

# **Galapagos Conservation Trust**

(Registered Charity Number 1043470)  
(Registered Company Number 3004112)

## **Reports and Accounts**

**Sixteen months ended 31 December 2003**



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**Galapagos Conservation Trust**  
**Reports and Accounts**  
**Sixteen months ended 31 December 2003**

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**Galapagos Conservation Trust**  
**Legal and Administrative Information**  
**Sixteen months ended 31 December 2003**

The charitable company was incorporated in December 1994 as a Company Limited by Guarantee and not having a share capital, registered in England No. 3004112. The charitable company was registered with the Charity Commission in January 1995, No 1043470. The charitable company's office is 5 Derby Street, London,

The President and Vice-President during the sixteen months ended 31 December 2003 were:

**President**

Professor David Bellamy OBE

**Vice Presidents**

Janet Barber; Captain Sir Thomas Barlow Bt, DSC, DL, RN (Deceased October 2003); Angela Darwin; Sarah Darwin (appointed July 2003); Julian Fitter; Richard Fitter; Juliette Hellman (appointed March 2003); Professor Richard Keynes CBE, FRS; Godfrey Merlin; Dr Bryan Nelson FRSE; Lady Scott.

The Trustees of the charitable company during the sixteen months ended 31 December 2003 were:

**Chairman**

Nigel Sitwell

**Honorary Treasurer**

Richard Webb

**Other Trustees**

Sally Benthall; Philip Darwin; Dorothy Latsis; George Loudon; Chris McFarling; Christopher Reeves; Richard Robinson; Jennifer Stone; Edmund Truell (Resigned July 2003).

**Other Officers**

**Director:** Leonor Stjepic

**Company secretary:** James P. Screech

**Auditors:** Nexia Audit Limited, Prospect House, 2 Athenaeum Road, London, N20 9YU

**Accountants:** Smith & Williamson Limited, Prospect House, 2 Athenaeum Road, London, N20 9YU

**Solicitors:** Greg Thomas, 3-5 Chemin des Tuileries, 1293 Bellevue, Switzerland.

**Bankers:** Lloyds Bank plc, 157 Wandsworth High Street, London, SW18 4JA.

CAFCash Ltd, Kings Hill, West Malling, Kent, ME19 4TA.

**Galapagos Conservation Trust**  
**Directors' Report**  
**for the sixteen months ended 31 December 2003**

The directors submit their Annual Report, together with the audited Financial Statements of the charitable company, for the sixteen months ended 31 December 2003

**Principal Activities**

The Galapagos Conservation Trust's purpose is to raise awareness of, and funds for, the conservation needs of the Galapagos Islands through support of the Charles Darwin Foundation and the Galapagos National Park Service, and to be the primary source of information and comment in the UK on conservation in the Galapagos Islands.

The charitable company's objects are (i) the promotion for the benefit of the public of research into and study of the environment and ecosystems of the Galapagos Islands, their flora and fauna and the marine resources of the surrounding area and to publish the useful results of such research thereof; and (ii) the advancement of research and the education (by, inter alia, the publication of the results of such research) of the public in the natural sciences, in particular zoology, botany, geology and meteorology, including the provision of facilities (such as the rearing, breeding and keeping of animals and plants) for the study of and research into such sciences. It achieves its objectives by generating financial support for the Charles Darwin Foundation and the Galapagos National Park Service.

**Trustees' Report**

These accounts are not directly comparable to the last audited accounts. This is because we decided to change our financial year-end from 31 August to 31 December, thus covering a period of 16 months instead of 12 months. We made this change to bring us in line with our partners in Ecuador and other countries. It also helps us to clarify fundraising priorities.

The most important fact to note is that we succeeded in meeting our budgetary targets in the latest accounting period. This is a quite an achievement at a time when virtually all charities have been experiencing challenging trading conditions. Our success is due to the generosity of our dedicated supporters and volunteers, and the hard work of our small team of highly motivated staff.

During 2003 we made special efforts to reduce our operating costs, without adversely affecting the effectiveness of our fundraising. We are pleased to report that we have spent the same or less on administration or fundraising in the 16-month period than we did in the previous 12 months. Our aim is to continue increasing our income, while holding or preferably reducing the costs of fundraising and administration.

The board and director meet on a regular basis to discuss the operational and financial position of the charity.

In this period, the opportunity arose to support the establishment of a new Friends of Galapagos organisation in Spain. Through existing contacts of our Director, Leonor Stjepic, an excellent staff member was identified, while the Fundacio Catalana per a la Recerca (the Catalan Foundation for Research) gave free office space and facilities in Barcelona. The GCT Trustees decided that this was a unique opportunity to encourage further significant long term funding for conservation in Galapagos, and offered to provide the start-up capital required.

The Spanish Friends of Galapagos (Fundacion Amigos de Galapagos Espana) was formally launched in April 2003, in the presence of HRH the Grand Duke of Luxembourg and other VIP guests. We are gratified that our investment of approximately £25,000 in the new Spanish organisation has already resulted in a pledge of €60,000, (approx £40,000), for the Galapagos National Park in 2004. The Spanish Friends are now self supporting. Finally, we understand that the Spanish Ministry of Science and Technology is considering funding Galapagos scientists to study in Spain, and Spanish scientists to work at the Charles Darwin Research Station.

During the latest financial period, we initiated two new projects, for which we shall continue to raise funds in 2004. The Robert Bensted-Smith Fund for Galapagos will provide financial support for Ecuadorian scholarship students wishing to study in Galapagos, as well as vitally needed volunteers at the Charles Darwin Research Station.

**Galapagos Conservation Trust**  
**Directors' Report**  
**for the sixteen months ended 31 December 2003**

The second project, supporting PhD Students, will assist Galapaguenos to attain a doctorate. Currently no universities in Ecuador offer PhDs, so aspiring graduates need to study overseas. The cost of this is usually prohibitive, yet without such a qualification they will be unable to access the top jobs in conservation. We are keen to support young Ecuadorians to become the conservation leaders of the future.

A variety of other conservation projects have also been funded, including the Galapagos Marine Reserve, ornithology, and important research on one of the endemic rice rats, which is at risk from introduced rodents. However, the main focus of our fundraising activity in the period has been Project Isabela, the ambitious, long term habitat restoration project for Northern Isabela Island.

As well as raising funds for specific conservation action in Galapagos, we also aim to raise awareness of Galapagos conservation issues in Britain. We achieve this in a variety of ways, especially through our web site and email bulletin, through our newsletter, Galapagos News, and through events such as the annual Galapagos Day. We are pleased that visitors to our web site have increased substantially in the past year, and that our email bulletin is now distributed to 1,200 people.

Above all, the GCT is a membership organisation. Our membership has grown steadily and currently numbers over 3,000. Our present aim is to recruit 500 new members per year. We regard our members as absolutely vital. They are the core component of our work to conserve Galapagos.

The Galapagos Conservation Trust is not a lobbying organisation, but we believe that from time to time it is important to raise our concerns with the relevant authorities. Our long-standing relationship with the Ecuadorian Embassy in London continues to be of vital importance in enabling us to achieve our aims.

Our relationship with local partners in Galapagos is also very important. There have been several changes at management level at both the Charles Darwin Foundation and the Galapagos National Park. Although these organisations are chronically short of funds, there is a mood of optimism, and a firm resolve among the worldwide Galapagos community to move forward together in solving the conservation problems of the islands. The Galapagos Conservation Trust looks forward with confidence to a close and productive collaboration with our local partners.

#### **Reserves Policy**

Charity Commission guidance defines free reserves as 'income which becomes available to the charity and is to be expended at the trustees' discretion in furtherance of the charity's objects but not yet spent, committed or designated'. At the balance sheet date and after deducting the amount invested in fixed assets (£4,050) the charitable company's free reserves amounted to £105,795.

Two years ago the trustees examined the needs and challenges faced by the charitable company in both the short and medium term and formulated a policy to meet those needs. They decided that to maintain financial viability a target level of free reserves of at least six months' operating costs would be appropriate. This target is still regarded as appropriate and has been achieved during the current period.

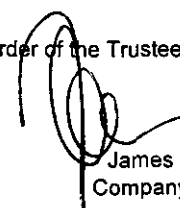
#### **Risk Statement**

The trustees have given consideration to the major risks that the charity is exposed to. They have assessed the likelihood of these risks occurring and the likely level of any resulting impact. They have also considered the controls that are in place for these risks and have identified key areas of action for the year ahead. The trustees undertake this process each year in order to ensure that the charity is adequately protected against the risks it may face in achieving its strategic objectives.

#### **Auditors**

Our auditors, Nexia Audit Limited, were appointed during the year. It will be proposed that they will be reappointed, at the next Annual General Meeting, in accordance with section 385 of the Companies Act 1985.

By order of the Trustees/Directors



James P. Screech  
Company Secretary

2004

**Galapagos Conservation Trust**  
**Statement of Directors' responsibilities**  
**for the sixteen months ended 31 December 2003**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors 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 the Statement of Recommended Practice issued in October 2000 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 company will continue in business.

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

# Nexia Audit

— · Limited · —

## Independent auditors' report to the members of the Galapagos Conservation Trust

We have audited the accounts of the Galapagos Conservation Trust for the period ended 31 December 2003 on pages 6 to 10. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the directors (who also act as trustees for the charitable activities of the Galapagos Conservation Trust) are responsible for the preparation of the accounts in accordance with applicable law, United Kingdom Accounting Standards and the Statement of Recommended Practice for charities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 Trustees Annual Report is not consistent with the accounts, 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 trustees' remuneration and transactions with the charity is not disclosed.

We read the other information contained within the Trustees Annual Report and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

### Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes 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 charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the 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 the accounts give a true and fair view of the state of the charitable company's affairs as at 31 December 2003 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Nexia Audit Limited*

Nexia Audit Limited  
Chartered Accountants  
Registered Auditors

2 Athenaeum Road  
London  
N20 9YU

Date *6 May 2004*.

**Galapagos Conservation Trust**  
**Statement of Financial Activities**  
**for the sixteen months ended 31 December 2003**  
(Incorporating an Income and Expenditure Account)

	Notes	Unrestricted Funds	Restricted Funds	Total 2003 (16 months) £	Total 2002 (12 months) £
		£	£		
<b>Incoming Resources</b>	1				
Donations		191,809	137,769	329,578	205,764
Activities in furtherance of the charity's objectives:					
Subscriptions		100,835	-	100,835	63,202
Activities for generating funds:					
Income from fundraising events		55,291	-	55,291	-
Trading income		20,058	-	20,058	12,697
Sundry income		4,992	-	4,992	-
Investment income		2,556	747	3,303	4,313
<b>Total Incoming Resources</b>		<u>375,541</u>	<u>138,516</u>	<u>514,057</u>	<u>285,976</u>
<b>Resources Expended</b>	1				
Cost of generating funds:					
Fundraising expenses		90,938	12,893	103,831	138,467
<b>Charitable Expenditure</b>					
Cost of activities in furtherance of the charity's objectives:					
Research and conservation in Galapagos		57,637	108,318	165,955	97,506
Education and awareness raising of Galapagos		120,185	-	120,185	56,371
Darwin Initiative		-	-	-	15,824
Cost of creating support for conservation in Galapagos outside the UK	4	46,147	-	46,147	38,203
Management and administration	5	41,704	-	41,704	35,669
<b>Total Resources Expended</b>	6	<u>356,611</u>	<u>121,211</u>	<u>477,822</u>	<u>382,040</u>
<b>Net Surplus/(Deficit) for the period</b>	2	18,930	17,305	36,235	(96,064)
Transfer between funds		-	-	-	-
Funds at 1 September 2002		90,915	36,223	127,138	223,202
<b>Funds at 31 December 2003</b>		<u>109,845</u>	<u>53,528</u>	<u>163,373</u>	<u>127,138</u>

The notes on pages 8 to 10 form part of these statements.

All gains and losses in the period are included in the Statement of Financial Activities.



# Galapagos Conservation Trust

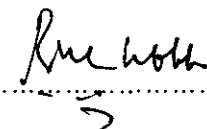
## Balance Sheet at 31 December 2003

	Notes	31 December 2003		31 August 2002	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	1, 7		4,050		2,424
<b>Current Assets</b>					
Stocks	1	2,046		6,075	
Debtors	8	21,278		27,084	
Cash at bank and in hand		<u>139,199</u>		<u>100,182</u>	
		162,523		133,341	
<b>Creditors:</b>					
Amounts falling due within one year	9	<u>(3,200)</u>		<u>(8,627)</u>	
<b>Net Current Assets</b>			<u>159,323</u>		<u>124,714</u>
<b>Net Assets</b>	11		<u>163,373</u>		<u>127,138</u>
<b>Reserves</b>	1				
Unrestricted funds			109,845		90,915
Restricted funds	10		<u>53,528</u>		<u>36,223</u>
			<u>163,373</u>		<u>127,138</u>

Approved by the Board on

and signed on its behalf.

 N. Sitwell.

 R. Webb.

The notes on pages 8 to 10 form part of these statements.

# Galapagos Conservation Trust

## Notes to the Financial Statements for the sixteen months ended 31 December 2003

### 1. Accounting policies

These accounts have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP 2000) "Accounting and Reporting by Charities" (published in October 2000) and are for the sixteen months period from 1 September 2002 to 31 December 2003.

#### Incoming resources

All incoming resources are accounted for as received except for tax claimed on Gift Aid donations, which are accounted for on an accruals basis.

#### Expenditure

Staff costs are allocated between cost headings according to the function of each employee. All other costs are allocated on a specific basis. Activities in furtherance of the charity's objects includes costs relating to research and conservation in the Galapagos and education and awareness raising of the Galapagos. Support costs include overheads identified as an integral part of charitable activities. Costs of generating funds refers to fundraising costs incurred by the charity. Management and administration includes specific overhead costs relating to the administration of the charity.

#### Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transactions. Foreign currency balances outstanding at the period end are converted at the rate ruling at the balance sheet date. All exchange differences are reflected in the Statement of Financial Activities.

#### Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of each asset on a straight line basis over the assets' estimated useful lives as follows:-

Fixtures and fittings	25%
Computer equipment	33%

#### Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

#### Fund accounting

Restricted funds comprise amounts received subject to specific conditions required by the donor and binding on the trustees. The purpose and use of restricted funds are set out in these notes to the financial statements. The unrestricted fund is made up of all other incoming resources and is for general use.

#### Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities as incurred.

### 2. Net surplus of the period

The net surplus for the period is stated after charging:-

Auditors' remuneration - audit services	2003 £ 2,500	2002 £ 1,000
- other services	-	12,535

### 3. Employee information

Staff costs:	2003 £	2002 £
Wages and salaries	123,852	95,336
Social security costs	11,383	10,489
	<u>135,235</u>	<u>105,825</u>

The average number of employees during the period was 5 (2002: 5). No employee received emoluments in excess of £50,000.

### 4. Support costs

	2003 £	2002 £
Office administration	14,136	19,704
Darwin Network	8,374	10,770
Friends of Galapagos*	19,810	5,935
Training	1,843	684
Charges	1,984	1,110
	<u>46,147</u>	<u>38,203</u>

\* The Friends of Galapagos costs represent start-up support for Friends of Galapagos organisations in Spain and New Zealand.

### 5. Management and administration

	2003 £	2002 £
Insurance	558	730
Audit and accounting fee	11,248	13,535
Meetings costs	2,050	1,220
Consultancy	147	3,712
Office administration	26,192	14,439
Sundry	1,509	2,033
	<u>41,704</u>	<u>35,669</u>

# Galapagos Conservation Trust

## Notes to the Financial Statements for the sixteen months ended 31 December 2003 (continued)

### 6. Analysis of resources expended

	Depreciation £	Staff £	Direct Expenses £	Total 2003 £	Total 2002 £
Fundraising	-	54,690	49,141	103,831	138,467
Research and conservation in the Galapagos	-	2,383	163,572	165,955	97,506
Education and awareness raising of the Galapagos	-	50,334	69,851	120,185	56,371
Darwin Initiative	-	-	-	-	15,824
Support costs	4,418	13,937	27,792	46,147	38,203
Management and administration	-	13,891	27,813	41,704	35,669
	<u>4,418</u>	<u>135,235</u>	<u>338,169</u>	<u>477,822</u>	<u>382,040</u>

### 7. Tangible fixed assets

	Fixtures and Fittings £	Computer Equipment £	Total £
<b>Cost</b>			
At 1 September 2002	3,986	9,429	13,415
Additions	-	6,045	6,045
Disposals	-	-	-
At 31 December 2003	<u>3,986</u>	<u>15,474</u>	<u>19,460</u>
<b>Depreciation</b>			
At 1 September 2002	2,969	8,022	10,991
Charge for the year	1,017	3,402	4,419
Disposals	-	-	-
At 31 December 2003	<u>3,986</u>	<u>11,424</u>	<u>15,410</u>
<b>Net book amounts</b>			
At 31 December 2003	<u>-</u>	<u>4,050</u>	<u>4,050</u>
At 1 September 2002	<u>1,017</u>	<u>1,407</u>	<u>2,424</u>

All assets are held for the benefit of the charity.

### 8. Debtors

	2003 £	2002 £
Other debtors	3,740	11,458
Prepayments and accrued income	<u>17,539</u>	<u>15,626</u>
	<u>21,279</u>	<u>27,084</u>

### 9. Creditors

	2003 £	2002 £
Amounts falling due within one year:		
Other creditors and accruals	3,200	5,772
Social security and other taxes	-	2,855
	<u>3,200</u>	<u>8,627</u>

### 10. Restricted Funds

	Funds at 1 September 2002 £	Incoming resources £	Resources expended £	Transfers between funds £	Funds at 31 December 2003 £
Becario Programme	50	-	50	-	-
Tortoises	670	-	670	-	-
UNF Endowment	290	55	-	-	345
Project Isabela	1,000	10,000	2,000	-	9,000
In Memoriam Funds	150	-	150	-	-
Brussels Symposium	2,597	-	-	-	2,597
Charles Darwin Foundation	250	-	250	-	-
Oil Spill Appeal	9,992	-	9,992	-	-
Quetzal Communications	2,500	-	2,500	-	-
Marine Appeal	1,000	-	589	-	411
Videos for the Deep	3,000	-	3,000	-	-
Marine Appeal	10,842	-	10,842	-	-
Marine Appeal - Galapagos Day	3,882	-	3,882	-	-
Rat Project	-	78,750	78,750	-	-
RBS Fund	-	20,564	1,869	-	18,695
PhD Students Fund	-	28,000	6,667	-	21,333
Safe Pets Project	-	100	-	-	100
Botany Appeal	-	300	-	-	300
Interest received	-	747	-	-	747
	<u>36,223</u>	<u>138,516</u>	<u>121,211</u>	<u>0</u>	<u>53,528</u>

# Galapagos Conservation Trust

Notes to the Financial Statements for the sixteen months ended 31 December 2003 (continued)

## 11. Analysis of net assets

	General funds	Restricted funds	Total
	£	£	£
Fixed assets	4,050	-	4,050
Cash and deposits	85,671	53,528	139,199
Other net current assets	20,124	-	20,124
	<u>109,845</u>	<u>53,528</u>	<u>163,373</u>

## 12. Transactions with trustees

Trustees received no remuneration for their services as trustees, but travel and sundry expenses of £2,102 were reimbursed to 4 trustees during the period (2002: £2,063 reimbursed to 3 trustees).

One of the trustees has agreed to make a donation to the Trust to cover the rental of its offices. This amounted to £3,500 (2002: £3,500)

## 13. Lease commitments

The minimum annual commitments due under operating leases are as follows:

	2003	2002
	£	£
Expiring:		
More than 5 years	<u>3,500</u>	<u>3,500</u>