

GALAPAGOS CONSERVATION TRUST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Company Number: 03004112

Registered Charity Number: 1043470



GALAPAGOS CONSERVATION TRUST

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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
Louise Davies
Dr Rachel Dean – resigned 15 May 2014
Michael Drake
Gill Green
Roger Lawson
Clare Preskett
Ruth Ruderham
Marta Tufet
Anne Weyman OBE – resigned 15 May 2014

Chief Executive Officer: Ian Dunn

HONORARY ROLES

President: Monty Halls

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 2014.

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. Three new Trustees joined the Board in 2014, after the 19th AGM of the Trust, and will be appointed at the 20th AGM; Derek Humphries, Simon Dickson and Paul Corall. Their three year appointment period commences therefore on June 1st 2015.

A review of the Memorandum and Articles of Association was completed in 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 Nominations and Recruitment Committee is responsible for an open and rigorous recruitment process which includes advertising in the GCT magazine on the GCT website, on other appropriate appointments websites and wider media. GCT is committed to diversity and welcomes applicants irrespective of gender, disability, religion, race or age. 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.

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.

Associated Activity

The Galapagos Conservation Trust holds a voting position on the General Assembly of the Charles Darwin Foundation, a Belgian registered charity with operations in Galapagos

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 215,000 in 2014 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 2014 included:

- Focusing our conservation efforts around the Vision and Mission based on Science, Education and Culture
- Raising over £675,000 during a time of continued economic uncertainty
- Investing nearly £450,000 directly as grants for Galapagos conservation and education
- Launch of the new GCT website www.galapagosconservation.org.uk
- Launch of the Trust's new on-line educational programme, Discovering Galapagos, provided in both English and Spanish.
- Launch of www.discoveringgalapagos.org.uk
- Completing and implementing the appointment of new staff
- Expanding the range of opportunities for volunteer support
- Expanding the events portfolio for both members and non-members
- Significantly diversifying fundraising activity with auctions, raffles, a supporter cruise
- Two successful appeals were conducted during the year
- 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, Durrell Wildlife Conservation Trust)

ACHIEVING THE GALAPAGOS CONSERVATION TRUST'S OBJECTIVES DURING 2014

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 remained a significant recipient and beneficiary whilst we continued to develop new partnerships according to project needs. Both the Galapagos National Park service and Galapagos Science Centre (on San Cristobal) are increasing in importance as directly or in-directly funded project delivery partners. In addition we support an increasing number of world leading scientists based out of home universities but focussed on Galapagos.

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 2014 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 and reintroducing endangered and endemic species
- Controlling invasive and parasitic species
- Restoring ecosystems and habitats
- Monitoring populations of 'indicator' species
- Identifying life-time migrations in support of conservation management plans

See www.galapagosconservation.org.uk 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 2014 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 2014 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, including the Charles Darwin Foundation and the Galapagos National Park Service. We are actively diversifying our portfolio of delivery partners on Galapagos in order to ensure the best possible project outcomes. These include working with the Galapagos Science Centre, WWF Galapagos, Fundacion Ecuador Tierra Viva, Ecology Project International, leading scientists from top universities and other Ecuadorian organisations.

During 2014 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 2014 projects are outlined in the following section:

GALAPAGOS CONSERVATION TRUST

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Discovering Galapagos

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. A comprehensive bilingual (English/Spanish) online educational resource was launched 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.

The programme launch went ahead as scheduled and within budget in September 2014. Content for the first modules, *Life on the Islands*, *Geographical Processes* and *Human Histories* were available for launch and linked to the UK science curriculum for Key Stage 2 & 3. Content for the *Evolution*, *Sustainable Development* and *Darwin* related chapters was developed for the next phases.

Providing quality resources with maximum interactivity and engagement is essential to enthuse students in the natural and social sciences. 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. Such 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.

Mangrove Finch project

During 2014 GCT commenced support for a significant new project, saving the Mangrove Finch from extinction. With only 80 remaining and with perhaps the world's smallest range of only 37 Hectares, this is a critically endangered species in the IUCN red list. By providing significant funding GCT has enabled the 2014/15 season to proceed. Every Mangrove Finch nest studied during the season was heavily infested with *Philornis* larvae and survival rates for the first clutches of the year are known to be extremely low. In what proved to be a very successful first year of intervention, 14 young birds were hand reared and returned to the wild.

Controlling *Philornis*

The continuation of salary support for scientists in their research effort towards finding viable control methods for the parasitic invasive fly, *Philornis downsi* has been a long term priority for GCT. This has facilitated 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/Lost Years

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 2014 field season helps 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.

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 2014, GCT was supported with funding in this area by The Woodspring Trust.

GALAPAGOS CONSERVATION TRUST

REPORT OF THE TRUSTEES

4. FINANCIAL REVIEW

GCT had another successful year building 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 £470,000 in priority projects for Galapagos (2013: £450,000) with an additional £33,000 spent on facilitating local expertise. Total income of £678,234 was generated, of which £106,845 was restricted. The unrestricted income included Membership income of £128,861 a significant increase from 2013 with £110,488. In 2014 we continued to diversify our income streams with events bringing in £82,558 and appeals/raffles contributing £108,892.

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 2013 Trustees agreed a Reserves policy of a monthly average of £170,000. This is consistent with the operating costs of the charity, with the costs associated with 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 2014 GCT's unrestricted funds stood at £289,342, of which £113,500 was designated for the Education Fund and Galapagos Future Fund. Restricted funds stood at £136,811. This compares with total funds at year end 2013 of £377,681, an increase of £46,872.

Staff training

The Trustees and Chief Executive are committed to staff development both to support the effective development of the Trust and of individuals. Examples of staff training in 2014 included: presentations skills, personal effectiveness, fundraising, project management, media and communications, media master-class, proposal writing and management accounts.

Volunteers

As an organisation with seven 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 2015 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. To this end the following areas will be the 2015 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 complement 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 Future Fund: This fund will launch in 2015 with the intention to raise £100k for Galapagos projects and will be matched by designated funds of £100k.

Delivery partner diversification: As the complexity of delivering successful projects in Galapagos increases GCT is working with a broader range of local partners than before. The Charles Darwin Foundation remains a significant recipient of funding for key activities such as the mangrove finch project whilst other organisations provide effective delivery options for the broader range of GCT's scope of work.

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: 1 June 2015

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 2014 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 2014, 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

Wilkins Kennedy

M Wilkes (Senior Statutory Auditor)

For and on behalf of **Wilkins Kennedy LLP, Statutory Auditor**

Date: **28 July 2015**

GALAPAGOS CONSERVATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Incoming resources					
Voluntary income:					
Donations and legacies	2	335,518	13,274	348,792	373,764
Membership subscriptions		128,861	-	128,861	110,488
Corporate sponsorship		1,825	-	1,825	782
Activities for generating funds:					
Fundraising events		82,558	-	82,558	114,637
Appeals and raffles		15,321	93,571	108,892	52,020
Fundraising trading		5,959	-	5,959	5,145
Bank interest receivable		1,347	-	1,347	1,901
Total incoming resources		571,389	106,845	678,234	658,737
Resources expended					
Cost of generating funds:					
Costs of generating voluntary income		66,149	-	66,149	64,262
Fundraising events		23,143	10,777	33,920	56,856
Fundraising trading		10,624	-	10,624	10,422
Charitable activities:					
Education and awareness of Galapagos	3	199,965	-	199,965	162,539
Grant making to Galapagos	4	101,114	162,995	264,109	252,110
Facilitating expertise for Galapagos		33,506	-	33,506	32,380
Governance costs		21,089	-	21,089	19,887
Total resources expended	5	455,590	173,772	629,362	598,456
Net movement in funds		115,799	(66,927)	48,872	60,281
Gross Transfers between funds		3,693	(3,693)	-	-
Funds brought forward at 1 January 2014		170,250	207,431	377,681	317,400
Funds carried forward at 31 December 2014	10	289,342	136,811	426,553	377,681

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 2014

	Notes	2014		2013	
		£	£	£	£
Fixed assets					
Tangible assets	6		3,975		11,373
Current assets					
Stock		1,458		1,493	
Debtors	7	11,821		29,806	
Cash at bank and in hand		509,486		384,269	
		<u>522,765</u>		<u>415,568</u>	
Creditors: Amounts falling due within one year	8	<u>(100,187)</u>		<u>(49,260)</u>	
Net current assets			<u>422,578</u>		<u>266,308</u>
Net assets			<u>426,553</u>		<u>377,681</u>
Funds					
Restricted funds			136,811		207,431
Unrestricted funds					
Designated funds			113,500		27,000
General funds			176,242		143,250
Total funds	9		<u>426,553</u>		<u>377,681</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 the 1 June 2015 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 2014

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 2014 £	Restricted Funds 2014 £	Total 2014 £	Total 2013 £
Donations	157,740	13,274	171,014	338,537
Legacies	141,863	-	141,863	254
Tax recoverable under Gift Aid	35,915	-	35,915	34,973
	<u>335,517</u>	<u>13,274</u>	<u>348,792</u>	<u>373,764</u>
3. EDUCATION AND AWARENESS OF GALAPAGOS	£	£	£	£
Galapagos Matters (bi-annual magazine) and Appeal literature	16,498	-	16,498	17,826
Galapagos Day lecture & education events	57,444	-	57,444	31,866
Promoting public education and awareness of Galapagos	18,319	-	18,319	8,869
Staff costs	81,244	-	81,244	76,533
Support costs	26,460	-	26,460	27,445
	<u>199,965</u>	<u>-</u>	<u>199,965</u>	<u>162,539</u>
4. GRANT MAKING TO GALAPAGOS	£	£	£	£
Grants payable to Galapagos:				
- Charles Darwin Foundation	58,910	143,183	202,093	165,363
- Support for individuals through the Calouste Gulbenkian Arts Fund	-	2,435	2,435	29,191
Staff costs	27,188	17,377	44,565	41,980
Support costs	15,016	-	15,016	15,576
	<u>101,114</u>	<u>162,995</u>	<u>264,109</u>	<u>252,110</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	2014 £	2013 £
<u>Unrestricted</u>		
Galapagos National Park Entry Data	18,465	11,106
Floreana Mockingbird Project	8,500	-
Invasive Species Philornis Project	2,920	-
Penguins & Cormorants	2,863	-
Sustainable Housing Project	1,564	-
Mangrove Finch Project	27,000	-
Philornis Downsi	-	10,023
Christina Georgii	-	371
Sundry other commitments no longer required	(2,402)	(2,885)
	<u>58,910</u>	<u>18,615</u>
<u>Restricted</u>		
Penguins and Cormorants	42,849	32,158
Fundraising support	289	5,881
Tortoise Reintroduction Programmes	2,582	27,000
Marine commitments	16,576	-
Marine commitment no longer required	-	(1,800)
Philornis Downsi	-	2,637
Finch Habitat Preservation and Songbirds	37,600	-
Calouste Gulbenkian Arts Project	2,435	29,191
CDF Shop and Visitor Experience	17,200	21,500
Sustainable Housing Project	5,794	-
Discovering Galapagos	20,293	20,843
Galapagos Co-Ordinator	-	26,361
Camera and Image Transmission	-	12,168
	<u>145,618</u>	<u>175,939</u>
Total grants committed	<u>204,528</u>	<u>194,554</u>
4.2 Reconciliation of grants payable	2014 £	2013 £
Commitments at 1 January 2014	27,357	45,881
Grants committed during the year	204,528	194,554
Grants paid during the year	(182,237)	(213,078)
Commitments at 31 December 2014	<u>49,648</u>	<u>27,357</u>
	£	£
Commitments falling due within one year (note 8)	<u>49,648</u>	<u>27,357</u>

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. RESOURCES EXPENDED

	Direct costs £	Staff costs £	Support costs £	Total 2014 £	Total 2013 £
Generating income	16,290	37,700	12,159	66,149	64,262
Fundraising events	18,654	11,691	3,575	33,920	56,856
Fundraising trading	3,084	5,396	2,144	10,624	10,422
Education & awareness	92,261	81,244	26,460	199,965	162,539
Grant making	204,528	44,565	15,016	264,109	252,110
Facilitating expertise for Galapagos	-	24,926	8,580	33,506	32,380
Governance	7,332	10,182	3,575	21,089	19,887
	<u>342,149</u>	<u>215,704</u>	<u>71,509</u>	<u>629,362</u>	<u>598,456</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	27,093	24,735
HR & recruitment	294	6,486
Depreciation of fixed assets	7,398	7,580
Premises costs	36,724	35,370
	<u>71,509</u>	<u>74,171</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:

	2014 £	2013 £
Auditors' remuneration:		
- for audit	6,900	6,900
- under/over from previous year	432	(313)
	<u>7,332</u>	<u>6,587</u>

5.1 Staff Costs

	£	£
Salaries and wages	196,072	174,143
Social security costs	19,632	17,798
Temporary staff and consultants	-	11,256
	<u>215,704</u>	<u>203,197</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 (2013: none).

No trustees (2013: 1) received reimbursement of expenses of £nil from the charity during the year (2013: £549).

One employee earned more than £60,000 during the year in the band £60,000 to £69,999 (2013: 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	6	5
	<u>7</u>	<u>6</u>

6. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Computer Equipment £	Total £
COST			
At 1 January 2014 and 31 December 2014	13,256	27,531	40,787
DEPRECIATION			
At 1 January 2014	8,091	21,323	29,414
Charge for the year	2,318	5,080	7,398
At 31 December 2014	10,409	26,403	36,812
NET BOOK VALUE			
At 31 December 2014	<u>2,847</u>	<u>1,128</u>	<u>3,975</u>
At 31 December 2013	<u>5,165</u>	<u>6,208</u>	<u>11,373</u>

7. DEBTORS

	2014 £	2013 £
Accrued income	283	8,283
Tax recoverable under Gift Aid	7,840	18,920
Other debtors and prepayments	3,698	2,603
	<u>11,821</u>	<u>29,806</u>

8. CREDITORS: Amounts falling due within one year

	£	£
Grants payable (see note 4.2)	49,648	27,357
Accrued expenditure	34,539	21,856
Deferred Income	16,000	-
Other creditors	-	50
	<u>100,187</u>	<u>49,260</u>

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. STATEMENT OF FUNDS	1 January 2014 £	Incoming resources £	Resources Expended £	Transfers £	31 December 2014 £
Restricted funds					
<u>Science</u>					
Habitat Restoration:					
- Penguins and Cormorants	9,645	33,204	(42,849)	-	-
- Fundraising support	2,119	-	(289)	-	1,830
- Tortoise reintroduction programmes	1,145	7,272	(7,294)	2,017	3,140
- Marine	14,894	8,086	(17,444)	-	5,536
- Finch preservation and Songbirds	-	50,872	(43,987)	-	6,885
<u>Culture</u>					
Calouste Gulbenkian Arts Project	5,110	-	(2,435)	(2,675)	-
CDF Shop and Visitor Experience	37,000	-	(17,200)	-	19,800
<u>Eco-Tourism and Sustainability:</u>					
- Capacity building in Galapagos	5,710	-	-	(5,710)	-
Sustainable Housing Project	-	5,795	(5,795)	-	-
<u>Education</u>					
Camera and Image Transmission:					
- Develop the proof of concept	74,350	1,529	-	(75,879)	-
Discovering Galapagos	57,458	87	(36,479)	78,554	99,620
	207,431	106,845	(173,772)	(3,693)	136,811
Unrestricted funds					
General Fund	143,250	571,389	(428,590)	(109,807)	176,242
Designated funds					
Finch Habitat	27,000	-	(27,000)	-	-
Education Fund	-	-	-	13,500	13,500
Galapagos Future Fund	-	-	-	100,000	100,000
	27,000	571,389	(455,590)	3,693	113,500
Total funds	377,681	678,234	(629,362)	-	426,553

Restricted Funds

Science: 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. Marine programmes focus on the whaleshark study programme and increasing an understanding of marine invasive species.

Culture: CDF Visitor Experience

The primary fund in this category is for the development of an interpretative visitor experience at the Charles Darwin Foundation. Due to on-going site development challenges expenditure against this fund is presently awaiting further progress.

Education: Camera and Image Transmission:

On recognition that the combination of technical complexity and connectivity constrains meant that this project was 'before its time' there was agreement from the donor to switch these restricted funds across to the education programme Discovering Galapagos.

Education: Discovering Galapagos:

Discovering Galapagos is GCT's flagship and award winning education programme found at www.discoveringgalapagos.org.uk. Already accessed in over 110 countries since launch in September 2014 there is an extensive programme of additional content and new modules for the coming years.

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. STATEMENT OF FUNDS (continued)

Designated Fund

Education Fund and Galapagos Future Fund:

With Galapagos facing ever increasing pressure from growing visitor numbers and the demands of a growing local population the need for supporting multi-faceted projects across the areas of science, education and culture is growing. The Education Fund and Galapagos Future Fund (GFF) have been set up to be a major fundraising platform in GCT's 20th anniversary year, with funds with the GFF being used to match third party donations.

10. ANALYSIS OF NET ASSETS BETWEEN TOTAL FUNDS

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2014 are represented by:			
Tangible fixed assets	3,975	-	3,975
Cash at bank and in hand	327,125	182,361	509,486
Other net current assets/(liabilities)	(41,358)	(45,550)	(86,908)
	<u>289,742</u>	<u>136,811</u>	<u>426,553</u>

11. OPERATING LEASE COMMITMENTS

At 31 December 2014 the charity had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2014	2013
	£	£
Expiry date:		
Due in less than one year	3,929	-
Between one and two years	-	34,871
Between two and five years	31,493	-
	<u>35,422</u>	<u>34,871</u>