cover the anticipated expenditure until April 2017.

Activities during the year 2015/16

The activities for 2015/16 were largely driven by developing the ideas and plans for the enhanced environmental and conservation education programme to be carried out by LWT in Malawi. This programme will be delivered in the communities surrounding the Nyika National Park and Vwaza Marsh Wildlife Reserve and will encompass the three essential elements of:

- Education through schools (building on our successful work with the Wildlife and Environment Society of Malawi) to teach communities about 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.

The Trust has agreed to commit to the programme for one year, with the expectation of extending it to years two and three, provided progress is satisfactory and in accordance with the objectives

In addition, a research grant programme was developed and launched in December 2015.

The Trust is to a large extent dependent on the support of our donors, both individual and institutional, to fund the activities on the Nyika and at Vwaza Marsh Reserve. Some of our 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 £11,000 received from non-personal donors during the year as follows:-

- £5,500 from the Camellia Foundation towards the costs of the publication of the revised "A Guide to the Nyika National Park".
- £500 from the Miss G.M Marriage Will Trust towards the cost of the publication of the revised "A Guide to the Nyika National Park".
- £5,000 being a legacy from the late Dr R H McConnell.

In addition, a total of £6,431 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 made the first two payments to LWT under the agreed education programme. In addition, the Trust agreed to make one grant to a researcher at the University of Cranfield. Details of the grants made to institutions can be found in note 6 to the accounts.

Needs and Risks. We are aware that the education work in Malawi can be affected by the health of the Malawi economy, especially when it is deteriorating as it continued to do during 2015/16, resulting in the Malawi Kwacha depreciating markedly during the year. We are conscious that unless we build up additional reserves through donation we may in due course be unable to continue to support the programmes beyond the agreed period we have committed to. As we do not operate commercially, we will continue to actively seek funds by way of grants, donations and legacies from all who support our activities, and combine this with fund-raising activities. We are most grateful to all our 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 The site is maintained voluntarily by Mike Budgen and we are indeed fortunate that Mike possesses this special skill and makes no charge for his IT services. The website is a powerful tool of communication with our supporters and it also enables the whole computerised world to become familiar with our work and how to support us. 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. It is our continued intention that our website should become the first port of call for anyone who wishes to learn about the fauna and flora of the parks. i.e. the animals and plants that we are helping to conserve. 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.

Revised "A Guide to the Nyika National Park". The Trust is committed to assisting the re-publication of the book "A Guide to the Nyika National Park". The book is being completely revised and updated and is expected to be published by the middle of 2016.

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 eleventh year, these biannual newsletters continue to be our principal, regular method of informing our supporters of the work that is accomplished within the Nyika National Park and the Vwaza Marsh Wildlife Reserve by the Malawi Nyika-Vwaza Trust. They also contain a variety of interesting articles about the history and conservation of the parks and their environs. We are indebted to the editor, Jennie Kettlewell, assisted by Mike Budgen, for continuing to plan and produce the newsletters. All 22 of the past issues are posted on our website.

Evening at the Royal Over-Seas League in London. Our major promotional evening was held in London for the eighth successive year in London, at the Royal Over-Seas League on 5 November 2015. The Chairman, Tom Lupton, gave the audience of nearly 60 people a brief report on activities and developments during the previous 12 months.

A talk entitled “The Hidden Harvest” was given by Anastasiya Timoshyna, a medicinal and aromatic plants programme leader at TRAFFIC, the wildlife trade monitoring network. This subject is of particular interest to the Trust as there are serious concerns in Malawi over the poaching of orchids for the illegal commercial trade.

As always, the success of the evening was dependent upon the many people who gave willingly of their time, energy, practical and financial support – to them all we say “Thank you”.

Plans for the future

The trustees will continue to support the LWT education programme for an initial three years. 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 ten 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.

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:

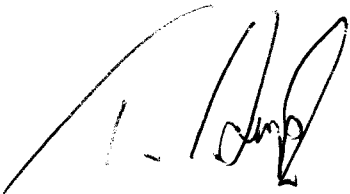
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures 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 14 July 2016 and is signed on their behalf by

A handwritten signature in black ink, appearing to read 'Tom Lupton', written in a cursive style.

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 2016.

I report on the accounts of the Nyika Vwaza (UK) Trust for the year ended 5 April 2016 as set out in the annual report on pages 11-21.

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 are kept 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 Acthave 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



31 May 2016

C F Straughan

Fellow of the Institute of Chartered Accountants in England and Wales

Rusper House Lodge

Newdigate Road

Rusper

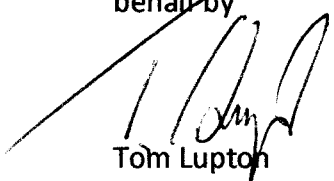
Horsham RH12 4RR

THE NYIKA-VWAZA (UK) TRUST

Balance Sheet as at 5 April 2016

	Notes	Unrestricted funds £	Expendable Endowment £	Total £	2015		
					Unrestricted funds £	Expendable Endowment £	Total £
FIXED ASSETS							
Investments	8	145,449	60,340	205,789	164,649	60,673	225,322
Total Fixed Assets		<u>145,449</u>	<u>60,340</u>	<u>205,789</u>	<u>164,649</u>	<u>60,673</u>	<u>225,322</u>
Current Assets							
Debtors	9	1,074		1,074	2,537		2,537
Cash at Bank		3,325		3,325	5,469		5,469
Total Current Assets		<u>4,399</u>	<u>-</u>	<u>4,399</u>	<u>8,006</u>	<u>-</u>	<u>8,006</u>
Liabilities							
Creditors falling due within 1 year	10	1,810		1,810	102		102
Net Current Assets		<u>2,589</u>	<u>-</u>	<u>2,589</u>	<u>7,904</u>	<u>-</u>	<u>7,904</u>
TOTAL NET ASSETS		<u>148,038</u>	<u>60,340</u>	<u>208,378</u>	<u>172,553</u>	<u>60,673</u>	<u>233,226</u>
The funds of the Charity							
Expendable Endowment Fund	11		60,340	60,340		60,673	60,673
Unrestricted funds		148,038		148,038	172,553		172,553
Total Charity Funds		<u>148,038</u>	<u>60,340</u>	<u>208,378</u>	<u>172,553</u>	<u>60,673</u>	<u>233,226</u>

The Balance Sheet was approved by the trustees on 14 July 2016 and is signed on their behalf by


Tom Lupton
Chairman

THE NYIKA-VWAZA (UK) TRUST

Statement of Financial Activities for the period 6 April 2015 to 5 April 2016
Income and Expenditure

	Notes	2015-16				2014-15			
		Unrestricted Funds		Total Unrestricted funds	Expendable Endowment Fund	Unrestricted Funds	Expendable Endowment Fund	Total	
		General	Designated	£	£	£	£	£	
INCOME									
Donations and legacies		10,781	6,650	17,431		17,431	21,859		21,859
Promotional activities		1,707		1,707		1,707	2,841		2,841
Investment Income	3	3,923		3,923	1,532	5,455	4,113	1,471	5,584
Other Income		5		5		5	2		2
Transfer from Investments	8	18,000		18,000		18,000	30,000		30,000
Total Income		34,416	6,650	41,066	1,532	42,598	58,815	1,471	60,286
EXPENDITURE									
Education Programme Grants	6	22,702	15,452	38,154		38,154	2,400		2,400
Research programme grants	6	1,805		1,805		1,805			0
Operational grants to Malawi	6	-		-		-	46,780		46,780
Fund Raising and Promotion Costs		2,195		2,195		2,195	2,579		2,579
Investment Management costs	4	1,904		1,904	709	2,613	2,008	678	2,686
Other support costs	5	304		304		304	700		700
Other gains/(losses) on investments		(7,998)		(7,998)	377	(7,621)	14,040		14,040
Total expenditure		20,912	15,452	36,364	1,086	37,450	68,507	678	69,185
Net Income/(Expenditure)		13,504	(8,802)	4,702	446	5,148	(9,692)	793	(8,899)
Movement on other assets		(29,217)		(29,217)	(779)	(29,996)	1,495	3,945	5,440
Net movement in funds		(15,713)	(8,802)	(24,515)	(333)	(24,848)	(8,197)	4,738	(3,459)
Reconciliation of funds									
Funds brought forward				172,553	60,673	233,226	180,750	55,935	236,685
Total Funds carried forward				148,038	60,340	208,378	172,553	60,673	233,226

THE NYIKA-VWAZA (UK) TRUST
Statement of Cash Flows
For the period ending 5 April 2016

				2014-2015		
	Unrestricted funds	Expendable Endowment	Total	Unrestricted funds	Expendable Endowment	Total
	£	£	£	£	£	£
Net Income/(Expenditure)	4,702	446	5,148	(9,692)	793	(8,899)
adjustments:						
Transfer from investment account	(18,000)		(18,000)	(30,000)		(30,000)
(Gains)/losses on investments	(7,998)	377	(7,621)	14,040	0	14,040
Investment income	(3,923)	(1,532)	(5,455)	(4,113)	(1,471)	(5,584)
investment management costs	1,904	709	2,613	2,008	678	2,686
(Increase)/decrease in debtors	1,463	0	1,463	73		73
Increase/(decrease) in creditors	1,708	0	1,708	94		94
Net cash used in operating activities	(20,144)	0	(20,144)	(27,590)	0	(27,590)
Cash flows from investing activities						
Interest and Dividends	3,923	1,532	5,455	4,113	1,471	5,584
investment management costs	(1,904)	(709)	(2,613)	(2,008)	(678)	(2,686)
net proceeds from sale of investments	15,981	(823)	15,158	27,895	(793)	27,102
net cash provided by investing activities	18,000	0	18,000	30,000	0	30,000
Change in cash and cash equivalents	(2,144)	0	(2,144)	2,410	0	2,410
Cash and cash equivalents brought forward	5,469	0	5,469	3,059	0	3,059
Cash and cash equivalents carried forward	3,325	0	3,325	5,469	0	5,469

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(e) and note 10 for more information). With respect to the next reporting period, 2016-17, 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 a single 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) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances and net income/(expenditure) for the year is provided with the net income/(expenditure) under previous GAAP adjusted for the presentation of investment gains/ (losses) as a component of reported income.

Reconciliation of reported net income	£
Net income/(expenditure) as previously stated	2,243
Investment and other Income	5,584
Investment Management costs	(2,686)
Adjustment for gains/(losses) on investments now treated as a component of net income	(14,040)
2015 net income as restated	(8,899)

(d) Income recognition

All income is recognised once the charity has entitlement 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 reliable 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 declared and notification has been received of the dividend paid. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

(e) 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 (g) 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 this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive a grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled conditions attaching to that grant are outside of the control of the Trust.

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).

(f) Irrecoverable VAT

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

(g)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 number of individual grant awards made in recognition that the administrative costs of awarding, monitoring and assessing grants are broadly equivalent. The allocation of support and governance costs is analysed in note 5.

(h) Costs of raising funds

The costs of generating funds consist of investment management.

(i) Charitable activities

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

(j) 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.

(k) 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.

(l) 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 (2015: £nil). Expenses paid to the trustees in the year totalled £59 (2015: £218). These expenses were made up of 1 trustee reimbursed hospitality expenses of £59 (2015: £218).

3. Investment income

	2016	2015
	£	£
Dividends - equities	3,819	3,838
Interest - fixed interest securities	1,610	1,718
Interest on cash deposits	26	28
Total	<u>5,455</u>	<u>5,584</u>

In 2016 of the investment income, £1,532 (2015:£1,471) was attributable to the expendable endowment funds with the balance of £3,923 (2015: £4,113) to unrestricted funds.

4. Investment management costs

	2016	2015
	£	£
Investment management fees	2,613	2,686

In 2016, £709 (2015: £678) of investment management costs were attributable to expendable endowment funds, £1,904 (2015: £2,008) 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
	£	£	£	
Trustees expenses	59	-	59	Usage
Other costs	245	-	245	Usage
Total	304	-	304	

Allocation of support costs:

	2016	2015
	£	£
Grants to Lilongwe Wildlife Trust Education Programme	291	-
Research grants	13	-
Operational grants to Malawi		700
Total allocated	304	700

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	2015
	£	£	£	£
Funded from unrestricted funds:				
Grants to LWT for Education in Malawi	38,154	290	38,444	2,430
Grants for Research	1,805	14	1,819	-
Operational Grants to NVT Malawi	-	-	-	47,450
	<u>39,959</u>	<u>304</u>	<u>40,263</u>	<u>49,880</u>

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

The grant to the Nyika Vwaza Trust Malawi was made for the following purposes

	2016		2015	
	Unrestricted funds	Designated funds	Unrestricted funds	Designated funds
	£	£	£	£
General operations			19,389	
Indigenous Tree nursery				374
Early burn programme			8,773	
Control of invasive plant species				5,067
Road maintenance			3,749	1,558
Staff duplex house			7,486	
Staff hostel renovation			384	
Total	<u>-</u>	<u>-</u>	<u>39,781</u>	<u>6,999</u>

The Education grants were made from unrestricted funds £22,702 (2015: £nil) and designated funds £15,452 (2015 £2,400)

The research grant was made from unrestricted funds £1,805, (2015:£nil)

7. Auditor's remuneration

The Independent Examiner's remuneration was Nil, (2015: Nil).

8. Fixed Asset Investments

Movement in fixed asset investments

	2016		2015	
	£	£	£	£
	Unrestricted Fund Investments	Endowment Fund Investments	Unrestricted Fund Investments	Endowment Fund Investments
Market value brought forward at 6 April 2015	157,454	56,334	175,088	51,451
Net additions to investments at cost	4,351	1,365	334	(145)
Transfer to income	(18,000)		(30,000)	
Portfolio management fees	(1,904)	(709)	(2,008)	(678)
Net gain on revaluation	(7,998)	377	14,040	5,706
Market value as at 5 April 2016	133,903	57,367	157,454	56,334
Equities & alternatives	87,735	36,921	102,846	37,858
Fixed interest securities	46,168	20,446	54,608	18,476
Investments as at 5 April 2016	133,903	57,367	157,454	56,334
Cash held within the investment portfolio	11,546	2,973	7,195	4,339
Total Investments	145,449	60,340	164,649	60,673

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

	2016	2015
	£	£
Accrued Income	1,074	2,537
Cash at bank	3,325	5,469

Amounts due relate to gift aid amounts due from HMRC on donations and relate to unrestricted funds.

Cash at bank balances relate to unrestricted funds.

10. Analysis of Current liabilities

	2016	2015
	£	£
Creditors under 1 year		
Research Grant payable	1,805	-
Accrued charges	5	102
Total	1,810	102

All creditors in 2016 and 2015 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	-
New grant commitments charged to the SoFA in year (see note 6)	1,805
Grants paid during the year	-
Amount of grant commitments recognised as at 5 April 2016	1,805

11. Analysis of charitable funds

Analysis of Fund movements	Balance b/fwd	Income	Expenditure	Transfers	Gains	Fund c/fwd
	£	£	£	£	£	£
Expendable endowment	60,673	1,532	(1,086)		(779)	60,340
Unrestricted funds	172,553	23,066	(36,364)	18,000	(29,217)	148,038
Total	233,226	24,598	(37,450)	18,000	(29,996)	208,378

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

	2016	2015
	£	£
Net movement in funds	5,148	(8,899)
Transfer from Investment account	(18,000)	(30,000)
Add back depreciation charge		
Deduct interest income shown in investing activities	(5,455)	(5,584)
Add back investment management costs	2,613	2,686
Deduct gains/ add back losses on investments	(7,621)	14,040
Decrease (increase) in debtors	1,463	73
Increase (decrease) in creditors	1,708	94
Net cash used in operating activities	<u>(20,144)</u>	<u>(27,590)</u>