

REPORT AND FINANCIAL STATEMENTS 2016



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Conservation Education and Research Trust

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CONTENTS

Trustees' Annual Report

Welcome	3
Mission and vision	4
Objectives and achievements	5
Financial review	15
Administration and governance	21
Independent auditors' report	26
Consolidated statement of financial activities	28
Balance sheets	29
Consolidated statement of cash flows	30
Notes to the financial statements	31
Thank you to our supporters	46

WELCOME

With an increasing number of publications producing information on the degradation of our planet, the need for Earthwatch and the work that we do has never been greater. While the challenge is great, we have an excellent framework through which to address these issues in the UN Sustainable Development Goals. Our work with individuals, communities and organisations to create knowledge and inspire action will help us take a leading role in achieving key environmental and social goals.

The need for collective action has been emphasised by the United Nations, as countries seek to implement the Sustainable Development Goals. This confirms that Earthwatch's multi-stakeholder approach is the right course to take if we are to truly fulfil these goals. We are proud of the work we have undertaken in the past year, which can be broadly split into four themes:

Our partnership within the State of Nature, which provides an update on how wildlife is faring in the UK, has demonstrated that the need for **engaging the public** has never been greater. In the past 12 months, Earthwatch has continued to increase the range of events and projects through which the public can get involved and make a difference. Citizen science projects have helped provide vital scientific knowledge, whether it be through digging for earthworms in our back gardens or exploring for crabs along our coastline.

We are entering the final phase of the HSBC Water Programme which, through the FreshWater Watch (FWW) programme, has involved over 8,000 citizen scientists in gathering over 16,000 water quality records. This programme has been a clear demonstration of Earthwatch's role in **enabling scientists**. Working with research

organisations in over 30 locations globally, we are assisting researchers to harness the power of working with the public.

We have also continued with our goal of **embedding sustainability in business**, both through ongoing work with our established partners Shell, Mitsubishi Corporation and HSBC and the development of new partnerships with PwC and Tate & Lyle plc. These partnerships help businesses tackle sustainability from a number of angles including through employee engagement programmes, enhanced sustainability leadership and the evaluation of supply chains.

Earthwatch has expanded its work on **educating the next generation**. In addition to offering teacher fellowships through our Teach Earth programme, we have been busy piloting a new educational programme, Discover Earth, which will connect students with nature through action for the Sustainable Development Goals.

We would like to thank everyone who has partnered with us this year – through being an Earthwatcher you are part of a global community that truly values and nurtures a sustainable planet. Our impact is growing and we look forward to building on successes in 2017 with new projects that inspire people to act on behalf of the environment.

STEVE GRAY

CHIEF EXECUTIVE, EARTHWATCH EUROPE

JUDITH MOSELY

CHAIR, EARTHWATCH EUROPE

EARTHWATCH MISSION AND VISION

OUR PURPOSE

We are here to empower people to save our planet. Our object is to advance the education and awareness of the public in the sciences and humanities and in all matters relating to the existence and development of life, human and non-human.

OUR MISSION

Our mission is to engage people worldwide in scientific field research and education to promote the understanding and action necessary for a sustainable environment.

HOW WE BENEFIT THE PUBLIC

We create knowledge and inspire action through hands-on science and environmental engagement. We address big challenges by working together with individuals, communities and organisations.

OUR VISION

Earthwatch envisages a planet in which:

Our natural resources, including our freshwater, soils, forests and seas, are used sustainably.

•

We live in harmony with nature and protect our wildlife.

•

Our future economic development is resilient and climate sensitive.

People are the solution to achieving this and are at the heart of everything we do. We strive to engage people with the big environmental challenges the planet is facing, including habitat loss, invasive species, pollution, climate change and the over-exploitation of our resources. We aim to create a global community that values and nurtures a sustainable planet.

OUR VALUES

INCLUSIVE

We believe it is essential that people participate in solving the environmental challenges we face.

OBJECTIVE

Independent research is at the core of our work, and its outcomes determine our goals and priorities.

PASSIONATE

We are passionate about the opportunity we have to make a meaningful impact on people and the planet.

EMPOWERING

We seek to inspire people, organisations and communities with experiences, knowledge and tools that enable them to take action.

RESPONSIBLE

We act in a manner that respects and protects the well-being of people and the environment, including our staff, researchers, volunteers and the places we work.

OUR OBJECTIVES AND ACHIEVEMENTS

We launched a new strategy in 2016 with the aim of increasing our impact over the next three years to 2018. We have four strategic priorities as part of that strategy:

- **Engage the public**
inspire behavioural change through a wider range of projects
- **Enable scientists**
work with scientists to turn data into action and change
- **Embed sustainability in business**
engage employees, create sustainability leaders and reduce supply chain impacts
- **Educate the next generation**
inspire teachers and students to be the environmental leaders of tomorrow

STRATEGIC PRIORITIES	2016 GOAL	2016 PERFORMANCE INDICATORS	2017 PRIORITIES
Engage the public	Launch new citizen science projects	1,974 people engaged in our projects	More projects meeting key environmental goals
Enable scientists	Collaborate to publish FWW data	19 published articles	Turning science into policy change
Embed sustainability in business	Engaging more employees	1,369 employees engaged	More partnerships, more impact
Educate the next generation	Expand direct school engagement	Discover Earth launched	Expansion of Discover Earth across UK

ENGAGING THE PUBLIC

Spend: £826k



What is our aim?

We will engage the public in much-needed scientific research on environmental challenges and inspire personal behavioural change to reduce environmental impact. Our public engagement will involve empowering communities, engaging people in science that matters and inspiring behavioural changes.

What have we been doing?

In 2016, we launched two major citizen science projects. Earthworm Watch has been inspiring citizen scientists to unearth the diversity and abundance of earthworms, as well as map the ecosystem services they provide to improve soil health. Capturing our Coast, the biggest UK marine citizen science project of its kind is well on the way to achieving its aim to train 3,000 volunteers, building a picture of where our native species can be found, their movements, and their responses to climate change and invasive species. We have continued to expand the reach of FreshWater Watch which began as an engagement activity with HSBC but is now being taken out to new audiences getting them involved in crucial water quality monitoring.

Earthwatch experts spoke at 32 international events this year showcasing our citizen science research, educational models and achievements. In addition we gave platforms for debate at the Royal Geographical Society on contemporary environmental issues such as climate change in Britain, natural capital and how we can re-engage people with nature, all chaired by high-profile figures in the field including Tom Heap and Paul Rose.

2016 HIGHLIGHTS

Empowering communities

Earthwatch and WaterAid teams are investigating water quality in Nigeria through Freshwater Watch. The teams are supporting 10 communities in Benue province to monitor and understand the condition of their freshwater resources.

Benue is known as the 'food basket of Nigeria', but the quality of the water remains a concern to those drinking it, and to farmers feeding their crops with it. Children and pregnant women are particularly vulnerable to unsafe water which causes diarrhea, one of the leading causes of death. WaterAid provides expertise to reach some of the country's poorest people, and Earthwatch provides its experience in training people in citizen science.

Results of the water sample data gathered by communities over the first six months have shown where infiltration of contaminants from agricultural activities and domestic wastewater have compromised the security of two water supplies which enabled quick action by local agencies to correct these problems and provide the impacted communities with a safe freshwater source.



100,000 people have taken part in Earthwatch-led programmes around the globe.

Earthwatch
international data
1971–2016

Involving people in science that matters

Earthworm Watch, developed in partnership with the Natural History Museum and the Earthworm Society of Britain, is helping us to learn about earthworm populations in the UK. Citizen scientists of all ages, from school children to gardeners, scouts to families, have been digging for earthworms and studying our soils.

The benefits of earthworm activity such as carbon storage, converting organic material into nutrients and flood mitigation are often taken for granted. Plants and wildlife ultimately depend on the soil. Managing the soil to promote earthworm populations could improve biodiversity in our gardens, parks and other green spaces.

In just the first six months of the project, citizen scientists have collected more than 200 Earthworm Watch data points from Jersey to Elgin in Scotland. Earthworm Watchers' results to date have indicated that earthworms prefer clay soils to sandy ones. Flower beds and vegetable beds are also excellent nurseries for developing earthworm populations due to the availability of rotting leaf litter, vegetation and organic matter.



Inspiring behavioural change

Capturing Our Coast launched in January 2016 and more than 3,400 volunteers have signed up for this free activity. Nowhere in the UK is more than 113 km (70 miles) from the coast, yet there is much we don't know about our diverse coastal ecosystems. Capturing Our Coast citizen scientists have contributed more than 1,000 hours to date, building a picture of where our native species can be found, their movements, and their responses to climate change and invasive species. This information aims to inform future conservation strategies.

Volunteer Jo Ainsworth has clocked up an impressive 150 volunteer hours in South Wales since January. This included assisting with volunteer co-ordination, training days, events and coastal research. She said: "Being a Capturing Our Coast volunteer has provided me with a huge opportunity to learn about our glorious coastline and how important it is to conserve this habitat. It's given me the experience to be accepted on a Masters course in Oceanography which will help me change my career into Marine Conservation.

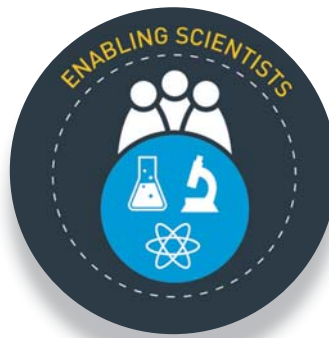
Led by Newcastle University's Dove Marine Laboratory, Capturing Our Coast is a collaboration between Earthwatch, the Universities of Hull, Portsmouth and Bangor, the Scottish Association for Marine Science, the Marine Conservation Society and the Marine Biological Association.

LOOKING AHEAD

- Increase the reach of our current projects inspiring more people to act
- Develop at least two new major projects that will take our reach even further
- Expand the reach of our events by running engaging local events around the country in 2017

ENABLING SCIENTISTS

Spend: £485k



What is our aim?

We will enable scientists by assisting those who are early in their careers and by closing the gap between objective scientific discovery and action by linking research to policy and bringing scientists and communities together. Earthwatch collaborates with the scientific community to access funding for crucial research, to promote citizen science as a positive way to inspire people to act, as well as to recruit volunteers from a wide range of backgrounds to support the collection and understanding of data.

What have we been doing?

Earthwatch research continues to contribute to the global debate and understanding of sustainability and engagement, as our growing number of publishing outputs show, including articles in Conservation Biology, Ecosystems and Science of the Total Environment.

In 2016 we conducted a major review of the work and achievements to date of the HSBC-funded Earthwatch project FreshWater Watch, which began five years ago. Since the programme began, citizen scientists have collected more than 16,000 water quality datasets from more than 2,200 waterbodies around the world. FreshWater Watchers are also taking action to reduce their personal and community impact on water.

Mitsubishi Corporation has supported Earthwatch to train emerging scientists in the Seychelles in scientifically robust social interview techniques through collaboration with the University of Western Australia. Scientists were on site to record a second extreme El Niño and mass coral bleaching event in 2016.

2016 HIGHLIGHTS

Helping early career scientists

In 2005, Juliette Veloso was one of 12 scientists from Africa in the early stages of their careers supported with funding from Earthwatch's Capacity Development Fund. In 2016 she won the prestigious Whitley Award for Nature Conservation in honour of her commitment to conserving the Critically Endangered side-necked turtle in Madagascar. Juliette encourages community-led resource management and restoration of wetlands using techniques that favour conservation and improve fish stocks for local people. Thanks to techniques such as nest protection and head-starting (where turtles are raised until big enough for release), populations of these turtles are starting to show signs of recovery.



Earthwatch has supported over 1,600 scientists from emerging economies.

**Earthwatch
international data
1971–2016**

Linking research to policy

Earthwatch scientists and partner institutes have analysed FreshWater Watch samples from 150 streams in Buenos Aires, Curitiba, São Paulo, Rio de Janeiro, Mexico City and Vancouver during the life of the project, and detected nutrient levels exceeding the threshold for eutrophication in 86% of samples. Eutrophication occurs when there are excessive nutrients in a water environment. This can lead to the growth of algal blooms, which can be harmful to human health and deplete oxygen in the water leading to an overall decline in biodiversity of birds, fish and aquatic plants. Nutrients can, for example, be nitrates and phosphates used in fertilisers, or be released by poor wastewater management. Professor Steven Loiselle, Global Freshwater Research Manager at Earthwatch said: "Across the globe, trained citizen scientists are providing important information to detect incidences of nutrient pollution, erosion events and algal blooms. This is information that allows local agencies to mitigate problems before they cascade into serious events and assist them to better manage fundamental ecosystems."



Bringing scientists & communities together

Earthwatch is supporting research in the Soutpansberg Mountains in South Africa to understand and manage human–wildlife conflict resulting from primate crop raiding and the perceived threat of large predators to livestock. The mountains are rich in biodiversity, supporting one of the highest densities of leopards in Africa as well as hyenas and numerous primates. These animals frequently venture into the surrounding farmland, which is the mainstay of the local economy.

Since his appointment last year, community engagement officer Philip Faure, whose role is funded through Earthwatch's environmental partnership with Shell, has made great progress in building relationships and trust with local communities.

Local communities are interested in practical ways to improve animal husbandry, particularly in building predator–proof enclosures known as 'bomas'. The team has organised training workshops to illustrate how bomas can be constructed to keep cattle safe at night. Farmers and communities who have bomas have not lost any cattle to predators since they were built.

LOOKING AHEAD

- Building on FreshWater Watch, Ground Truth 2.0 (part of the EU Horizon 2020 research and innovation programme) which will scale up in 2017 is focussed on the challenge of ensuring that data collected is used for effective action
- We have secured funding from Thames Water to develop an online platform which will better integrate and display data gathered through multiple citizen science and governmental projects across the Thames basin
- We will work with our international colleagues to expand our work across multiple sites and communities in the Seychelles

EMBEDDING SUSTAINABILITY IN BUSINESS

Spend: £2.4m



What is our aim?

We will embed sustainability in business, working with employees and developing leadership to raise awareness of the risks and opportunities that arise from a changing environment. We do this by engaging employees and stakeholders, by enhancing skills and leadership within organisations and by helping businesses evaluate their supply chain impact.

What have we been doing?

Through a long-term partnership lasting over 15 years, Earthwatch has inspired HSBC staff to embed sustainability at the heart of their business. This year we celebrated the success of the global HSBC Water Programme (HWP) which has been running for the last five years and has engaged 8,000 HSBC employees to become Citizen Science Leaders (CSLS).

Our partnership with Shell has continued to evolve in 2016 to align with business environmental objectives, through programmes that support internal dialogue and action around sustainability. Rupert Thomas, Shell VP of Environment has stated "We've been on this journey with Earthwatch a long time now, and it will continue. Earthwatch's valuable knowledge and observations along the way have helped us make improvements."

We launched a new partnership with Tate & Lyle researching seaweed, one of the key aspects of their supply chain, in Bali.

The UN Sustainable Development Goals (SDGs) present an ambitious, integrated framework aimed to end poverty, protect our planet and ensure prosperity by 2030. At the beginning of 2016 we launched a detailed report demonstrating how our model of citizen science can help businesses embed the SDGs into their sustainability strategies. Our programmes allow staff, stakeholders and communities to experience a direct connection with the natural environment and environmental issues whilst being inspired to act and change their professional and personal behaviours – simultaneously providing the critical data needed to provide solutions to some of the planet's most challenging environmental issues.



Earthwatch has partnered with over 100 companies worldwide.

Earthwatch international data 1971–2016

2016 HIGHLIGHTS

Engaging employees and stakeholders

Statistics evidence that a citizen science–focussed learning programme can be personally transformative and professionally enabling, providing tools for development and problem solving as well as sustainable behaviour changes. Well over 90% of participants report increased sustainability awareness and personal action motivation.

The CSL role, with its ambassadorial, educational and scientific remit, presents personal and professional

development opportunities in leadership, influencing skills, communications and teamwork. Our recent survey of CSLs showed that more than 90% of participants experienced improvement in each of these areas after participation. Results also revealed that the majority of participants are at the start of their careers – future leaders whose influence will increase over time. This is especially relevant as 79% of respondents also reported themselves as more likely to continue their association with HSBC as a result of the programme.

Enhancing skills and leadership

The Earthwatch HSBC Sustainability Leadership Programme, now in its seventh year, continues to embed sustainability into the organisation's culture, with more than 1,300 senior executives participating to date, 325 of which took part in 2016. This programme takes HSBC Senior Managers from all areas of the bank out of the office and into the field to learn first-hand about the implications of climate change and the importance of creating a sustainable business. In particular, delegates are encouraged to understand HSBC operational efficiency goals, and incorporate their sustainability strategy into everyday business decisions.

"Building a sustainable business that truly creates meaningful change will become increasingly possible thanks to leaders (and the stakeholders who they interact with on a daily basis) developing a deeper sense of purpose and mindfulness," said Matthew Robinson, Sustainability Engagement Head at HSBC.



Evaluating supply chains

The intensive cultivation of seaweed is dramatically expanding across the tropics, but little is known about its ecological impacts on surrounding ecosystems, supply chain risks and opportunities for livelihoods. This is of direct concern to the food industry in terms of sustainable and responsible sourcing of ingredients, to the local communities and to scientists concerned with coastal ecology and conservation.

Tate & Lyle, Earthwatch, and the Scripps Institution of Oceanography have begun a four-year research programme in Bali. This project will help Tate & Lyle better understand the opportunities and challenges associated with commercial seaweed cultivation within its supply chain. The results will also inform industry-wide standards, enabling effective management actions towards the long-term health of coastal ecosystems, community livelihoods and sustainable seaweed aquaculture. The project directly contributes to the United Nations Sustainable Development Goals (SDGs) by supporting sustainable agriculture that helps to maintain ecosystems, building local capacity around sustainable development, strengthening resilience to climate change and sustainably managing coastal ecosystems.

LOOKING AHEAD

- We will continue to use our SDG report to inspire more businesses to partner with us and increase our impact
- In 2017, we will work with Shell to engage more senior leaders in the work of the partnership to increase effectiveness and influence
- Explore other supply chain aligned science with other business sectors

EDUCATING THE NEXT GENERATION

Spend: £350k



What is our aim?

We educate the next generation through a range of immersive educational programmes, by organising and leading student expeditions and by creating environmental fellowships for teachers.

What have we been doing?

Discover Earth, launched in 2016, is finding new ways to connect young people with science and nature to engage them in the UN's Sustainable Development Goals (SDGs). The 15-year ambition of the UN to achieve the SDGs means that young people today will live in a world shaped by their legacy. It is vital that they learn about the goals and feel empowered to act. The new SDGs are unique in that they call for action by all countries, whether they are poor, rich or middle income, to end poverty, fight inequality and protect the planet.

Also in 2016, two teams of students travelled to India and Borneo over the summer to take part in Earthwatch student expeditions contributing hundreds of hours of research that help leading scientists conduct much-needed research in rapidly changing parts of the planet.



2016 HIGHLIGHTS

Leading student expeditions

Student expeditions, supported by Earthwatch bursaries, provide a unique opportunity for UK students aged 16–19 to assist leading scientists in their field research projects. Students get the chance to understand and experience wider environmental and conservation issues, inspiring them to take the action necessary for a more sustainable future for our natural world. The bursaries, which allow underprivileged students to go on an inspirational expedition where they have access to cutting-edge environmental research, are funded by donations from Earthwatch supporters.

At Dr Dhayani's Butterflies and Bees in the Indian Himalayas project, students monitored bee interactions with a range of flora across a large woodland area at the top of a valley. In addition, the students investigated how prevalent natural beehives were in the local villages around the research sites. Their research will contribute to understanding the impact of climate change on floral diversity and pollination. The students contributed a total of 234 hours of data collection.

Other students joined Dr Kogila Vani Annammala and Professor Rory Walsh on the Climate and Landscape Change in Borneo project. The project aims to understand the impact of logging and forest clearance for palm oil on sediment deposits into rivers. Excess deposits, in turn, can negatively impact coastal ecosystems such as mangroves and coral reefs.

One student explained of their experience: "I want to study geography at university so this was very relevant. Also I think in a future career it will benefit me because of the skills I have gained from it and knowledge that I now have."

Since completing the expeditions the students are staying in touch online, delivering presentations and taking action on water conservation, as well as recycling and reducing waste on campus.



Earthwatch has engaged more than 4,000 international students and 5,000 teachers.

Earthwatch
international data
1971–2016

Providing teacher fellowships

In August 2015 Tracy Guild, who had been teaching in primary education for 16 years, embarked on her journey with Earthwatch on the Teach Earth programme. Earthwatch recognises the value and importance of teachers like Tracy in enabling young people to connect with nature. Tracy said she was keen to join Teach Earth as she was looking to invigorate her student eco clubs, ensuring she could provide the best extra-curricular activities possible.

Teach Earth, supported by funding from the Garfield Weston Foundation, begins with an intensive week of exploring environmental challenges, hands-on citizen science and networking with other teachers in Wytham Woods, Oxfordshire. This is followed by a programme of on going support and reunions.

Following her enrolment in Teach Earth, in 2016 Tracy has won a £300 Earthwatch Community Action grant to bring practical science to her school through Earthwatch's FreshWater Watch citizen science research. The grant facilitated a school trip to a local outdoor centre where students explored global water challenges and conducted water quality research.

Tracy also led Nafferton Primary School to victory at the UK National Water Explorers Awards in September 2016.

"The children have really taken the key water saving message of the Water Explorer programme to heart. It has been lovely to see how enthusiastically they thought of exciting new ways to reduce their own water use and spread the message throughout the community," said Tracy. Nafferton Primary competed alongside 317 other schools nationally to be crowned the winners. They will now go on to compete at an International level.

Delivering educational programmes

Discover Earth, launched in 2016, supports teachers in using citizen science to teach key parts of the national curriculum. Students will have the opportunity to collect scientific data and thereby increase their understanding of the importance of achieving the global SDGs and what is needed to achieve them.

Now is the perfect time to support teachers to empower their students, but also to directly engage with students and help them reconnect to their planet, understand their impact on it, and take action to protect it. To achieve this, the programme uses Earthworm Watch, FreshWater Watch and the Teabag Index, giving school children the chance to contribute directly to these scientific endeavours.



LOOKING AHEAD

- Expansion of the Discover Earth programme to schools all over the UK
- Providing more opportunities for teachers to become environmental leaders

STRENGTHENING THE ORGANISATION

Alongside our strategic focus on increasing our impact, we also began a number of initiatives to strengthen the core of our organisation including governance and impact.

Following a governance review in 2015, we made a number of changes to ensure that we are using best practice. This included the recruitment of a number of trustees which has strengthened the diversity of skills on our board. We have also instigated a number of working groups formed from the executive and trustees to ensure that the board input to key decisions and support the executive with their experience and knowledge.

Through 2016, we have been working to strengthen our approach to tracking our organisational impact. Responding to increased scrutiny of charities, we are working towards producing a detailed impact report for current and future donors that very clearly sets out the change that we make as an organisation.

A sustainable organisation

As an organisation concerned with protecting our planet, we take our organisational sustainability very seriously. Our programmes are focussed on environmental action but we still have an impact through our participants and through our staff. We currently have a range of policies in place to reduce our impact on the environment, encouraging staff towards more sustainable forms of transport where possible, with 47% of our staff walking or cycling to work and a further 24% taking public transport. When running programmes we try to use locations that are easy to access on public transport and encourage participants to use it. However, we recognise that we do fly around the world in the course of our work and so we measure the carbon emissions arising from our operations, including business and participant travel, purchase an equivalent quantity of carbon credits and actively seek opportunities to reduce our carbon emissions. During 2016, we convened a working group of staff to discuss what more we can do as an organisation to address our own sustainability and we look forward to making progress in 2017.

FINANCIAL REVIEW

FOR THE YEAR ENDED 30 SEPTEMBER 2016

SUMMARY

The financial results relate to the operations of Earthwatch Europe - please see below for the range of connected international charities within the Earthwatch family. Whilst our focus is on the UK, Europe, the Middle East and India, we have many programmes that take us further afield and a number of international programmes where we collaborate with other Earthwatch charities.

2016 was the first year of a three-year plan taking us through to 2018 and despite an expected drop in income and expenditure, we are more focussed than ever on using our resources in the most efficient way to inspire people to act and create change. Our income in 2016 was £5.3m (2015 £6.4m, -18%) - this reduction is predominantly due to the successful conclusion of our projects in Oman in 2015. The six year Omani programme focussed on increasing research capacity and output, and inspiring a generation of Omanis to engage with the environment. Expenditure has also reduced to £4.3m from £5.8m (-24%) as spending on that programme came to an end.

Earthwatch remains in excellent financial health with a strong balance sheet following the 2016 results. Our General funds are currently £4.9m which equates to 25 months of projected operating costs. As we move into 2017, the Executive and the Board are working together to allocate these surplus funds to enhance our impact next year and beyond. Further information on the composition of our reserves and the policy is found on page 18.

INCOME

In 2016 we increased our range of funding sources but corporate partnership income remains our largest source of income.

Source of Income	2016 Income (£'000)	2015 Income (£'000)	% Change
Corporate Partnerships	4,357	4,595	-6
Trusts, Foundations and EU	215	32	+571
Governments (Oman)	500	1,583	-68
Individuals	109	114	-4
Investment Income	45	47	-2
Other Income	26	0	+100
Total	5,252	6,371	-19

Corporate partnership income reduced slightly due to the end of our partnership with British American Tobacco in December 2015; this project successfully supported two important climate change research projects, one in the Atlantic rainforest of Brazil and one in the Kullu Valley in the Indian Himalayas.

We received our first EU funding for over a decade in 2016 as part of a consortium led by UNESCO-IHE for a three-year project, Ground Truth 2.0, that will launch six citizen science observatories in Europe and Africa.

Our other sources of income are similar to last year with continuing support for student programmes and careful management of investments.

In addition to the above, we benefitted from an exceptional foreign exchange gain of £558k in 2016 using the historically low exchange rates to change US dollars into pounds.

EXPENDITURE

Expenditure has been classified into four areas, along with fundraising and governance costs on SOFA in line with our strategic priorities. A detailed analysis of expenditure is shown in the financial statements. In summary, this is how we spent our funds:

ENGAGING THE PUBLIC – £826K

- Increasing the scope of FreshWater Watch by bringing it to new audiences, launching two new citizen science projects in Capturing our Coast and Earthworm Watch and running a set of engaging events in the UK and Europe.

ENABLING SCIENTISTS – £485K

- Funding crucial research on coral reefs in the Seychelles, carbon capture in UK woodlands, climate change in the Himalayas and endemic species in Oman amongst others.

EMBEDDING SUSTAINABILITY IN BUSINESS – £2,446K

- Managing corporate partnerships with HSBC, Shell, Mitsubishi, PwC and KPMG to engage employees in our research projects and develop sustainability leaders within organisations.

EDUCATING THE NEXT GENERATION – £350K

- Supporting Discover Earth engagement with schools, sixth form expeditions and grants for research projects to promote community engagement.

Earthwatch Ltd (registered in Hong Kong) is consolidated into the Statement of Financial Activities and in the Group figures on the Balance Sheet. The impact of this consolidation is minimal as the majority of income for Earthwatch Ltd is received from Conservation Education & Research Trust.

RESERVES

GENERAL RESERVES

The Trustees continue to have a policy of maintaining six months cover for operating costs (£1.2m as per 2017 budget) to provide for the charity to meet financial obligations arising from unforeseen events in the future and to continue operations during such a period. As at 30 September 2016, General Funds for the company stood at £4.9m (2015: £3.1m) which equates to approximately 25 months.

This increase is explained by a combination of three components: firstly, a contribution to unrestricted funds from our successful corporate partnerships; secondly, the settlement of an outstanding invoice on our Oman programme which brought an additional £500k contribution to general funds; and lastly the aforementioned foreign exchange gains on dollar balances.

The Trustees and the Executive recognise that this level of reserves is significantly higher than our stated policy and are working together to allocate funds to increase our impact within our three-year strategic plan and reduce our general fund. The activities that we will allocate these funds to will focus on increasing the scale and range of our programmes to expand the number and demographic of people involved in our work to address big environmental issues. The areas of spend will be as follows:

- Creating two or three large-scale projects in the UK and Europe with opportunities for wide-ranging engagement and policy impact
- Supporting the development of our work in the EU post-Brexit
- Collaborating with our international affiliate partners to enhance the scope and impact of our work
- Reaching more people by investing in our strategic communications and the demonstration of our impact

Plans are currently with the Board of Trustees with the ambition to begin spending these funds in 2017 to reduce our General Funds in line with our policy whilst increasing our impact.

FINANCIAL REVIEW

DESIGNATED FUNDS

The designated fund balance for the company is a combination of two elements, firstly the Capital Fund which comprises unrestricted funds tied up within capital, e.g. equipment (£94k). Secondly a set of funds that are committed to delivering existing programmes from a variety of funders- these funds are already allocated to be spent in future years (£1.2m).

In the group accounts, there is a further fund which represents the net current assets held in Hong Kong. They have been set aside as they cannot be returned for expenditure in the UK.

RESTRICTED FUNDS

The restricted fund balance is made up of funds that have been received in advance but that are committed to specific programmes for specific donors who have requested restriction. At 30 September 2016, they stand at £3.3m (2015: £3.5m). These funds, predominantly received through our partnerships with HSBC, will support a range of projects including FreshWater Watch and the Sustainability Leadership Programme as well as other aligned activities. Funds are also held for a long-term programme funded by Neville Shulman supporting grants for scientists from less developed countries.

ENDOWMENT FUNDS

Earthwatch Europe holds a balance of £1.1m (2015: £1.1m) in Endowment Funds; £1m of the total was provided by the Sultanate of Oman and the interest that we earn on this is intended to enable us to field Omanis on our projects. In 2017, we will begin to identify participants for this programme.

INVESTMENT STRATEGY

Earthwatch Europe has a number of deposits to ensure that interest is earned on any balances that are not needed in the short term. A review of these accounts is conducted at the beginning of each calendar year to ensure that the deposits are appropriate and that the institutes used are producing appropriate returns with minimal risk. These funds represent a mixture of general, designated, restricted and endowment funds.

Banking Institute	Type of Account	Amount Managed	Return
Santander	Current Account	£3.9m*	0.5%
Nationwide Building Society	1 Year Fixed Term Deposit	£2m	0.9%
Nationwide International	USD Savings Account	\$1m	0.5%
Scottish Widows	1 Year Fixed Term	£2.8m	0.6%

*at 30th Sept 2016, £1.7m was held temporarily in Santander but was due to be re-invested in Lloyds Bank plc on a fixed term deposit. This happened in the following financial year.

REMUNERATION POLICY

Our approach to remuneration is designed to ensure we can attract and retain the talented and motivated people we need to achieve our mission and deliver our strategic goals. It is applied consistently across the organisation, both in terms of how we set salaries and the benefits we offer our employees. Pay is reviewed annually, and an increase amount (rather than a percentage increase) is agreed for all employees with over six months' service, which is set by taking account of the market, cost of living increases and the organisation's ability to pay. We offer paid internships and review and maintain internal pay relativities; pay progression is linked to development in the role and growth of the role. Our salaries and benefits are compared to other similar not for profit organisations.

GENDER PAY GAP

At the end of our financial year, the average salary for women in the organisation was 9% below (2015: 14% below) the average whereas the average for men was 15% above (2015: 20% above) the organisational average. In median pay the figure for women was 3% below (2015: 8% below) the organisation median and the median for men 13% above (2015: 25% above).

During 2016, we had the following split of men and women in each pay quartile:

Lowest quartile: Men – 1, Women – 14 (2015: Men – 1, Women – 12)
2nd quartile: Men – 5, Women – 9 (2015: Men – 5, Women – 8)
3rd quartile: Men – 5, Women – 10 (2015: Men – 4, Women – 9)
Top quartile: Men – 10, Women – 5 (2015: Men – 12, Women – 2)

Our analysis shows significant progress in the distribution of gender pay across the quartiles; we have a strong foundation of ensuring equivalent pay for equivalent roles and we will build upon this as we expand our analysis and focus.

STATEMENT OF GOING CONCERN

The Trustees are satisfied that the charity is a going concern and has the resources to deliver its strategic plan and operate indefinitely. Earthwatch has a strong base of confirmed funding sources for 2017 and beyond with a strong strategic plan in place to increase both the volume of the sources and the amount received from them. In addition, Earthwatch holds a minimum level of six months' operating costs in reserves to ensure that the charity can continue to exist and have impact even if some income sources cease. There are no post-balance sheet events which will require adjustments to the accounts.

GOVERNANCE

CHARITY DETAILS

Other working names:	Earthwatch Institute (Europe), Earthwatch (Europe), Earthwatch Institute
Charity registration number:	1094467
Company registration number:	4373313
Office address:	Mayfield House, 256 Banbury Road, Oxford, OX2 7DE

TRUSTEES

The Trustees who were in office throughout the year unless otherwise stated were as follows:

Judith Mosely	<i>Chair (from March 2016)</i>
Geoff Lane	<i>Vice-Chair</i>
Superna Khosla	<i>Treasurer (from March 2016)</i>
Louise Barrett	<i>Chair (until March 2016, resigned June 2016)</i>
Dr Mark Collins	
Iain Coucher	
Dorothee D'Herde	
Nick Dobson	
John Hemming	<i>(resigned March 2016)</i>
Lisa King	
Dax Lovegrove	
Tony McMahon	<i>Treasurer (until March 2016, resigned October 2016)</i>
Herschel Post	<i>(resigned March 2016)</i>
Dan Rubenstein	<i>(resigned June 2016)</i>
Joseph Proctor III	<i>(resigned March 2016)</i>
Richard Donkin	<i>(resigned October 2015)</i>

The following Trustees were appointed after the year end but also will be responsible for approving this annual report:

Lucian Hudson, Ed Green, Adam Powell, Jack Matthews.

The average age of our Trustees at 30.9.16 is 51.8; this is significantly lower than the average age of a Trustee across the voluntary sector of 57.

Trustees are selected in a manner consistent with the organisation's recruitment and diversity and equality policies, ensuring that the selection process is time and cost effective. The Trustee recruitment and selection process is managed by the Nominations Committee.

In addition to making direct approaches to suitable candidates, Earthwatch Europe may advertise for Trustees through networks or in the media and, where appropriate, an external agency may be used to facilitate Trustee recruitment. The position of Chair of the Board will normally be advertised publicly.

ADMINISTRATION AND GOVERNANCE

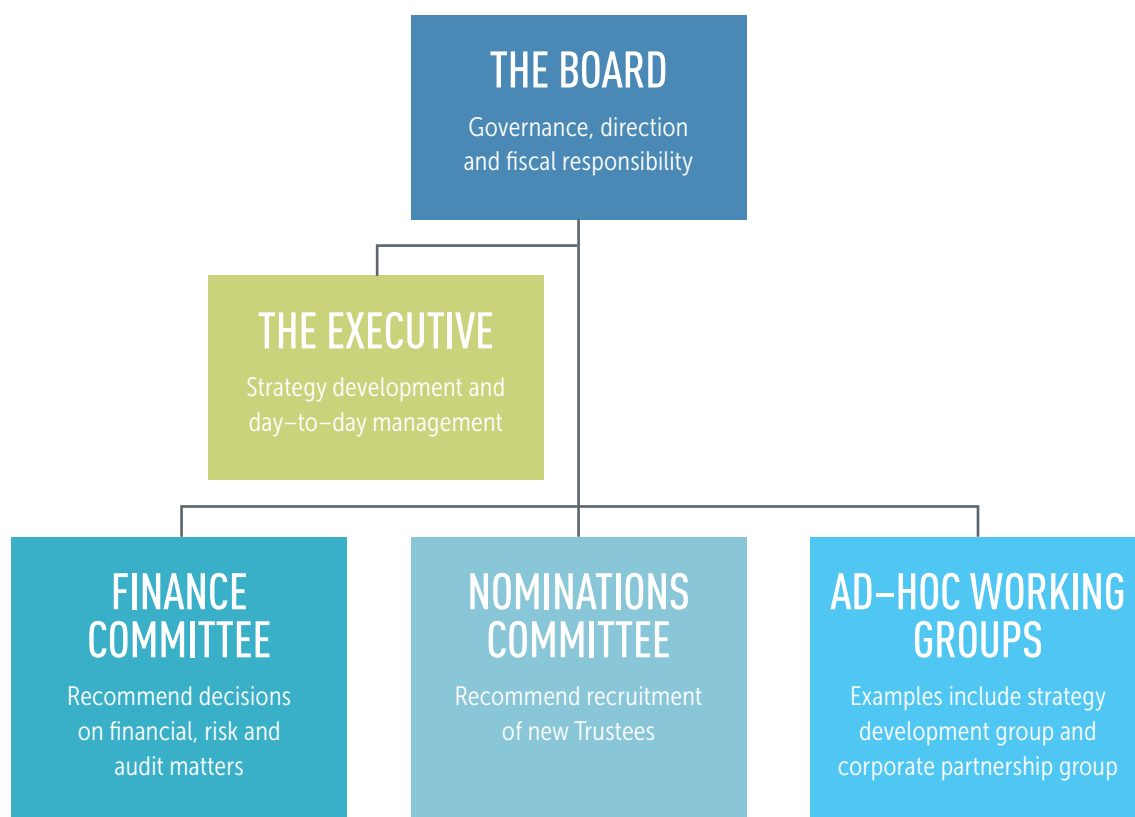
Earthwatch provides Trustees with governance training when they join the organisation. As part of their induction Trustees will also spend time with the Chief Executive and relevant members of the Executive Management Team who will provide them with an overview of Earthwatch Europe and its current priorities and challenges. A Trustee handbook which contains all relevant background information and links to key documents is also provided.

KEY MANAGEMENT PERSONNEL

Steve Gray	Chief Executive
Neil Bailey	Head of Fundraising and Communications (from Feb 2016)
Victoria McMillan	Director of Corporate Partnerships (from May 2016)
Toos Van Noordwijk	Director of Engagement and Science (from July 2016)
Anna Shannon	Head of HR
Peter Stimpson	Head of Finance and Operations

The total aggregated salary cost of management personnel in 2016 was £248k (2015: £317k).

GOVERNANCE STRUCTURE



ADMINISTRATION AND GOVERNANCE

AUDITORS, BANKERS AND SOLICITORS

Auditors: **Sayer Vincent LLP***

**In line with standard good governance procedures, we undertook a re-tender process for our audit in 2016, this resulted in a change to Sayer Vincent LLP from Critchleys.*

Bankers: **Barclays Bank plc; HSBC plc; CAF Bank Limited; Scottish Widows Bank Limited; Nationwide plc; Nationwide International plc; Santander UK plc.**

Solicitors: **Blake Morgan, Oxford**

RISK MANAGEMENT

The Executive team reviews risks regularly and produce a working document for discussion at least once a year at Board level. In addition, a summary of movements in impact or likelihood of risk is submitted to the Board for review each quarter. A key risk mitigation summary is included along with any details of work to further strengthen mitigation measures.

Key Risk	Explanation	Mitigation
Attracting new sources of income	The current reliance on a small number of income sources is a risk. Whilst we are in a stable financial position, this remains an area that we must get right.	Development and fundraising teams with clear, targeted strategies. Support from corporate partnership group comprising experienced board members.
Ensuring unique messaging	With a number of organisations in the Earthwatch family running parallel programmes, Earthwatch Europe must ensure that its unique identity within that family is clear.	After work by the Executive team clarifying our key messages, we will seek help from an expert agency on a 'low-bono' basis to ensure that we communicate our vision and mission well.
IT systems fit for the future	With a new business plan and a number of new initiatives, we must ensure that our IT infrastructure is fit for purpose.	An IT audit will be undertaken early in 2017.
Brexit	Having recently won our first tender with the EU for some years and with a strategy that looks for partnerships and opportunities to collaborate in Europe, we are uncertain as to the impact of Brexit.	In 2017, we will explore the possibility of setting up an Earthwatch office in Europe to ensure that we have the potential to collaborate in future.

ADMINISTRATION AND GOVERNANCE

CONNECTED CHARITIES

The Charity works in association with the following affiliated licensed charities who all have similar missions, contribute to and participate in the same international programme of science and engagement activities.

Earthwatch Europe harnesses this network of connected charities to ensure global capability to deliver large-scale programmes and partnerships. The coverage across the Americas, Asia and Australia means that we can deliver globally whilst retaining a local focus.

The International Council, an informal group containing representatives from each of the affiliated charities, meets twice a year to facilitate global collaboration.

Earthwatch Australia	Instituto Earthwatch do Brasil	Earthwatch Expeditions Inc.
126 Bank Street South Melbourne Victoria 3205 Australia Tel: +61 3 9682 6828	Rua Comendador Araujo, 499, 10 andar Centro, Curitiba-PR – CEP 80.240-000, Brasil Tel: + 55 4130770380	114 Western Avenue Boston, MA 02134-1037 USA Tel: +1 800 776-0188

Earthwatch Ltd, Hong Kong	Earthwatch Institute, India	Earthwatch Institute, Japan
Room 1402 Breakthrough Centre, 191 Woosung Street, Jordan Hong Kong Tel: +852 28381114	459 Augusta Point, Level 4, Sector 53, Golf Course Road, Gurgaon, 122002, India Tel: +91 124 4354160	Food Science Building, 4F University of Tokyo, 1-1-1, Yayoi, Bunkyo-KU Tokyo 113-8657 Japan Tel: +81 3-3511-3360

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in its activities.

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

So far as the Trustees are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the charitable company's auditors are unaware; and each Trustee has taken all steps that they ought to have taken as a director in order to make themselves aware of relevant audit information and to establish that the charitable company's auditors are aware of that information.

This Report was approved by the Trustees on 23 March 2017 and signed on their behalf by:

Judith Mosely, Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CONSERVATION EDUCATION & RESEARCH TRUST

.....

We have audited the financial statements of Conservation Education & Research Trust for the year ended 30 September 2016 which comprise the group statement of financial activities, the group and parent charitable company balance sheets, the group statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the company'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 company and the company'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 explained more fully in the statement of Trustees' responsibilities set out in the Trustees' annual report, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

.....

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

INDEPENDENT AUDITORS' REPORT

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 September 2016, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- The parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us
- The parent charitable company financial statements are not in agreement with the accounting records and returns
- Certain disclosures of Trustees' remuneration specified by law are not made
- We have not received all the information and explanations we require for our audit
- The Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Trustees' annual report and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Jonathan Orchard (*Senior statutory auditor*) 15 June 2017

for and on behalf of Sayer Vincent LLP, Statutory Auditors
Invicta House, 108–114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditors in terms of section 1212 of the Companies Act 2006

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an income and expenditure account)

For the year ended 30 September 2016

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted funds £	Endowment funds £	Restricted funds £	2016 Total £	2015 Total £
Income from:						
Donations and legacies	3	79,440	–	–	79,440	65,944
Charitable activities	4	2,219,241	–	2,893,231	5,112,472	6,251,370
Other trading activities	5	14,800	–	–	14,800	–
Investments		9,657	13,922	21,615	45,194	43,412
Other		–	–	–	–	10,651
Total income		2,323,138	13,922	2,914,846	5,251,906	6,371,377
Expenditure on:						
Raising funds		242,012	–	–	242,012	241,930
Charitable activities						
Engaging the public		214,388	–	611,878	826,266	637,500
Enabling scientists		347,272	–	138,118	485,390	2,208,207
Embedding sustainability in business		334,948	–	2,111,269	2,446,217	2,250,292
Educating the next generation		319,574	–	30,158	349,732	416,849
Total expenditure	6	1,458,194	–	2,891,423	4,349,617	5,754,778
Net income before net gains on investments						
		864,944	13,922	23,423	902,289	616,599
Net gains on investments	13	–	8,317	–	8,317	1,800
Net income for the year	7	864,944	22,239	23,423	910,606	618,399
Transfers between funds		190,030	–	(190,030)	–	–
Net income / (expenditure) before other recognised gains and losses						
		1,054,974	22,239	(166,607)	910,606	618,399
Gains on foreign exchange translation		558,407	–	–	558,407	5,239
Net movement in funds	20	1,613,381	22,239	(166,607)	1,469,013	623,638
Reconciliation of funds:						
Total funds brought forward		4,914,785	1,082,445	3,481,690	9,478,920	8,855,282
Total funds carried forward		6,528,166	1,104,684	3,315,083	10,947,933	9,478,920

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 22 to the financial statements.

BALANCE SHEETS AS AT 30 SEPTEMBER 2016

Company no. 4373313

BALANCE SHEETS

		The group		The charity	
	Note	2016	2015	2016	2015
		£	£	£	£
Fixed assets:					
Tangible assets	12	98,582	113,067	94,439	107,392
Investments	13	68,470	60,153	68,470	60,153
		167,052	173,220	162,909	167,545
Current assets:					
Debtors	16	878,314	1,495,226	947,655	1,595,476
Short term deposits	22	–	4,831,845	–	4,831,845
Cash at bank and in hand	22	10,330,699	3,459,096	9,914,980	3,006,764
		11,209,013	9,786,167	10,862,635	9,434,085
Liabilities:					
Creditors: amounts falling due within one year	17	(428,132)	(480,467)	(410,391)	(399,089)
Net current assets		10,780,881	9,305,700	10,452,244	9,034,996
Total net assets	19	10,947,933	9,478,920	10,615,153	9,202,541
Funds:	20				
Permanent endowment funds		1,104,684	1,082,445	1,104,684	1,082,445
Restricted income funds		3,315,083	3,481,690	3,315,083	3,481,690
Unrestricted income funds:					
Designated funds		1,272,886	1,516,976	1,272,886	1,516,976
General funds		4,922,500	3,121,430	4,922,500	3,121,430
Non-charitable trading funds		332,780	276,379	–	–
Total unrestricted funds		6,528,166	4,914,785	6,195,386	4,638,406
Total funds		10,947,933	9,478,920	10,615,153	9,202,541

Approved by the Trustees on 23 March 2017 and signed on their behalf by:

Judith Mosely, Chair

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 September 2016

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2016		2015	
		£	£	£	£
Net cash provided by operating activities	21	2,005,564		89,943	
Cash flows from investing activities:					
Dividends, interest and rents from investments		45,194		43,412	
Purchase of fixed assets		(11,000)		(99,943)	
Proceeds from sale of investments		–		14,000	
Net cash provided by / (used in) investing activities		34,194		(42,531)	
Change in cash and cash equivalents in the year		2,039,758		47,412	
Cash and cash equivalents at the beginning of the year		8,290,941		8,243,529	
Cash and cash equivalents at the end of the year	22	10,330,699		8,290,941	

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 September 2016

NOTES TO FINANCIAL STATEMENTS

1. Accounting policies

a) Statutory information

Conservation and Education & Research Trust is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is Mayfield House, 256 Banbury Road, Oxford, OX2 7DE.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (August 2014) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary Earthwatch Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 October 2014.

At the date of transition, the charity had an intangible asset being amortised over a period of 20 years. In accordance with the requirements of FRS 102, the useful economic life was revised to 10 years, and as such was deemed to have been fully amortised at the transition date. As such, an adjustment has been made to remove the intangible asset from the balance sheet at this date. The impact of this adjustment was to reduce reserves at the transition date by £112,391.

In accordance with the requirements of FRS 102, a reconciliation of opening balances and net income / (expenditure) for the year is provided with the net income / (expenditure) under previous GAAP adjusted for the presentation of investment gains / (losses) as a component of reported income. This is provided in note 25.

d) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

e) Going concern

The Trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

f) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 September 2016

g) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the Trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

h) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

i) Fund accounting

Endowment funds represent donations which are treated as capital.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds allocated by the Trustees for particular purposes.

j) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services and educational activities undertaken to further the purposes of the charity and their associated support costs

- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

k) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity. Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

l) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity:

- | | |
|--|-----|
| • Embedding sustainability in business | 59% |
| • Engaging the public | 20% |
| • Enabling scientists | 12% |
| • Educating the next generation | 9% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 September 2016

m) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

n) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The useful economic lives are as follows:

- | | |
|---------------------------|-------------------|
| • Leasehold improvements | Life of the lease |
| • Furniture and equipment | 5–7 years |
| • Computer equipment | 3–5 years |
| • Motor vehicles | 3–5 years |

o) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

p) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

Prepayments are valued at the amount prepaid net of any trade discounts due.

q) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

r) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

s) Foreign currency transactions

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling using the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net incoming resources for the year.

t) Pensions

The charitable company operates a defined contribution pension scheme on behalf of its employees. The assets of this scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable by the charitable company to the fund. The charitable company has no liability other than for the payment of those contributions.

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 September 2016

2. Detailed comparatives for the statement of financial activities

	Unrestricted £	Endowment £	Restricted £	2015 Total £
Income from:				
Donations and legacies	65,944	–	–	65,944
Charitable activities	3,007,515	–	3,243,855	6,251,370
Investments	16,588	10,116	16,708	43,412
Other	10,651	–	–	10,651
Total income	3,100,698	10,116	3,260,563	6,371,377
Expenditure on:				
Raising funds	241,930	–	–	241,930
Charitable activities	2,470,233	–	3,042,615	5,512,848
Total expenditure	2,712,163	–	3,042,615	5,754,778
Net income before gains on investments	388,535	10,116	217,948	616,599
Net gains on investments	1,711	89	–	1,800
Net income	390,246	10,205	217,948	618,399
Transfers between funds	204,923	–	(204,923)	–
Net income before other recognised gains and losses	595,169	10,205	13,025	618,399
Gains on foreign exchange translation	5,239	–	–	5,239
Net movement in funds	600,408	10,205	13,025	623,638
Total funds brought forward	4,314,377	1,072,240	3,468,665	8,855,282
Total funds carried forward	4,914,785	1,082,445	3,481,690	9,478,920

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 September 2016

3. Income from donations and legacies

	Unrestricted	Restricted	2016 Total	2015 Total
	£	£	£	£
Donations	79,440	–	79,440	65,944
	<u>79,440</u>	<u>–</u>	<u>79,440</u>	<u>65,944</u>

4. Income from charitable activities

	Unrestricted	Restricted	2016 Total	2015 Total
	£	£	£	£
Corporate donations	1,658,783	2,886,342	4,545,125	4,601,399
Other grants and donations	29,731	6,889	36,620	31,624
Government grants	500,000	–	500,000	1,582,613
Volunteer income	30,727	–	30,727	35,734
Total income from charitable activities	<u>2,219,241</u>	<u>2,893,231</u>	<u>5,112,472</u>	<u>6,251,370</u>

5. Income from other trading activities

	Unrestricted	Restricted	2016 Total	2015 Total
	£	£	£	£
Rental income	14,800	–	14,800	–
	<u>14,800</u>	<u>–</u>	<u>14,800</u>	<u>–</u>

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 September 2016

6. Analysis of expenditure

	Charitable Activities								
	Cost of raising funds	Engaging the public	Enabling scientists	Educating the next generation	Embedding sustainability in business	Governance costs	Support costs	2016 Total	2015 Total
	£	£	£	£	£	£	£	£	£
Staff costs (Note 8)	170,594	263,048	127,024	68,623	464,722	44,574	320,363	1,458,948	1,731,000
Research and field costs	–	75,672	78,392	172,675	533,568	–	–	860,307	867,000
Engagement costs	–	74,305	153,654	14,890	283,453	–	–	526,302	1,242,511
Research and engagement by affiliates	–	259,238	27,526	32,505	715,582	–	–	1,034,851	1,278,000
Development and fundraising	71,418	–	–	–	–	–	–	71,418	63,000
Audit	–	–	–	–	–	13,755	–	13,755	12,000
Trustee costs	–	–	–	–	–	4,020	–	4,020	444
Office costs	–	–	–	–	–	1,125	227,406	228,531	357,750
IT costs	–	–	–	–	–	–	18,930	18,930	23,725
Finance and HR costs	–	–	–	–	–	120	64,922	65,042	114,993
Other costs	–	13,460	16,232	1,551	32,806	–	3,464	67,513	64,355
	242,012	685,723	402,828	290,244	2,030,131	63,594	635,085	4,349,617	5,754,778
Support costs	–	127,751	75,047	54,073	378,214	–	(635,085)	–	–
Governance costs	–	12,792	7,515	5,415	37,872	(63,594)	–	–	–
Total expenditure 2016	242,012	826,266	485,390	349,732	2,446,217	–	–	4,349,617	
Total expenditure 2015	241,930	637,500	2,208,207	416,849	2,250,292	–	–		5,754,778

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 September 2016

7. Net income for the year

This is stated after charging / (crediting):	2016	2015
	£	£
Depreciation on tangible fixed assets	26,421	81,592
Loss or (profit) on disposal of fixed assets	–	67,322
Operating lease rentals:		
Property	86,400	86,400
Auditors' remuneration (excluding VAT):		
Audit	10,700	12,000
Other services	500	–
Foreign exchange (gains) or losses	(558,407)	(5,239)

8. Analysis of staff costs, trustee remuneration and expenses, and cost of key management

Staff costs were as follows:	2016	2015
	£	£
Salaries and wages	1,288,961	1,655,802
Redundancy and termination costs	–	9,667
Social security costs	115,039	148,962
Employer's contribution to defined contribution pension schemes	55,531	100,426
	1,459,531	1,914,857

The following number of employees received employee benefits in excess of £60,000 (excluding employer pension costs) during the year:

	2016	2015
	No.	No.
£60,000 – £69,999	–	3
£70,000 – £79,999	1	1
£90,000 – £99,999	–	1

The total employee benefits including pension contributions of the key management personnel were £270,725 (2015: £527,824). There is a significant reduction in management costs in FY16 due to the reduction of management staff and gaps between the departure of individuals and the replacements joining the organisation.

The charity Trustees were not paid nor did they receive any other benefits from employment with the charity in the year (2015: £nil). No charity trustee received payment for professional or other services supplied to the charity (2015: £nil).

Trustees' expenses represent the payment or reimbursement of travel and subsistence costs totalling £1,401 (2015: £1,381) incurred by five (2015: one) members relating to attendance at meetings of the Trustees.

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 September 2016

9. Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

2016	2015
No.	No.
41.5	45.0

10. Related party transactions

There are no related party transactions to disclose for 2016 (2015: none).

11. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

12. Tangible fixed assets

The Group

	Leasehold improvements £	Furniture & equipment £	Computer equipment £	Motor vehicles £	Total £
Cost					
At the start of the year	69,201	75,016	306,460	21,809	472,486
Additions in year	–	–	11,000	–	11,000
Disposals in year	–	–	–	–	–
Foreign exchange movement	1,433	706	223	–	2,362
At the end of the year	70,634	75,722	317,683	21,809	485,848
Depreciation					
At the start of the year	4,653	36,751	296,206	21,809	359,419
Charge for the year	7,796	8,408	10,217	–	26,421
Eliminated on disposal	–	–	–	–	–
Foreign exchange movement	574	389	463	–	1,426
At the end of the year	13,023	45,548	306,886	21,809	387,266
Net book value					
At the end of the year	57,611	30,174	10,797	–	98,582
At the start of the year	64,548	38,265	10,254	–	113,067

All of the above assets are used for charitable purposes.

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 September 2016

12. Tangible fixed assets (continued)

The Charity					
	Leasehold improvements	Furniture & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At the start of the year	60,503	70,737	287,476	21,809	440,525
Additions in year	–	–	11,000	–	11,000
Disposals in year	–	–	–	–	–
At the end of the year	<u>60,503</u>	<u>70,737</u>	<u>298,476</u>	<u>21,809</u>	<u>451,525</u>
Depreciation					
At the start of the year	1,174	32,613	277,537	21,809	333,133
Charge for the year	5,770	8,041	10,142	–	23,953
Eliminated on disposal	–	–	–	–	–
At the end of the year	<u>6,944</u>	<u>40,654</u>	<u>287,679</u>	<u>21,809</u>	<u>357,086</u>
Net book value					
At the end of the year	<u>53,559</u>	<u>30,083</u>	<u>10,797</u>	<u>–</u>	<u>94,439</u>
At the start of the year	<u>59,329</u>	<u>38,124</u>	<u>9,939</u>	<u>–</u>	<u>107,392</u>

All of the above assets are used for charitable purposes.

13. Investments

The Group and Charity			
	Jersey	2016	2015
	£	£	£
Fair value at the start of the year	60,153	60,153	72,353
Additions at cost	–	–	–
Disposal proceeds	–	–	(14,000)
Net gain/(loss) on change in fair value	<u>8,317</u>	<u>8,317</u>	<u>1,800</u>
Fair value at the end of the year	<u>68,470</u>	<u>68,470</u>	<u>60,153</u>
Historic cost at the end of the year	<u>47,205</u>	<u>47,205</u>	<u>47,205</u>
Investments comprise:			
		£	£
UK Common investment funds		68,470	60,153
		<u>68,470</u>	<u>60,153</u>

During the year ended 30 September 2000 an earlier donation of £50,000 from the States of Jersey was invested in two common investment funds, each of which are registered charities, constituted under schemes made by the Charity Commission, and are invested in fixed interest securities and shares.

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 September 2016

14. Subsidiary undertaking

The charity controls the subsidiary, Earthwatch Limited, a company limited by guarantee incorporated in Hong Kong, by virtue of having an employee who is a Trustee of the subsidiary. Control was deemed to have passed to the charity as of 1 October 2013. The subsidiary is engaged in the same charitable activities as the charity. All activities have been consolidated on a line by line basis in the statement of financial activities based on the audited financial statements as at 30 September which are prepared in Hong Kong dollars (HK\$). The results have been converted at the year-end exchange rate of 10.09HK\$ per £ (2015: 11.75HK\$ per £). A summary of the results of the subsidiary is shown below:

Income and expenditure	2016 £	2015 £
Incoming resources	248,451	278,102
Outgoing charitable resources	(192,050)	(267,632)
Surplus for the year	56,401	10,470
Reserves brought forward	276,379	265,909
Reserves carried forward	<u>332,780</u>	<u>276,379</u>
Balance sheet		
The aggregate of the assets, liabilities and funds was:		
Fixed assets	4,143	5,675
Current assets	424,255	459,297
Current liabilities	(95,617)	(188,593)
Funds	<u>332,781</u>	<u>276,379</u>

15. Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2016 £	2015 £
Gross income	5,184,483	6,361,537
Result for the year	<u>1,412,289</u>	<u>611,840</u>

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 September 2016

16. Debtors

	The Group		The Charity	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	707,731	1,182,936	707,731	1,175,971
Other debtors	900	1,178	900	1,178
Amounts owed by subsidiary undertakings	–	–	77,877	17,733
Prepayments and accrued income	169,683	311,112	161,147	400,594
	878,314	1,495,226	947,655	1,595,476

Long term debtors

We are holding a balance in debtors of \$256k payable by Earthwatch Expeditions Inc., our US-based affiliated charity. We have agreed that this balance will not be payable immediately but instead will be paid in eight quarterly instalments over two years with no interest accruing. This arrangement has been approved by the Boards of both organisations and is in the best interest of each.

17. Creditors: amounts falling due within one year

	The Group		The Charity	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	277,911	133,923	277,911	75,782
Taxation and social security	35,092	42,205	35,092	42,205
Accruals and other creditors	99,087	287,764	93,688	281,102
Deferred income (note 18)	16,042	16,575	3,700	–
	428,132	480,467	410,391	399,089

18. Deferred income

Deferred income comprises payments in advance of volunteers participating in projects and corporate donations received where the project will not commence until the following financial year.

	The Group		The Charity	
	2016	2015	2016	2015
	£	£	£	£
Balance at the beginning of the year	16,575	–	–	–
Amount released to income in the year	(16,575)	–	–	–
Amount deferred in the year	16,042	16,575	3,700	–
Balance at the end of the year	16,042	16,575	3,700	–

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 September 2016

19. Analysis of group net assets between funds

	General unrestricted funds £	Designated funds £	Endowment funds £	Restricted funds £	Total funds £
Tangible fixed assets	6,611	91,971	–	–	98,582
Fixed asset investments	–	–	68,470	–	68,470
Net current assets	5,248,669	1,180,915	1,036,214	3,315,083	10,780,881
Net assets at the end of the year	5,255,280	1,272,886	1,104,684	3,315,083	10,947,933

20. Movements in funds

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Permanent endowment funds:					
Jersey	69,586	10,325	–	–	79,911
40th Anniversary Fellowship	1,012,859	11,914	–	–	1,024,773
Total endowment funds	1,082,445	22,239	–	–	1,104,684
Restricted funds:					
Neville Shulman Earthwatch	92,289	–	(24,366)	(2,707)	65,216
Prince Albert	–	6,889	(5,792)	(305)	792
HSBC Climate Partnership	1,839,170	21,615	–	–	1,860,785
HSBC Water Programme	1,273,592	1,928,145	(2,054,967)	(114,465)	1,032,305
HSBC SLP Programme	276,639	958,197	(806,298)	(72,553)	355,985
Total restricted funds	3,481,690	2,914,846	(2,891,423)	(190,030)	3,315,083
Unrestricted funds:					
Designated funds:					
Capital fund	107,392	–	(26,421)	11,000	91,971
Other	1,409,584	1,681,541	(1,114,889)	(795,321)	1,180,915
Total designated funds	1,516,976	1,681,541	(1,141,310)	(784,321)	1,272,886
General funds	3,121,430	905,707	(78,988)	974,351	4,922,500
Non-charitable trading funds	276,379	294,297	(237,896)	–	332,780
Total unrestricted funds	4,914,785	2,881,545	(1,458,194)	190,030	6,528,166
Total funds	9,478,920	5,818,630	(4,349,617)	–	10,947,933

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 September 2016

20. Movements in funds (continued)

Purposes of endowment funds

a. The States of Jersey has donated £50,000 to set up a permanent endowment fund. The interest generated on this endowment will be used to engage students and teachers in Jersey in our programmes with a revised set of pilot programmes taking place in 2017. For simplicity, income from the investments and expenditure is included within the fund.

b. The 40th Anniversary Fellowship consists of a donation of £1,000,000 from the Oman Government to set up a permanent endowment fund. At 30th September 2016, there is unspent income from the fund of £24,773 which is included in the total. We are negotiating with the relevant parties to agree objectives for the income generated to ensure that this is begun to be spent in 2017.

Purposes of restricted funds

The Neville Shulman Earthwatch Award Fund is a donation from the author and environmentalist Neville Shulman CBE, set up to fund Earthwatch fellows from Africa, Asia or South America who are emerging leaders in conservation. Two awards are given each year to fund a project in the fellow's home country with a view to further enhancing their professional skills in conservation. A further four awards are given each year to fund fellows' participation in a local workshop and/or conservation conferences.

The HSBC Climate Partnership was a five-year international research and engagement programme on climate change funded by HSBC Holdings plc. Following the completion of the programme in 2012, HSBC agreed that the fund would be retained by Earthwatch to fund future projects or used to increase Earthwatch's capacity to deliver future programmes. In 2017, Earthwatch will begin to use these funds to support community engagement activities as part of a new global freshwater project.

The HSBC Water Programme is a five year programme designed to deliver freshwater research and engagement in 26 key urban hubs worldwide with the aim of educating HSBC staff and the local communities about critical local and global freshwater challenges. The H2O programme is funded by the Global Finance unit of HSBC with the same goals as the Water Programme.

The HSBC SLP Programme is a five-day field programme for Senior Managers within HSBC designed to deeply engage business leaders in climate change and sustainability issues, leading to decisions and actions which make HSBC a more sustainable business. Participants work with Earthwatch scientists on a climate change-related research project and take part in structured sustainability learning sessions relevant to HSBC, co-delivered by Earthwatch and HSBC.

Purposes of designated funds

The Capital Fund is the funds of the Group/Company which are represented by the net book value of tangible and intangible fixed assets.

Other designated funds are monies received in advance for projects that are not restricted but have committed activities in future years. These funds are not for general use.

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 September 2016

21.Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2016	2015
	£	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	1,469,013	623,638
Depreciation charges	26,421	81,592
(Gains)/losses on investments	(8,317)	(1,800)
Dividends, interest and rent from investments	(45,194)	(43,412)
(Profit)/loss on the disposal of fixed assets	–	67,322
(Profit)/loss on revaluation of fixed assets	(936)	(680)
(Increase)/decrease in debtors	616,912	(692,734)
Increase/(decrease) in creditors	(52,335)	56,017
Net cash provided by / (used in) operating activities	2,005,564	89,943

22. Analysis of group cash and cash equivalents

	At 1 October 2015	Cash flows	Other changes	At 30 September 2016
	£	£	£	£
Cash at bank and in hand	3,459,096	6,871,603	–	10,330,699
Notice deposits (less than 3 months)	4,831,845	(4,831,845)	–	–
Total cash and cash equivalents	8,290,941	2,039,758	–	10,330,699

23. Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property	
	2016	2015
	£	£
Less than one year	86,400	86,400
One to five years	345,600	345,600
Over five years	345,600	423,000
	777,600	855,000

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 September 2016

24. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

25. Impact of transition to FRS 102 and SORP 2015

	Unrestricted funds	Endowment funds	Restricted funds	Total	Unrestricted funds	Endowment funds	Restricted funds	Total
Reserves position	30 September 2015				1 October 2014			
	£	£	£	£	£	£	£	£
Funds previously reported	5,018,531	1,082,445	3,481,690	9,582,666	4,426,768	1,072,240	3,468,665	8,967,673
Adjustments on transition								
To remove intangible asset as fully amortised under FRS 102 requirements	(103,746)	–	–	(103,746)	(112,391)	–	–	(112,391)
Funds restated on transition	<u>4,914,785</u>	<u>1,082,445</u>	<u>3,481,690</u>	<u>9,478,920</u>	<u>4,314,377</u>	<u>1,072,240</u>	<u>3,468,665</u>	<u>8,855,282</u>

	Unrestricted funds	Endowment funds	Restricted funds	Total
Impact on income and expenditure	30 September 2015			
	£	£	£	£
Net income as previously	591,763	10,205	13,025	614,993
Adjustments on transition				
Remove amortisation on intangible	8,645	–	–	8,645
Net income as restated	<u>600,408</u>	<u>10,205</u>	<u>13,025</u>	<u>623,638</u>

OUR SUPPORTERS

THANK YOU TO OUR SUPPORTERS

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All those who have contributed their stories and images to this publication

