

The Grasslands Trust

**(A Company Limited by Guarantee and
Registered Charity)**



**Report and Financial Statements
For the Year Ended October 31st 2008**

**Charity Number 1097893
Company Number 4443047**

Wessex House, Upper Market Street, Eastleigh, Hampshire, SO50 9FD

The Grasslands Trust

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The Grasslands Trust
Report of the Trustees for the Year Ended October 31st 2008

The Trustees present their report and audited financial statements for the year ended October 31st 2008.

Reference and Administrative Information

Charity Name	The Grasslands Trust
Charity Registration Number	1097893
Company Registration Number	4443047
Registered Office	Harbour Court, Compass Road North Harbour Portsmouth Hampshire, PO6 4ST
Operation Address	Wessex House Upper Market Street Eastleigh Hampshire, SO50 9FD.
Trustee Board	Angela Maycox (resigned 8 th June 2008) Barry Humphreys Bob Gibbons Hugh Dully (resigned 23 January 2008) John Mitchell Jon Valters (Chair) Paul Toynton Steve Dolley Andrew Barker (from 23 July 2008) Michael Waterson (from 8 April 2008, resigned 3 March 2009)
Chief Executive & Company Secretary	Lucy Cooper
Auditors	BD&M Limited Registered Auditors Skies, 20 St Martinsfield Winterborne St Martin Dorchester Dorset DT2 9JU
Bankers	National Westminster Bank PLC 105 High Street Winchester Hampshire, SO23 9AW.
Solicitors	Blake Laphorn Linnell Harbour Court, Compass Road North Harbour Portsmouth Hampshire, PO6 4ST.

STRUCTURE, GOVERNANCE & MANAGEMENT

Governing Document

The Grasslands Trust is a charitable company limited by guarantee, incorporated on 20 May 2002 and registered as a charity on 9 June 2003. The company is governed by its memorandum and articles of association. The Grasslands Trust's objects are to promote the conservation, protection and restoration of grasslands and any associated habitats to safeguard and promote biodiversity. In the event of the company being wound up, trustees (members) are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Trustees

The directors of The Grasslands Trust are also charity Trustees for the purposes of charity law and under the company's articles are also the Members. Under the requirements of the memorandum and articles of association one third (or the number nearest one third) of Trustees must retire at each AGM. Retiring Trustees can be re-elected. As the Trust is still in its infancy, there is currently no fixed term of office for Trustees.

The Grasslands Trust's work focuses on the conservation and management of wildflower-rich grasslands – currently the UK's most threatened habitat. Due to the specialised nature of its work, the Trustee board is made up of individuals with considerable experience in this field. The Trust actively encourages the input and support of other professionals – either as volunteers or potential trustees, through its network of partners on the ground. The more traditional business, fundraising and marketing skills needed to run a charity are also represented on the board. Two new Trustees joined in 2008 – Andy Barker, a lecturer in Animal Ecology and Wildlife Management at Sparsholt College, Winchester, Hampshire and Michael Waterson – former Head of Finance for the Whale and Dolphin Conservation Trust. Hugh Dully and Angela Maycox stood down as trustees during the year.

Trustee Induction and Training

The Trustee Board has signed up to a Code of Governance, and adopted seven principles of best practice. These principals, which are endorsed by the National Hub of Expertise in Governance, focus on: Leadership; Responsibility; Performance; Review; Delegation; Integrity and Openness. Job descriptions for trustees, the Chairman and Treasurer were produced. An induction programme has been developed for new trustees, which ensures that they receive detailed information about the Trust. During the summer of 2008, trustees visited Itchen Valley Country Park in order to learn about grassland management techniques and practices - part of the Trust's commitment to continuous professional development.

Risk Management

The Trust reviewed and updated its risk management strategy and new procedures and systems for mitigating risks were adopted by the Board. The Trust also completed its strategic review which has greatly assisted the setting of grassland conservation priorities. Financial management systems were also reviewed and updated. The Treasurer and Chief Executive took forward a review of the Trust's auditors and completed the Bank review, which led to the Trust remaining with Natwest for the foreseeable future but establishing a new savings account with Standard Life.

Organisational Structure

The Grasslands Trust's Trustee board must consist of a minimum of three and maximum of 12 trustees, who are required to meet at least twice a year. Trustees are responsible for the strategic direction and policy of the charity. During 2007-08 the Trustee board consisted of eight Trustees and four meetings were held. Issues debated included: Common Agricultural Policy; Environmental Impact Assessment Regulations; Bio-fuels; Higher Level Stewardship; Land Acquisition; Investments and Banking. All meetings were well attended.

The Chief Executive is responsible for the day to day running of the charity, personnel management, delivery of strategic objectives and implementation of policies and campaigns. A total of nine staff are now employed by the Trust compared to three, three years ago.

Partnership Working and Related Parties

In the last two years The Grasslands Trust has established strong working relationships with over 60 different charities and organisations. Partnership working is at the heart of the Trust's ethos: enabling it to achieve more, share resources and avoid duplication. This method of working has enabled The Trust to save and restore three threatened sites of national importance. In Carmarthenshire for example, the Trust has taken over the management of the main part of a National Nature Reserve from the Countryside Council for Wales (CCW) and is working to restore and extend this valuable area working closely with community groups and BTCV. In Dorset, the Trust jointly manages South Poorton Farm with the Dorset Wildlife Trust where together staff and volunteers have made the site better for wildlife and created new nature trails. In the North of England the Trust has started to develop a number of long term relationships with County based Wildlife Trusts, the National Parks, Local Authorities, AONBs and Natural England.

Across the UK, the Trust is now involved in a number of local and national grassland projects such as the National Floodplain Meadows Project, Pastures New (Dorset) and the North of England Haytime Projects. Staff continue to advise landowners ranging from individuals, small holders and community groups to large companies and local authorities. During 2008 The Trust remained an active member of the UK's Habitat Action Plan Steering Group for Lowland Grasslands. The group is led by CCW, with representatives from Natural England, Scottish Natural Heritage and other national conservation groups. Membership has enabled the Trust to proactively campaign for better protection of grassland habitats. The Trust also became a full member of the Wildlife and Countryside Link – a successful umbrella organisation which enables conservation groups to lobby and campaign on a range of environmental issues such as biodiversity, agriculture, planning and land-use.

OBJECTIVES & ACTIVITIES

The Grasslands Trust's objects and principal activities are to promote the conservation, protection and restoration of grasslands and any associated habitats to safeguard and promote biodiversity. The Trust's aims to:

- Secure the future of grassland sites of beauty, special wildlife, landscape or cultural value.
- Inform and influence conservationists, landowners, local and central government.
- Work with other nature conservation organisations in order to co-ordinate work and share resources.
- Raise awareness of the value and vulnerability of grasslands.
- Advise farmers, landowners and the public on grassland management and restoration.

Achievements since 2002

In its first six years the Trust has focused on finding ways to be effective and make the biggest difference. As a new charity with high ambitions The Trust has been determined to highlight the plight of this rapidly disappearing wildlife-rich habitat to the audiences that really matter: in particular government officials, funders and other NGOs. The Trust believes it has established a firm foundation for its grassland conservation work, building partnerships and alliances as well as introducing policies and best practices to strengthen its overall organisation. Over £1.6 million of support from key funders such as Esmée Fairbairn Foundation, John Ellerman Foundation, Garfield Weston, The Dulverton Trust, HLF, and Aggregates Levy Sustainability Fund (Wales) has been vital in helping The Trust take forward an impressive body of work. For example:

- Working with government officials to produce a "Green Infrastructure Guidance Worksheet" for Eco-town developers, which highlights the importance of grasslands as invaluable green space for wildlife, relaxation, leisure and general well-being.
- Providing written evidence on grassland losses to the Environmental Audit Select Committee to inform its report "Halting Biodiversity Loss".
- Becoming an active member of the Government's Habitat Action Plan Steering Group for Grasslands in order to raise awareness about the plight of highly threatened grassland habitats; latterly providing data on extent and status of UK grasslands to inform the latest round of reporting on UK Habitat Action Plans.

- Forming a collation with CPRE, RSPB, Plantlife, the Wildlife Trusts, to co-ordinate work on the impacts of the 2006 Environmental Impact Assessment Regulations in order to urge DEFRA to make important changes to ensure grasslands less than 2ha are not lost to agricultural improvement.
- Raising awareness about the importance of wildlife-rich grasslands and associated habitats on regional television and radio: including winning a £45,000 grant from the ITV (Wales) People's Millions.
- Winning two conservation awards for an innovative grassland recreation project in Chester le Street, Co. Durham which involved transforming part of a city park into a hay meadow!
- Becoming a member of Wildlife and Countryside Link in order to influence government policies on grassland conservation; and recently accepting the role of vice-chair of the newly informed landscape-scale working group.
- Being invited onto the steering groups of a number of important local, regional and national grassland projects such as the Open University's Floodplain Meadows project, Haytime projects and Pastures New.
- Successfully completing a 3-year capital works programme at Carmel National Nature Reserve, which will see over 80 ha of grassland restored.
- Restoring degraded grasslands and providing specialist advice to over 200 individuals, farmers, landowners, and other wildlife charities including The Woodland Trust and a number of Wildlife Trusts.
- Providing advice on the quality and merits of grassland funding bids submitted to grant funders.
- Saving and securing 3 important wildlife sites in the UK. These sites contain many precious species and habitats and are close to or adjoin other quality wildlife sites. Central to each project has been partnership working in order to maximise resources, skills and experience.

All of this work, whether it be giving advice to landowners, influencing decision makers, carrying out habitat restoration or generating awareness about the plight of wildlife-rich grasslands is inevitably demanding on resources. Add to this the current funding climate, where less than 2% of Charitable Trusts give to environmental causes and an even smaller number to biodiversity – has meant the Trust has needed to be very focused in the activities it pursues. To this end, Trustees with the assistance of the Chief Executive have agreed the following Strategic Priorities.

- Campaigning - the Trust wants to influence government and lobby on the specific issues which effect grasslands. Nationally and regionally work will also focus on influencing business leaders, funders, statutory bodies and NGOs.
- Directly supporting grassland conservation – either through the Trust's own projects, through partnerships or by supporting the work of others the Trust is highly committed to practical conservation work and in particular landscape-scale conservation.
- People and Grasslands – raising awareness about the environmental, cultural, historical and amenity value of grasslands: specifically targeting the general public; local authorities and statutory bodies; landowners; private developers and businesses.
- Research – to know what grassland action is taking place across the UK, where gaps exist and understand the barriers to effective grassland conservation. Identifying grassland losses and increases: Research data will be used to focus conservation efforts and influence the work of others. It will also help the Trust avoid duplication of effort.

2007-08 ACHIEVEMENTS & PERFORMANCE

Overview of activities

This has undoubtedly been the Trust's best year to date. Most notable achievements include:

- Purchasing further land at Carmel to buffer the reserve and establishing an important access agreement with a neighboring land owner, thus linking up a considerable area of grassland;
- Working closely with the Town and Country Planning Association and RSPB to influence the Government's policy on Eco-towns;
- Providing written evidence on grassland losses to the Environmental Audit Select Committee to inform its report "Halting Biodiversity Loss", published late 2008;

- Developing a pilot project with Natural England to tackle the issue of grassland fragmentation in areas of the North East of England;
- Raising the profile of grasslands by winning the public vote to secure £45,000 on ITV (Wales) People's Millions.
- Leading a campaign with CPRE, RSPB, The Wildlife Trusts, Plantlife and Natural England to strengthen the protection afforded to grasslands through the Environmental Impact Assessment (Agriculture) Regulations.
- Providing important new evidence to the government about the state of UK grassland habitats.
- Acting as a catalyst for local grassland projects by forging new conservation partnerships.

Advocacy and Awareness Raising

Influencing the policies and regulations which protect grasslands remains pivotal to The Grasslands Trust work and 2007-08 saw enormous progress in this area. Having become a full member of Wildlife and Countryside Link (WCL) the Trust was able to contribute to a number of debates on agriculture, land-use, landscape-scale conservation and planning. Recognising that there are many policy areas far beyond our capability to influence, attending WCL is an excellent way of keeping in touch with developments in the event that opportunities do arise to have influence. Eco-towns are a case in point.

Eco-towns and Green Infrastructure Guidance

During 2008 the Trust worked closely with RSPB and Town and Country Planning Association (TCPA) to influence the Department for Communities and Local Government's policy position on Eco-town developments; to make sure that the "ECO" elements of Ecotowns included biodiversity as well as carbon neutrality.

Over several months staff inputted into the drafting of a special Green Infrastructure worksheet – specifically for Eco-town developers. Part of the negotiations included convincing the Housing Minister to increase the amount of green space within eco-towns from 20 per cent to 40 per cent. The guidance was officially published on 12 September 2008 and was greeted with universal praise amongst the planning press. This marked an enormous achievement for The Grasslands Trust. Its aspirations now are to see these recommendations adopted by all housing developers and to work specifically with eco-town developers to ensure exemplary grassland areas exist as and when any of these new towns are built.

Agricultural Policy

Less than seven per cent of the EU's Common Agriculture Policy (CAP) budget is allocated to wildlife enhancement schemes and it is estimated that an area of land the equivalent size of 36,000 football pitches is turned into a green lifeless desert every year through agricultural intensification. The Grasslands Trust therefore gave its whole-hearted support to the Wildlife and Countryside Link's (WCL) campaign for a new single European policy on Sustainable Land Management. In March 2008 "Beyond the Pillars" – WCL's perspective on the future of CAP – was launched at the House of Lords.

Staff contributed to consultations on current England and Wales agri-environment schemes. This included meeting representatives from the Welsh Assembly responsible for drafting agri-environment policy.

Environmental Impact Assessment (Agriculture) (England) Regulations 2006

These regulations exist to protect uncultivated land and semi-natural areas not protected by any designated status or environmental stewardship scheme. They are therefore a highly important form of protection for many undesignated wildlife-rich grasslands. In October 2006 revisions to the regulations were brought in; the most profound change being the introduction of a 2 hectare threshold which allows landowners with an area of land less than this to increase the intensity of agriculture without needing consent; either physically through ploughing or chemically through fertilizing.

An enormous amount of the UK's remaining wildlife-rich grassland appears in areas less than 2 hectares and much of it is unprotected. During the course of this year staff led a campaign to seek a review of the regulations, and formed a coalition with Plantlife, Campaign for the Protection of Rural England (CPRE), the Wildlife Trusts, Natural England and RSPB. Several hundred organisations, conservation networks and individuals were approached across England, asking for evidence of grasslands which they knew had been destroyed or damaged. Case studies trickled in during the ensuing months providing the firm evidence needed to challenge DEFRA.

The Trust was also able to bring the issue to the attention of the EC Infringements Unit, who confirmed that they were interested in this case. The Environmental Audit Committee also investigated the problem as part of their inquiry on Biodiversity Loss. (The Trust's submission was formally published as part of the Committee's report November 2008). As this report is written a meeting with DEFRA is being planned, where the Trust intends to highlight its concerns about the ways in which the Environmental Impact Assessment Regulations are implemented across England.

Biodiversity Action Planning

Grassland specialists from Natural England, Countryside Council for Wales, Scottish Natural Heritage and the Northern Ireland Environment Agency as well as The Grasslands Trust met to discuss the state of UK grassland habitats as part of the 2008 BAP Reporting Round. The meeting highlighted just how little 'hard' evidence there is about the quality and status of UK grasslands. The Grasslands Trust has started to collect grassland data and during 2008 commissioned its own research into the health of grassland habitats through the Thames Valley Environmental Records Centre (TVERC). The Trust was very pleased therefore to provide the group with data to inform their report to Government officials.

Awareness work

The Grasslands Trust's profile received a substantial boost when it won a place in the finals of ITV Wales' People Millions. Conservation work at Carmel National Nature Reserve won the hearts and minds of hundreds of people who phoned in to vote for their favorite project – enabling the Trust to win a £45,000 grant to carry out an exciting volunteer project at the reserve over the next twelve months. The Trust's work also featured on several radio programmes across England and Wales during the year and in the local and national press. In Dorset, the Anthill Trail was opened: this 5 mile circular walk links up many beautiful areas of grassland including South Poorton which the Trust bought in 2004 and now jointly manages with the Dorset Wildlife Trust. The Trust is very grateful to Wooden Tiger, Greenhouse Graphics and Dave Thelwell who designed and produced trail posts, interpretation boards and a leaflet. The Trust also launched a new website which has been very well received.

Grassland Management and Advice

Giving advice on grassland management remains an integral part of the Trust's work and during this year staff responded to a significant number of requests for assistance and help; many enquiries came via the Trust's new website which now contains comprehensive information on grassland conservation best practice, restoration and recreation techniques. A typical example of the type of help the Trust provided was in Thornton, Leicestershire where Conservation Manager, Miles King was able to help local residents stop their local meadow – which was regionally important for wax caps - from being turned into an all-weather sports pitch. Staff also advised on the development of a number of local and national grassland projects, including the National Floodplain Meadows project, Pastures New in Dorset and the North of England Haytime projects.

This year also saw the development of a ground-breaking project in the North East of England which involves working closely with Natural England and a small group of landowners to restore nearly 60 hectares of a magnesian limestone grassland – one of the UK's rarest grassland habitats. The project involves carrying out restoration work over a ten year period under the country's first grouped Higher Level Stewardship scheme. The Trust will manage the agreement on behalf of the landowners – who otherwise would not be able to access this type of agri-environment scheme funding. The aim of the project is to ensure that what little remains of this habitat is properly protected and new areas created. Many of the sites are isolated, hard to access or graze, or subject to anti-social behavior. The Trust hopes to come up with the solutions to tackle such issues and, if successful, this project is likely to be repeated in other areas of the country.

Site management

Carmel National Nature Reserve, in West Wales is The Grasslands Trust's flagship reserve. This spectacular site which boasts fourteen different habitats, including mainland Britain's only seasonal lake, benefited from a grant of £199,950 from the Welsh Assembly Government in 2005.

This funding has enabled the Trust to take forward an ambitious capital works programme. Substantial improvements to the site have now taken place including: the purchase of additional land to extend the reserve and link it to other grassland areas; the installation of water troughs, new kissing gates and gateways and 3000m of fencing; the creation of new nature trails and walks; a carpark and improved signage.

During the spring and summer specialist contractors were brought in to tackle a cotoneaster problem. Certain parts of the reserve – especially the old limestone quarry faces, have been swamped by this shrub over many years which has had a detrimental effect on areas of grassland habitat.

Controlled grazing took place across the reserve – the first time for some years in certain areas - using a combination of cattle and welsh mountain ponies. Two hay crops were taken from fields within the reserve during the summer months.

A partnership with BTCV Cymru led to 50 volunteers working at the reserve this year over the course of the year: an excellent example of how local people can benefit from nature conservation activity. During the year old barbed wire and sheep netting was removed and sent for recycling. Volunteers also cleared 600 metres of circular pathway around Pantycastell and removed a large amount of fly-tipped rubbish from the new carpark.

The effort of all these volunteers was largely responsible for The Grasslands Trust winning a £45,000 grant from the ITV Wales' People's Millions in November 2008. This new project will focus on restoring areas of woodland pasture within the reserve whilst giving more volunteers the opportunity to learn specialist conservation and heritage skills.

Research

To lobby effectively and convince decision makers that wildlife-rich grasslands deserve better protection The Grasslands Trust needs comprehensive, accurate and up to date grassland data. During 2008 the Trust commissioned a survey of grassland county wildlife sites across Oxfordshire in order to assess losses and changes in condition. This together with information gathered from other organisations will be used to produce an update to the 2002 Wildlife Trust and Plantlife report "Green Unpleasant Land". This report will be published in 2009.

In April 2008, Flora locale published "Wild about Meadows" - a manifesto for the wild meadows of Wales. This report, which contained information and data provided by ourselves, highlighted the catastrophic loss of Wales' flowery meadows with a rallying call for action. Within the Welsh network of Sites of Special Scientific Interest for example – a staggering four out of five are in unfavorable condition. The Grasslands Trust will continue to build its presence in Wales and work with others to reverse this decline.

Community Grassland Projects

In June 2008 the Heritage Lottery Fund awarded The Grasslands Trust £50,000 to kickstart its first community grasslands project at Hocombe Mead in Chandler's Ford, Hampshire. This beautiful 400 year old meadow and ancient woodland is situated in a busy residential area – but is relatively unknown and under-used. The eight hectare site was given to Eastleigh Borough Council several years ago as mitigation for housing development. The combination of wet grassland, broad-leaved woodland and a tiny patch of heathland gives Hocombe Mead a wonderfully rich diversity of habitat. This in turn supports a rich variety of wildlife – especially butterflies such as Ringlet, Brimstone and Orange tip. During the summer of 2008 Hocombe Mead became the Council's first Local Nature Reserve. Lottery funding will enable the Trust to take forward an eighteen month programme of work to improve access to the reserve, raise awareness about why it is so special and through a series of events encourage the local community to get more actively involved in its conservation.

The Grasslands Trust intends to carry out more projects like this in order to achieve its vision that one day everyone will live close to a wildlife-rich grassland.

LOOKING TO THE NEXT TWELVE MONTHS

The Trust has an ambitious year ahead which sees existing projects taken forward and new initiatives developed. Plans include:

- Taking forward our campaign to ensure grasslands are properly protected under the Environmental Impact Assessment (Agriculture) (England) Regulations.
- Launching the North of England Group Higher Level Stewardship project focused on magnesian limestone grassland and look to replicate in other parts of England.
- Publishing a follow up to “Green Unpleasant Land”.
- Launching the Trust’s first supporter recruitment scheme focused around Hocombe Mead in Chandler’s Ford, Hampshire.
- Beginning the restoration of woodland and grassland rides within areas of Carmel National Nature Reserve with funding provided by the Lottery.
- Carrying out a Health and Safety assessment of Carmel National Nature Reserve.
- Continuing to build influence with Natural England and other statutory agencies.
- Generating publicity about the problems effecting grasslands and the work the Trust is doing.
- Continuing to ensure that wildlife-rich grasslands, biodiversity and green space feature within the Government’s housing policy.
- Working with Wildlife and Countryside Link to develop an agreed approach to ‘landscape-scale conservation’.
- Continuing to influence funders on to the need to support grassland conservation work.
- Carrying out access improvements at Hocombe Mead and raising awareness about the site locally.
- Developing a grassland project across Eastleigh with the Council and other partners.
- Developing our work with volunteers at Carmel and within the Trust generally.
- Strengthening the trustee board and adopting a new committee structure.

FINANCIAL REVIEW

The statement of financial activities shows net outgoing resources of £66,534. Reserves at 31st October 2008 were £254,952, including £215,079 restricted funds.

Principal Funding Sources

The Trust saw a welcome rise in “Donations and Similar Income” secured over the year: Charitable Trusts continued to be very supportive of the Trust’s work and grant income still remained the biggest and most important source of funding. This year £126,281 (60%) of income was generated from grants: Of this, £20,000 was secured to purchase additional land at Stag & Pheasant in Carmel; £8,000 was received from the John Ellerman Foundation (the third of three instalments towards the Chief Executive’s costs) and £32,132 was received from the Welsh Assembly as the final part of its £200,000 grant. Government funding increased, with £25,000 being secured from the Heritage Lottery Fund, £9,810 from Awards For All and £3,224 from Eastleigh Borough Council towards Hocombe Mead Nature Reserve. This funding enabled the Trust to employ a new part-time Grasslands Project Officer at Hocombe Mead. The Trust is very grateful to A&A Business Supplies and Salesforce for providing gifts in kind to the value of £10,368. It is hoped that corporate support of this kind will continue to grow over the coming years, especially as the Trust develops local initiatives.

Investment Policy

Aside from retaining a prudent amount in reserve each year, most of the charity’s funds are to be spent in the short term so there are no funds for long term investment. Grants received in advance are invested on the money market, with up to £50,000 being held in a Standard Life investment account. The Trustees decided to spread investment risk by investing no more than £50,000 in any one bank. During the year £7,154 was generated in interest.

Reserves Policy

The Trustees aim to keep sufficient funds in general reserves to maintain work for at least twelve months. This will enable the charity to continue running in the event of a significant drop in funding. At present free reserves will sustain the charity’s core activities for approximately six months. Ways to increase this are being explored by the Chief Executive and trustees.

PLANS FOR FUTURE PERIODS

The Grasslands Trust plans to continue the activities outlined above in the forthcoming years subject to satisfactory funding requirements. In the long term the Trust wants to see:

- More threatened sites saved
- More grasslands re-established and recreated
- The value of grasslands and the challenge of their conservation more widely recognised by the public, landowners and policy makers
- Policy mechanisms to protect grasslands working better
- Local grasslands available to local people.

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

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 charity and of the financial activities of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with the Companies Act 1985 and with applicable accounting standards and statements of recommended practice, 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 operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for ensuring that the company maintains an adequate system of internal control designed to provide reasonable assurance that assets are safeguarded against material loss or unauthorised use and to prevent and detect fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, BD&M Limited, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:

J N Valters - Trustee
April 21st 2009

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE GRASSLANDS TRUST

We have audited the financial statements of The Grasslands Trust for the year ended 31st October 2008 on pages 11 to 18. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), under the historical cost convention and the accounting policies set out therein. This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditors' 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described on page 9, the charity's trustees are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Policies). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion, the information given in the Report of the Trustees is consistent with the financial statements. In addition, we report if in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustee's remuneration and transactions with the charity is not disclosed. We read other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- (a) the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities of the state of the company as at 31st October 2008 and of its incoming resources and application of resources, including its income and expenditure for the year then ended, and;
- (b) have been properly prepared in accordance with the provisions of the Companies Act 1985.

In our opinion the information given in the report of the trustees is consistent with the financial statements.

BD&M Limited, Chartered Certified Accountants and Registered Auditors,
Skies, 20 St Martinsfield, Winterborne St Martin, Dorchester, Dorset, DT2 9JU
21 April 2009

THE GRASSLANDS TRUST
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST OCTOBER 2008

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds £	2007 £
Incoming Resources					
<i>Incoming resources from generated funds:</i>					
<u>Voluntary income</u>					
Donations and similar income	2	71,757	168	71,925	54,504
Investment Income - Bank Interest		7,154	-	7,154	9,624
<i>Incoming resources from charitable activities:</i>					
Grants	3	-	126,281	126,281	185,168
Other	4	1,327	3,108	4,435	8,336
Total Incoming Resources		80,238	129,557	209,795	257,632
Resources Expended					
<i>Costs of generating funds:</i>					
Fundraising and publicity costs	5	32,161	14,312	46,473	31,259
<i>Charitable Activities:</i>					
Charitable expenditure	6	27,940	191,835	219,775	179,781
Governance costs	7	8,141	1,940	10,081	10,048
Total Resources Expended		68,242	208,087	276,329	221,088
Net outgoing/incoming Resources for the period		11,996	(78,530)	(66,534)	36,544
Total Funds at 1 st November 2007		27,877	293,609	321,486	284,942
Total Funds at 31 st October 2008		39,873	215,079	254,952	321,486
Changes in Resources Applied for Fixed Assets for Charity Use					
Net movement in funds				(66,534)	36,544
Net resources (invested in) / gained from disposal of fixed assets				(20,000)	-
Net movement in funds available for future activities				(86,534)	36,544

All amounts derive from continuing activities.

All gains and losses recognised in the period are included in the statement of financial activities.

The Notes form part of these financial statements.

THE GRASSLANDS TRUST

BALANCE SHEET
31ST OCTOBER 2008

	Notes	£	2008 £	£	2007 £
FIXED ASSETS:					
Tangible assets			-		-
Heritage assets	9		131,680		111,680
			<u>131,680</u>		<u>111,680</u>
CURRENT ASSETS:					
Debtors	10	2,552		715	
Cash at bank		<u>132,096</u>		<u>221,889</u>	
		134,648		222,604	
CREDITORS: Amounts falling due within one year					
	11	<u>11,376</u>		<u>12,798</u>	
NET CURRENT ASSETS			123,272		209,806
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>254,952</u>		<u>321,486</u>
FUNDS:					
Restricted	12		215,079		293,609
Unrestricted	12		<u>39,873</u>		<u>27,877</u>
			<u>254,952</u>		<u>321,486</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

ON BEHALF OF THE BOARD:

J N Valters - Trustee

Approved by the Board on 21 April 2009

The Notes form part of these financial statements

THE GRASSLANDS TRUST

Notes To The Financial Statements For The Year Ended 31st October 2008

I. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985, the Statement of Recommended Practice "Accounting and Reporting By Charities" (published March 2005) and the Financial Reporting Standard for Smaller Entities (effective January 2007).

Company status

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Fund accounting

General funds are unrestricted funds which 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 or which have been raised by the charity for 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. Investment income and gains are allocated to the appropriate fund.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out. 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.

Allocation of costs

Certain types of expenditure are incurred in providing support for activities related directly to the objects of the charity. Payroll costs are allocated on the basis of the estimated percentage of staff time related to various cost centres whilst centralised overhead costs have been allocated to the various cost centres on the basis of staff employed in each area.

Pensions

The Grasslands Trust provides access to a stakeholder pension administered by Ethical Investors with Norwich Union. All eligible employees are invited to join on completion of a probationary period. Five employees have joined and two further employees have elected to have their contributions allocated to an existing stakeholder fund.

Tangible fixed assets

Fixed assets costing more than £500 are capitalised at cost. Depreciation is provided on Plant

and machinery 33% of cost in order to write off each asset over its estimated useful life.

Heritage Assets

Heritage assets are assets of historical, artistic or scientific importance that are held to advance preservation, conservation and educational objectives of charities at a national or local level. Such assets are central to the achievement of the purposes of such charities and include land, buildings and structures that are conserved and are central to the educational objectives of such charities. They include land relating to the habitat needs of species, or the environment generally.

2. DONATIONS AND SIMILAR INCOME

	Restricted	Unrestricted	2008	2007
	£	£	Total	Total
			£	£
Individuals	-	3,269	3,269	2,313
Charitable Organisations	-	57,200	57,200	43,425
Corporate Support	-	500	500	100
Gift-aid refunds	-	588	588	506
Gift in Kind Donations	168	10,200	10,368	8,160
	<u>168</u>	<u>71,757</u>	<u>71,925</u>	<u>54,504</u>

3. GRANTS

	Restricted	Unrestricted	2008	2007
			Total	Total
Esmee Fairbairn Foundation	-	-	-	68,715
Welsh Assembly	32,132	-	32,132	43,795
John Ellerman Foundation	8,000	-	8,000	16,000
Awards For All	14,725	-	14,725	-
Heritage Lottery Fund	25,000	-	25,000	-
Countryside Council for Wales	8,000	-	8,000	-
DEFRA	-	-	-	563
J P Getty Charitable Trust	12,500	-	12,500	-
Charles Hayward Foundation	7,500	-	7,500	-
Ernest Cook Trust	-	-	-	5,000
Dulverton Trust	-	-	-	20,000
Will Charitable Trust	-	-	-	10,000
Banister Trust	-	-	-	5,000
Other grants under £5,000 (19)	18,424	-	18,424	16,095
	<u>126,281</u>	<u>-</u>	<u>126,281</u>	<u>185,168</u>

Activity Classification:-

	Restricted	Unrestricted	2008	2007
			Total	Total
Project Research	-	-	-	5,995
Hay Meadows	-	-	-	22,700
Site Management	112,281	-	112,281	71,758
Other Restricted (including Staff Costs)	14,000	-	14,000	84,715
	<u>126,281</u>	<u>-</u>	<u>126,281</u>	<u>185,168</u>

4. OTHER

	Restricted	Unrestricted	2008	2007
	£	£	Total	Total
			£	£
Grazing Income	-	1,277	1,277	1,277
Corporate Vouchers	-	50	50	-
Consultancy Income	-	-	-	2,389
Consultancy Gift in Kind	3,108	-	3,108	4,670
	<u>3,108</u>	<u>1,327</u>	<u>4,435</u>	<u>8,336</u>

5. FUNDRAISING AND PUBLICITY COSTS

	Restricted	Unrestricted	2008	2007
	£	£	Total	Total
			£	£
Fundraising Expenses	-	1,003	1,003	981
Public relations	-	-	-	50
Staff costs and consultancy fees	13,159	29,227	42,386	27,670
Office costs	1,153	1,931	3,084	2,558
	<u>14,312</u>	<u>32,161</u>	<u>46,473</u>	<u>31,259</u>

6. CHARITABLE EXPENDITURE

	Charitable	Support	2008	2007
	Activities	Costs	Total	Total
	£	£	£	£
Advocacy & Awareness	36,460	28,000	64,460	25,021
Advice & Grassland Management	2,940	45	2,985	544
Research*	41,542	5,036	46,578	17,415
Site Management	77,921	15,093	93,014	136,801
Community Grasslands	10,312	2,426	12,738	-
	<u>169,175</u>	<u>50,600</u>	<u>219,775</u>	<u>179,781</u>

*Research includes Hay Meadows & Acid Grasslands. 2007 figure for Research includes £7,284 Hay Meadows and £1,226 Acid Grasslands.

Natural classification:-

	2008	2007
	Total	Total
	£	£
Site costs	46,429	37,876
Ecology & feasibility Studies	10,551	1,763
Staff Costs	121,656	108,681
Office costs	37,946	21,119
Legal and Professional fees	75	2,402
Education	3,118	7,940
	<u>219,775</u>	<u>179,781</u>

7. GOVERNANCE COSTS

	2008	2007
	Total	Total
	£	£
Staff costs	1,565	1,790
Trustee meetings and expenses	2,689	1,028
Office costs	516	746
Legal fees	2,562	3,994
Auditors remuneration	2,056	2,490
Other Accounting Costs	693	-
	<u>10,081</u>	<u>10,048</u>

8. EMPLOYEE COSTS

No remuneration was paid to trustees in the period. The costs of the remaining staff were:

	2008	2007
	£	£
Wages and Salaries	133,427	110,404
Childcare Voucher Administration Costs	143	
Social Security costs	11,384	5,645
Pension costs	4,883	4,057
	<u>149,837</u>	<u>120,106</u>

No employee earned more than £60,000 during the period. The average full time equivalent number of staff employed by the charity during the period was as follows:

	2008	2007
Fundraising	1.45	1.05
Advocacy & Awareness	1.11	0.47
Advice & Grassland Management	0.09	0.02
Research*	1.17	0.60
Site Management	1.44	2.43
Community Grasslands	0.16	-
Governance	0.06	0.52
	<u>5.48</u>	<u>5.09</u>

* Research now includes Hay Meadows & Acid Grasslands. 2007 figure for Research includes 0.26 Hay Meadows and 0.04 Acid Grasslands.

9. HERITAGE ASSETS

	Freehold	Totals
	Land	
	£	£
COST:		
At 1 st November 2007	111,680	111,680
Additions	20,000	131,680
	<u>131,680</u>	<u>131,680</u>
DEPRECIATION:		
At 1 st November 2007	-	-
Charge for the year	-	-
At 31 st October 2008	-	-
NET BOOK VALUE:		
At 31 st October 2008	<u>131,680</u>	<u>131,680</u>
At 31 st October 2007	<u>111,680</u>	<u>111,680</u>

Freehold Land:

Land at Stag & Pheasant, Carmel	20,000
Land adjoining Pantycastell Fach, Maesybont	40,000
Land at South Poorton, Dorset	71,680
	<u>131,680</u>

The Grasslands Trust purchased South Poorton Farm in 2004 and is the registered holder of the title. The land is jointly managed with The Dorset Trust For Nature Conservation Limited. The Trust has a lease on land at Carmel, Wales for 15 years from 5th July 2006 at a peppercorn rent.

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Other debtors and prepayments	543	509
VAT Refund Due	1,568	-
Income Tax Recoverable	441	206
	<u>2,552</u>	<u>715</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Accounts Payable	8,071	4,882
Accrued Expenses	3,264	2,718
Pension Contributions Accrued	41	5,198
	<u>11,376</u>	<u>12,798</u>

12. STATEMENT OF FUNDS

	Balance at 1 st Nov 2007	Income	Expenditure	Net incoming resources	Transfers	Balance at 31 st Oct 2008
	£	£	£	£	£	£
Restricted						
Land at Pantycastell	40,000	-	-	-	-	40,000
Land at South Poorton	71,680	-	-	-	-	71,680
Land at Stag & Pheasant	-	-	-	-	20,000	20,000
South Poorton Farm running costs	-	1,968	1,968	-	-	-
Carmel running costs	54,733	71,155	82,790	(11,635)	(20,000)	23,098
Hay Meadows	18,500	-	13,450	(13,450)	-	5,050
Higher Level Scheme	-	-	75	(75)	-	(75)
Hocombe running costs	-	42,434	12,406	30,028	-	30,028
Project Research	10,745	-	10,745	(10,745)	-	-
Other restricted grants	97,951	14,000	86,653	(72,653)	-	25,298
	<u>293,609</u>	<u>130,834</u>	<u>208,087</u>	<u>(77,253)</u>	<u>-</u>	<u>215,079</u>
General Funds	<u>27,877</u>	<u>80,238</u>	<u>68,242</u>	<u>11,996</u>	<u>-</u>	<u>39,873</u>
	<u>321,486</u>	<u>209,795</u>	<u>276,329</u>	<u>(66,534)</u>	<u>-</u>	<u>254,952</u>

The restricted funds for land at Pantycastell, South Poorton and Stag & Pheasant represent grants received for the purchase of the land.

Grants for running costs and Hay Meadows have been allocated to the project specified by the funder.

Retrospective government grants will fund the Higher Level Scheme activity, hence a short-term grant deficit.

Grants restricted to Project Research are utilised to identify and fund initial costs of new activities. Other restricted grants were received to fund specific staff and office costs.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted General Fund £	Restricted £	Total £
Tangible fixed assets	-	-	-
Heritage assets	-	131,680	131,680
Net current assets	39,873	83,399	123,272
Balance at 31 st October 2008	<u>39,873</u>	<u>215,079</u>	<u>254,952</u>

14. TRUSTEES EXPENSES

Travel expenses have been reimbursed to four trustees amounting to £1,262 in the year (2007 £1,087). In some cases Trustees donate their expenses back to the Trust.