

GALAPAGOS CONSERVATION TRUST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

Company Number: 03004112

Registered Charity Number: 1043470



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GALAPAGOS CONSERVATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Governing Document: Memorandum and Articles of Association

Charity number: 1043470

Company number: 03004112

Registered Address: Galapagos Conservation Trust
28 Portland Place
London
W1B 1LY

Trustees: Dr Mark Collins - Chair
Jonathan Lea – Honorary Treasurer
Rebecca Bower OBE, resigned 13 May 2013
Louise Davies – joined the Board June 2013
Dr Rachel Dean
Michael Drake
Gill Green
Roger Lawson - joined the Board June 2013
Clare Preskett - joined the Board June 2013
Ruth Ruderham,
Matthew Simkins, resigned 13 May 2013
Marta Tufet - joined the Board June 2013
Anne Weyman OBE

HONORARY ROLES

President: Andrew Marr

Ambassadors: Janet Barber
Sir James Barlow Bt
Angela Darwin
Sarah Darwin PhD
Julian Fitter
Monty Halls
Randal Keynes
Dorothy Latsis
Godfrey Merlen
Henry Nicholls
Nigel Sitwell
Antje Steinfurth
Jennifer Stone
Professor Ian Swingland OBE
Angela Scott
Jonathan Scott

GALAPAGOS CONSERVATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent Auditor:

Wilkins Kennedy LLP
Bridge House
London
SE1 9QR

Accountants:

Clarity
2 Lancaster Close
Weston Heights
Stevenage
SG1 4RX

Solicitors:

Farrer & Co
66 Lincoln's Inn Fields
London
WC2A 3LH

Stone King Sewell
16 St John's Lane
London
EC1M 4BS

Bankers:

Lloyds Bank plc
157 Wandsworth High Street
London
SW18 4JA

CAFCash Ltd
Kings Hill
West Malling
Kent
ME19 4TA

CCLA COIF
Senator House
85 Queen Street
London
EC4V 4ET

GALAPAGOS CONSERVATION TRUST

REPORT OF THE TRUSTEES

The Trustees have pleasure in presenting their Annual Report and financial statements for the year ended 31 December 2013.

1. STRUCTURE, GOVERNANCE AND MANAGEMENT

Introduction

The Galapagos Conservation Trust (GCT) was established in 1995 as a UK registered charity and a company limited by guarantee. GCT's purpose is to raise awareness of, and funds for, the conservation needs of the Galapagos Islands and to be the primary source of information and comment in the UK on conservation, science and research taking place in Galapagos.

It achieves its objectives primarily through generating financial support for the work of conservation and sustainable development in Galapagos in addition to education and awareness raising. Educational outreach is achieved in the UK and Ecuador through the Discovering Galapagos programme.

The Board of Trustees and its role

The Trust is governed by a Board of Trustees. The Trustees are appointed by the Members and serve for a period of three years from the AGM at which their appointment is confirmed, after which time they may be re-appointed for a further two terms (nine years in total). The Memorandum and Articles of Association of the company allow for a minimum of three Trustees but there is currently no maximum. Four new Trustees joined the Board in 2013, after the 18th AGM of the Trust, and will be appointed at the 19th AGM; Roger Lawson, Louise Davies, Marta Tufet and Clare Preskett. Their three year appointment period commences therefore on May 12th 2014. Rebecca Bower and Matthew Simkins left the Board at the completion of three full terms of three years each.

A review of the Memorandum and Articles of Association continued during the year. Galapagos Conservation Trust is satisfied that it has a capable and experienced Board of Trustees able to build on its past successes and support the staff in meeting the Trust's objectives in the future.

The Trustees normally meet four or five times a year and during their meetings the Trustees agree the policies and broad strategy and areas of activity for the Trust, including consideration of grant making, investment, reserves and risk management policies and performance. Three Board committees: Operations and Finance, Fundraising and Communications, and, Programmes and Grants meet prior to each full Board meeting, whilst the Nominations and Recruitment Committee meets as required. The day to day operations of the charity, the implementation of the business plan and the processing and handling of grant applications prior to consideration by the Trustees is delegated to the Chief Executive.

Trustee recruitment and induction

The Board keeps the skill requirements for the Trustee Body under review and in the event that a Trustee permanently retires or additional new Trustees are required, the Board chooses new Trustees by either advertising in the UK magazine and the website, or by personal recommendation. CVs are requested from those interested in becoming Trustees and the short listed candidates are invited to meet the members of the Nominations and Recruitment Committee. If they express a wish to become a Trustee, the candidates are then invited to attend a Trustee meeting before they are formally invited to join the Board.

On joining, each Trustee is given an induction pack that includes full details of their roles and responsibilities and terms and conditions of service, plus basic information about the charity. New Terms of Reference were adopted in early 2012 in accordance with charity good practice.

Risk Management

The Trustees have given consideration to the major risks to which the charity might be exposed. 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. Given the ongoing economic uncertainty the Trustees remain prudent in their expenditure.

GALAPAGOS CONSERVATION TRUST

REPORT OF THE TRUSTEES

2. OBJECTIVES AND ACTIVITIES

The Trustees confirm that they have referred to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Since 1995, the Galapagos Conservation Trust (GCT) has been working to promote the successful conservation of the Galapagos Archipelago's unique biodiversity. We are the only UK organisation focussed exclusively on working to protect the Galapagos Islands, and our mission is:

- To contribute to the successful management of the Galapagos ecosystem
- To raise awareness of, and funds for, the conservation needs of Galapagos
- To provide educational resources in support of Ecuadorian and UK curricula, teaching about the facts, issues, threats, opportunities and uniqueness of Galapagos
- To raise funds to support the sustainable development of Galapagos
- To act as the primary source of information and commentary in the UK on conservation and the sustainable development on Galapagos.

The need for this work is now more pressing than ever. Over the past decades the Galapagos Islands have seen unprecedented growth and development. Visitor numbers have increased from 40,000 in 1991 to over 200,000 in 2013 and over 30,000 people now live on the Islands. The resulting threats to the fragile ecosystem from pollution, construction and growing numbers of invasive species led to the President of Ecuador declaring the Islands "at risk" and UNESCO putting the Islands on the list of World Heritage In Danger in 2007. Although UNESCO took Galapagos off this list in 2010 - in recognition of the work starting to take place - there is still a long way to go to safeguard the Islands' future. Without urgent and holistic action, this icon of the natural world will be degraded and could be lost. With prompt action however Galapagos can provide a model for the world in conservation and sustainability.

GALAPAGOS CONSERVATION TRUST

REPORT OF THE TRUSTEES

3. ACHIEVEMENTS AND PERFORMANCE

Some of the Highlights for the Galapagos Conservation Trust in 2013 included:

- Focusing our conservation efforts around the Vision and Mission based on Science, Education and Culture
- Raising over £650,000 during a time of continued economic uncertainty
- Investing nearly £450,000 directly as grants for Galapagos conservation and education, details below
- On-going development of the Trust's new educational programme, Discovering Galapagos
- Working closely with the Charles Darwin Foundation in support of their re-structuring effort leading to near completion of a significantly upgraded visitor experience
- Completing and implementing the appointment of new staff; Membership Officer and Communications Officer
- Expanding the range of opportunities for volunteer support
- Expanding the events portfolio for both members and non-members
- Running a highly successful fundraising gala event with Sir David Attenborough
- Significantly diversifying fundraising activity with auctions, raffles, a supporter cruise and two successful appeals
- Expanding the Trust's outreach activity with many more talks to schools and interested parties
- Forming a growing number of collaborative partnerships to enhance the effectiveness of delivering the Trust's objectives (Royal Geographical Society, London Zoological Society, The Deep, The Book Bus)

ACHIEVING THE GALAPAGOS CONSERVATION TRUST'S OBJECTIVES DURING 2013.

Deliver Essential Resources to Galapagos

Our support of conservation projects in Galapagos was achieved mainly through grants made to our local partners on the Islands and world leading visiting scientists undertaking research in Galapagos. The Charles Darwin Foundation remains the main recipient and beneficiary whilst we continued to develop existing and new partnerships, for example with WWF Galapagos, Fundacion Ecuador Tierra Viva and other Ecuadorian NGOs.

During the year we raised funds in the following principal ways:

- Donations from individuals, trusts, foundations and companies
- Our membership programme
- Appeals to our supporters and the UK public in general
- Sales of our merchandise and promoting our "Adopt a Species" programme
- Organising events and obtaining sponsorship and gifts in kind for these
- A raffle and event based auctions
- A supporter cruise

Galapagos increasingly requires a holistic approach to mounting issues, and during 2013 we continued to promote ways to address these issues in a sustainable manner. Primary themes are:

- Ecosystem and habitat restoration
- Species protection and population ecology
- Invasive species management
- Education
- Sustainable development
- Cultural development

GALAPAGOS CONSERVATION TRUST

REPORT OF THE TRUSTEES

Science

GCT supports scientific exploration and knowledge management to address the many challenges to the integrity of the Galapagos ecosystems and their biodiversity. Current priorities include:

- Protecting, breeding and reintroducing endangered and endemic species
- Controlling invasive and parasitic species
- Restoring ecosystems and habitats
- Monitoring populations of 'indicator' species

See www.savegalapagos.org for more details

Education

GCT promotes education, training and awareness to support a Galapagos and visitor community mindful of the finite resource base of the Islands, and the vulnerability of their biodiversity. Current priorities include:

- Developing the programme entitled Discovering Galapagos – a bilingual educational tool linked to school curricula in Ecuador and the UK
- Educating young people in the Islands about conservation and sustainability
- Working with the local community on sustainable building techniques and manuals
- Providing opportunities for exchange of students
- Enhancing responsible tourism and a rich visitor experience
- Promoting in the UK the significance of Galapagos and Darwin's work

See www.discoveringgalapagos.org.uk for more details

Culture

GCT supports cultural expression that helps to record and interpret the unique nature and history of Galapagos. The Trust respects the culture of the islanders and seeks ways to integrate this into a sustainable future. Current priorities include:

- Changing behaviours towards achieving sustainable development
- Strengthening cultural ties between the people of Galapagos and the UK
- Establishing the importance of the voyage of the *Beagle* and Darwin's work
- Enhancing engagement between the local population and their natural environment

In 2013 we were able to invest nearly £450,000 in unrestricted and restricted grants in support of education and conservation in Galapagos. What follows is just a small selection of the projects supported:

Projects supported in the year

Our support of Galapagos conservation projects during 2013 incorporated the cornerstones of our Vision – science, education and culture. This Vision promotes the view that the challenges faced by the Galapagos Archipelago are multi-faceted, complex and can best be addressed with an integrated and holistic approach. As well as an icon of the conservation movement, a microcosm of the wider world, Galapagos also represents a socio-economic system that is at transition point; either there continues to be on-going degradation of the natural environment or there is a progressive move towards a position where conservation and sustainable development are the mainstays of further development. This latter view, of sustainable and conservation led development, recognises the natural world that makes Galapagos so special whilst also recognising the needs of a local, national and global human society. Science, culture and education are brought to best effect in this model through cross-organisational multi-institutional collaboration.

Our support of conservation projects in Galapagos is achieved mainly through grants made to our local partners, principally the Charles Darwin Foundation and through them offering support to the Galapagos National Park Service. We are actively engaging with appropriate Ecuadorian government ministries and continue to build up our portfolio of delivery partners on Galapagos including WWF Galapagos, Fundacion Ecuador Tierra Viva, leading scientists from top universities and other Ecuadorian organisations.

During 2013 we continued our support for on-going multi-year projects such as the Galapagos Penguin & flightless Cormorant Survey, and the Galapagos Giant Tortoise Movement Ecology Programme with the Max Planck Institute of Ornithology. Our focus also included tackling the impact of the invasive parasitic fly *Philornis downsi*, understanding the ecology of the whale shark, supporting the Mangrove Finch Project and addressing the social and cultural issues evident in an island community. A small selection of our key 2013 projects are outlined in the following section:

GALAPAGOS CONSERVATION TRUST

REPORT OF THE TRUSTEES

Discovering Galapagos

The proposal to develop Discovering Galapagos is premised on the belief that lasting change in the effort to conserve Galapagos and the wider natural world can best be achieved through engaging and educating today's school children and early career decision makers – our future conservation ambassadors. The primary objective is to create a comprehensive bilingual (English/Spanish) online educational resource focused on conservation and sustainable development of Galapagos with discrete, easy-to-use, interactive and engaging teaching resources that are of optimum use in schools in both the UK and Ecuador. The site will eventually cater for four distinct audiences: Key Stage 2 & 3 (7-14), Key Stage 4 (14-16), Key Stage 5 (16-18) and will also include a case study based education section for use in executive training.

During 2013, relationships progressed with key development partners such as the Royal Geographical Society, Galapagos Travel Center, Ibex Earth and the Book Bus to ensure that the production and delivery of the first phase of the project will go ahead as scheduled in September 2014. Content for the first module, 'Life on the Islands' largely linking to the UK science curriculum for Key Stage 2 & 3 was collected and produced and the foundations were put in place for the continued development of the next phase – writing the Geographical Processes and Human Histories sections before the launch.

Providing quality resources with maximum interactivity and engagement is essential to best enthuse students in the natural and social sciences that are of ever-increasing significance due to global environmental change and limits of natural resources. The need to embrace the reasons and actions required for the conservation of our natural world based on the concepts of sustainable development is paramount if we are to protect the future of fragile ecosystems such as those in Galapagos. This education is of equal importance in the UK and Ecuador and this project will aim to provide an international connection between schools in very different environments to promote a global view of conservation issues.

Discovering Galapagos will be an on-going project with the benefit of a modular planning approach to allow for the development of discrete sections on variable timescales depending on available resources:

Controlling *Philornis*

The continuation of our support for scientists at the Charles Darwin Foundation in their plight to research viable control methods for the parasitic invasive fly, *Philornis downsi* has been a long term priority for GCT. After a successful appeal in the winter of 2012, we were able to top up our total funding of this project to over £31,000 in 2013 to support an *in situ* researcher and their team of dedicated assistants. This has enabled deeper understanding of the ecology of the fly and the birds which it parasitizes, including the breeding behaviour of the flies and control methods varying from insecticides to biological control via parasitic micro wasps.

By providing the seed/early phase funding for a number of years, GCT helped to catalyse research on this most aggressive of invasive species. The achievements of the project team enabled them to secure in 2013 a significant grant (from the US) providing ongoing funding for the next two years.

Galapagos Tortoise Monitoring Ecology Programme

The inclusion of valuable science into conservation management plans is essential to ensure the best chance of a sustainable future for Galapagos ecosystems. The goal of the Galapagos Tortoise Movement Ecology Programme is to determine the environmental and anthropogenic drivers of the migration of Galapagos giant tortoises and their effects on the Islands' biodiversity. The information gleaned during the 2013 – 2014 field season will inform the strategic conservation management of tortoise populations and Galapagos as a whole by all stakeholders, including the local community. Galapagos giant tortoises provide the mainstay of land based tourism, the main driver of the local economy, yet few local people on Galapagos appreciate either the socio-economic importance of tortoises or the extent of the threats to which they are exposed. The Galapagos giant tortoise is also a keystone species, so healthy populations are critical for habitat preservation.

The Programme proposes to address these problems by 1) determining the environmental drivers of migration in Galapagos giant tortoises, 2) understanding how current and future anthropogenic environmental change is likely to impact migration, 3) determining the relevance of tortoise migration on Galapagos ecosystems, and 4) building a Galapagos Education Partnership, using tortoises as the vehicle to developing future conservation leaders.

In addition to developing a hands-on educational programme for local Galapagos students and training workshops for their teachers, GCT is also undertaking associated UK outreach in association with the Discovering Galapagos programme including building a relationship with the Zoological Society of London in order to improve educational outreach in the UK about giant tortoises and Galapagos as a whole. During 2013, GCT has committed £27,000 overall towards this project.

GALAPAGOS CONSERVATION TRUST

REPORT OF THE TRUSTEES

4. FINANCIAL REVIEW

GCT had another successful year rebuilding the financial resilience of the Trust whilst maintaining support for Galapagos. Administrative costs were reduced year-on-year with extra resources expended on specific fundraising activities such as events, generating a healthy income return. As reported above, we were able to invest funds of nearly £420,000 in priority projects for Galapagos (2012: £436,538) with an additional £32,000 spent on facilitating local expertise. Total income of £638,737 was generated, of which £177,256 was restricted. The unrestricted income included Membership income of £110,488, slightly down on 2012 as the nature of visitors to Galapagos continues to evolve. In 2013 we significantly diversified our income streams with events bringing in £114,637 and appeals/raffles contributing £22,110. This was particularly pleasing in light of a significant restructuring of the organisation which took place in January.

The Trustees have pleasure in presenting their Annual Report and financial statements for the year ended 31 December 2013.

Reserves

In setting the Reserve Policy of the Galapagos Conservation Trust, the Trustees examined the needs and challenges faced by the organisation in the short and medium term. In late 2012 Trustees agreed an interim unrestricted Reserves policy of £120,000 and after further review in 2013 this was increased to a monthly average of £170,000. The increase is consistent with the cost of the six month lease contract for office premises and with the complexity of grant making and project delivery in Galapagos.

The timing of grants to our partners in Galapagos is dependent on the timing of project proposals received, approval date and associated fundraising. For this reason there can be a delay of some months between approval and disbursement of funds.

At the end of 2013 GCT's unrestricted funds stood at £170,250 whilst restricted funds stood at £207,431. Compared with total funds at year end 2012 of £317,400, year end 2013 stood at £377,681, an increase of £60,281.

Attempted fraud

There were two fraud attempts on the Trust in 2013, both of which were unsuccessful. A cheque for £800.00 cash was submitted with incorrect signatories and was identified by the bank as being a forgery and an attempt to secure bank details via a low level direct debit related 'scam' was identified by staff. The GCT accounts were placed on special 'watch' by the bank and no further attempts were identified.

Staff training

The Trustees and Chief Executive are committed to staff development both to support the effective development of the Trust and of individuals. In 2013 staff received training in: presentations skills, personal effectiveness, events and community fundraising, media and communications, media master-class, proposal writing and management accounts.

Volunteers

As an organisation with six full time staff, GCT relies heavily on the hard work of volunteers. They make a vital contribution to our office and membership administration as well as at our events and we are extremely grateful to them for their commitment and support. During the year our volunteers donated over 500 days to the Trust, a very significant contribution towards meeting our objectives. Support was provided in a variety of ways, including:

- Filling thousands of appeal envelopes
- Administrative and transaction processing support
- Undertaking project specific research
- Supporting the development of event literature
- Assisting with major events on the day
- Supporting our potential donor identification efforts
- Content writing for Discovering Galapagos
- Delivery in schools of educational material
- Communications support, particularly for social media content

GALAPAGOS CONSERVATION TRUST

REPORT OF THE TRUSTEES

5. PLANS FOR THE FUTURE

Having restructured the Trust and strengthened the financial position the primary objectives for 2014 can be captured under the following headings:

2015 is the 20th anniversary of GCT and provides an opportunity to profile the achievements to date and look forward to coming challenges and opportunities. 2014 is therefore a year of strategic verification, internal consolidation of progress, preparation for the forthcoming anniversary and most importantly maintaining maximum impact on Galapagos with available resources. To this end the following areas will be the 2014 focus:

Education: launching the Trust's educational programme, Discovering Galapagos – www.discoveringgalapagos.org.uk in both Ecuador and the UK. Primarily an online/digital learning tool, highly interactive with superb imagery, the content is being compiled with the Royal Geographical Society as our delivery partner and is aimed at meeting both the UK and Ecuadorian education curricula.

Science: support for research into giant tortoises, the critically endangered mangrove finch, the threatened penguins and cormorants, and for understanding how best to control *Philornis downsi*, the introduced fly devastating Galapagos land birds. Further understanding the life cycle of the whale shark and the marine nurseries provided by mangrove habitats further compliment the breadth of work undertaken.

Culture: Whereas Discovering Galapagos also embraces cultural support for Galapagos, the Trust will continue to work with the Charles Darwin Foundation to enhance the visitor experience to the Islands, with a focus on engaging the local population. Interpretative panels, educational trails, a visitor experience and a Darwin statue with associated information will enable the messages of Galapagos to reach an increasingly diverse audience.

GALAPAGOS CONSERVATION TRUST

REPORT OF THE TRUSTEES

Trustees' responsibilities statement

The Trustees (who are also directors of Galapagos Conservation Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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 operation.

The Trustees are responsible for keeping adequate accounting records that 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.

In so far as the Trustees are aware:

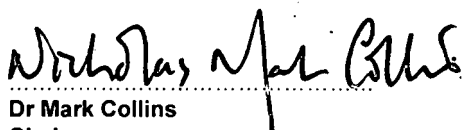
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.


Auditors

A resolution to re-appoint Wilkins Kennedy LLP as auditor will be proposed at the forthcoming annual general meeting.

This report has been prepared in accordance with the Statement of Recommended Practice, 'Accounting and Reporting by Charities', and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

By Order of the Board


Dr Mark Collins
Chairman


Jonathan Lea
Treasurer

Date: 12 May 2014

GALAPAGOS CONSERVATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

We have audited the financial statements of Galapagos Conservation Trust for the year ended 31 December 2013 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, 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.

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 (APB'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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2013, and of its 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 (applicable to smaller entities); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- 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 directors' report.

Bridge House
London Bridge
London SE1 9QR

M Wilkes Kennedy LLP

M Wilkes (Senior Statutory Auditor)

For and on behalf of Wilkins Kennedy LLP, Statutory Auditor

Date: 12 May 2014

GALAPAGOS CONSERVATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Incoming resources					
Voluntary income:					
Donations and legacies	2	226,418	147,346	373,764	539,220
Membership subscriptions		110,488	-	110,488	119,648
Corporate sponsorship		782	-	782	6,532
Activities for generating funds:					
Fundraising events		114,637	-	114,637	23,610
Appeals and raffles		22,110	29,910	52,020	-
Fundraising trading		5,145	-	5,145	10,195
Bank interest receivable		1,901	-	1,901	3,682
Total incoming resources		481,481	177,256	658,737	702,887
Resources expended					
Cost of generating funds:					
Costs of generating voluntary income		64,262	-	64,262	74,524
Fundraising events		45,918	10,938	56,856	42,305
Fundraising trading		10,422	-	10,422	15,461
Charitable activities:					
Education and awareness of Galapagos	3	162,539	-	162,539	161,952
Grant making to Galapagos	4	71,522	180,588	252,110	436,538
Facilitating expertise for Galapagos		32,380	-	32,380	38,287
Governance costs		19,887	-	19,887	22,171
Total resources expended	5	406,930	191,526	598,456	791,238
Net movement in funds		74,551	(14,270)	60,281	(88,351)
Funds brought forward at 1 January 2013		95,699	221,701	317,400	405,751
Funds carried forward at 31 December 2013	10	170,250	207,431	377,681	317,400

All transactions are derived from continuing activities.

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

GALAPAGOS CONSERVATION TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2013


	Notes	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	6		11,373		17,425
Current assets					
Stock		1,493		1,345	
Debtors	7	29,806		29,938	
Cash at bank and in hand		384,269		338,384	
		415,568		369,667	
Creditors: Amounts falling due within one year	8	(49,260)		(69,692)	
Net current assets			366,308		299,975
Net assets			<u>377,681</u>		<u>317,400</u>
Funds					
Restricted funds			207,431		221,701
Unrestricted funds					
Designated funds			27,000		-
General funds			143,250		95,699
Total funds	9		<u>377,681</u>		<u>317,400</u>

The financial statements have been prepared in accordance with the provisions relating to small entities and with the Financial Reporting Standard for Smaller Entities (April 2008).

The financial statements were approved by the Board on 12 May 2014 and signed on its behalf by:



Dr Mark Collins
Chairman



Jonathan Lea
Treasurer

The notes on pages 14 to 20 form part of these financial statements.

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). In preparing the financial statements the charity has also followed best practice as set out in the Statement of Recommended Practice (SORP 2005) "Accounting and Reporting by Charities" issued in March 2005, the Charities Act 2011 and the Companies Act 2006.

1.2 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% - straight line
Computer equipment	33% - straight line

1.3 Stocks

Stocks are stated at the lower of cost and net realisable value.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Subscription income is accounted for at the time of receipt.
- Donations and legacies are recognised in the financial statements when the Trust is convinced that there is entitlement to the income, there is certainty of receipt and the amount in question is measurable. Any administration fee charged is recognised as unrestricted income.
- Gifts in kind are recognised when receivable.

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities:

- Staff costs are allocated between cost headings according to the function of each employee.
- Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such as awards being recognised as expenditure when the conditions attached to the grants are fulfilled. Grants offered subject to conditions that have not been met at the year end are noted as a commitment, but not accrued as expenditure.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

1.6 Foreign currencies

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 at the rate ruling on the date of the transaction. All exchange differences are reflected in the Statement of Financial Activities.

1.7 Taxation

The charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 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.

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

1.9 Fund accounting

Funds held by the charity are:

Unrestricted funds - represent funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds - these are funds set aside by the trustees out of unrestricted general funds for specific purposes or projects.

Restricted funds - represent funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when the funds are raised for specific restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. DONATIONS AND LEGACIES

	Unrestricted Funds 2013 £	Restricted Funds 2013 £	Total 2013 £	Total 2012 £
Donations	191,191	147,346	338,537	504,361
Legacies	254	-	254	250
Tax recoverable under Gift Aid	34,973	-	34,973	34,609
	<u>226,418</u>	<u>147,346</u>	<u>373,764</u>	<u>539,220</u>

3. EDUCATION AND AWARENESS OF GALAPAGOS

	£	£	£	£
Galapagos Matters (bi-annual magazine) and Appeal literature	17,826	-	17,826	15,769
Galapagos Day lecture & education events	31,866	-	31,866	16,878
Promoting public education and awareness of Galapagos	8,869	-	8,869	6,430
Staff costs	76,533	-	76,533	89,192
Support costs	27,445	-	27,445	33,683
	<u>162,539</u>	<u>-</u>	<u>162,539</u>	<u>161,952</u>

4. GRANT MAKING TO GALAPAGOS

	£	£	£	£
Grants payable to Galapagos:				
- Charles Darwin Foundation	18,615	146,748	165,363	131,638
- Support for individuals through the Calouste Gulbenkian Arts Fund	-	29,191	29,191	219,560
- World Wildlife Fund	-	-	-	17,301
Staff costs	37,331	4,649	41,980	48,924
Support costs	15,576	-	15,576	19,115
	<u>71,522</u>	<u>180,588</u>	<u>252,110</u>	<u>436,538</u>

A full list of the grants and the projects that are funded in Galapagos is available from the administrative office.

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

4.1	Analysis of grants committed during the year	2013 £	2012 £
	<u>Unrestricted</u>		
	Galapagos National Park Entry Data	11,106	
	<i>Philornis downsi</i>	10,023	
	Christina Georgii	371	
	Sundry other commitments no longer required	(2,885)	
		<u>18,615</u>	<u>27,454</u>
	<u>Restricted</u>		
	Penguins and Cormorants	32,158	
	Fundraising support	5,881	
	Tortoise Reintroduction Programmes	27,000	
	Marine commitments no longer needed	(1,800)	
	<i>Philornis downsi</i>	2,637	
	Calouste Gulbenkian Arts Project	29,191	
	CDF Shop and Visitor Experience	21,500	
	Camera and Image transmission project	12,167	
	Discovering Galapagos	20,843	
	Galapagos Co-ordinator	26,362	
		<u>175,939</u>	<u>341,045</u>
	Total grants committed	<u>194,554</u>	<u>368,499</u>
4.2	Reconciliation of grants payable	2013 £	2012 £
	Commitments at 1 January 2013	45,881	121,009
	Grants committed during the year	194,554	368,499
	Grants paid during the year	(213,078)	(443,627)
	Commitments at 31 December 2013	<u>27,357</u>	<u>45,881</u>
		£	£
	Commitments falling due within one year (note 8)	<u>27,357</u>	<u>45,881</u>

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. RESOURCES EXPENDED

	Direct costs £	Staff costs £	Support costs £	Total 2013 £	Total 2012 £
Generating income	16,136	35,515	12,611	64,262	74,524
Fundraising events	42,133	11,014	3,709	56,856	42,305
Fundraising trading	3,115	5,083	2,224	10,422	15,461
Education & awareness	58,561	76,533	27,445	162,539	161,952
Grant making	194,554	41,980	15,576	252,110	436,538
Facilitating expertise for Galapagos	-	23,480	8,900	32,380	27,284
Governance	6,589	9,592	3,706	19,887	22,171
	<u>321,088</u>	<u>203,197</u>	<u>74,171</u>	<u>598,456</u>	<u>791,238</u>

Support costs are allocated on the basis of estimates of the proportion of time spent by staff on those activities and comprise:

	£	£
Administrative office function	24,735	26,952
HR & recruitment	6,486	20,483
Depreciation of fixed assets	7,580	6,419
Premises costs	35,370	37,176
	<u>74,171</u>	<u>91,030</u>

Cost allocation includes an element of judgement and the charity has had to consider the cost benefit of detailed calculations and record keeping. Therefore the support costs shown above are a best estimate of the costs that have been so allocated.

Included in governance costs is auditors' remuneration as follows:

	2013 £	2012 £
Auditors' remuneration for audit	<u>6,587</u>	<u>6,442</u>

5.1 Staff Costs

	£	£
Salaries and wages	174,143	177,636
Social security costs	17,798	14,372
Temporary staff and consultants	11,256	44,797
	<u>203,197</u>	<u>236,805</u>

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

5.1 Staff costs - continued

None of the Trustees received any remuneration or other benefits during the year (2012: none).

One Trustee received reimbursement of expenses of £549 from the charity during the year (2012: £Nil).

One employee earned more than £60,000 during the year in the band £60,000 to £69,999 (2012: one).

The average number of employees calculated on a full-time equivalent basis, analysed by function is:

	No.	No.
Generating funds	1	1
Charitable activities	5	5
	<u>6</u>	<u>6</u>

6. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Computer Equipment £	Total £
COST			
At 1 January 2013	13,256	26,003	39,259
Additions	-	1,528	1,528
At 31 December 2013	<u>13,256</u>	<u>27,531</u>	<u>40,787</u>
DEPRECIATION			
At 1 January 2013	5,773	16,061	21,834
Charge for the year	2,318	5,262	7,580
At 31 December 2013	<u>8,091</u>	<u>21,323</u>	<u>29,414</u>
NET BOOK VALUE			
At 31 December 2013	<u>5,165</u>	<u>6,208</u>	<u>11,373</u>
At 31 December 2012	<u>7,483</u>	<u>9,942</u>	<u>17,425</u>

7. DEBTORS

	2013 £	2012 £
Accrued income	8,283	2,880
Tax recoverable under Gift Aid	18,920	17,677
Other debtors and prepayments	2,603	9,381
	<u>29,806</u>	<u>29,938</u>

8. CREDITORS: Amounts falling due within one year

	£	£
Grants payable (see note 4.2)	27,357	45,881
Accrued expenditure	21,856	22,551
Other creditors	50	1,260
	<u>49,260</u>	<u>69,692</u>

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. STATEMENT OF FUNDS	1 January 2013	Incoming resources	Resources Expended	Transfers	31 December 2013
	£	£	£		£
Restricted funds					
<u>Science</u>					
Habitat Restoration:					
- Penguins and Cormorants	23,705	23,979	(38,039)	-	9,645
- Fundraising support	-	8,000	(5,881)	-	2,119
- Tortoise reintroduction programmes	432	27,713	(27,000)	-	1,145
- Marine	2,746	15,405	(3,257)	-	14,894
Invasive Species:					
- <i>Philornis Downsi</i>	-	2,637	(2,637)	-	-
<u>Culture</u>					
Calouste Gulbenkian Arts Project	43,301	10,000	(29,191)	(19,000)	5,110
CDF Shop and Visitor Experience	58,500	-	(21,500)	-	37,000
Eco-Tourism and Sustainability:					
- Capacity building in Galapagos	5,710	-	-	-	5,710
<u>Education</u>					
Camera and Image Transmission:					
- Develop the proof of concept	86,517	-	(12,167)	-	74,350
Discovering Galapagos	790	63,160	(25,492)	19,000	57,458
Galapagos Co-Ordinator	-	26,362	(26,362)	-	-
	<u>221,701</u>	<u>177,256</u>	<u>(191,526)</u>	<u>-</u>	<u>207,431</u>
Unrestricted funds					
General Fund	95,699	481,481	(406,930)	(27,000)	143,250
Designated funds					
Finch Habitat	-	-	-	27,000	27,000
	<u>95,699</u>	<u>481,481</u>	<u>(406,930)</u>	<u>-</u>	<u>170,250</u>
Total funds	<u>317,400</u>	<u>658,737</u>	<u>(598,456)</u>	<u>-</u>	<u>377,681</u>

Restricted Funds

Habitat Restoration:

Funds held under this category are focussed on combined population ecology and habitat restoration. Penguins and Cormorants is a long term population health and monitoring programme now entering its fourth year and yielding excellent insight into these vulnerable populations. Tortoise re-introduction programmes support both an understanding of tortoise movement and ecology as well as being part of integrated programmes helping prepare invasive species impacted islands for tortoise re-introduction.

Invasive species:

Philornis downsi, the introduced fly, continues to devastate populations of Galapagos songbirds and risks pushing vulnerable species such as the Mangrove Finch to extinction. Much is still to be learnt about the life cycle and ecology of the fly in order to secure the best possible control outcomes.

Gulbenkian Galapagos Arts Project:

Funding from the Calouste Gulbenkian Foundation to present the outcome from an artists' residency programme. British and Portuguese artists to spend time exploring both the natural wonders and current challenges of Galapagos and their work was exhibited in Liverpool and Edinburgh in 2012. The transfer represents a reallocation of funds agreed with the funder.

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. STATEMENT OF FUNDS (continued)

CDF Shop and Visitor experience:

A significant number of all tourists to Galapagos visit the Charles Darwin Research Station and this project is aimed at significantly enriching their experience, primarily through an enhanced visitor trail, interpretative panels and viewing platform. The redevelopment of the shop/café also significantly enhances the comfort and retail opportunity for visitors, the profits of which flow directly to support on-going research conducted by the Charles Darwin Research Station.

Camera and Image Transmission:

With the advent of ever improving camera technology there is a huge opportunity to engage a wide audience in Galapagos through capturing and transmitting iconic images. The quality of such images, and cameras control available, also enable an enriched visitor experience allowing access to images and islands not physically accessible, along with providing scientists and conservationists with opportunities to conduct research remotely.

Discovering Galapagos:

Engaging our next generation of conservation ambassadors at an international scale is an ongoing priority. The Discovering Galapagos programme aims to use Galapagos related content to communicate conservation and sustainable development issues that are relevant on a global scale whilst providing curriculum linked teaching resources for use in the UK, mainland Ecuador and on the Galapagos Islands themselves.

Designated Fund

Finch Habitat:

Due to the critical position of the Mangrove Finch population, these funds have been designated to enable the project to continue into another breeding season.

10. ANALYSIS OF NET ASSETS BETWEEN TOTAL FUNDS

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2013 are represented by:			
Tangible fixed assets	11,373	-	11,373
Cash at bank and in hand	159,936	224,333	384,269
Other net current assets/(liabilities)	(1,059)	(16,902)	(17,961)
	<u>170,250</u>	<u>207,431</u>	<u>377,681</u>

11. OPERATING LEASE COMMITMENTS

At 31 December 2013 the charity had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2013 £	2012 £
Expiry date:		
Between one and two years	34,871	-
Between two and five years	-	32,416