

GALAPAGOS CONSERVATION TRUST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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 Paul James Corral – appointed 1 June 2015 Louise Davies Simon Dickson – appointed 1 June 2015 Michael Drake Gill Green – resigned 1 June 2015 Derek Humphries – appointed 1 June 2015 Roger Lawson Jonathan Lea – Honorary Treasurer Dr Rebecca Louise Nesbit – appointed 1 June 2015 Clare Preskett – resigned 7 December 2015 Ruth Ruderham Marta Tufet
Chief Executive Officer:	Ian Dunn – to June 2015 Sharon Johnson – from October 2015

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 Examiner:	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 2015.

The financial statement have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Trust Deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK published on 16 July 2014 and update bulletin 1.

1. **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 objectives are:

- 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 an estimated 225,000 in 2015 with more than half of these tourists staying in one of the inhabited towns. Over 30,000 people now live on the Islands. 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.

To ensure we achieve our stated aims and objectives we undertake a robust planning and review process which includes setting strategic objectives, developing an annual operational plan, and reviewing our achievements through our annual performance plan.

2. **ACHIEVEMENTS AND PERFORMANCE**

2015 was the 20th anniversary of GCT which provided an opportunity to profile the achievements to date and look forward to coming challenges and opportunities. Key activities that were undertaken in the year which contributed to the achievements of our aims and objectives included:

20th Anniversary Garden Party; Galapagos Day event: We held two key events, which attracted over 500 people and raised awareness of, and funds, for the conservation of the islands.

Galapagos Future Fund: This fund was launch in 2015, which raised over £30k for Galapagos projects and is matched by designated funds to support the future sustainability of the islands.

Science programmes: we continued our support for on-going multi-year scientific projects to contribute to the successful management of the islands.

- **Research into giant tortoises:** In 2015 the project, working with Dr Steve Blake of the Max Planck Institute for Ornithology, continued to monitor the movements of over 60 juvenile, sub-adult and adult tortoises from four species on three different islands: Santa Cruz, Espanola and Isabela. Local outreach work continued and is supported through our Discovering Galapagos programme.
- **Critically endangered mangrove finch:** This finch (*Camarhynchus heliobates*) continues to suffer low nesting success due to the parasitism of nestlings by the introduced parasitic fly *Philornis downsi* which causes extremely high mortality especially in the early months of the breeding season. Working with the Charles Darwin Foundation, eight mangrove finch fledglings were successfully reared in captivity and were releases back in to the wild, boosting the population, which at the end of 2015 was estimated to be between 80-100 individuals. A workshop "Conservation planning for the critically endangered mangrove finch 2016 - 2020" took place in Puerto Ayora from the 15 – 18 September 2015 to develop a longer term management plan for the conservation of the species.

GALAPAGOS CONSERVATION TRUST

REPORT OF THE TRUSTEES

2. ACHIEVEMENTS AND PERFORMANCE – continued

- **The threatened penguins and cormorants:** Three monitoring surveys were undertaken in 2015, in March, July and September. During the surveys population counts are undertaken, and feather and tissue samples are taken to test for heavy metals and marine pollution. Comparing the data from these surveys showed the populations of both species to be relatively stable. A penguin appeal was launched in November 2015 to raise additional funds for the 2015 and 2016 seasons, particularly with the arrival of El Nino in late 2015.
- **Whale sharks:** 15 sharks that were new to the global database were identified through photos. A whale shark that was recorded as pregnant in 2011 was found again in 2015 and was pregnant again, the first indication of whale shark reproductive frequency. 12 taggings were carried out, with one shark still carrying the tag in December 2015, recorded off the coast of Peru, the furthest south that any of the projects sharks have given data.
- **Bullhead sharks:** A new citizen science project was launched in 2015, the Galapagos Bullhead Shark Project. Spanning three years, the project will uncover the mysteries of this shark which has been forgotten from science since its discovery 175 years ago. The project is using research cruises, dive surveys and citizen science to find out how many bullhead sharks there are in the Galapagos Marine Reserve, where they breed and feed, what threats they face, and how they can be protected. The first research cruise was undertaken in October 2015, with local volunteers and Ecuadorian researchers participating in the sampling and data collection. The first Shark Day was held on San Cristobal in November 2015 to share the finding of the project with the local community.

Education: we continued to develop our educational programme.

- **Discovering Galapagos:** 2015 saw the continued improvement and addition of content to the Discovering Galapagos sites (available in both English and Spanish) which were launched in September 2014. In April 2015, the DG.ORG.UK site received the Highly Commended award in the Geographical Association's Publishing category. Throughout 2015, the project has been developing partnerships including the Galapagos Education Partnership (a multi-institutional group headed up by Dr Steve Blake of the Galapagos Tortoise Movement Ecology Programme) to deliver the resource via international and local student volunteers. During 2015 the DG.ORG.UK site saw over 25,000 sessions, and the DG.EC had over 20,000 sessions.

Partnership diversification: We continued to work with a broader range of partners both in Galapagos and across the UK where we are the primary source of information in the UK on Galapagos issues.

3. FINANCIAL REVIEW

Overall income for the charity was £478,678 compared to £678,234 in 2014, a reduction of £199,556 but we maintained funding of key multiyear science programmes.

The most significant decrease was in donations and legacies which fell from £348,792 in 2014 to £210,412 in 2015. This was due to income two large legacies received in 2014 not being replaced by other income in 2015. In addition, there was a change of leadership, with our new CEO not starting until end of September 2015, and some major donors waiting until the new financial year (2016) before planning their future giving.

Expenditure was reduced by 13% from £629,362 in 2014 to £540,447.

The Charity ended the year with a deficit of £61,769 (2014: surplus £48,872).

Reserves

GCT holds unrestricted reserves in order to:

- Mitigate against unexpected reductions in income
- Provide working capital
- Allow for operational deficits when future planning
- Assist with cash flow
- Allow for future expansion

In setting the Reserve Policy of the Galapagos Conservation Trust, the Trustees examined the needs and challenges faced by the organisation. In 2016 the Trustees agreed a policy of holding unrestricted reserves of between £130k and £160k. This is consistent with three months operating costs of the charity, with the costs associated with retaining the six month lease contract for office premises and being able to meet our grant commitments in Galapagos.

At the end of 2015 GCT's unrestricted general funds stood at £156,916 (2014: £176,242). An amount of £65,000 was designated for the Galapagos Future Fund (2014 total designated fund: £113,500). Restricted funds stood at £142,888 (2014: £136,811).

GALAPAGOS CONSERVATION TRUST

REPORT OF THE TRUSTEES

Risk Management

A part of the annual planning process, the trustees and CEO identify the major risks (financial, operational, governance/compliance and external risks) facing the Charity over the coming year.

Each risk is assessed according to the likelihood, and potential impact, and systems and procedures are agreed to manage those risks which are implemented by the CEO and staff. One of the main risks is the aspect of ongoing economic uncertainty in fundraising. To mitigate this, the Board has been strengthened to include two new Trustees with fundraising experience; we are also diversifying our sources of income and the organisation continues to remain prudent with expenditure. The other principle risk relates to ensuring the effectiveness of our support to science and conservation partners in Galapagos. We have enhanced our grant procedures with new partnership agreements and we continue to diversify our partnerships. We have further strengthened the Board by recruiting an additional Trustee with programme monitoring and evaluation expertise.

4. PLANS FOR THE FUTURE

2016 will be an exciting year for GCT. We plan to:

- Increase our fundraising with a view to securing income of £630k.
- Develop an extended Strategy for Education, building upon the success of our Discovering Galapagos programme.
- Continue to contribute to successful management of the islands through supporting the giant tortoise research, the critically endangered mangrove finch, the threatened penguins and cormorants; and better understanding the life cycle of the whale shark and the bullhead shark.
- Continue to diversify our partnerships.
- Continue to raise awareness and funds through events such as our Garden Party and flagship Galapagos Day.
- Continue to raise funds to support sustainable development in Galapagos through our Galapagos Future Fund.
- Develop a new 3 year strategic plan to shape our strategic direction going forward.

5. STRUCTURE, GOVERNANCE AND MANAGEMENT

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 on 1 June 2015: Derek Humphries, Simon Dickson Paul Corral, and Rebecca Nesbit; and two trustees stepped down, Gill Green and Clare Preskett.

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, 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 are delegated to the Chief Executive.

GALAPAGOS CONSERVATION TRUST

REPORT OF THE TRUSTEES

5. STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Trustee recruitment and induction

The Board keeps the skill requirements for the Trustee Body under review and in the event that a Trustee 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. All new potential Trustees are interviewed, and if provisionally accepted, they are 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 information about the charity including our strategy, business plan and financial performance.

Associated Activity

The Galapagos Conservation Trust holds a voting position on the General Assembly of the Charles Darwin Foundation, a Belgian registered not for profit organisation with operations in Galapagos.

Staff

2016 saw a change in leadership for the Trust. Ian Dunn who had served for 3 years left in June. Jen Jones, Deputy CEO and Projects Manager stood in as interim CEO, until Sharon Johnson joined in October. Sharon joined from the international environmental charity Trees for Cities, which she led as its CEO for 5 years. She has extensive experience in fundraising and marketing, and spent many years working on conservation projects globally. She is excited to lead GCT as the Trust embarks on its next 20 years, and is developing a new 3 year strategic plan to shape the Trust's direction going forward.

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 2015 included: fundraising in small charities, project management, charity writing and communications, thinking strategically, and volunteer management.

Key Management Personnel

The Key management personnel of the charitable company are the trustees, the Chief Executive and the Deputy Chief Executive. All trustees give their time freely and no trustee received remuneration in the year. Details of expenses reimbursed to trustees are disclosed in note 13. There are no related party transactions.

The pay of the senior staff is reviewed annually in December by the Operations Committee and the Chair, following an annual appraisal, which takes place in September each year.

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. Support was provided in a variety of ways, including:

- Stuffing thousands of appeal and membership letters
- 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
- Translations for the Spanish-language Descubriendo Galapagos site
- Delivery in schools of educational material
- Communications support, particularly for social media content
- Legal framework research around conservation in Galapagos

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.

By Order of the Board

Dr Mark Collins
Chairman

Jonathan Lea
Treasurer

Date:

GALAPAGOS CONSERVATION TRUST

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS

I report on the accounts of the Galapagos Conservation Trust for the year ended 31 December 2015 set out on pages 9 to 22.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required.

Having satisfied myself that the charity is not subject to an audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared the accounts (financial statements) in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

We understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effect for reporting periods beginning on or after 1 January 2015.

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with Section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Acthave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

M A Wilkes (FCA)
For and on behalf of Wilkins Kennedy LLP,
Bridge House
London Bridge
London SE1 9QR

Date:

GALAPAGOS CONSERVATION TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Income:					
Donations and legacies	2	125,390	85,022	210,412	348,792
Charitable activities	3	117,363	-	117,363	130,686
Other trading activities	4	109,776	39,859	149,635	197,409
Investment income	5	1,268	-	1,268	1,347
Total income		353,797	124,881	478,678	678,234
Expenditure:					
Raising funds	6	113,229	3,734	116,963	121,238
Charitable activities	7	308,394	115,090	423,484	508,124
Total expenditure	9	421,623	118,824	540,447	629,362
Net movement in funds		(67,826)	6,057	(61,769)	48,872
Reconciliation of funds:					
Total funds brought forward		289,742	136,811	426,553	377,681
Total funds carried forward	20	221,916	142,868	364,784	426,553

All income and expenditure derive from continuing activities.

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

GALAPAGOS CONSERVATION TRUST

BALANCE SHEET

COMPANY NUMBER: 03004112

AS AT 31 DECEMBER 2015

	Notes	2015		2014	
		£	£	£	£
Fixed assets					
Tangible fixed assets	15		760		3,975
Current assets					
Stock		-		1,458	
Debtors	16	22,100		11,821	
Cash and bank		419,467		509,486	
		<u>441,567</u>		<u>522,765</u>	
Creditors: Amounts falling due within one year	17	<u>(77,543)</u>		<u>(100,187)</u>	
Net current assets			364,024		422,578
Net assets			<u>364,784</u>		<u>426,553</u>
Restricted funds	18		142,868		136,811
Unrestricted funds					
Designated funds	19		65,000		113,500
General funds			156,916		176,242
Total funds	20		<u>364,784</u>		<u>426,553</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2015.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2015 in accordance with Section 476 of the Companies Act 2006.

The Trustees acknowledge their responsibilities for:

The Trustees acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Board on the

and signed on its behalf by:

Dr Mark Collins
Chairman

Jonathan Lea
Treasurer

The notes on pages 11 to 21 form part of these financial statements.

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

(a) General information and basis of preparation

The Galapagos Conservation Trust is a company limited by guarantee in the United Kingdom. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are set out on page 3.

The charitable company constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. There were no restatements to note.

(c) Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(d) Funds

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.

(e) Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

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 is charged is recognised as unrestricted income.

Subscription income is accounted for at the time of receipt.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES - continued

(f) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes costs of generating voluntary income, fundraising events and fundraising trading;
- Expenditure on charitable activities includes education and awareness of Galapagos, grant making to Galapagos and facilitating expertise for Galapagos.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

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.

Staff costs are allocated between cost headings according to the function of each employee.

(g) Allocation of support and governance costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include governance costs, administrative office function costs, depreciation, HR and recruitment, and premises costs. They are incurred directly in support of expenditure on the objects of the charitable company.

Governance costs comprise all costs involving the public accountability of the Trust and its compliance with regulation and good practice. These costs include costs related to the independent examination, statutory audit and legal fees.

Support and Governance costs have been allocated across the charitable activities using various percentage allocations.

(h) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset on a straight line basis over the asset's estimated useful lives as follows:

Fixtures and fittings	25% - straight line
Computer equipment	33% - straight line

(i) Stocks

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

(j) Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Accrued income is measured at the amount due to be received.

(k) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES - continued

(l) Creditors and provisions

Creditors are recognised where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Other creditors and accruals are recognised at their settlement amount due.

(m) Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(n) 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.

(o) Foreign currency

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.

(p) Tax

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.

(q) Judgements and key sources of estimation uncertainty

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 15 for the carrying amount of the fixtures and equipment and computer equipment, and note (1h) for the useful economic lives for each class of assets.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

2. DONATIONS AND LEGACIES

	Unrestricted 2015 £	Restricted 2015 £	Total 2015 £	Total 2014 £
Donations	57,507	85,022	142,529	171,014
Legacies	32,006	-	32,006	141,863
Tax recoverable under Gift Aid	35,877	-	35,877	35,915
	<u>125,390</u>	<u>85,022</u>	<u>210,412</u>	<u>348,792</u>

In 2014, £335,518 of donations and legacies income was attributable to unrestricted funds and £13,274 was attributable to unrestricted funds.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted 2015 £	Restricted 2015 £	Total 2015 £	Total 2014 £
Subscriptions	116,008	-	116,008	128,861
Corporate sponsorship	1,355	-	1,355	1,825
	<u>117,363</u>	<u>-</u>	<u>117,363</u>	<u>130,686</u>

In 2014 all of the income from charitable activities was attributable to unrestricted funds.

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted 2015 £	Restricted 2015 £	Total 2015 £	Total 2014 £
Fundraising events	66,867	-	66,867	82,558
Appeals and raffles	37,044	39,859	76,903	108,892
Fundraising trading	5,865	-	5,865	5,959
	<u>109,776</u>	<u>39,859</u>	<u>149,635</u>	<u>197,409</u>

In 2014, £103,838 of income from other trading activities was attributable to unrestricted funds and £93,571 was attributable to funds.

5. INVESTMENT INCOME

	Unrestricted 2015 £	Restricted 2015 £	Total 2015 £	Total 2014 £
Bank interest	1,268	-	1,268	1,347
	<u>1,268</u>	<u>-</u>	<u>1,268</u>	<u>1,347</u>

In 2014, all £1,347 of the investment income was attributable to unrestricted funds.

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

6. RAISING FUNDS

	Unrestricted 2015 £	Restricted 2015 £	Total 2015 £	Total 2014 £
Costs of generating voluntary income	68,662	-	68,662	69,664
Fundraising events	30,849	3,734	34,583	37,435
Fundraising trading	13,718	-	13,718	14,139
	<u>113,229</u>	<u>3,734</u>	<u>116,963</u>	<u>121,238</u>

In 2014 £110,461 of the expenditure in relation to raising funds was attributable to the unrestricted fund, and the remaining £10,777 was attributable to the unrestricted fund.

7. CHARITABLE ACTIVITIES

	Unrestricted 2015 £	Restricted 2015 £	Total 2015 £	Total 2014 £
Education and awareness of Galapagos	183,472	-	183,472	203,480
Grant making to Galapagos (note 8)	88,303	115,090	203,393	267,624
Facilitating expertise for Galapagos	36,619	-	36,619	37,020
	<u>308,394</u>	<u>115,090</u>	<u>423,484</u>	<u>508,124</u>

In 2014 £345,129 of the expenditure in relation to charitable activities was attributable to the unrestricted fund, with the remaining £162,995 being attributable to the restricted fund.

8. GRANTS

8.1 Grant making to Galapagos

	2015 £	2014 £
Total grants committed (note 8.2)	140,520	204,528
Staff costs	42,789	44,565
Support costs	20,084	18,531
	<u>203,393</u>	<u>267,624</u>

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

8. GRANTS - continued

8.2 Analysis of grants committed during the year	2015	2014
	£	£
<u>Unrestricted</u>		
Galapagos National Park Entry Data	18,140	18,465
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
Galapagos Symposium	1,296	-
Marine Iguanas & Feral Cats	2,804	-
GFF Fund	17,264	-
Sundry other commitments no longer required	-	(2,402)
	<u>39,504</u>	<u>58,910</u>
<u>Restricted</u>		
Penguins and Cormorants	16,120	42,849
Fundraising support	-	289
Tortoise Reintroduction Programmes	51,227	2,582
Marine commitments	15,536	16,576
Finch Habitat Preservation and Songbirds	-	37,600
Calouste Gulbenkian Arts Project	-	2,435
CDF Shop and Visitor Experience	-	17,200
Sustainable Housing Project	-	5,794
Discovering Galapagos	18,133	20,293
	<u>101,016</u>	<u>145,618</u>
Total grants committed	<u>140,520</u>	<u>204,528</u>

At 31 December 2014 grants totalling £49,648 were committed. Of this amount, £33,000 related to Finch Habitat Preservation and Songbirds and £8,500 to Floreana Mockingbird Project. £31,786 of grants are committed to at 31 December 2015.

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

8.3 Reconciliation of grants payable	2015	2014
	£	£
Commitments at 1 January 2015	49,648	27,357
Grants committed during the year	140,520	204,528
Grants paid during the year	(158,382)	(182,237)
	<u>31,786</u>	<u>49,648</u>
Commitments at 31 December 2015	<u>31,786</u>	<u>49,648</u>
	£	£
Commitments falling due within one year (note 16)	<u>31,786</u>	<u>49,648</u>

9. ANALYSIS OF EXPENDITURE

	Direct Charitable £	Support costs £	Total 2015 £	Total 2014 £
Raising Funds:		(Note 10)		
Generating income	51,862	16,800	68,662	69,663
Fundraising events	27,650	6,934	34,584	37,435
Fundraising trading	8,429	5,288	13,717	14,139
Charitable Activities:				
Education & awareness	150,234	33,237	183,471	203,480
Grant making	183,310	20,084	203,394	267,624
Facilitating expertise for Galapagos	23,933	12,686	36,619	37,021
	<u>445,418</u>	<u>95,029</u>	<u>540,447</u>	<u>629,362</u>

10. SUPPORT COSTS	2015	2014
	£	£
Governance costs (note 11)	12,834	17,514
Administrative office function	22,315	27,093
Depreciation	3,215	7,398
HR & Recruitment	15,042	294
Premises costs	41,623	36,724
	<u>95,029</u>	<u>89,023</u>

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

11. GOVERNANCE COSTS	2015	2014
	£	£
Independent examination fee/ audit fee	3,058	7,332
Staff costs	9,776	10,182
	<u>12,834</u>	<u>17,514</u>

12. SUMMARY ANALYSIS OF EXPENDITURE AND RELATED INCOME FOR CHARITABLE ACTIVITIES

	Education and Awareness of Galapagos £	Grant making to Galapagos £	Facilitating expertise for Galapagos £	Total £
Costs	(183,472)	(203,393)	(36,619)	(423,484)
Subscriptions	116,008	-	-	116,008
Restricted Donations, Appeals & Raffles	1,355	115,090	-	116,445
	<u>(66,109)</u>	<u>(88,303)</u>	<u>(36,619)</u>	<u>(191,031)</u>

13. NET INCOME/ (EXPENDITURE) FOR THE YEAR	2015	2014
	£	£
This is stated after charging:		
Depreciation	3,215	7,398
Auditor's remuneration:		
Independent examination fee	3,058	-
Audit fee	-	7,332
Operating lease costs	40,793	35,898
	<u>40,793</u>	<u>35,898</u>

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

14.	ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL	2015 £	2014 £
	Salaries and wages	188,246	196,072
	Social security costs	18,324	19,632
	Pension costs	541	-
		<u>207,111</u>	<u>215,704</u>
	The average number of full-time equivalent employees:		
	Generating funds	2	1
	Charitable activities	5	6
		<u>7</u>	<u>7</u>

Employee time has been allocated to direct costs allocated on a percentage basis over all the costs.

One employee received annualised remuneration in the band £60,000 to £69,999 (2014: one employee £60,000 to £69,999).

During 2015, no trustees (2014: £Nil) were paid or received any other benefits from employment with the charitable company.

Two trustees (2014: none) were reimbursed for travel and meeting expenses amounting to £100 (2014: £Nil).

The key management of the charitable company comprise the trustees, the Chief Executive Officer and the deputy Chief Executive Officer. The Trustees do not receive any remuneration for this role.

The total employee benefits of the key management personnel of the charitable company were £85,170 (2014: £97,567).

15.	TANGIBLE FIXED ASSETS	Fixtures and Fittings £	Computer Equipment £	Total £
	Cost			
	At 1 January 2015 and 31 December 2015	13,256	27,531	40,787
	Depreciation			
	At 1 January 2015	10,409	26,403	36,812
	Charge for the year	2,318	897	3,215
	At 31 December 2015	<u>12,727</u>	<u>27,300</u>	<u>40,027</u>
	Net Book Value			
	At 31 December 2015	<u>529</u>	<u>231</u>	<u>760</u>
	At 31 December 2014	<u>2,847</u>	<u>1,128</u>	<u>3,975</u>

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

16. DEBTORS		2015	2014		
		£	£		
Accrued income		1,376	283		
Tax recoverable under Gift Aid		10,088	7,840		
Other debtors and prepayments		10,636	3,698		
		<u>22,100</u>	<u>11,821</u>		
17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		2015	2014		
		£	£		
Grants payable (see note 8)		31,786	49,648		
Accrued expenditure		30,925	34,539		
Deferred income		14,832	16,000		
		<u>77,543</u>	<u>100,187</u>		
18. RESTRICTED FUNDS		1 January 2015	Incoming resources	Resources Expended	31 December 2015
		£	£	£	£
Restricted funds					
<u>Science</u>					
Habitat Restoration:					
-	Penguins and Cormorants fundraising support	1,830	29,301	(19,854)	11,277
-	Tortoise reintroduction programmes	3,140	69,548	(51,226)	21,462
-	Marine	5,536	10,000	(15,536)	-
-	Finch preservation and Songbirds	6,885	4,165	-	11,050
<u>Culture</u>					
	CDF Shop and Visitor Experience	19,800	-	-	19,800
<u>Education</u>					
	Discovering Galapagos	99,620	11,867	(32,208)	79,279
		<u>136,811</u>	<u>124,881</u>	<u>(118,824)</u>	<u>142,868</u>

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

19. DESIGNATED FUNDS	1 January 2015 £	New Designation £	Designations Released £	31 December 2015 £
Designated funds				
Education Fund	13,500	-	(13,500)	-
Galapagos Future Fund	100,000	-	(35,000)	65,000
	<u>113,500</u>	<u>-</u>	<u>48,500</u>	<u>65,000</u>

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: 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 2015 there is an extensive programme of additional content and new modules for the coming years.

Designated Fund

The Galapagos Future Fund (GFF) was set up in 2015 in GCT's 20th anniversary year as a fundraising platform. Funds raised through the GFF in the year were matched by third party donations. £65k has now been designated into this fund to support the future conservation of the Islands which face ever increasing pressure from growing visitor numbers and the demands of a growing local population.

20. ANALYSIS OF NET ASSETS BETWEEN TOTAL FUNDS

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2015 are represented by:			
Tangible fixed assets	760	-	760
Cash at bank and in hand	248,653	170,814	419,467
Other net current assets/(liabilities)	(27,497)	(27,946)	(55,443)
	<u>221,916</u>	<u>142,868</u>	<u>364,784</u>

GALAPAGOS CONSERVATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

21. OPERATING LEASE COMMITMENTS

The charity had total commitments under an operating lease as follows:

	Land and buildings	
	2015	2014
	£	£
Expiry date:		
Within one year	41,143	38,992
Between one and five years	50,075	91,217
	<u> </u>	<u> </u>

Galapagos Conservation Trust can terminate the lease agreement at any time giving the landlord six months' notice in writing.

At 31 December 2015 the charity had annual commitments under an operating leases as follows:

	Land and buildings	
	2015	2014
	£	£
Expiry date:		
Within one year	-	5,904
Between one and five years	41,143	33,088
	<u> </u>	<u> </u>

Our office premises is owned by the Royal Society for Public Health. RSPH is an independent, multi-disciplinary charity dedicated to the improvement of the public's health and wellbeing and supporting communities. They only rent their premises to charities.