

THE GAME CONSERVANCY TRUST LIMITED

CONSOLIDATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2006

Company number 5579632

Registered charity number 1112023

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COMPANIES HOUSE

FLETCHER & PARTNERS

CHARTERED ACCOUNTANTS

SALISBURY

THE GAME CONSERVANCY TRUST LIMITED
YEAR ENDED 31 DECEMBER 2006
LEGAL AND ADMINISTRATIVE DETAILS

Address: Burgate Manor, Fordingbridge, Hampshire SP6 1EF

Trustees:

Chairman	M H Hudson (appointed 13 June 2006) A W M Christie-Miller (retired 13 June 2006)
Vice Chairmen	The Earl of Dalhousie H R Oliver-Bellasis The Hon P D P Astor R A Wills
Ex officio	I Smuth (Chairman Advisory Committee) I Haddon (Chairman Marketing and Membership Committee) J Keith (Chairman Lowlands Research Steering Committee) R Douglas Miller (Chairman Scottish Committee) R M Mitchell (Chairman London Committee) Brig C A G Wells (Chairman Fisheries Research Steering Committee)

Elected Trustees

R D A Burge	J Paice MP
I S Coghill	The Duke of Norfolk
C R Connell	T Steel
The Viscount Dunluce (retired 13 June 2006)	M Barnes (elected 13 June 2006)
Sir Edward Greenwell	J Cowen (elected 13 June 2006)
J P Kennedy	

Officers:

Chief Executive Officer	Mrs T Dent BSc ARAgS
Director of Policy and Public Affairs	S C Tapper BSc PhD
Director of Research	N W Sotherton BSc PhD
Deputy Director of Research	N J Aebischer Lic ès Sc Math, PhD
Director - Scotland & Advisory Services	I H L McCall BSc
Director of Fundraising	E P Hay
Director of Advisory & Education	I M Lindsay
Director of Membership and Marketing	C Washington-Sare (appointed 1 July 2006)

Advisers:

Solicitors	Wilsons, Steynings House, Fisherton Street, Salisbury SP2 7RJ
Bankers	Barclays Bank plc, 3 Bedford Street, Exeter EX1 1LX
Investment Managers	Ruffer Investment Management Ltd, 103 Wigmore Street, London W1U 1QS Cazenove & Co, 20 Moorgate, London EC2R 6DA
Auditors	Fletcher & Partners, Crown Chambers, Bridge Street, Salisbury SP1 2LZ

Numbers:

Registered Charity Number 1112023
Registered Company Number 05579632

THE GAME CONSERVANCY TRUST LIMITED
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2006

The Trustees present their annual report with the consolidated accounts of the Game Conservancy Trust Limited ('the Charity') for the year ended 31 December 2006. These relate to the Charity, Allerton Research and Educational Trust, and the Charity's subsidiaries Game Conservancy Limited and Game Conservancy Events Limited, and have been prepared to comply with the provisions of the Companies Act 1985, the Charities Act 1993 and the Statement of Recommended Practice on Accounting and Reporting by Charities (revised 2005). Separate accounts for the Game Conservancy Limited and Game Conservancy Events Limited have also been prepared and are available from the Charity's headquarters.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and Charitable Status

The Game Conservancy Trust Limited is a charitable company limited by guarantee, incorporated on 30 September 2005 and registered as a charity on 11 November 2005. The Charity was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of it being wound up members are required to contribute an amount not exceeding £10. The members for company law purposes are the trustees.

The Game Conservancy Trust Limited took over the activities of The Game Conservancy Trust following the close of business on 31 December 2005, when all the assets and activities of the Game Conservancy Trust were formally transferred to it. Under Schemes made by the Charity Commission on 8 March 2006 the Game Conservancy Trust Limited was appointed as sole trustee of both The Game Conservancy Trust and The Allerton Research and Educational Trust. The Schemes also included a Uniting Direction that from the same date The Game Conservancy Trust and the Allerton Research and Educational Trust shall be treated as forming a part of The Game Conservancy Trust Limited for the purposes of registration and accounting.

Recruitment and Appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law and under the Charity's Articles are allowed to delegate any of their functions to committees consisting of two or more individuals appointed by them, at least one of which must be a trustee.

Procedures are in place for the recruitment of new trustees when a trustee vacancy occurs. These include a skills audit of the Board of Trustees in order to identify relevant skills from which the charity would benefit, and notifying members of the potential vacancy and the relevant skills required via the website and the Gamewise publication.

Trustee Induction and Training

All trustees attend an induction day and receive a trustee induction folder containing information about the Charity and its governance.

Risk Management

The trustees confirm that they have reviewed the major risks to which the Charity is exposed and, where practicable, they have established systems to mitigate those risks.

Organisational Structure

Ultimate control of the Charity is exercised by the trustees, the majority of whom are elected by the company law members for a four-year term. Day-to-day management is the responsibility of the Chief Executive Officer with the support of the Executive Directors.

The group has 101 employees, most of whom are based at its headquarters at Burgate Manor, Fordingbridge, Hampshire. This total includes 64 scientists who are engaged directly in research. The Charity has 47 county groups which organise fund-raising events throughout the United Kingdom and a total of about 22,000 members. The Charity's subsidiary companies carry out trading and fundraising activities on behalf of the Charity. All their profits are paid to the Charity under the Gift Aid scheme.

Connected Charities

Apart from The Game Conservancy Trust and the Allerton Research and Educational Trust (see above), the Game Conservancy Trust Limited is connected with the Game Conservancy Scottish Research Trust and the Habitat Research Trust, both of which are separate charities with their own bodies of trustees.

THE GAME CONSERVANCY TRUST LIMITED
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006

OBJECTIVES AND ACTIVITIES

Objects

The objects of the Game Conservancy Trust Limited are

- a. to promote for the public benefit the conservation of game, its associated flora and fauna, and the appropriate sympathetic farming and land management practices
- b. to advance the education of the public and those managing the countryside in the above, exclusively, in the conservation of game as a sustainable resource)
- c. to conduct research into game and wildlife management (including the use of game animals as a natural resource) and the effects of farming on the environment, and to publish the useful results of that research,
- d. To conserve game and wildlife including, where it is for the protection of the environment, the conservation or promotion of biological diversity through
 - the provision, conservation, restoration or enhancement of a natural habitat, or
 - the maintenance or recovery of a species in its natural habitat in land or in water and in particular where the natural habitat is situated in the vicinity of a landfill site

There has been no change in the objects of the Game Conservancy Trust Limited over the last year. Although differently phrased and slightly broader, these objects are very similar to those of the Game Conservancy Trust

Policies

To enable the Charity to fulfil its objects, the Trustees have adopted the following policies

1. **Research** - To carry out scientific research to the highest possible standards of quality and objectivity, to publish the results in peer-reviewed journals, and to communicate the results to as wide an audience as possible, including government, the Charity's members, other land users and the general public
2. **Conservation** - To develop practical conservation policies which are informed by the results of the Charity's research, to test the practicalities and effectiveness of the policies, and to communicate them to as wide an audience as possible
3. **Reserves** - The Trustees have reviewed the reserves policy and have adopted a new policy based on an assessment of risk to future income flows. The resulting number is then tested against current rates of expenditure to ensure that it is robust. The policy is that there should be a minimum level of liquid reserves equivalent to three months total expenditure
4. **Investments**
 - On unrestricted funds** - To invest in a combination of equities, fixed interest stocks and cash, with the objective of obtaining a total return which is at least double the return from cash
 - On endowment funds** - To invest in a combination of equities, fixed interest stocks and cash, with the objective of obtaining a total return of £85,000 per annum

ACHIEVEMENTS AND PERFORMANCE

Review of Activities and Achievements

The main objective for the year was to continue our programme of scientific research. We have focussed on four initiatives (policy, profile, education and practice) centred on using our science to greater effect and ensuring better understanding of the contribution game management makes to nature conservation. Our achievements in relation to these four initiatives are set out below

Policy - Funding was secured to continue to use the PR and political consultants first employed in September 2006. A series of meetings/briefings with politicians and policy makers was implemented

Profile - A new post was created - Director of Marketing and Membership - and appointed in July 2006. A marketing plan and membership expansion strategy has been prepared for trustee approval

Education - Following the appointment of a new director of advisory and education in September 2005, an educational strategy has been drawn up concentrating initially on tertiary education (colleges and universities)

Practice - Good practice in any aspect of land, game and wildlife management is vital. We are expanding and strengthening our training and practitioner education programme. We trained or gave demonstrations to 2200 people in 2006

THE GAME CONSERVANCY TRUST LIMITED
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of Financial Transactions and Position

Key Points

- Income increased by 11% overall, with unrestricted income rising by 8.5%
- Total costs increased by 10.9%
- A surplus of 2% of income on the General Fund

The Game Conservancy Trust Limited enjoyed solid support from its funders which enabled it to carry out the planned research programme and develop the initiatives referred to above. Thanks to this support the Charity hit its financial targets and achieved a small surplus of 2% on Unrestricted Funds.

The Charity spent £4.4 million, or 67% of its total expenditure on its charitable objects this year (2005: 62%).

Total income increased by 11% in the year and unrestricted income increased by 8.5%. Increasing unrestricted income was one of the Trust's fundraising aims. Total costs increased by 10.9%.

The managers of the unrestricted fund investments met their objective of achieving double the return on cash with a total return in the year of 9.3%. On endowment funds, the funds invested achieved a total return of 2.8% on the fixed interest holdings and 18.2% on equities including income of £83,487. This compares with returns of 0.5% and 15.8% in the benchmark Fixed Interest and FTSE All-share indices for the same period. The trustees therefore consider that the performance of the fund was satisfactory in the context of the markets.

At the end of the year the Charity had met its reserves target.

Plans for future periods

The key elements of our medium to long-term strategy are

- To focus on three areas of work: species recovery, game and wildlife management and wildlife-friendly farming
- To strengthen our ability to deliver the results and implications of that science to our three audience groups - the public, policy makers and practitioners
- To maintain the financial security of the Trust
- To improve the profile of the Trust and to make us a more relevant organisation to a broader range of stakeholders

Our main objectives for the next year are to agree and implement a marketing strategy to improve awareness, increase profile and expand membership, to implement a new tertiary education programme, to continue to improve the delivery of our science into policy and practice through an enhanced programme of public affairs, profile raising and educational activity and to start new science projects. It is also our objective to achieve a surplus on general funds and to maintain a reasonable level of reserves.

Auditors

The auditors, Messrs Fletcher & Partners, Chartered Accountants, have signified their willingness to continue as auditors.

THE GAME CONSERVANCY TRUST LIMITED
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006

ACCOUNTING AND REPORTING RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the trustees to prepare accounts, for each financial year, which give a true and fair view of the charity group's financial activities during the year and the financial position of the group at the end of the year. In preparing these accounts, the trustees are required to

Select suitable accounting policies and then apply them consistently

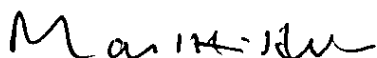
Make judgements and estimates that are reasonable and prudent

State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the accounts

Prepare the accounts on the going concern basis unless it is inappropriate to presume that the group will continue to operate

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the group and which enable them to ensure that the accounts comply with the provisions of the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, as the company's directors, we certify that so far as we are aware, there is no relevant audit information of which the company's auditors are unaware, and as directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.



M H Hudson - Chairman

Approved by the Trustees

26 April 2007

INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE GAME CONSERVANCY TRUST LIMITED

We have audited the consolidated accounts of the Game Conservancy Trust and its subsidiaries for the year ended 31 December 2006, which are set out on pages 7 to 27 and which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on pages 12 and 13

This report is made solely to the Trustees, 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 Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and Trustees as a body, for our audit work, for this report or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

The trustees' responsibilities for preparing the annual report and the financial statements, in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), are set out above.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK & 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 if, in our opinion, the Report of the Trustees is not consistent with the financial statements; if 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 the information specified by law regarding the remuneration of the Trustees and their transactions with the charity is not disclosed. We read the Report of the Trustees and consider the implications for our own report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK & Ireland) issued by the Auditing Practices Board. An audit includes the examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the Trust'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 accounts 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 accounts.

Opinion

In our opinion:

- i) The information given in the Trustees' Report for the year ended 31 December 2006 is consistent with the accounts,
- ii) the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the affairs of the charitable company and the group at 31 December 2006 and their incoming resources and application of resources, including their income, expenditure and surplus, for the year then ended,
- iii) The financial statements have been properly prepared in accordance with the Companies Act 1985.

Salisbury

26 April 2007



FLETCHER & PARTNERS
Chartered Accountants
and Registered Auditors

THE GAME CONSERVANCY TRUST LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	Unrestricted Funds	Restricted Funds	Endowed Funds	Total 2006	Total 2005 (restated)
INCOME AND EXPENDITURE						
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	2					
Members subscriptions		1,299,323	2,432		1,301,755	1,267,958
Donations and legacies		529,410	957,104		1,486,514	1,089,054
		1,828,733	959,536	-	2,788,269	2,357,012
Activities for generating funds						
Fundraising events	4a	1,983,464	104,452	-	2,087,916	1,944,740
Advisory Service		138,381	-	-	138,381	108,947
Trading income	4b	192,578	-	-	192,578	238,253
Investment income	5	41,792	96,942	-	138,734	145,871
Charitable activities	3	106,837	1,267,455	-	1,374,292	1,273,542
Other income		53,138	49,272	-	102,410	86,077
Total incoming resources		4,344,923	2,477,657	-	6,822,580	6,154,442
RESOURCES EXPENDED						
Costs of generating funds						
Direct costs of fundraising events	4a	1,034,367	-	-	1,034,367	959,321
Membership and marketing	6a	313,041	-	-	313,041	339,932
Other fundraising costs	6b	777,860	-	-	777,860	639,008
		2,125,268	-	-	2,125,268	1,938,261
Activities in furtherance of the charity's objects						
Research Lowlands	7	800,431	982,132	-	1,782,563	1,576,350
Uplands	7	448,831	262,400	-	711,231	749,902
ARET	7	30,073	477,791	-	507,864	489,838
		1,279,335	1,722,323	-	3,001,658	2,816,089
Conservation	7	71,079	336,571	-	407,650	393,012
Public education	7	609,917	278,085	-	888,002	624,707
		1,960,331	2,336,979	-	4,297,310	3,833,808
Governance	8	111,301	-	-	111,301	117,379
Total resources expended		4,196,900	2,336,979	-	6,533,879	5,889,448
Net incoming/(outgoing) resources		148,023	140,678	-	288,701	264,994
OTHER RECOGNISED GAINS AND LOSSES						
Realised gains on investments		41,089	-	8,285	49,374	57,387
Unrealised gains/(losses) on investments		55,948	-	186,968	242,916	403,884
Net movement in funds		245,060	140,678	195,253	580,991	726,265
BALANCES AT 1 JANUARY 2006		2,390,305	369,991	-	2,760,296	2,293,295
Prior period adjustment	25	-	96,329	4,350,286	4,446,615	4,187,351
Balance as restated		2,390,305	466,320	4,350,286	7,206,911	6,480,646
BALANCES AT 31 DECEMBER 2006		£2,635,365	£606,998	£4,545,539	£7,787,902	£7,206,911

THE GAME CONSERVANCY TRUST LIMITED
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2006

	<u>Note</u>	<u>2006</u>	<u>2005</u> (restated)
TURNOVER	3	1,374,292	1,273,542
OTHER OPERATING INCOME		5,309,554	4,735,029
		<u>6,683,846</u>	<u>6,008,571</u>
EXPENDITURE			
Operating charges		6,387,068	5,759,750
Depreciation of tangible fixed assets		143,788	139,094
		<u>6,530,856</u>	<u>5,898,844</u>
OPERATING SURPLUS		<u>152,990</u>	<u>109,727</u>
OTHER INCOME			
Interest receivable and similar income	5	138,734	145,871
Interest payable and similar charges		(16,084)	(6,623)
Profit on disposal of fixed assets		13,061	16,019
Realised (losses)/gains on investments		49,374	57,387
		<u>185,085</u>	<u>212,654</u>
SURPLUS FOR THE YEAR ON ORDINARY ACTIVITIES		<u>338,075</u>	<u>322,381</u>
RETAINED IN RESTRICTED FUNDS		<u>148,963</u>	<u>179,610</u>
GENERAL FUND SURPLUS FOR THE YEAR		<u>£189,112</u>	<u>£142,771</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during either of the above two years

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2006

	<u>2006</u>	<u>2005</u> (restated)
Surplus for the year on ordinary activities	338,075	322,381
Unrealised (losses)/gains on investments	242,916	403,884
TOTAL RECOGNISED GAINS FOR THE YEAR	<u>580,991</u>	<u>726,265</u>
CAPITAL AND RESERVES AT 1 JANUARY 2006	2,760,296	2,293,295
PRIOR PERIOD ADJUSTMENT	<u>4,446,615</u>	<u>4,187,351</u>
BALANCE AS RESTATED	<u>7,206,911</u>	<u>6,480,646</u>
CAPITAL AND RESERVES AT 31 DECEMBER 2006	<u>£7,787,902</u>	<u>£7,206,911</u>

THE GAME CONSERVANCY TRUST LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2006

	<u>Note</u>	<u>2006</u>	<u>2005</u> (restated)
FIXED ASSETS			
Tangible assets	11a	2,927,301	3,026,445
Investments	12	3,681,929	3,535,719
		<u>6,609,230</u>	<u>6,562,164</u>
CURRENT ASSETS			
Stock	13	199,215	170,811
Debtors	14	1,177,412	948,540
Cash at bank and in hand		863,260	505,184
		<u>2,239,887</u>	<u>1,624,535</u>
CREDITORS: Amounts falling due within one year	15	<u>770,792</u>	<u>692,893</u>
NET CURRENT ASSETS		<u>1,469,095</u>	<u>931,642</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,078,325</u>	<u>7,493,806</u>
CREDITORS: Amounts falling due after more than one year	16	290,423	286,895
NET ASSETS		<u><u>£7,787,902</u></u>	<u><u>£7,206,911</u></u>
Representing			
CAPITAL FUNDS			
Endowment Funds	17	4,545,539	4,350,286
INCOME FUNDS			
Restricted Funds	18	606,998	466,320
Unrestricted Funds			
Total designated funds	19	232,330	237,060
Revaluation reserve	20	378,859	453,333
General fund		2,031,162	1,701,905
Non-charitable trading fund	4	<u>(6,986)</u>	<u>(1,993)</u>
		<u>2,635,365</u>	<u>2,390,305</u>
TOTAL FUNDS		<u><u>£7,787,902</u></u>	<u><u>£7,206,911</u></u>

M. Hudson

Signed on behalf of the Trustees
M H Hudson - Chairman

Approved by the Trustees

26 April 2007

THE GAME CONSERVANCY TRUST LIMITED
COMPANY ONLY BALANCE SHEET
AS AT 31 DECEMBER 2006

	<u>Note</u>	<u>2006</u>	<u>2005</u> (restated)
FIXED ASSETS			
Tangible assets	11b	912,735	987,273
Investments	12	1,365,425	1,407,727
		<u>2,278,160</u>	<u>2,395,000</u>
CURRENT ASSETS			
Stock	13	640	640
Debtors	14	1,246,405	908,984
Cash at bank and in hand		419,643	221,957
		<u>1,666,688</u>	<u>1,131,581</u>
CREDITORS: Amounts falling due within one year	15	<u>529,049</u>	<u>508,344</u>
NET CURRENT ASSETS		<u>1,137,639</u>	<u>623,237</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,415,799	3,018,237
CREDITORS: Amounts falling due after more than one year	16	261,947	255,948
NET ASSETS		<u>£3,153,852</u>	<u>£2,762,289</u>
Representing			
INCOME FUNDS			
Restricted Funds	18	511,501	369,991
Unrestricted Funds			
Total designated funds	19	232,330	237,060
Revaluation reserve	20	378,859	453,333
General fund		<u>2,031,162</u>	<u>1,701,905</u>
		<u>2,642,351</u>	<u>2,392,298</u>
TOTAL FUNDS		<u>£3,153,852</u>	<u>£2,762,289</u>

M Hudson

Signed on behalf of the Trustees
M H Hudson - Chairman

Approved by the Trustees *26 April* 2007

THE GAME CONSERVANCY TRUST LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006

	<u>Note</u>	<u>2006</u>	<u>2005</u> (restated)
NET CASH FLOW FROM OPERATING ACTIVITIES	21a	62,397	41,593
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Dividends received		103,955	110,409
Interest received		16,552	15,239
Rental income		18,227	20,223
Interest payable		(16,084)	(6,623)
		<u>122,650</u>	<u>139,248</u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchases of tangible fixed assets		(64,549)	(456,803)
Sales of tangible fixed assets		31,917	13,855
Purchases of investments		(304,038)	(447,959)
Sales of investments		619,104	522,314
		<u>282,434</u>	<u>(368,593)</u>
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		<u>467,481</u>	<u>(187,752)</u>
FINANCING			
Life membership subscriptions received		73,019	77,751
Capital element of finance lease rentals		(11,127)	(38,535)
Mortgage repaid		(2,316)	(2,267)
		<u>59,576</u>	<u>36,949</u>
INCREASE/(DECREASE) IN CASH	21b,c	<u><u>£527,057</u></u>	<u><u>(£150,803)</u></u>

THE GAME CONSERVANCY TRUST LIMITED
NOTES TO THE CONSOLIDATED ACCOUNTS
AS AT 31 DECEMBER 2006

1. ACCOUNTING POLICIES

a. Basis of accounting

The Accounts have been prepared under the historical cost convention, modified for the revaluation of certain fixed assets and investments, and in accordance with the Companies Act 1985 and applicable accounting standards. In preparing the accounts the Trust follows best practice as set out on the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005.

b. Consolidation

The Accounts comprise the consolidated financial statements of The Game Conservancy Trust Limited, The Game Conservancy Trust, the wholly-owned subsidiaries Game Conservancy Limited and Game Conservancy Events Limited, and the Allerton Research and Educational Trust, consolidated on a line-by-line basis. They also include the results of all the Trust's branches. The inclusion of the Allerton Research and Educational Trust within the consolidated accounts results from a Uniting Direction issued by the Charity Commission and the combination of the charities has been accounted for using merger accounting and the comparative figures have therefore been restated.

c. Tangible Fixed Assets

All assets costing more than £1,000 are capitalised. Tangible fixed assets are depreciated on a straight line basis over their anticipated useful economic lives, using the following annual rates:

Freehold land	Nil
Freehold buildings	1%
Equipment fixtures and fittings	6% to 33%
Motor vehicles	10% to 33%

A nil depreciation rate is used for freehold land because the Trustees are of the opinion that its life is indefinite. Impairment reviews are carried out where there is an indication that an asset's recoverable amount is less than its net book value. Any recognised loss which arises as a result of such a review is treated as additional depreciation.

d. Investments

Investments are carried at market value. Realised and unrealised gains and losses arising in the year are shown on the Statement of Financial Activities, and are credited or charged to the funds in which the assets are held.

e. Stock

Stock consists of farm and shop stock. It is valued at the lower of cost and net realisable value.

f. Liabilities

Liabilities, including constructive liabilities, are recognised at their expected settlement value, when it is considered that it is more likely than not that a future transfer of economic benefits will occur as a result of a past event.

g. Finance leases

Where assets are acquired under finance leases, the lease rentals, less finance charges, are capitalised and depreciated over the lives of the assets. The related obligations are shown under Creditors.

h. Operating leases

Rent payable under operating leases is charged as expenditure on a straight-line basis over the lease terms.

i. Incoming resources

All income is recognised on the receivable basis and no expenses are netted off against income. The only deferred income consists of receipts in advance for future fundraising events.

j. Grants and donations for specific purposes

Grants and donations for specific purposes are accounted for as receivable and are treated as forming restricted funds.

k. Legacies

Legacies are accounted for when it is reasonably certain that they will be received and the amounts receivable can be determined with sufficient reliability.

l. Life membership

Life members' subscriptions are allocated to income on the following basis:

Members joining in 2003 and subsequent years	- over 15 years
Members joining in 2002 and previous years	- over 10 years

THE GAME CONSERVANCY TRUST LIMITED
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
AS AT 31 DECEMBER 2006

1 ACCOUNTING POLICIES (CONTINUED)

m. Fund-raising costs

These consist of three elements

- (i) The direct costs of fundraising events, such as the Game Conservancy Ball, the Game Conservancy Scottish Fair and smaller events organised by the county committees
- (ii) The costs of recruiting and servicing the Trust's members
- (iii) Other fundraising costs, which include the costs of the Fundraising Department and the costs of the Advisory Service and the Shop run by Game Conservancy Limited

Many of these activities have a dual function in that they both raise funds for the Trust and also provide the opportunity for the Trust to educate the public about the conservation of game species and their habitats. Where it is considered that it is not possible to apportion the relevant costs between the two functions in a meaningful way, these activities are shown as fundraising events.

n. Support costs

Support costs represent the costs of the Trust's office and administration staff in providing support to the Trust's direct charitable activities. They are allocated to the Trust's activities in accordance with the use of resources.

o. Management and administration of the charity

These costs represent the costs incurred by the Trust's management, finance and administrative departments on the management of the Trust's assets and compliance with constitutional, statutory and legal requirements.

p. Apportionment of expenses

Where expenses cannot be allocated directly to any activity they are apportioned on the basis of the time incurred by the relevant staff.

q. Pension Costs

Pension scheme arrangements are operated on the basis of a defined contribution pension scheme on behalf of a majority of employees. Contributions are charged to the income and expenditure account in the period for which they are payable to the scheme.

r. Value Added Tax

Irrecoverable VAT is included as part of the cost of the item to which it relates.

s. Fund Accounting

Funds held by the charity fall into the following categories:

- (i) Unrestricted general funds
These are funds which can be used, at the discretion of the trustees, in accordance with the charitable objects of the Trust.
- (ii) Designated funds
These are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects, or to identify particular sources of income which it is intended should be spent on specific projects in the future.
- (iii) Restricted funds
These are funds which can only be used for particular purposes within the objects of the Trust. Restrictions arise either when they are specified by the donor or when funds are raised for a specific purpose. In most cases the restriction is that the funds have to be spent on a specific research project or group of research projects, although donations and grants are also received for particular aspects of public education such as the production of a certain publication.
- (iv) Endowment funds
These are funds whose capital is held on a long-term basis and cannot normally be spent, although the income may be applied either to general or restricted purposes depending on the wishes of the donor of the original capital. The capital of permanent endowment can never be spent, the capital of spendable endowment may be spent in certain circumstances.

THE GAME CONSERVANCY TRUST LIMITED
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
AS AT 31 DECEMBER 2006

2. VOLUNTARY INCOME

	Unrestricted Funds	Restricted Funds	Total 2006	Total 2005 (restated)
Members' subscriptions	1,299,323	2,432	1,301,755	1,267,958
Donations	264,143	597,934	862,077	451,526
Grants from other charities	112,431	353,170	465,601	500,199
Sponsorship	143,336	6,000	149,336	117,329
Legacies	9,500	-	9,500	20,000
	529,410	957,104	1,486,514	1,089,054
	<u>£1,828,733</u>	<u>£959,536</u>	<u>£2,788,269</u>	<u>£2,357,012</u>

3. CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total 2006	Total 2005 (restated)
Research contracts	106,837	63,626	170,463	290,989
Research grants from UK Government	-	875,274	875,274	636,386
Research grants from other bodies	-	113,335	113,335	152,648
Farm income	-	203,706	203,706	169,676
Lectures and tours	-	11,514	11,514	23,843
	<u>£106,837</u>	<u>£1,267,455</u>	<u>£1,374,292</u>	<u>£1,273,542</u>

The grants from the UK Government are from a variety of research and countryside agencies. The grants from other bodies are mainly from non-profit-making organisations which are not themselves charities.

4a FUNDRAISING EVENTS

	Gross Income	Direct Expenditure	Net Income 2006	Net Income 2005 (restated)
Carried out by subsidiary companies	602,880	(580,704)	22,176	54,120
Carried out by The Game Conservancy Trust Limited				
HQ Events	646,285	(139,694)	506,591	386,216
County Group events	838,751	(313,969)	524,782	545,083
	<u>£2,087,916</u>	<u>(£1,034,367)</u>	<u>£1,053,549</u>	<u>£985,419</u>

THE GAME CONSERVANCY TRUST LIMITED
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
AS AT 31 DECEMBER 2006

4b. NET INCOME FROM TRADING SUBSIDIARIES

The Game Conservancy Trust Limited has two wholly-owned trading subsidiaries, Game Conservancy Limited and its subsidiary Game Conservancy Events Limited, which are both incorporated in the United Kingdom. The Game Conservancy Limited operates the Advisory Service and the Shop, and also carries out various fundraising events. Game Conservancy Events Limited also carries out fundraising events. Their taxable profits are paid to the Game Conservancy Trust Limited under Gift Aid and Game Conservancy Limited also pays interest on a loan from the Trust. Audited accounts of both companies are filed with the Registrar of Companies.

A summary of the companies' results is as follows

	Game Conservancy <u>Limited</u>	Game Conservancy <u>Events Ltd</u>	Total <u>2006</u>	Total <u>2005</u>
Trading				
Turnover	192,578	-	192,578	198,517
Cost of sales	(64,674)	-	(64,674)	(61,375)
Gross Profit	127,904	-	127,904	137,142
Advisory Service income	138,381	-	138,381	108,947
Total gross profit	266,285	-	266,285	246,089
Fundraising events	100,154	(67,846)	32,308	39,536
Sponsorship	135,654	-	135,654	116,716
Other income	21,952	-	21,952	67,719
Total income less direct expenses	524,045	(67,846)	456,199	470,060
Indirect expenses				
Shop administrative costs	(80,180)	-	(80,180)	(71,739)
Advisory Service expenses	(153,661)	-	(153,661)	(131,042)
Other expenditure	(19,351)	(1,421)	(20,772)	(17,389)
Interest payable to The Game Conservancy Trust	(9,000)	-	(9,000)	(9,000)
Net profit/(loss)	<u>£261,853</u>	<u>£ (69,267)</u>	192,586	240,890
Payment under gift aid to The Game Conservancy Trust			(197,579)	(222,946)
Retained profit/(loss) for the year			(4,993)	17,944
Balance brought forward			(1,993)	(19,937)
Balance carried forward			<u>£ (6,986)</u>	<u>£ (1,993)</u>

THE GAME CONSERVANCY TRUST LIMITED
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
AS AT 31 DECEMBER 2006

4c. FINANCIAL ACTIVITIES OF THE CHARITY

The financial activities shown in the consolidated statement includes those of the Allerton Research and Educational Trust as well as the charity's wholly owned subsidiaries Game Conservancy Limited and Game Conservancy Events Limited

A summary of the financial activities undertaken by the Game Conservancy Trust Limited and Allerton Research and Educational Trust are set out below

	<u>Total 2006</u>	<u>Total 2005 (restated)</u>
Gross incoming resources	5,995,333	5,422,387
Total resources expended	5,701,644	5,175,337
NET INCOMING/(OUTGOING) RESOURCES	293,689	247,050
Realised gains on investments	49,374	57,387
Unrealised gains/(losses) on investments	242,916	403,884
NET MOVEMENT IN FUNDS	585,979	708,321
Total funds brought forward	2,762,294	2,313,232
Prior period adjustment	4,446,615	4,187,351
Balance as restated	7,208,909	6,500,583
BALANCES AT 31 DECEMBER 2006	<u>£7,794,888</u>	<u>£7,208,904</u>
Represented by:		
The Game Conservancy Trust Limited		
Restricted income funds	511,501	369,991
Unrestricted income funds	2,642,351	2,392,298
	<u>3,153,852</u>	<u>2,762,289</u>
Allerton Research and Educational Trust		
Endowed Funds	4,545,539	4,350,286
Restricted income funds	95,497	96,329
	<u>4,641,036</u>	<u>4,446,615</u>
TOTAL FUNDS	<u>£7,794,888</u>	<u>£7,208,904</u>

5. INVESTMENT INCOME

	<u>2006</u>	<u>2005 (restated)</u>
Dividends from listed investments	26,676	37,720
Dividends from charitable common investment funds	77,279	72,689
Estate Income	18,227	20,223
Bank deposit interest	16,552	15,239
	<u>£138,734</u>	<u>£145,871</u>

THE GAME CONSERVANCY TRUST LIMITED
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
AS AT 31 DECEMBER 2006

6. COSTS OF GENERATING FUNDS

a. Membership and Marketing

	<u>2006</u>	<u>2005</u> (restated)
Membership department	174,938	194,477
Records department	138,103	145,455
	<u>£313,041</u>	<u>£339,932</u>

b. Other Fundraising Costs

	<u>2006</u>	<u>2005</u> (restated)
Fundraising department	310,913	259,439
Regional fundraising and initiatives	170,008	114,935
Advisory Service costs	152,087	131,520
Shop purchases and expenses	144,852	133,114
	<u>£777,860</u>	<u>£639,008</u>

7. CHARITABLE ACTIVITIES

a. Costs of Charitable Activities

	<u>Direct Costs</u>	<u>Support Costs</u>	<u>Total 2006</u>	<u>Total 2005</u> (restated)
Research				
Lowlands	1,525,617	256,946	1,782,563	1,576,350
Uplands	608,711	102,520	711,231	749,902
ARET	434,658	73,206	507,864	489,838
	<u>2,568,986</u>	<u>432,672</u>	<u>3,001,658</u>	<u>2,816,089</u>
Conservation	348,890	58,760	407,650	393,012
Public education	760,002	128,000	888,002	624,707
	<u>£3,677,878</u>	<u>£619,432</u>	<u>£4,297,310</u>	<u>£3,833,808</u>

b. Support Costs

Support costs constitute central management and administrative costs which are necessarily incurred to enable the charity to carry out its activities. They are made up as follows:

	<u>2006</u>	<u>2005</u> (restated)
Management	313,190	317,809
Finance	162,269	158,659
Information technology	156,548	107,497
Human resources	112,347	96,686
Central office expenses	133,627	155,624
	<u>£877,981</u>	<u>£836,275</u>

These costs have been allocated to the Trust's charitable activities, fundraising and governance on the basis of the usage of these resources by the various activities, as follows:

Charitable activities (Note 7)	619,432	562,978
Fundraising	148,144	155,918
Governance (Note 8)	111,301	117,379

THE GAME CONSERVANCY TRUST LIMITED
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
AS AT 31 DECEMBER 2006

8. GOVERNANCE COSTS

	<u>2006</u>	<u>2005</u> (restated)
Staff and office costs	45,608	39,186
Legal and professional fees	29,795	44,034
Audit fees	17,786	16,743
Other services	2,655	5,682
Trustees' fees and expenses	15,457	11,734
	<u>£111,301</u>	<u>£117,379</u>

9. STAFF COSTS

	<u>2006</u>	<u>2005</u> (restated)
Wages and salaries	2,444,837	2,355,959
Social security costs	256,628	240,235
Pension costs	199,269	204,426
	<u>£2,900,734</u>	<u>£2,800,620</u>

The number of employees was

Research and conservation	64	64
Education	7	7
Farm	2	2
Membership and records	5	5
Regional activities and fundraising	9	8
Administration and support	14	14
	<u>101</u>	<u>100</u>

The following numbers of employees had emoluments of over £50,000

Emoluments in the range £90,000 - £100,000	1	1
Emoluments in the range £80,000 - £90,000	-	-
Emoluments in the range £70,000 - £80,000	1	1
Emoluments in the range £60,000 - £70,000	2	1
Emoluments in the range £50,000 - £60,000	2	-

For these employees, benefits were accruing under money purchase pension schemes, and the total employer's contributions to these schemes was £38,024 (2005 £35,221)

10. TRANSACTIONS WITH TRUSTEES

	<u>2006</u>	<u>2005</u> (restated)
Trustees' remuneration - for acting as trustees	£8,308	£ Nil
- for other services	£ Nil	£ Nil
Trustees' travel and fundraising expenses reimbursed (3 trustees)	<u>£6,354</u>	<u>£3,926</u>

The remuneration was paid to the Chairman, Mr M Hudson, in accordance with authority granted by the Charity Commission

THE GAME CONSERVANCY TRUST LIMITED
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
AS AT 31 DECEMBER 2006

11a. TANGIBLE FIXED ASSETS
GROUP

	Freehold Land and Buildings	Equipment Fixtures and Fittings	Motor Vehicles	Totals
COST OR VALUATION				
At 1 January 2006	2,913,492	1,207,485	475,674	4,596,651
Additions	-	29,314	34,186	63,500
Disposals	-	(55,955)	(65,442)	(121,397)
At 31 December 2006	2,913,492	1,180,844	444,418	4,538,754
DEPRECIATION				
At 1 January 2006	146,853	1,096,956	326,397	1,570,206
Charge for the year	23,749	50,795	69,244	143,788
Disposals	-	(55,955)	(46,586)	(102,541)
At 31 December 2006	170,602	1,091,796	349,055	1,611,453
NET BOOK VALUE				
At 31 December 2006	<u>£2,742,890</u>	<u>£89,048</u>	<u>£95,363</u>	<u>£2,927,301</u>
At 31 December 2005	<u>£2,766,639</u>	<u>£110,529</u>	<u>£149,277</u>	<u>£3,026,445</u>

The net book value at 31 December 2006 represents fixed assets used for the following purposes

Direct charitable purposes				
Research	2,410,775	48,025	83,603	2,542,403
Conservation	-	4,002	5,683	9,685
Education	83,029	7,004	-	90,033
Fundraising	49,817	16,009	-	65,826
Other purposes	199,269	14,008	6,077	219,354
	<u>£2,742,890</u>	<u>£89,048</u>	<u>£95,363</u>	<u>£2,927,301</u>

It is estimated that the assets used for other purposes are used 71% to support the Trust's direct charitable activities, 24% to support fundraising and 5% for the management and administration of the charity

The cost or valuation of freehold land and buildings is made up as follows

	2006	2005 (restated)
ARET land and buildings as valued at acquisition in 1992	1,849,152	1,849,152
Fordingbridge land and buildings as revalued in 1994	400,000	400,000
Subsequent additions, at cost	664,340	664,340
	<u>£2,913,492</u>	<u>£2,913,492</u>

The historical cost of the land and buildings included at the 1994 valuation was £232,425 (2005 £232,425)

THE GAME CONSERVANCY TRUST LIMITED
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
AS AT 31 DECEMBER 2006

11b. TANGIBLE FIXED ASSETS (CONTINUED)

COMPANY	Freehold Land and Buildings	Equipment Fixtures and Fittings	Motor Vehicles	Totals
COST OR VALUATION				
At 1 January 2006	820,060	833,288	436,078	2,089,426
Additions	-	17,561	14,355	31,916
Disposals	-	-	(52,632)	(52,632)
At 31 December 2006	820,060	850,849	397,801	2,068,710
DEPRECIATION				
At 1 January 2006	31,390	768,661	302,102	1,102,153
Charge for the year	8,200	28,202	63,527	99,929
Disposals	-	-	(46,107)	(46,107)
At 31 December 2006	39,590	796,863	319,522	1,155,975
NET BOOK VALUE				
At 31 December 2006	£780,470	£53,986	£78,279	£912,735
At 31 December 2005	£788,670	£64,627	£133,976	£987,273

The net book value at 31 December 2006 represents fixed assets used for the following purposes

Direct charitable purposes				
Research	448,355	29,116	66,519	543,990
Conservation	-	2,426	5,683	8,109
Education	83,029	4,246	-	87,275
Fundraising	49,817	9,706	-	59,523
Other purposes	199,269	8,492	6,077	213,838
	£780,470	£53,986	£78,279	£912,735

It is estimated that the assets used for other purposes are used 71% to support the Trust's direct charitable activities, 24% to support fundraising and 5% for the management and administration of the charity

The cost or valuation of freehold land and buildings is made up as follows

	2006	2005
Fordingbridge land and buildings as revalued in 1994	400,000	400,000
Subsequent additions, at cost	420,060	420,060
	£820,060	£820,060

The historical cost of the land and buildings included at the 1994 valuation was £232,425 (2005 £232,425)

THE GAME CONSERVANCY TRUST LIMITED
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
AS AT 31 DECEMBER 2006

12. INVESTMENTS

	The Group		
	The Company Unrestricted Funds	Endowment Funds	Total
Market value			
At 1 January 2006	1,407,727	2,127,992	3,535,719
Additions	304,038	-	304,038
Disposals	(507,387)	(62,344)	(569,731)
Revaluation	55,948	186,968	242,916
Increase in cash	105,099	63,888	168,987
At 31 December 2006	<u>£1,365,425</u>	<u>£2,316,504</u>	<u>£3,681,929</u>
Cost at 31 December 2006	<u>£1,146,921</u>	<u>£1,675,618</u>	<u>£2,822,539</u>
Cost at 31 December 2005	<u>£1,118,614</u>	<u>£1,675,618</u>	<u>£2,794,232</u>

The market values were made up as follows

	2006	2005 (restated)
UK Listed Investments	330,425	552,233
Overseas Listed Investments	894,260	819,853
Charitable Common Investment Funds	2,220,976	2,096,352
Other Investments	18,500	18,500
Cash on Deposit	217,768	48,781
	<u>£3,681,929</u>	<u>£3,535,719</u>

Holdings whose market values are more than 5% of the total portfolio are

	2006	2005 (restated)
730,327 Cazenove Income Trust for Charities	439,329	465,255
1,952,000 Cazenove Equity Income Trust for Charities	1,519,469	1,382,797
2,047 Cazenove Absolute Return Trust for Charities	262,178	248,300

The Game Conservancy Trust Limited is exposed to currency risk in respect of investments held in stocks denominated in Norwegian Kroner (£73,948), Japanese Yen (£93,780), Euros (£191,789), Swiss francs (£268,056), and Canadian Dollars (£30,920)

13. STOCKS

	The Group		The Company	
	2006	2005 (restated)	2006	2005 (restated)
Goods for resale				
Booklets	3,891	6,594	-	-
Books	4,611	5,013	-	-
Other goods	22,012	18,073	-	-
Stationery and promotional materials	640	640	640	640
Farm Stocks				
Growing crops	39,415	31,385	-	-
Stock in store	25,537	21,975	-	-
Crops in store	88,809	70,920	-	-
Sheep	14,300	16,211	-	-
	<u>£199,215</u>	<u>£170,811</u>	<u>£640</u>	<u>£640</u>

THE GAME CONSERVANCY TRUST LIMITED
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
AS AT 31 DECEMBER 2006

14. DEBTORS

	The Group		The Company	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
		(restated)		(restated)
Trade debtors	259,359	329,933	143,244	176,102
Income tax recoverable	64,584	73,411	64,584	73,411
VAT recoverable	1,109	93	863	-
Other debtors	512,191	284,987	498,887	258,240
Amount due from GC USA	251,500	108,800	251,500	108,800
Amount due from other group entities	-	-	230,857	198,433
Prepayments	88,669	151,316	56,470	93,998
	<u>£1,177,412</u>	<u>£948,540</u>	<u>£1,246,405</u>	<u>£908,984</u>

15. CREDITORS: Amounts falling due within one year

	The Group		The Company	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
		(restated)		(restated)
Bank overdrafts	167,497	167,491	-	39,868
Trade creditors	342,391	258,696	303,541	225,572
Life membership subscriptions	56,232	58,251	56,232	58,251
VAT payable	13,514	18,614	-	4,187
Finance lease obligations	79	11,206	-	9,877
Income tax and national insurance	70,069	70,318	70,069	68,518
Amount due to other group entities	-	-	6,363	11,856
Accruals	112,732	98,751	87,144	83,072
Deferred income	5,700	7,143	5,700	7,143
Mortgage	2,578	2,423	-	-
	<u>£770,792</u>	<u>£692,893</u>	<u>£529,049</u>	<u>£508,344</u>

16. CREDITORS: Amounts falling due after more than one year

	The Group		The Company	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
		(restated)		(restated)
Life membership subscriptions	174,772	164,426	174,772	164,426
Deferred income	87,175	91,522	87,175	91,522
Mortgage	28,476	30,947	-	-
	<u>£290,423</u>	<u>£286,895</u>	<u>£261,947</u>	<u>£255,948</u>

The amounts falling due after more than five years were as follows

Life membership subscriptions	39,144	28,941	39,144	28,941
Deferred income	64,375	68,722	64,375	68,722
Mortgage	16,294	19,599	-	-
	<u>£119,813</u>	<u>£117,262</u>	<u>£103,519</u>	<u>£97,663</u>

THE GAME CONSERVANCY TRUST LIMITED
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
AS AT 31 DECEMBER 2006

17. ENDOWMENT FUNDS

	ARET Property Fund	ARET Endowment Fund 'A'	ARET Endowment Fund 'B'	Total
As at 1 January 2006	2,218,188	1,824,789	307,310	4,350,287
Net incoming resources	-	-	-	-
Realised gains on investments	-	7,043	1,241	8,284
Unrealised gains on investments	-	160,111	26,857	186,968
As at 31 December 2006	<u>£2,218,188</u>	<u>£1,991,943</u>	<u>£335,408</u>	<u>£4,545,539</u>

These funds constitute the original capital of the Allerton Research and Educational Trust (ARET) and are represented mainly by fixed assets and investments. Their use is restricted as follows, in accordance with the wishes of the original settlors of that Trust:

- a. **Property Fund**
ARET's property is held on a long term basis to provide the setting for the its research. It is not, however, held as permanent endowment and occasional land sales are therefore permitted.
- b. **Endowment Fund 'A'**
This fund is subject to the restriction imposed by the settlors that only the income can be spent, to support the general work of ARET. It is, however, open to the settlors to remove this restriction if they wish.
- c. **Endowment Fund 'B'**
The capital of this fund is available to spend on any expenditure of a capital nature. The income is for the general purposes of ARET.

18. RESTRICTED FUNDS

The income funds of the charity include restricted funds comprising the following unexpended balances of grants and donations held on trusts to be applied for specific purposes:

	Balance 01 01 06	Movement in Funds Income	Expenditure	Balance 31 12 06
The Game Conservancy Trust Limited				
Grants and donations				
Lowlands research	217,786	1,092,222	(982,132)	327,876
Uplands research	32,600	339,778	(262,400)	109,978
Conservation	34,460	305,391	(336,571)	3,280
Education	68,252	263,307	(278,085)	53,474
	<u>353,098</u>	<u>2,000,698</u>	<u>(1,859,188)</u>	<u>494,608</u>
Bursary Funds	16,893	-	-	16,893
	<u>369,991</u>	<u>2,000,698</u>	<u>(1,859,188)</u>	<u>511,501</u>
Allerton Research and Educational Trust				
ARET research	96,329	476,959	(477,791)	95,497
	<u>£466,320</u>	<u>£2,477,657</u>	<u>(£2,336,979)</u>	<u>£606,998</u>

The Bursary Funds were donated to provide income to pay the fees for selected persons on Gamekeepers' and Young Shots' courses.

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19. DESIGNATED FUNDS

The income funds include the following designated funds which have been set aside out of unrestricted funds

	Balance 01 01 06	Movement in Funds		Balance 31 12 06
		Income	Expenditure	
Legacy Fund	109,414	-	-	109,414
VAT Refund	45,558	1,049	(5,779)	40,828
Property Refurbishment Fund	82,088	-	-	82,088
	<u>£237,060</u>	<u>£1,049</u>	<u>£ (5,779)</u>	<u>£232,330</u>

The Legacy Fund was established in 1993 as a separate fund derived from legacies in excess of £10,000 received in 1993 and subsequent years

The VAT refund arose from the repayment in 1996 to 2002 of VAT incurred in previous years, the money was earmarked for improvements to management systems

The Property Refurbishment Fund was established in 1997 by the transfer of £250,000 from the General Fund

20. REVALUATION RESERVE

	Balance 01 01 06	Movement in Funds		Balance 31 12 06
		Revaluation	Amounts now realised	
Property revaluation reserve	167,575	-	-	167,575
Unrealised gains on investments	285,758	55,948	(130,422)	211,284
	<u>£453,333</u>	<u>£55,948</u>	<u>(£130,422)</u>	<u>£378,859</u>

The property revaluation reserve contains the surplus on the revaluation of Fordingbridge land and buildings in 1994. The investment revaluation reserves represents the difference between the cost and the market value of investments at the balance sheet date

21. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2006 were represented by the following assets and liabilities

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total
Tangible fixed assets	914,260	50,620	1,962,421	2,927,301
Investments	1,365,925	-	2,316,004	3,681,929
Current assets	1,313,184	631,113	295,590	2,239,887
Current liabilities	(696,057)	(74,735)	-	(770,792)
Long-term liabilities	(261,947)	-	(28,476)	(290,423)
	<u>£2,635,365</u>	<u>£606,998</u>	<u>£4,545,539</u>	<u>£7,787,902</u>

THE GAME CONSERVANCY TRUST LIMITED
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
AS AT 31 DECEMBER 2006

22. NOTES TO THE CASH FLOW STATEMENT

a. Reconciliation of net changes in resources to operating cash flow

	<u>2006</u>	<u>2005</u> (restated)
Net changes in resources before revaluations	288,701	264,994
Depreciation	143,788	139,094
Gain on disposal of tangible fixed assets	(13,061)	(6,907)
(Increase)/decrease in stock	(28,404)	(22,465)
(Increase)/decrease in debtors	(227,823)	(279,272)
Increase/(decrease) in creditors	86,537	157,753
Investment income	(138,734)	(145,871)
Interest payable	16,084	6,623
Life membership income	(64,691)	(72,356)
Grant for property improvements	-	-
Operating cash flow	<u>£62,397</u>	<u>£ 41,593</u>

b. Reconciliation of net cash flow to movement in net funds

	<u>2006</u>	<u>2005</u> (restated)
Increase/(decrease) in cash in the period	527,057	(150,803)
Net funds at 1 January 2006	386,474	537,277
Net funds at 31 December 2006	<u>£913,531</u>	<u>£386,474</u>

c. Analysis of net funds

	<u>Balance</u> <u>01 01 06</u>	<u>Cash</u> <u>Flow</u>	<u>Balance</u> <u>31 12 06</u>
Brokers' deposit accounts	48,781	168,987	217,768
Cash at bank and in hand	505,184	358,076	863,260
Bank overdrafts	(167,491)	(6)	(167,497)
	<u>£386,474</u>	<u>£527,057</u>	<u>£913,531</u>

THE GAME CONSERVANCY TRUST LIMITED
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
AS AT 31 DECEMBER 2006

23. COMMITMENTS**a. Mortgage commitments**

The mortgage loan is secured on 109 18 acres of the Allerton Research and Educational Trust's freehold land, which is valued at £115,000. The loan is repayable over 20 years from June 1995 in quarterly instalments. Interest is charged at the lender's mortgage rate.

A total of £16,294 (2005 £19,599) is repayable after more than five years.

b. Capital expenditure commitments

	<u>2006</u>	<u>2005</u> (restated)
Contracted for but not provided for in the accounts		
Payable within one year	£0	£54,375
Authorised by the Trustees but not contracted for	£366,750	£115,540

c. Finance lease commitments

The total commitment to finance lease rentals was

	<u>2006</u>	<u>2005</u> (restated)
Payable within one year	79	11,995
Payable in the second to fifth years	-	-
	79	11,995
Less finance charges allocated to future periods	-	(789)
Liability shown in the Balance Sheet	£79	£11,206

d. Operating lease commitments

The annual commitment to operating lease rentals was

	<u>2006</u>	<u>2005</u> (restated)
In respect of land and buildings		
Leases which expire within one year	37,715	34,076
Leases which expire in the second to fifth years	17,000	-
In respect of fixtures, fittings and equipment		
Leases which expire within one year	5,940	-
Leases which expire in the second to fifth years	1,735	9,866
In respect of motor vehicles		
Leases which expire within one year	12,993	45,611
Leases which expire in the second to fifth years	59,860	59,668
	£135,243	£149,221
Rentals paid during the year were		
Land and buildings	51,539	42,812
Fixtures, fittings and equipment	8,349	8,458
Motor vehicles	159,128	141,878
	£219,016	£193,148

e. Pension commitments

	<u>2006</u>	<u>2005</u> (restated)
Annual commitment (defined contribution scheme)	£199,269	£204,426
Contributions outstanding at the year-end	£21,365	£21,468

THE GAME CONSERVANCY TRUST LIMITED
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
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24. CONNECTED CHARITIES

The following charities are connected with The Game Conservancy Trust

The Game Conservancy Scottish Research Trust
c/o Messrs Brodies WS, 15 Atholl Crescent, Edinburgh EH3 8HA

The Habitat Research Trust
Burgate Manor, Fordingbridge, Hampshire SP6 1EF

The Game Conservancy Scottish Research Trust has a minority of ex-officio Trustees appointed from the Game Conservancy Council, the Habitat Research Trust includes in its objects the power to carry out research through the agency of The Game Conservancy Trust

The following grants were made to The Game Conservancy Trust

	<u>2006</u>	<u>2005</u>
The Game Conservancy Scottish Research Trust		
Scottish Grouse Project	10,000	22,500
Uplands Invertebrate Project	-	3,000
Scottish Uplands Biodiversity	-	7,500
Deer and Tick Research	24,000	41,000
Gamekeepers' courses (Game Conservancy Limited)	1,000	-
General Research	2,882	-
	<u>£37,882</u>	<u>£74,000</u>

The Habitat Research Trust made no grants to the Game Conservancy Trust Limited or Allerton Research and Educational Trust in 2006

25. PRIOR PERIOD ADJUSTMENT

Under a Scheme made by the Charity Commission on 8 March 2006 the Game Conservancy Trust Limited was appointed as sole trustee of the Allerton Research and Educational Trust. The Scheme also included a Uniting Direction that from the same date the Allerton Research and Educational Trust shall be treated as forming a part of the company for the purposes of registration and accounting.

This has been accounted for using merger accounting principles in accordance with the Companies Act 1985. The financial information for the current period has been presented, and that for the prior year restated, as if the Allerton Research and Educational Trust formed part of the Game Conservancy Trust Limited throughout the current and comparative accounting periods and the resulting prior period adjustment is shown on the Statement of Financial Activities for the year.